

Investing in Regions: Making a Difference
Report Launch

Professor John Daley, Grattan Institute

2 June 2011

Transcript

Hosted by the Committee for Ballarat

In the Federal Budget, the Commonwealth announced \$4.3 billion worth of programs for regional Australia, much of it designed to “unlock the economic potential of our regions”. But is the Federal Government spending its money wisely? Is it getting bang for the taxpayer buck by recognising the fast-changing realities of regional Australia? A new Grattan Institute report, *Investing in regions: Making a difference*, shows that Australia’s “patchwork economy” — in which some regions are both booming and others are going backwards — is becoming more pronounced. This has profound implications for government policy to promote economic growth and the opportunities of its regional citizens, many of whom risk missing out on basic services.

Grattan Institute partnered with the Committee for Ballarat — one of Australia’s fast-growing regions — to launch its latest report, *Investing in regions: Making a difference*.

Speakers: **Professor John Daley, Grattan Institute**

Host and Moderator: **Doug Lloyd, CEO, Committee for Ballarat**

AUDIO: This is a podcast from Grattan Institute, www.grattan.edu.au.

DOUG: It’s my proud duty to start the process of hosting the launch of Grattan Institute’s *Investing in Regions* report, a collaborative venture between Committee for Ballarat and the Grattan Institute. So I’d like to start by acknowledging the Wathaurong as the traditional custodians of the land on which we’re meeting and pay my respects to their Elders past and present. And I’d like to welcome you all here to what clearly is, in our view, a stunning representation of Ballarat’s heritage, Craig’s Royal Hotel, and a way in which Ballarat is really proud to cherish the heritage and to make it productive for us. And so this is an example of what we experience in our working lives and in our private lives and I hope for those of you who have come from a distance, and maybe those of you who get to see it a bit more remotely, you’ll want to come back and sample.

Committee for Ballarat has got a virtual cool and then a warm and now a warmer relationship with Grattan Institute. Some two and a half years ago we had the fellow who now directs their program unit around economy and economic development, Saul Eslake, commissioned to be a keynote speaker at one of our round table dinners about two and a half years ago, and relatively late, Saul said I’m sorry I can’t do it, I’m leaving my previous employer and taking up a new one and he was to take up the Grattan Institute program director role. And we thought oh, blow. And there are other words that were around, but I said oh blow. So that was the virtual cool bit because we weren’t holding grudges against Grattan and it’s lovely to see Saul do wonderful things with Grattan and to put the Institute and those economic questions on the map for us. And then the relationship warmed enormously when we had Jane-Frances Kelly who was the, relatively then, recently appointed Director of the Grattan Cities Program come and give a keynote address some 12 months later than we’d planned for Saul to be here. And that was a great experience both for us and I think for Jane because she was staying in a splendid room here at Craig’s Royal Hotel and we understand that there’s a bit of a myth circulating around Grattan for that. And now a warmer relationship because we’ve been able to co-launch this *Investing in Regions* report.

So, it’s my great pleasure to introduce John Daley who’s the CEO of Grattan Institute and one of the authors of the report, and Annette who’s the co-author. And Annette, I’d just like you to identify yourself if you wouldn’t mind because at least in drinks and maybe in questions, come on, you need to stand up because ... because at least afterwards in drinks you’re not going to be going up saying to someone, now are you the Annette who’s the author or not? So she’s embarrassed and I didn’t mean to embarrass her, but ... and now to welcome, to offer us some thoughts first on the key messages in *Investing in Regions* for us, and then to spend a little bit more time on that question of so what are the issues that have come out since the media release of this report 10 days ago now, the issues that have come out from a range of sources,

the good news and the news that's been, we need to know a bit more about this. So please join me in welcoming Professor John Daley. Thank you John.

JOHN: Well thank you very much and can I start by thanking the Committee for Ballarat for your part in making this evening's event happen. Obviously this is a report about the regions and for that reason we thought it's a bit silly to be launching it in Melbourne, and a lot more appropriate to be launching it somewhere here. I will confess this is not the first time I've visited Ballarat, it is one of my favourite places in Victoria. It's an extraordinary city with an extraordinary heritage and as Doug mentioned, it's fantastic to see that heritage being used and living rather than just being a museum piece. So it's a great privilege to be here. I'd also like to thank Annette Lancey, as Doug mentioned, my co-author. She has put an enormous amount of work into this piece. I think it's a piece that I'm certainly very proud to be associated with and that's mainly because Annette put in so much hard work to make it as good as it is. So, thank you very much, Annette.

And I'd like to thank all of you because I think this is an important issue and as I'll mention later as we start talking about some of the responses to the report, it's clearly touched a nerve and it's clearly raised a number of issues that I suspect we haven't been talking about as much as we should as a country. So, if I can start by talking briefly about what we did say in the report. For those of you who've read it, this may be a bit of a recap. For those who haven't, this is your quick revision chance, but the full report which looks like this is available on the web and you can download it for free, and I gather there's somebody who owns a printing business here in Ballarat who'll be happy to sell you a printer that you can print it with if you need to.

So, what did we say? Firstly, we did an analysis of just the patterns that have existed in Australia for quite some time around regional growth rates, particularly around population growth, and we found a very clear pattern that was repeated in all of the larger states of Australia in terms of those growth rates. Essentially the cities, what we call the satellite cities in a ring around the big capitals, and that ring is about 150 kilometres wide, sorry, 150 kilometres in radius, those cities are growing very fast. And obviously Ballarat is actually an extremely good example, a prime example of that kind of phenomenon, a city within 150 kilometres of a major capital city like Melbourne, and growing, at least in population terms, quite fast. Growing faster than the Australian average, actually growing about the same, slightly faster than Melbourne and obviously growing much faster than other places in the country.

Then we identified a group of cities down the coast more than 150 kilometres from a capital city, also growing quite fast, and again, by and large, faster than their capital city. And then there was a series of inland regional cities, by and large growing much more slowly. Those were the basic patterns that we found. We weren't wildly surprised. If you look at the economics literature of today, one of the growing fields is agglomeration economics which charts this pattern around the world of the way that our cities around the world and the areas close to those cities are tending to grow quite quickly and by and large, more quickly than the areas more remote from those aggregations of population.

And so the major drivers of these kind of patterns are fundamentally economic. It's not about what governments are doing or not doing, the major drivers are essentially the way that businesses will by and large make more money if they locate themselves near or at least within spitting distance of other businesses because even in this internet-based age, there is a huge importance in meeting your customers and suppliers face to face every so often, even if many of your other interactions are over the phone or the web or whatever, human contact is still very important. And that we think is one of the explanations behind this satellite phenomenon. It's often cheaper for a business to be based in somewhere like Ballarat, out of a major city, but at the same time it's close enough to go and visit a customer or a supplier when you need to.

The other major drivers of what's going on in Australia obviously are retirement, sea changes, people who would like to live near the coast because basically it's a more pleasant environment to live in, as well as the growth of mining. And of course in a funny way that's disproportionately near the coast in Australia because one of the major things that grows when you build a mine is not just the mine itself but the port. It's interesting when you talk to BHP about their business model, they say that their business is digging things up and putting them on ships. The business

of getting the minerals onto the ships through a port is a core part of what they have to do. And so we're seeing a huge growth in that in Australia as part of the mining boom.

So, that's where we started in terms of just observing the patterns. Then we asked, okay, what can government do to change this? And we looked at a wide variety of government programs that had as their explicit aim, trying to change the economic growth rate and the population growth rate particularly of the more slowly growing areas. And you can look at a wide variety of schemes and the way that they are usually articulated is the purpose of this scheme is to promote economic growth in such and such a region. And we looked at schemes that were designed to promote job growth, so essentially encouraging particular firms to come and set up in particular regions. As a subset of that, there's a series of schemes that look like that when a major employer such as some of the car plants in South Australia shuts down. And we came to the conclusion that number one, those programs are very, very badly measured. By and large they are set up without any attempt to measure the results properly and to the extent that we could get evidence about them, it appears that they weren't actually doing that much to change employment rates that would have existed anyway.

We looked at schemes to decentralise government departments and of course Ballarat has been part of that in terms of the State Revenue Office moving. But rapidly came to the conclusion that those things do no change, by and large, economic growth rates of the recipient region, if you like, that much. And if you think about the State Revenue Office, it's 200 people. That's not immaterial but in the scheme of Ballarat, it's about half a per cent of the working population of Ballarat. That's terrific for one year, but it's not going to change the economic growth rate of Ballarat materially in the long run. And that, relatively speaking, was quite a big move of people. The only move of government departments we could find that was material in terms of really driving economic growth that continued for a long time anywhere in the country of course is Canberra, and we're not entirely sure that that's a great experiment we should repeat, and of course all Melbournians consider that that was a very grave mistake in 1927 and it's all been downhill since then.

We looked perhaps most controversially, certainly in terms of the way the report has been received, at regional universities, because the claim that is often made for these universities, particularly when they're set up, is that these universities will result in their particular town in which the university is located growing substantially faster. That's the claim that is routinely made, that they will have a couple of effects. Firstly, they will result in more people from that town going to university, they will result in more people who grow up in that town staying in that town after they've been in university, and they will result in more businesses growing up in that town because the university kind of provides a whole bunch of innovation that then feeds the local businesses. And what we did was try and test those claims by looking at towns in Australia of similar sizes, some of course which do have regional universities, and some which don't, and comparing what had happened. And what we found was that the number of students who go to university, certainly from school leavers, seems to be the same, pretty much, whether or not there is a regional ... local, regional university. Those are the numbers. What we did was we looked at the census, the census meant that we could look at every single person who was aged 17 in 2001, we could figure out where they lived in 2001 because they answered a question about where they lived in 2001, and then because we were looking at the 2006 census, we could also see in 2006 did they have a degree. And what we found was basically for a city of given size, you got pretty much the same number of people going to university whether or not there was a regional university in that town.

We did the same thing in terms of looking at people ... whether those people in 2006 still lived where they'd grown up, in other words, whether the university had meant that they stayed where they were. Because of course the counter-factual is if Ballarat didn't have a university, maybe students would go to Melbourne, they'd study at one of the Melbourne universities and then they'd come back to Ballarat because it's such a great place to be. And indeed, when you look at the numbers of the 2006 census, that is what you see, certainly in terms of this very localised effect. I'll come back and talk about a little bit of commentary that's been around that analysis, but that's what we found. And similarly if you look at economic growth rates, you discover that if anything, regional towns of ... in fact regional towns in general that have a university in fact have slower private sector growth rates than towns that do have a university.

Those are the numbers. And I guess one of the things that we've been very strong on at Grattan Institute is don't take anyone's word for it, don't take an assertion as a truth, actually go and get the numbers and find out if it's true. So, that's what we found there.

We also looked at attempts to develop economies, local economies through large scale infrastructure. And here again, Ballarat's an interesting example because of course we've had the substantial upgrades to the highway from Melbourne to Ballarat, and also the substantial upgrades to the train links. And indeed, since those links have gone in, Ballarat has started to grow significantly faster in population terms, as has Bendigo, as has the La Trobe Valley, as has Geelong, all recipients of the same significant infrastructure program in Victoria. But here's the interesting thing. That shift in growth rates is about the same as the shift in the overall Victorian growth rate, which is essentially driven by the fact that the Australian government started basically encouraging a lot more people to migrate to Australia. So it's not at all clear that investment in infrastructure to Ballarat has in fact been the major driver of Ballarat's sudden ... the significant increase in growth over the last five years. Those are the numbers. I was frankly surprised about that, but yes, absolutely, the Ballarat growth rate goes up but, as I said, so does the rest of Victoria at about the same time, and it certainly looks like the major driver of all of that was a shift in migration policy.

And then we also looked at small scale infrastructure. There's certainly a claim that if you invest lots of money in the local roads, that will make the economy much more productive. Again, we were able to do some analysis on that, suggesting that the evidence for it is not particularly obvious. You can show it has a small run impact on economic growth essentially because it results in lots more people being employed in the local area building the road, but once the road's been built, that impact seems to disappear. So that's what we found.

As is always the case with a piece of work like this, some people have had some very useful and very interesting things to say about it. I'd suggest perhaps most interestingly in the university area it's, as I said, it was a surprising result for us, it's not what we'd expected to find. I'm a big believer that if you improve human capital in the long run that will improve productivity. But it doesn't seem to work in this highly localised way. And one of the criticisms that's been made is, well, you didn't look at a wide enough catchment. So if I can pick two Victorian towns, 'cause that's where we are. The argument is essentially although Ballarat doesn't wind up with more students going to university than say Mildura, because Ballarat's got a campus and Mildura doesn't, nevertheless it results in more people from the area around Ballarat going to university relative to the area around Mildura. My response to that is well it doesn't have an impact on the kids who grow up in Ballarat, seems a little implausible that it has an impact on all the kids who kind of aren't in Ballarat but are kind of around Ballarat.

Then there's another response which is essentially that what you're miss ... what Grattan Institute missed was that although it doesn't have an impact on Ballarat or necessarily the students immediately around Ballarat, it has an impact on regional students generally. If we have regional universities, they wind up serving regional students from all around the state or potentially the country, but I suspect the state. And that may well be a fair criticism, that is not something that we could test using the kind of methodology that we used, but on the other hand, if the real purpose of regional universities or a regional university is to serve all of the students who grow up in regions, in regional Victoria, you are entitled to ask, well, do we really need as many regional universities as we have. Is that the sensible way to set them up if this is in fact the effect that they have? And then of course, as I said earlier, that is certainly not how regional universities are sold at the point that people are trying to set them up. So exhibit one would be the comments of Rob Oakshot. Is he advocating a university for Port Macquarie on the basis that it will help the economy of Port Macquarie? Exhibit two is the local Member up in the Kalgoorlie area, is he saying that the next thing they're going to be advocating is a regional university, because it will help the local economy grow. And as I said, that is the one thing we could test was this very localised effect of regional universities, and it's not something where we were able to find significant evidence for it.

Now, there were a number of things that we did not say in the report and I'd like to take this opportunity to make them very clear. We did not say that all spending on regions is wasted, although that was reported in a number of places. Clearly, the idea that government should stop

spending any money in regional Australia is silly, and I'm proud to say that we are not that silly. Secondly, we did not say that all spending on slower growing regions or lagging regions should stop. Nor did we say, as the Warrnambool Standard said, that these lagging regions should be overlooked in any form of government funding. Again, that would be silly to say that we should never again spend any money in a region that was growing marginally more slowly than the Australian average.

What we did say was that we have identified patterns in which some areas in Australia grow faster than others. And we suggested that government service provision, particularly the provision of new services, should be sensitive to that. The major driver of the need for new facilities is basically the number of new people that you have. And if we take the Ballarat example, Ballarat is going to add about 8,000 people, close enough, over the next five years. That equates to about two primary schools worth of people, of primary school age students, on the assumption that those new people are roughly speaking distributed as with the general population. That's quite a lot of school places. You can't necessarily absorb two whole primary schools worth of students into your existing primary schools. If you're only growing at one per cent, it's a much smaller effect and you probably can absorb them. And this is the argument that we made in the report, that if the purpose of regional spending is not really about growing the economies of the regions, because, as we've been through, we were struggling to find any evidence that throwing money at a particular region actually makes its economy grow any faster. The primary purpose we would argue of government spending on regions is because people who live in regions, like Australians everywhere, are entitled to a decent standard of service. But then of course that begs the question about well, are we spending the money in the places of the greatest need, or more of a point, more accurately, are we spending the money proportionate to the need so that we spend money essentially distributed according to the various people who need it.

Now of course one of the problems with regional development policy in Australia is that we have essentially blurred this distinction between economic development and regional service provision. And I would suggest that's a really important distinction to keep clear, and maybe one of the overall themes of this report is being clear about why you are trying to do something matters, because it changes what you do. If you think that you are trying to develop the economy of a ... if the primary purpose of regional spending is to develop the economy of a particular region faster than it would otherwise, then you're going to spend that money disproportionately on places that are growing slowly. If on the other hand the primary purpose of spending money in regions is to provide services, then you're going to disproportionately spend it on places that are growing faster because they've got more people, more new people that you have to provide services to. And so being clear about the purpose of regional development money changes how you go about allocating it. And of course what we found when we looked at the patterns of spending in Australia, was a very clear pattern, which is essentially the places that are growing relatively slowly are getting significantly more than their fair share of regional spending, and places that are growing quickly are by and large getting significantly less than their fair share.

Now we couldn't do that analysis on Ballarat in particular. Queensland, West Australia, New South Wales, it's all quite easy to get the numbers on at least Commonwealth Government, local government spending on regions. It wasn't possible to do the same analysis for Victoria and it will be very interesting to try and do that once we can all get our hands on the data.

So, let me come back to a couple of other things that we didn't say. We didn't say that we had comprehensively analysed every single economic development program that there was. And we were pulled up by Professor Ian Goulter from Charles Sturt University because we hadn't. We were quite explicit in the report that we hadn't and the major reason that we hadn't is that most of these programs do not have proper measurement or reporting in place, and one of the sobering things that came as we were doing the analysis is that you can pick up Auditors General report after Auditors General report from around the country, talking about regional development programs and almost every one of them says we are spending a lot of money here and there is nothing in place to figure out whether or not the program works. And I would suggest that we don't accept that in any other area of government policy, and I can't see any reason why regional development should be any exception, particularly given some of the

patterns that we've identified in this report. And frankly, a deep suspicion that many of these programs simply do not have the effects that they are claimed ... sorry, that they claim.

What else did we not say? We did not say that regional universities are a waste of money, as the Bendigo Advertiser reported us as saying. We said that they don't seem to have a particularly big impact on local student participation. They don't seem to have a particularly big impact on the number of people who come back to stay in that town after they've been to university, and they don't have a particularly big impact on economic growth. They do have an impact in terms of training students who otherwise would be trained elsewhere, they do provide substantial social and cultural benefits to their town, they do provide a more convenient higher education for many of the students who go there. And those are perfectly good reasons for having a regional university. The point we were trying to make in the report was that they do not have an economic impact in terms of making the place grow faster than it would otherwise. And as I said, that's a concern because that's how these universities are often sold when people are arguing for them, particularly as they're being set up. Nor did we say that you should only have regional universities in regions that are growing faster. There's no particularly good reason why a regional university should be in a faster growing region as opposed to a slower growing region. Then on the other hand there's been a great deal of press reaction on a number of issues which I would describe as myths. And I think it's been helpful in this report to, I hope, establish some of these myths and it's been interesting to see that the response has effectively just tried to perpetuate some of them, and that's made me even more convinced that this was a piece of work worth doing.

One exhibit would be a federal politician who has written in a number of newspapers that it is, quote, a well-known fact that residents of regional Australia receive less government allocation per capita than their city counterparts. Ladies and gentlemen, it's not a well-known fact, well, it may be a well-known belief, but when you look at the data, it is very clear that we spend more per capita in regional Australia on hospitals, on schools and on policing. Now, that is a perfectly sensible thing to do. I'm not arguing against it. It costs more to provide hospitals, schools and police in regional areas, and we do, to a significant degree, want to ensure that Australians, wherever they live, get a roughly comparable level of service, so it's not surprising that we spend more per capita in regional areas. But it is not true that we spend less. There is a continued belief, and many have argued that this report is outrageous because if we don't invest in regional services, people will not move to the regions out of our big capital cities. There is absolutely no evidence that people are avoiding our regions because of the low level of service. There is ample evidence that the primary drivers of why people live where they do is because of economic opportunity and if people don't move to regional areas, it's because there aren't new economic opportunities for them to move to. And improving the level of service isn't going to change that. It may be good for the local residents, that's a good reason to do things, but it's not going to change our population patterns.

There are any number of other myths, I think, around all of this, but maybe the last one I would conclude on is that we do not divide regional Australia into winners and losers, as our federal Minister has said, and has said that the government won't. The reality is we already divide Australia into winners and losers because what we are doing at the moment is roughly speaking, particularly in terms of Commonwealth government funding for local government, we are essentially paying the same amount to regions, often irrespective of how large they are and very often irrespective of how fast they are growing. And consequently we are under-allocating to places that need it most, and over-allocating to places that need it least. So what we are doing is effectively creating winners in some of these slow growing areas, and losers in some of these fast growing areas. I suspect it is because this report has put its finger on exactly that point that is has evoked the kind of response that it has.

That said, we hope this is a significant contribution to a discussion about an issue that matters a lot. Australian governments spend a significant amount of money on our regions. There is \$4b identified in the most recent Commonwealth government budget, and as all Australians, we have an interest in ensuring that that money is spent in places that it will make a difference and in a way that's fair. So those are my thoughts, and thank you very much for the chance to ... okay. Thank you.

DOUG: We're not letting him off the hook yet. To offer a view, Committee for Ballarat's view, I'd like you to welcome Tony Chew, the Chair of Committee for Ballarat, to offer some observations on the report, before we open up for your questions and hopefully John and Annette's answers to those questions. Tony Chew.

TONY: Thanks Doug. It's good to see everyone out on a lovely cool Ballarat evening. Thanks, John, for choosing Ballarat to launch this very important report, though I suspect in fact Ballarat actually chose the location because in my reading of the report, the report is a glowing endorsement of what's happening in Ballarat and the potential for this city as a regional city satellite, if you like. So this report follows on from a number of people who've followed the Grattan Institute since its inception, a number of other thought provoking reports that have been issued out of Grattan. And I think it highlights that the Grattan Institute is not afraid to tackle issues that can be quite sensitive, in fact, even to the point of getting under the skin of certain government Ministers. And Craig was asking John before, who funds the Grattan Institute? And surprise, surprise, it's the federal government, state government and I think BHP. So I think we can conclude from that that it's a good sign or a good indicator that the work that goes in is unbiased and very thorough analysis and done with a lot of independent thinking.

Unsurprisingly and unashamedly I'm going to take a very Ballarat-centric view of this report and I think what we would say as the Committee for Ballarat, that these findings are very welcome, and they add significant weight to the arguments that the Committee for Ballarat have been putting to state and federal governments that really they should be backing winners I think, and that's the main message from us, for us. And that's not to say we don't, as John said, don't support those regions that are in decline, but perhaps if you're really looking at economic development, economic development and not social welfare, that backing winners like Ballarat or other city satellites is probably a better bet.

And as people know in Ballarat, I come from a business background and I think one of the underlying messages to government is that in this report they should be viewing the Australian economy like a business, 'cause we hear about deficits and balance payments and GDP, all of those sort of things, so why not treat the cities of Australia like part of a business where we have product categories, we have output centres, factories, and people who gather together to produce goods and services and create income and profit, ie, GDP. And so in any business, people have to make very tough decisions about where to invest that money because you can't spread it around all over the place. So, you have to make those hard decisions and I think the government has to make those hard decisions but make them on the basis of providing a business or an economy that is sustainable and profitable.

Successful businesses invest and support those sort of brands and products that are growing rapidly and that will eventually become the profit centres and a sustainable part of that business. They also support mature parts of the business that have been the engines of growth I suppose in the past, but also provide the funds for those new growing areas. And so we should treat our cities like that, Melbourne versus Ballarat and other major growing centres.

I think it's all about scale too. Most businesses really endeavour to grow their business to such a point where it reaches a certain size or a critical mass that it becomes profitable and sustainable in its own right. It doesn't need that much more support. And so I think the same philosophy applies to a city or a region. So how should government spend its economic development dollars? And I think these are the key questions. This report I think, as John's alluded to, is critical of many government initiatives to revive the economies of regions that have been in decline or flagging. And I think that is another insight in this report, that governments invest heavily in those areas but they invest in terms of a reactive response rather than a proactive response. And I think the report hits the nail on the head when it covers the topic of infrastructure, at least in the city satellite regions. I think Ballarat and other like cities must have that infrastructure development early so that it leads the economic activity, not follows it. And I think we're seeing in Melbourne and other places where infrastructure is now way, way behind the city's development so that people are rightly upset about lack of services, lack of proper infrastructure because it's lagged population, it's actually lagged the economic activity. And so that's why we have been very active and very vocal and passionate about the need for government to support us in the Ballarat West employment zone or the Ballarat West growth

zone, which we see as the next stage of major economic activity in Ballarat. And so thankfully the state government and partnering with the federal government we'll see a major road, and I know John talked about roads and there's a big discussion in today's paper about the Frankston Freeway. But I think this road is really critical in a different way. It's not to get people to work, it's to actually service what will become a freight village in the initial instance for the Ballarat West growth zone, but further to support those businesses that will populate that zone. So it really is an economic driver not a consumer getting to work in a major city highway.

So governments I think need to recognise that if you are supplying infrastructure to a city like Ballarat, in an appropriate fashion and in a large enough number, that's pretty much all you have to do in the big sense of economic development. The rest is about just nurturing and pretty much getting out of the way and letting the cities do their own development work once that infrastructure is in place. Of course there needs to be revisions over time to make sure that infrastructure keeps pace with the development, but really that's I think the core of what capital city satellites are really asking for, and that's proper infrastructure delivered in a timely fashion.

My personal experience is that there are many globally competitive and successful businesses that find setting up in a capital city satellite like Ballarat is just ideal. The decision to do so probably rests primarily on the location to markets or at least the distribution networks, but in a global organised or a globally competitive company, where you set up really depends on getting the right people, highly qualified trained people who will come and work in a place that has proper infrastructure. And many global companies, and I used to work for one, find the capital city satellites provide that loyal workforce who can be paid relatively higher than people in capital cities and so have the capacity to train and develop those people so they continue to be globally competitive.

And as I mentioned, we've seen the effect of let's say a large manufacturer like Mars come to a city like Ballarat and it's the multiplier effect of not just the five or six hundred jobs that are employed in the business, but it's the service industries, the other businesses that supply a lot of the work that that company can't do that is really important. And once you have that one business, two businesses, three businesses who do the same thing, other people find that city becomes more attractive to them to set up. And so the whole thing sort of feeds on itself. And so I think that's the key that really at the end of the day the decision for businesses like Mars which sets up, as people would probably know, in regional locations in preference to cities, that Ballarat, Wodonga, Bathurst and Wyong provide just the ideal environment for them to be globally competitive and retain their staff. So initial and early investment in infrastructure I think is pretty much all that governments need to do.

One thing, one final thing I wanted to say concerns smaller regional towns and I think there is an implication in the report that because economic dollars are better spent in regional ... sorry, capital city satellites, that smaller cities will wither and die. I think in the Ballarat instance that because we have so many regional towns surrounding Ballarat that rely on Ballarat, and it's probably the same in other city satellites, that these cities will, or these towns will actually thrive as a result of a successful Ballarat. And I've heard it from many shires around Ballarat that a successful Ballarat means a successful Beaufort, Meredith or Daylesford.

So I think in closing, just to say that Ballarat's evolving and maybe it's getting closer to completing that evolution from a city that's dependent on Melbourne, to one where there'll be an interdependency between Melbourne and Ballarat, where both cities benefit. And so I think that regional towns surrounding Ballarat can also develop in a similar way. So I welcome the report, John, thanks again for coming to Ballarat and presenting it to us, the formal launch, so I wish you well in future endeavours. Thanks.

DOUG: Lots of food for thought. It's now questions from you and answers from John and at his discretion, Annette. I think Annette you don't get a discretion on this. What we have is a roving mic or two and my request to you is in order that we can capture the question for the webcast, if you could please identify yourself and your organisation prior to asking the question or making a comment if you wish, but just the pause until you have that microphone in order that we can capture the record, and your gems. So John, are you ready for questions? Would anyone like to ask a first question or make a first comment? Do we have the microphone?

AUDIENCE: Thank you. (Microphone not working) Rod Duncan from Deacon University [unclear 42:12]. I'm Associate Professor of Planning [unclear] regions, regional sort of perspective. I found the Grattan Institute's work, in particular the stuff that Jane-Frances Kelly's [unclear 42:27] generally has been a breath of fresh air and [unclear]. This report addresses [unclear] the invisible part of Australia, the urban dwellers that aren't in metropolitan areas, which tends to be lost in the policy [unclear 42:45] metropolitan cities, or about a bridge to some remote areas. I think some of the terminology perhaps can enhance some of that confusion with discussion [unclear 43:01] regional cities and regional capitals, which I think is, as I said, something that's overlooked. And so it's very fresh, some of that terminology I think perhaps compounds the confusion between regions generally [unclear 43:17] terminology [unclear] the ... the enthusiastic press response by the [unclear 43:31] which is probably unjustified [unclear] but, and it's still ... I think there's some interesting work that you've got there. But I wonder whether some of the ... some of the indicators [unclear] aggregation and grouping cities together, such as inland cities which ... inland cities, coastal cities [unclear 44:02] state government and the coast, the coast, sea change [unclear 44:07] sea change task force on coastal cities which is going to be including if you've seen one city, you've seen one city, but they're all very different in the ... in these issues, their growth, their circumstances and aggregating them all sometimes loses the message rather than [unclear 44:26]. In particular, I think [unclear] the regional, the term satellite for things like Ballarat and Bendigo, etc, I think blurs that thing where, as we've heard, most cities are becoming more mature, regional capitals perhaps [unclear 44:50] and it implies and you clearly state this, it implies that it's sort of a competing nexus with metropolitan areas which is [unclear] a term [unclear] where possibly going to [unclear 45:05].

DOUG: Could we have the question. Am I hearing a question about have we lost some key data in the aggregation, Rod? Is that ...

AUDIENCE: That's ... yes ...

DOUG: So ... so could ...

AUDIENCE: ... yes, it's sort of it, John.

DOUG: Thank you.

AUDIENCE: Okay. Thank you.

JOHN: Thank you. Well thank you for that, and point taken about language, although, as you know, it's always hard in this area and particularly as soon as anything winds up in the press, it's hard to keep the language consistent. We did our best in the report to be consistent around regional cities. In terms of does the aggregation lose something? I mean by definition aggregation always loses something. But I guess what we were hoping that we could do by identifying these patterns is that we could say something that was useful about the patterns, and which although it wasn't going to be true every single time, would reveal some underlying patterns that do have policy implications. So for example, by identifying this set of satellite cities, we could identify a set of cities which do all by and large grow faster and we could show that they are all by and large getting less than their fair share of resources. And of course you can look at any one particular city and see that that's not true in that particular instance, but it does give you a general framework for analysis that then creates a way for people to talk about it. 'Cause the reality is we're never going to conduct a political debate, particularly at a national level, you know, in terms of 250 different regional cities, but we can conduct a sensible debate in terms of a couple of categories and I guess one of the things that we found disturbing was an awful lot of this debate has tended to be about cities versus regions, or at best, coastal places versus everything else. And we thought that actually missed a very important and significant pattern, particularly as regards to satellite cities.

In terms of satellites, I guess I'd appeal to the astronomers amongst you, a satellite does actually have a gravitational impact on the thing that it goes around. But nevertheless, one is

bigger than the other and that is an important part of the pattern, and I'd suggest that, you know, maybe for that reason, in a funny way it's quite an appropriate term.

DOUG: I think Steven Carthew first and then Chris Meadows-Taylor, but then I want to distribute around in terms of geography and gender. Steven.

AUDIENCE: Thanks. Thanks Doug. Steven Carthew from the City of Ballarat, John. (Mic not working) Thanks for the report. I think it's a most enlightening and dare I say inspiring piece of work and everybody who works in regional Australia should read it over and over again, read it carefully as [unclear 47:46] struck me as a bit of a shame that you had to spend nearly half the presentation clarifying what you very, very clearly put indeed. But anyway, we do have a habit of arguing about the wrong thing in Australia and everybody picked up the wrong things and argued about those rather than about the right things. Anyhow that's not what I got up to say. I do have a question. You made the point about a fair share. When you're talking about allocation of social expenditure to slower growing places, it seems to be this raises a conundrum. If you ... a fair share means health and community services, so forth, and how do you calculate fairness when ... if you did it on a per capita basis, you would never be able to spend that kind of money in some of those places. And so with our continuation of the winners and losers conundrum, the second conundrum that you talked about before, how do you ... how do you allocate fair share? Or are you advocating simply that by [unclear 48:42] advocating [unclear], but should governments just say look, this is about keeping people alive, keeping them at school and so on and so on without pretence of economic growth going on that ...

JOHN: Thank you. Thank you, and maybe you're absolutely right, fairness is an ideal that doubtless happens in heaven but by and large doesn't happen here. We are certainly urging governments for a fairer share than is happening at the moment. And I guess the key insight that lies in the report, particularly regards local government capital works which is one of the things where we can get very good data, is you would expect that the need for new local government capital works would be roughly, not completely, but it would be very significantly driven by the number of new residents you had in any particular area. You know, those new residents then drive the need for new maternal and child health centres, new kindergartens, new ovals, all of those kinds of thing. And yet that's not the pattern that we saw. If in fact, if anything, some of our slower growing regions got more per capita, let alone more per new capita. And so we thought that that was demonstrably a lot less fair than it should be. And yes, absolutely, what we're advocating is let's be honest about the fact that most of this money is for services, it's not going to change economic growth rates, and if it's about services, then the discussion should be all about fairness. And we'll doubtless disagree about, you know, how do we deal with the fact that some more remote regions will, you know, a certain amount of health spending will actually go less far and how much do we equalise that. That's a good discussion and it's a tough discussion and I don't know there's any particular right answer to it, but at least there's a perfectly plausible argument for spending a bit more on more remote regions. But then that's the right discussion, rather than saying that we are throwing money at this place because we hope it's going to make the economy grow.

DOUG: Thanks John. I have Councillor Chris Meadows-Taylor, the Mayor of Central Goldfields Shire. Chris will identify himself but I acknowledge Chris as the Mayor for one of our regional shires.

AUDIENCE: Well I did identify me. (Mic not working) I'm a fringe dweller, happy to be part of this great satellite. On the issue, and Tony touched on it, of the growth of this wonderful and great satellite, can it not burst with joy conceive and bear little satellites. Quite seriously, the point that Tony mentioned about the ... the satellites around and working across the Ballarat and Bendigo regional strategic plans, a lot of thinking around growth corridors, primary transport routes, serving around those satellites and extending out to them. So the issue is have you looked at that issue at all because ... at certainly the regional planning, but related to that, your point about the sea changes really driven by liveability issues is not one of the issues in not only the economic drivers which you stress so much, but also the opportunity of the big satellite and hopefully the little satellite children around to also focus and reinvent around the liveability drivers.

JOHN: Thank you. Firstly, in terms of the investigating their, sort of, the satellites of the satellites, it's not something we've looked at. I guess though what we would suggest is that this phenomenon is not exclusive to larger centres like Ballarat, and indeed you only have to look at the corridors around Melbourne of relatively smaller towns like Castlemaine and Daylesford and so on which are also growing very quickly, for the same kind of reasons. And it's possible to set up a business in these places and have contact with Melbourne. As I said, we've been at pains to say this is not a simple commuting story, doubtless that happens, but it's also about the business being kind of close enough to Melbourne to have an impact. In terms of the liveability piece and I guess it's particularly a retiree's story in Australia, in terms of people moving to the coast for that reason, I guess we are seeing perhaps a little bit of that in this kind of region, although that's not something that we've investigated, certainly anecdotally that's going on in a region that I do know well, up sort of through the Kyneton-Castlemaine corridor. So certainly that's possible that that's part of what's going on, and I suspect again part of the allure of those kind of regions is again that they are close enough to a major capital city in Melbourne that it works for the retirees. So you're right. I guess in a sense that's not an economic driver, those retirees don't, as it were, set up businesses where they go, or sometimes they do 'cause they're not quite retired, they're sort of semi-retired. I guess what we were drawing a distinction between was economic drivers in the sense of these are the choices that individuals and businesses make for their own, if you like, in a sense, self-interest as opposed to decisions that are driven by governments trying to create incentives for them to do things.

DOUG: Thanks John.

AUDIENCE: Thank you John. Maureen Waddington from St John of God. I commend your measurement, I think that's a really important thing to do. I haven't read your report. Just from this evening, the measurement seems very quantitative, number of people and number of people our ... number of services. And if I take that measure, I wouldn't factor in to your ... to your report because I am a person who stayed in Ballarat. But I went to the University of Ballarat at a time when I wouldn't have been able to go to the University of Melbourne. I now go to Melbourne but it was my start at the University of Ballarat that allowed me to do that. I haven't left Ballarat, I haven't come in or gone out, I am still here, but I'm a way more contributing member to the community of Ballarat than I was before I did my MBA at university. So my question to you is, is there a qualitative measure in your measurement of communities rather than ... sorry, okay, a qualitative rather than a quantitative measure?

JOHN: We obviously didn't try and survey a whole series of people around Australia, That would be a large and expensive exercise that we're certainly not funded to do. I guess what we were trying to do was at least capture statistically, you know, can we see a substantial discernible effect, you know, inevitably there will be individuals who could not have studied at ... if they could not have studied at their local university, although I guess what we found from the data as at least four people who were aged 17 in 2001, that wasn't a material impact. And that does actually fit with the literature. If you look at the dominant drivers of why people ... whether people go to university, the dominant drivers are essentially whether their parents had been to university, what was the background of their parents in terms of income and so on, and frankly, what was the quality of their schooling. And whether or not there's a local university is not a particularly important driver of that decision. I'm sure there are individuals for whom it was important, but I guess what we can say and that's the beauty of doing this kind of analysis, is that you can say, look, quantitatively that doesn't seem to matter very much, that's what the numbers say.

DOUG: Thanks John. The lady behind Chris Meadows-Taylor whose name I don't know, I'm sorry.

AUDIENCE: Linda Savelle. (Mic not working, audience member distant from head table mic)

DOUG: I do know Linda Savelle.

AUDIENCE: Hello.

DOUG: Sorry. You might say your name again Linda.

AUDIENCE: Linda Savelle. I've just got a question in relation to some of the kind of concepts that you brought up. I don't know an awful lot about economics, so. You said that population growth is due to economic opportunity in business, not what governments are or aren't doing. And you said that economic growth is due to people being encouraged to migrate to Australia through the federal government sort of reasons. So what's the story here in relation to Ballarat when we have a lot of population growth, but we also have high unemployment rate, and we seem to be seeing local jobs being lost fairly regularly.

JOHN: Yeah. Thank you very much. We haven't investigated in detail the kind of precise pattern of unemployment rate shifts in somewhere like Ballarat. So I can't comment on that directly. What we can talk about is the way that this general shift in Australian migration law, you know, effectively making it much easier for people to come here, has resulted in a substantial rise in the population, and then we can talk about how that's distributed. There are actually some quite interesting patterns when you dig into that. Roughly speaking, most migrants settle in large capital cities and much of the growth of satellite cities, places like Ballarat, is actually people who have been living in capital cities for quite some time, moving out of them, or alternatively, people moving from more remote regions into these larger centres. Relatively speaking, very few migrants move directly to a place like Ballarat. Now obviously some do. Again though it's one of those things that's quite hard to force. There's talk about trying to encourage more migrants move directly to places like Ballarat.

The Commonwealth government's recent budget announcements had a new package, although there's questions about how really different it was from things that existed otherwise in terms of encouraging migrants to move to places like Ballarat. Although the literature is very clear, it basically says because these migrants only come if they have a sponsor and employer, if there is a job for them in Ballarat, they will come here, and if there is no job for them in Ballarat, then by and large they won't. So to the extent that there's jobs growth in Ballarat, it may attract some migration, to the extent that it's not happening, then no amount of waving wands and giving extra visas and all the rest of it is going to change the pattern much. So that's what we can see about migration patterns and places like Ballarat. In terms of the unemployment rate, as I said, I can't comment directly. And what we can see is quite substantial population growth in these satellite cities, and what we can see is that in a lot of these more inland cities, unemployment rates are very high. And I think one of the fundamental choices we've got to make in a lot of this is to decide are we going to try and move jobs to people or are we going to try and move people to jobs? And I guess one of the points of the report is to say both the literature and the evidence we've been able to gather on Australia suggests it's really hard to move jobs to people.

DOUG: Thanks John. Todd Walker, and I need to convey an ... we deliberately avoid apologies, but Professor David Battersby who's the Vice Chancellor of the University of Ballarat is on a plane heading internationally at the moment, so an apology for tonight, but he has encouraged, and they have encouraged their own presence, senior university staff members from the University of Ballarat here tonight, of whom Todd is one, so thank you.

AUDIENCE: Thank you, Doug. (Mic not working) John, can I just preface this by saying that Ballarat is a university city. We have [unclear 60:28] of five universities and I acknowledge Joe [unclear] beside me here, Dean of the Australian Catholic University. And we have three others, and like Deacon, Melbourne and Notre Dame who [unclear 60:45] students. I think it sort of strikes at the heart of the question that came over here just a little bit earlier, and that is that this incongruence with your report, and that is you can signal tonight that Ballarat is a bolter city and it is strong economic growth, but at the same time, and this was in the report, that regional universities haven't made material difference to that economic growth. So on one hand you're suggesting that Ballarat has strong economic growth, but on the other you're saying that the influence of five based universities are not contributing to that growth. And I put it to you that you're effectively making a generalisation in making a comparison between Ballarat and [unclear 61:28] which the comparison [unclear] in the end report. And that generalisation therefore is incongruous.

JOHN: Thank you. What we presented in the report was a series of comparisons between cities that were relatively similar, some that had universities with a comparison town that didn't,

and drew ... and obviously pointed to some patterns or rather non-patterns in terms of different growth rates. We did actually do and we flag in the report and it's kind of buried down in the appendix, we did actually run the full blown aggression analyses in terms of let's look at all of the regional towns we can find, let's look at their ... and in particular we presented in the report the numbers around private sector employment growth which is kind of a proxy for is the local economy growing as distinct from just we're employing more people in universities? Is there a kind of real local economy growth rate? And what we found was that from a statistical point of view, there was no significant difference in the private sector employment growth rate between cities that do have a university or substantial tertiary education sector more accurately, and those that don't. And just in terms of that latter, the way that we actually measured that was we didn't look at Ballarat and say oh yes, we've heard of a thing called the University of Ballarat, it's a university town.

What we looked at was what percentage of people who live in Ballarat work in a university. So it was a way of saying there's a substantial local university presence as distinct from maybe one or two outposts. And so that was what we found. As I said, I was surprised. And we are not saying that regional universities have no impact on the economy of the country. They're a higher education institutions, our guess generally is that higher education has a substantial impact on the productivity growth of a country. What we are suggesting from the report is they don't have a particularly big impact on the local economy, or at least we struggled to find evidence for that. And that's ... that's all we were pointing out. We're not suggesting that therefore you shut them all down, we're not suggesting they don't have a big impact on the economy of the country, but we're suggesting it's not a particularly localised impact and the reason we focused on that, as I said earlier, was that's how they're sold. When Port Macquarie is saying we need a university, when Kalgoorlie is saying we need a university, it's because they say this is going to have a material impact on the growth rate of our town. And we couldn't find evidence for that.

DOUG: Thanks John. My guess is that that particular subject, among a number of others, is going to trigger maybe some ongoing work and perhaps a collaboration between regional universities and Grattan to actually test that to find whether that's true or not. I'm about to take my second last question from Jo Bourke, middle back. Sorry, you're not a middle back, Jo, but Jo's sitting on the aisle towards the back of the room. I'll correct myself on that. And then I'm looking for a final question. Okay, over to you, thank you.

AUDIENCE: Thank you. (Mic not working) Jo Bourke. I'm the Chairman of the Regional Development Australia Committee for the Grampians and also Executive Director for the Wimmera Development Association. And I've just got a couple of comments. I welcome the discussion around regional development and the debate that your report has caused. A couple of issues that I have, though. The economic base of the discussion I think is missing the point from a regional perspective. In regional Australia, regional ... I think Victoria has sort of led the way and it's gradually being picked up across the country. Governments are looking for regions to determine their own future, to identify their own priorities. And the way the regions do that is not on a purely economic base. Regions are very much looking at issues around the social impacts, sustainability issues and regionally, we ... the way that we're putting forward our priorities are very much in an integrated way. And so reports such as this which is based purely on the economic indicators, it was ... I welcome the discussion, I think are not representing the way that our community is thinking about regional development.

Another point I'd like to make is when, and based on the economic indicators, if you're talking about per capita, one of the things that, coming from the Wimmera, I like to think about is investment dollars from government per export dollar. A grey area. A lot of our produce is exported. Why can't we measure the investment in our roads infrastructure, for example, based on the value that we're contributing as a region, as a community, to the sustainability of our national economy. So I think it's very dangerous to be separating some of these issues out when it is so integrated. And one final comment: we have nursing at the Ballarat University campus in Horsham. The majority of the people that have done that course in the last few years are first entry in their families, going to university. They would not have done it if the university wasn't in the region. Over I think, from memory, 80% of those people doing that training are actually working in that region, filling a skill gap. If that's not contributing to the economy of our

region, I'm not sure how you measure it. I welcome the discussion, but I think we need to be looking forward into a new dynamic rather than economic basis only.

DOUG: Thanks Jo.

JOHN: Thank you. And thank you for raising those issues. A couple of things. You've talked about regions determining their own future and I couldn't agree more. And we weren't suggesting in any way that we should shift the way in which, to a large extent, local priorities are determined locally. As an ex-Constitutional lawyer, an ex-federalist, I'm a big believer in kind of devolving things down as far as you possibly can and that often means to local government. But I guess what the report was addressing is the fact that there's a tough decision to be made which is basically how does the federal government divvy out money, to be blunt, and I know this is about economics, but that's often where this stuff kind of hits the road, is how does the federal government divvy out money between a whole bunch of councils, all of whom ... and a whole bunch of regions, all of whom have terrific ideas about what they could potentially do with that money. Because the reality is that the federal government could not possibly fund 100% of the bright ideas that regions have. And I think to take a recent example, the Commonwealth government has a substantial regional development program running at the moment, it's called for bids. I think it's got about \$100m to give away and it's got about a billion dollars' worth of bids. And that's not an untypical ... not an atypical story. So they do have to divide them up some way and I guess what we were pointing out is that it doesn't seem to accord with kind of some of the fairly essential tests of fairness.

The second thing you raised is around export dollars and questioning whether maybe that should be taken into account. That's actually something which I think is a mistaken argument and I think it's mistaken for the following reason. If you were to essentially spend on government services proportionate to export dollars, it does beg the question about well does that mean that the services that are essentially provided by places that don't export relatively much, like potentially Ballarat and definitely Melbourne, does that mean they should stop providing services to those regions? And that I think ... that I think is the point, that essentially government spending should be roughly speaking proportionate to per capita or in some cases, particularly if you're talking about providing supporting infrastructure, proportionate to, if you like, economic activity in that region to the extent that economic activity requires infrastructure that only governments can provide. Those are very rational bases for allocating spending, and obviously the fact that you are engaged in activity which is exporting is no worse than an activity which generates activity domestically, but my point is there's also no *a priori* reason for it to be any better or weighted any more highly.

In terms of nursing in Horsham, I take your point, but I guess the question that the report raises is you know, prove it, because on the numbers that we were looking at, it doesn't look like the fact that you have a local institution has much if any discernible impact on the number of students who go to university. That's what the numbers from the census say. Now the one impact that we didn't capture was the extent to which a regional institution attracts people often away from the capital cities, and then they stay in that region to work because they kind of get hooked on how wonderful Ballarat is. That is not something, to be fair, that we captured. And that is an interesting question. That said, the mere fact that for example institutions in Ballarat, a substantial proportion of their graduates wind up working in Ballarat, doesn't prove that that's important, because the counterfactual is well how many of those people would have wound up working in regions anyway, because there are ultimately nursing jobs in Horsham for nursing graduates from wherever they come from to work at. So that's the analysis you would have to do. It's incredibly difficult to get the data on that counterfactual which is actually the right question if you're asking how is it that regional universities make an economic difference to a particular region.

DOUG: John, I think you might have an animated discussion over a drink with Jo, but ... which everyone is welcome to do in just a moment. The last question please?

AUDIENCE: My name is Jane Ryan, I'm from the Department of Sustainability and Environment in Melbourne. And I guess I'm just following on from Jo [unclear 72:02] and ask the right questions that I wanted to ask. But I guess with most economic studies, I'm always interested

that it's ... there seems to be this frustration that why won't governments do as we say they do is if the drivers of those efficiency, that's the only thing, you know, that's an end in of itself. So obviously we've got to look at social aspects and so I guess what I'm asking, and I heard a little bit in your discussion about, you know, part of the reason why you did the report or whatever the drivers was, we kept hearing that people say that's why we make decisions. Actually, having been involved in government, people make a whole range of decisions for different reasons, and how they sell it can be very different from why they make the decision in the first place. So I guess what I'm asking here is were you able to look at some of those social values and maybe progress how we think of some of those social values and you did talk about that it's alright to invest for economic reasons, or sorry, for social reasons. So how have you progressed government spending a lot more comfortable with their communities in saying to their communities, we're investing in this because it makes these cities way more liveable.

JOHN: We'd certainly hope that we've progressed that and I guess one of the things I was trying to illustrate in my remarks was being clear about why you are trying to do something actually winds up shifting the allocations. And that's why we would be really keen on governments being, you know, a little more honest about what's going on. I guess we were trying to address the social impacts because we wanted to point out that actually what was going on from a social perspective was in many cases quite unfair. And we think that that's a real social issue and that's exactly what the report tried to focus in on. The only final issue I guess I would suggest is, and maybe this is where you were going, absolutely, decisions get made for political reasons. And frankly, far too much of our regional spending is being driven by who's got the most important vote right at the moment, And ultimately that winds up being really unfair to the people who for whatever reason don't have a local member who's got the key vote at the moment. And one of the things that the report does, frankly, is start to provide the evidence to lay that bare.

DOUG: Thank you very much for your questions and thank you John and Annette for agreeing to stay around for the drinks and nibbles which we're inviting you all to stay for now. I'm ... we have gone a little over time that we anticipated for these formalities, but we do hope you'll join us to continue conversations, to actually touch base with those people who've raised issues with whom you have an interest or an issue to discuss. So I want to welcome you to do that, to stay on, but I particularly want to thank Annette Lancey and John Daley for being here in Ballarat for the launch and for the piece of work which has actually stimulated this really vibrant debate and discussion. So please join with me in saying thank you and then joining us afterwards. Thank you.

AUDIO: This has been a podcast from Grattan Institute. Want to hear more? Check out our website, www.grattan.edu.au.

End of recording