

STANDING COMMITTEE ON PRIMARY INDUSTRIES AND REGIONAL SERVICES

Inquiry into infrastructure and the development of Australia's regional areas

The University of Tasmania as a leading university in regional Australia has a significant interest in issues relating to the development of regional Australia. In addition to our educational and training programs, a significant number of our research and development activities are aligned to the needs of regional Australia. These include:

- the Tasmanian Institute for Agricultural Research;
- the Tasmanian Aquaculture and Fisheries Institute, School of Aquaculture and links to CRC Aquaculture;
- forestry research carried out through the CRC for Sustainable Production Forestry;
- the Centre for Ore Deposit Research, a Special Research Centre funded by the Australian Research Council;
- tourism research linked to the CRC for Sustainable Tourism;
- the Centre for Research and Learning in Regional Australia (an ANTA-funded Key Centre);
- the Centre for Regional Economic Analysis
- Rural Health involving the Commonwealth-funded university Department of Rural Health and the Menzies Centre for Population Health; and
- the Institute for Antarctic and Southern Ocean Studies and Antarctic CRC.

Definition of infrastructure

It is important that in addressing the needs of regional Australia we take a broad view of the term "infrastructure". While traditionally it may have been used to include such things as transport systems, communication networks, mail and parcel delivery, banking or financial systems, health care and education systems and so on, it is important to include housing, recreational facilities and cultural institutions. For it is these that will influence the quality of life. In order to attract and to retain those who will drive regional development there must be appropriate infrastructure to support the populace.

It is clear that there are significant problems in infrastructure in regional Australia. Just two examples will suffice:

1. medical services: despite the large and heavily regulated demand for entry into medical schools, many regional centres suffer from lack of access to doctors;
2. financial services: the withdrawal of financial services from many regional communities by the banks has left these communities feeling deserted and unsupported.

The concerns about the presence of such services and the quality of others (e.g. primary and secondary education) will continue to act as barriers to regional development. Indeed, they will serve to accelerate the decline of more areas of regional Australia and to increase the size of our major urban centres.

The Tasmanian situation

The whole of the state of Tasmania can be classified as regional. Analysis of some of the standard indicators like the level of educational qualification, participation rates in higher and further education, employment rates and so on, show that Tasmania is below major metropolitan centres. The Tasmanian State Government Office for Youth Affairs and Family in 1998, released a report entitled "Tasmania's Rural and Isolated Young People: Issues, Solutions and Strategies". This document identified:

- transport;
- employment; and
- educational infrastructure

as key issues impacting on young people in Tasmania.

The role of regional universities

It is clear from work carried out, amongst others, by Professor Michael Porter of Harvard University (see "The Competitive Advantage of Nations") that regional universities have a major role in regional development. He has argued that "universities, research laboratories, specialised infrastructure, or trained labour pools, are much more effective than subsidies" in assisting regional development. Indeed, in a number of analyses, regional universities around the world provide an important focus for development, especially as close links are established with local industry.

Despite this important linkage there are problems in the funding of Australian universities. Research and development funding including research infrastructure is a barrier to development. Uncertainty over government policy has contributed to the decline in industry investment in R & D. This will not augur well for the future of regional Australia.

The UK and the US have recently injected additional funds to support R & D including within the university sector. At a time when this is happening, funds for research infrastructure for Australian universities is scheduled to decline.

Regional Australia will pay a heavy long term price if we fail to resource the universities as an important economic driver. A study carried out by the University of Tasmania has shown that the existence of the university directly or indirectly creates about 8,000 jobs in the community. It serves also to underpin much of the R & D needs of local industry.

Solutions

A common historical mechanism to attract industry in regional area has been to provide subsidies. This policy appears to have had limited success. Instead, the development of cores of industry strength and the encouragement of geographically related clusters is likely to yield greater returns. If this model is accepted it may help to define the types of specialised infrastructure that might support such development.