

The Growth and Development of Albury-Wodonga 1972-2006: United and Divided.

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Thesis Summary.

Albury and Wodonga are contiguous twin towns astride the Murray River the border between New South Wales and Victoria and at a casual glance appear to be functioning as one town. In 1972 the Federal Labor Whitlam government and the States of Victoria and New South Wales established the Albury-Wodonga Growth Centre and appointed the Albury-Wodonga Development Corporation to plan and develop the project which included the building of two new satellite towns, Thurgoona and Baranduda. The Growth Centre policy is underpinned by the popular Growth Poles and Growth Centre theories of the day, which were circulating in Europe and North America. Albury and Wodonga were selected for development as a Growth Centre as they had already shown evidence of economic development and population growth. The theories of spatial concentration, industrial location, and regional agglomeration explain the development of the Growth Centre over three historical periods in Australia including the end of the Long Boom which encompasses the Whitlam years, the lead up to and the restructuring of the Australian economy by the Hawke-Keating governments (1976-1991), and the return to prosperity under the Howard government (1996-2006). Three issues were examined in this thesis. First, the reasons why Albury-Wodonga continued to grow in its unique way as an inland centre. Second, the role of the cross border location in generating reasons for growth and creating anomalies. Third an understanding of the brief and unique Federal intervention which has shaped Albury-Wodonga. The development of the Albury-Wodonga Growth Centre has been the first and last occasion, in the past forty years, that the Federal government has directly intervened in State regional affairs. Fieldwork provided a contemporary narrative from stakeholders in the Growth Centre about events over the three historic periods and the impact of anomalies on commerce, industry and residents. The thesis attempts to add to the research about internal borders and inland centres in Australia...

Statement by Candidate

I Clara Stein, hereby state that his dissertation has not been submitted for a higher degree to any other university or institution. I have also indicated in the thesis the sources of information used in Tables or text and the extent to which the work of others has been utilised. This work was carried out under the guidance and with permission of the Macquarie University Ethics Committee and Ethics approval was obtained on 17th August 2007, reference number HE25May2007-D05228.

Signed

Date.....

Clara Stein.

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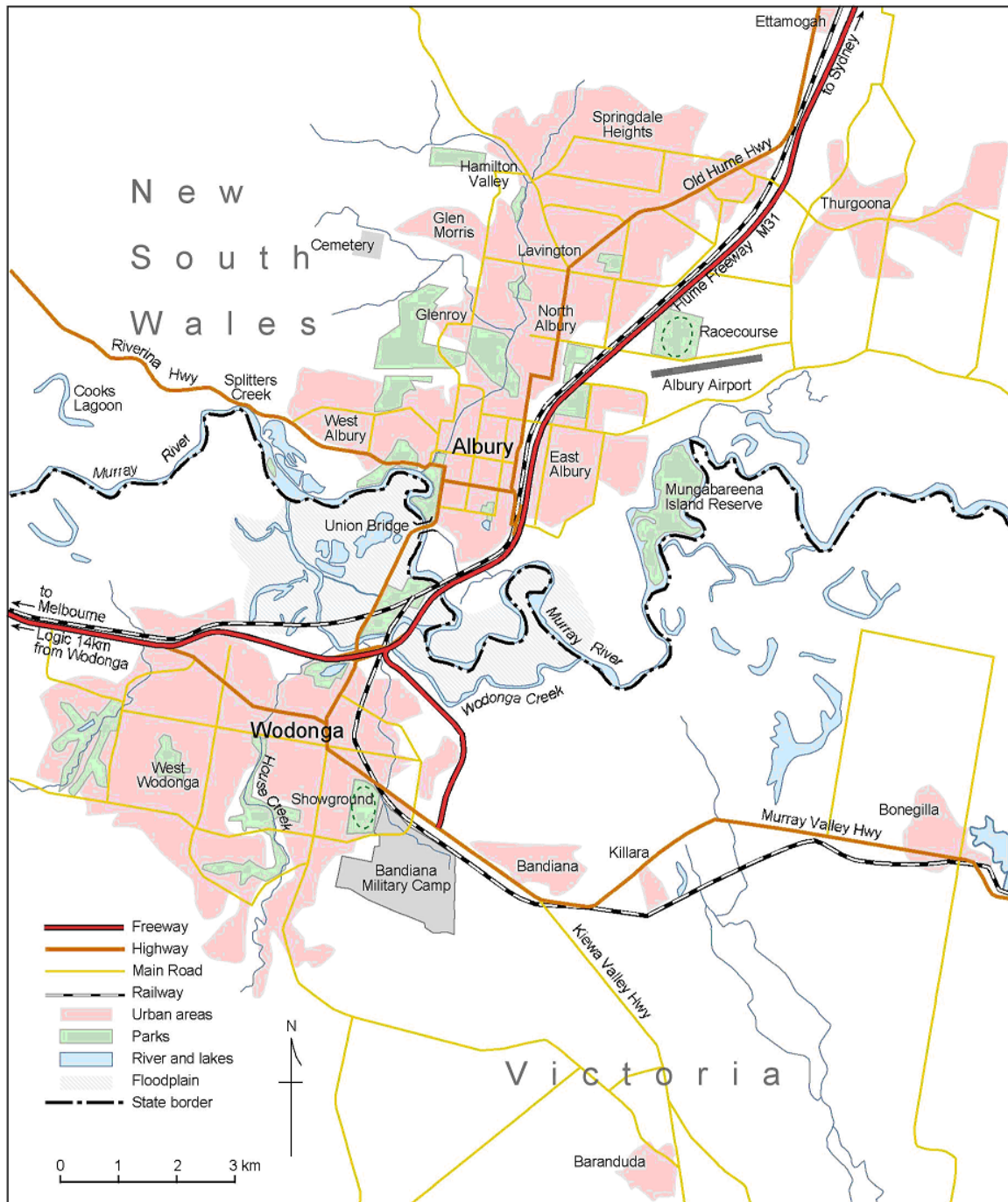
Abbreviations and acronyms

Abbreviation or acronym	Explanation
AAP	Australian Assistance Plan
ABC	Australian Broadcasting Corporation
ABL	Australian Business Limited
ACC	Area Consultative Committee
ACTU	Australian Council of Trade Unions
AiG	Australian Industry Group
AIP	Area Improvement Program
AIRC	Australian Industrial Relations Commission
ALGA	Australian Local Government Association
ANT	Actor Network Theory
ANU	Australian National University
AUSFTA	Australian –US free trade agreement
AWA	Australian Workplace Agreement
AWACC	Albury-Wodonga Area Consultative Committee
AWC	Albury-Wodonga Corporation
AWDC	Albury-Wodonga Development Corporation
AWROC	Albury-Wodonga Regional Organisation of Councils
BCA	Business Council of Australia
BMRT	Border Medical Recruitment Taskforce
BTRE	Bureau of Transport and Regional Economics Canberra
CAFA	Citizens Against Forced Amalgamation
CBCF	Cross–Border Consultation Forum
CBD	Central Business District
CCP	Country Centres Project
COAG	Council of Australian Governments
DAW	Development Albury-Wodonga
DFM	Diamond Factor Model

DIIRD	Department of Innovation, Industry and Regional Development
DILGEA	Department of Immigration, Local Government & Ethnic Affairs
DOLGAS	Department of Local Government and Administrative Services
DURD	Department of Urban and Regional Development 1971-1975
EVO	Energy Vision Opportunity (migration out of Sydney)
FHOG	First Home Owner's Grant
FID	Financial Institutions Duty
FSP	Flexible Systems of Production
GDP	Gross Domestic Product
GST	Goods and Services Tax
HEP	Hydro-Electric Power
HRBC	Hume Riverina Business Contact
IAW	Investment Albury-Wodonga
ICT	Industrial Cluster Theory
ICTS	Information & Communication Technology systems
ID	Industrial Districts
IT	Information Technology
JCBAC	Joint Cross-Border Anomalies Committee
JIT	Just-in-Time
LQ	Location Quotient
MOU	Memorandum of Understanding
MP	Member of Parliament
NCDC	National Capital Development Corporation
NIS	New Industrial Spaces
NOLG	National Office of Local Government
NR	New Regionalism
NSW	New South Wales
NURDA	National Urban and Regional Development Authority
OCA	One City Alliance
OECD	Organisation for Economic Cooperation and Development
OLMA	Office of Labour Market Adjustments

OH&S	Occupational Health and Safety
OPEC	Organisation of Petroleum Exporting Countries
PAW	Parks Albury-Wodonga
RCSD	Regional Committee of Social Services
RDA	Regional Development Australia
RDO	Regional Development Organisation
RDP	Regional Development Program
RDV	Regional Development Victoria
REDO	Hume Province Regional Economic Development Organisation
REMplan	Regional Economic Modelling plan
ROCs	Regional Organisation of Councils
RSA	Responsible service of Alcohol
RSL	Returned Soldiers League
SME	Small and Medium Enterprises
SMS	Spinbond-Meltdown-Spinbond
SOC	Save Our City
SPP	Special Purpose Payments under Section 96 of the Constitution
SWC	Social Welfare Commission
TNC	Trans National Company
TQM	Total Quality Management
TSO	Third Sector Organisation
UN	United Nations
VEDC	Victorian Economic Development Corporation
Vic	Victoria

Map 1**Location of Albury-Wodonga in South Eastern Australia**

Map 2**Albury-Wodonga**



Albury 2007



Wodonga 2007



Aerial photo of Albury-Wodonga 1971

Development Plan of Albury-Wodonga: AWDC initial proposals June 1974 page 32

Permission to use photograph granted by Peter Veneris, CEO of Albury-Wodonga Corporation, Albury, on 16 /5/2012.

Aerial photographs of Albury 2007 and Wodonga 2007 supplied by Omnilink Pty Ltd., 521 Swift Street, Albury.

Permission granted by Michael Bydder Omnilink Pty. Ltd. 521 Swift Street, Albury 26/10/09.

Chapter 1

Introduction

‘99% of the total national population lives in 21% of the land area of the country and 86% live in 0.1% of the land area The problems of city living reached a peak in about the 1970s when urban affairs emerged as a political issue’ (Craig 1990 p.16).

In 1972 the Whitlam Federal Labor government selected the cross border towns of Albury (New South Wales) and Wodonga (Victoria) to form the Albury-Wodonga Growth Centre, the federal government’s first and so far last attempt, at direct action in urban and regional policy. The Whitlam Labor Government aimed to build a new inland city as a Growth Centre astride the State¹ border and, in collaboration with the State governments of New South Wales and Victoria, to provide a better quality of life for people ostensibly from western suburban Sydney and Melbourne, with cheaper housing, jobs near homes, education, amenities and recreational facilities. This was supported by State government moves towards a selective decentralization policy to replace earlier more spatially dispersed regional policies.

Anticipating large population growth in Australia by 2000, the Albury-Wodonga Growth Centre population target was set at 300 000 people by the year 2000. Yet when population predictions for Australia were subsequently reduced², the target for the Growth Centre was adjusted to 150 000 by the year 2000. The Growth Centre achieved a population of over 100 000 by 2011 while it is estimated, the urban areas of Albury and Wodonga, would achieve a population of 107 743 by the year 2021³. Table 1.1 suggests that aside from the special case of Canberra as national capital, Albury-Wodonga has now joined the historic cities of Toowoomba and Ballarat as Australia’s largest inland urban centres, having moved from a rank of 32 in 1961 to hold a rank of 17 in 2006⁴.

¹ Throughout the thesis State written with a Capital S represents the States of Australia while state written with a lower case s represents the nation-state.

² National Population Inquiry: The Borrie Report 1976.

³ Wodonga Economic Indicators 2011 p. 19.

⁴ O’Connor K. Stimson R. Daly M 2001 Budge T. Butt A. 2000; 2006 Census of Population and Housing Albury (c), Wodonga (RC) and each urban centre.

The Albury-Wodonga cross border city presents a unique case study not simply because it is the only example, if brief, of direct Federal involvement in regional development in Australia. It is a major inland centre yet the only one located astride a State border. Apart from Albury and Wodonga there are numerous other examples of twin towns straddling the Murray River on the border between New South Wales and Victoria. Yet all except Albury-Wodonga have remained small settlements (see Table 1.2). While the large cross-border urban area of Tweed Heads-Coolangatta straddles the New South Wales and Queensland border (see Table 1.2), it differs from Albury-Wodonga as it has a coastal location, is an extension of the Gold Coast region and is dependent on tree change settlement, tourism and service industries.

Table 1.1

Population rank of selected cities

City	Rank 1961	Rank 1996	Rank 2001	Rank 2006	Population 2006
Launceston	10	17	21	20	71 395
Ballarat	12	19	17	18	78 221
Townsville	13	13	14	13	128 808
Toowoomba	14	15	16	16	95 265
Bendigo	17	20	20	19	76 051
Cairns	23	14	15	15	98 349
Albury-Wodonga	32	18	19	17	79 292
Mackay	35	24	24	23	66 874
Rockhampton	16	21	24	26	60 827

Source O'Connor K. Stimson R. Daly M. 2001; 2001 update from Budge T. Butt A. 2000; 2006 update Author; 2006 Census of Population and Housing

Albury and Wodonga were selected as a Growth Centre in 1972 because the twin towns already had a growing population and a diverse and expanding manufacturing base often using local raw materials⁵. In addition Albury-Wodonga was in a major road and rail corridor between Sydney and Melbourne and could provide access to the coastal markets between Brisbane and Adelaide (see Map 1). Federal, State and Local government incentives for industry were available to foster manufacturing development which has continued steadily even after the Growth Centre policies were abandoned, first by the Federal government after

⁵ Raw materials include pinus radiata wood, soft fruits, berries, grapes, milk, wool, wheat, oats.

the demise of the Whitlam Government in 1975 and then over the next 29 years by both State governments⁶.

Table 1.2

Twin Towns straddling borders

<u>New South Wales</u>	<u>Victoria</u>
Albury	Wodonga
Beroga	Cobran
Mulwala	Yarrawonga
Barham	Koondrok
Moana	Echuca
<u>New South Wales</u>	<u>Queensland</u>
Tweed Heads	Coolangatta
Jennings	Wallengra

Source Phillips Atlas

The border has underpinned the economic growth of Albury and Wodonga and also seemed to put Federal involvement in building a Growth Centre on a sounder Constitutional basis, as it involved collaboration with more than one State. Yet the New South Wales and Victorian border separating the twin towns has also constituted a hindrance to development. In Australia's particular version of Federation enshrined in the Constitution adopted in 1901, State governments retained a wide range of powers which has led to different rules, regulations and policy frameworks in each State which have resulted in anomalies. These anomalies are more pronounced across borders and impact on daily life, commerce and industry.

A casual look at Albury and Wodonga might suggest that the two contiguous towns are well integrated and if they are not entirely one urban unit, they for the most part appear to function as one. The built up area of Albury and Wodonga are 4km apart but connected by a newly constructed highway which facilitates fast and easy mutual access (see Map 2). This has permitted residents of each town to mix in the urban workforce, shopping centres, sports, education, hospitals as well as socially and in pursuit of leisure and other services. Yet the

⁶ Both State governments withdrew completely from the Albury-Wodonga Growth Centre project in 2004.

border separates residents of the towns in numerous ways and there have been long-standing debates about a plethora of anomalies affecting businesses and residents and which create duplication, time loss, extra expenses and amenities arguably of lower standard than might have been achieved otherwise - in short, potentially reducing living standards achieved in towns astride a State border.

There has been a relative dearth of case studies of significant inland urban developments in Australia, and very little written about the importance of internal borders on economic and social development in Australia. Hence, this thesis explores the following research questions:-

1. Why has Albury-Wodonga continued to grow as an inland city, right up to the present?
2. The role of its cross border location, in both generating reasons for this growth and in creating anomalies, which also act as a barrier to development?
3. Because it remains the unique, albeit brief, example of Federal intervention, what has been the importance of Federal and State Government policy in shaping Albury-Wodonga's growth?

The urban development of Albury-Wodonga has continued across three major periods of economic and social change in Australia's recent history. The periods of significance to the thesis include: - the so-called 'Long Boom' extending from 1947 to the mid-1970s and including the Whitlam years at what turned out to be the end of the boom; the lengthy period of restructuring in the Australian economy, including the terms of the Fraser and Hawke – Keating Federal governments; and finally the period often called the 'return to prosperity' coinciding with the Howard Federal government. The analysis extends from the 1971 census to the 2006 census, which was the latest available census and the evidence obtained during field work in 2008 and 2009. The social and economic development of Albury-Wodonga will be explored in the context of the political and administrative anomalies resulting from different rules and regulations on either side of the border during the three periods identified since the middle of the 20th century.

The location of the twin towns⁷ of Albury and Wodonga are shown on Fig 1.1 as the contiguous towns astride the Murray River, the State border, less than four kilometers apart but distant from their respective capital cities. When the Growth Centre was established, a hinterland or administrative region⁸ was delineated around the towns, enclosing a 500km square area based on a radius of 50kms from Union Bridge, Albury⁹ (see Fig 1.2 and Fig 1.3). The Albury-Wodonga Development Corporation (AWDC) was established by Federal and State governments to plan, develop and market the twin towns as 'Albury-Wodonga'. The State border, a jurisdictional boundary, fosters strong State loyalties, a lack of common purpose and reason to cooperate in the community (Beer, Maude, Pritchard 2003 p.55). It also separates extensive, pastoral land use and dispersed settlement north of the border in New South Wales from intensive, arable land use and close settlement south of the border in Victoria. This thesis focuses on the twin towns of Albury and Wodonga, rather than the region of Albury-Wodonga, as, for the last 40 years Federal, New South Wales and Victorian governments, have focused their regional development policies on promoting growth of non-metropolitan urban areas.

The thesis is divided into nine chapters. Chapter 2 and 3 establish a conceptual framework for the research considering both theories of industrial location and regional development and ways of understanding the role of borders. Chapter 2 explores theories of spatial concentration, regional industrial agglomeration to help shed light on both the State government policies of selective decentralization and Federal Government Growth Centre policy in the early 1970s. It also provides an account of theories of 'New Regionalism' and their applicability to regional policy in Australia and to the development of Albury-Wodonga in particular. The chapter concludes with a discussion of the research methodologies employed in the thesis informed by the conceptual framework.

Chapter 3 sets up a framework for understanding borders focusing in particular on borders within nation states about which the international literature remains sparse. In addition border regions, cross border regions and cross-border towns or cities are also examined. The chapter

⁷ Bayley W. 1976 The term twin towns was first used in the 1970s and continues to be used in the media despite Albury and Wodonga, today, having city status.

⁸ 'a region is an intellectual concept, an entity for the purposes of thought, created by the selection, or a problem, and by the disregard of all features which are considered to be irrelevant' (Whittelsey 1954 quoted by Hoekveld G. 1999 p. 13).

⁹ Pennay B. 205 p.54.

concludes with an account of the formation of a relatively closed border between New South Wales and Victoria during the 19th century, the promised opening of the border following Federation of the Australian colonies in 1901 and attempts to resolve cross-border anomalies which have persisted over the ensuing 100 years.

Chapter 4 explores the policy framework for the thesis research with an account of Federal and State governments regional development policies during the three historical periods outlined above. Focus falls on the Whitlam Government's Policy as the first and only direct Federal intervention in Regional policy. The AWDC which it set up had a steady demise culminating in its disestablishment and the final withdrawal of State governments in 2004.

Chapter 5 uses statistical and document analysis to examine the demographic economic and social development of Albury-Wodonga during the three historical periods which frame the empirical research and which help illuminate the role of the border location in underpinning the economic development trends. In Chapter 6 the effects of cross-border anomalies created in towns astride an open State border are explored for the three historical periods. Cross-border anomalies for towns like Albury-Wodonga are the result of the Constitution permitting States to maintain many of their colonial powers which at times conflict with those of neighbouring States. The chapter examines issues created by these cross-border anomalies and responses from State governments in particular, to mitigate negative aspects for residents, commerce and industry.

Chapters 7 and 8 explore the results of a questionnaire survey of industries in Albury-Wodonga undertaken in 2007 and fieldwork undertaken in the twin towns in 2008 and 2009 both to further illuminate reasons for continued industrial and urban growth and to further explore impacts of cross-border anomalies on residents, commerce and industry. Chapter 7 focuses on interviews with the first Chairman and first Economist of the AWDC, and interviews with CEOs or managers focusing on their locational decision-making, growth and development, impacts of border anomalies, networking among firms, residential location of their workforce and cross-border commuting.

Chapter 8 concludes the empirical analysis with a focus on narratives provided by local residents living along the border including significant stakeholders in professions,

government departments, Third Sector Organisations¹⁰ (TSOs) and grass roots community organizations who were interviewed. In addition it explores community involvement and action in issues impacting on the twin towns.

Chapter 9 concludes the thesis highlighting issues resulting from a Constitution over 100 years old and sometimes out of step with the economic, social and political changes which Australia has faced over the past century. It draws together findings about the reasons for continued development of the cross-border towns and opportunities and constraints to growth and development provided by Albury-Wodonga's border location.

¹⁰ Third Sector Organisations are not-for-profit organizations.

Chapter 2

Spatial Concentration, Regionalism, Regional Development, and Methodology.

This chapter highlights some of the theories of spatial concentration and regionalism which provide a framework for the research on Albury-Wodonga especially shedding light on the processes involved in the growth of non-metropolitan urban areas as a component of regional growth in Australia. As well the theories provide an insight into government policies relating to the twin towns. Since Albury-Wodonga straddles an internal State¹¹ border a conceptual framework for understanding internal borders is considered in Chapter 3.

The chapter is divided into four sections. First, theories underpinning regional development policy of the 1960s in OECD countries are explored because these underpinned development of the Albury-Wodonga Growth Centre from 1972. Second, theories of industrial restructuring, following the economic crises from the mid 1970s to the mid 1990s, are considered and at least partly explain the abandonment of Australian regional policy in favor of market-led solutions from the 1980s, often termed a swing to neo-liberalism in which regions were situated firmly in the context of globalization in the 1990s. Third, 'New Regionalism,' industrial clusters, knowledge and learning-regions are considered from the 1990s to the present. Fourth, an account of the methodology used in the thesis following from this conceptual framework, concludes the chapter.

2. 1 Theories of Spatial Concentration.

Theories of spatial concentration of economic activity were popular underpinnings for regional policies during the so-called Long Boom from the 1950s to the early 1970s.

¹¹ Throughout this thesis State spelled with a capital 'S' represents the State/province while state spelled with a small 's' represents the nation-state.

Australian State governments during this period were pre-occupied with decentralising manufacturing to promote regional development. Later, they were influential in shaping the Whitlam Government's Growth Centre policy. This section 2.1 considers theories of industrial location, decision-making under uncertainty, agglomeration and cumulative causation theory.

2. 1. 1. Industrial Location, Uncertainty and Agglomeration.

Weber (1909) explained least-cost point theory of industrial location in normative terms. The classical focus of location theory explored production costs, including raw materials, labour, other inputs, and the transport, of both inputs from sources and outputs to market.

The theory (1929) stated that optimal location for manufacturing minimizes total production costs of which transport and labour show most spatial differences. It was a theory of optimal location. He divided the factors affecting industry into those influencing inter regional and intra-regional locations (Webber 1972 p. 11). The theory assumed that raw material sites, location and size of the market centres are given, and that the labour supply is unlimited, immobile and has fixed wages (Webber 1972 p. 11). Industries best locate at the lowest transport cost, that is '....where the number of ton miles of raw materials and finished product to be moved per ton of product is minimised' (Webber 1972 p.11). Materials used in production are classed as either ubiquitous or localized drawing industries to raw material or market locations (Webber 1972 p. 12). Weber did not consider differences due to organizational and technical efficiencies, nor the notion that labour is mobile or in short supply, and that wages vary with the firm. His analysis is based on 'differences which are fixed' (Webber 1972 p. 13).

He stated that agglomeration would 'cheapen production when that production is concentrated at one place' (Webber 1972 p. 14). He identifies agglomeration factors as 'economies of scale within a plant' and 'economies from the association of other plants' (Webber 1972 p. 14). 'Weber's assumption of space and perfect competition are inconsistent' and 'in reality firms seek maximum profit locations rather than least cost locations' (Webber 1972 p. 16). 'Weber's is a small scale model. It works most efficiently when analyzing the location decisions of one firm, partly because it does not consider the effects of the firm's interdependencies, partly because it assumes that the distribution of raw material is a given'

(Webber 1972 p. 22). Webber draws on a seminar paper by Fagan¹² (1969) and adds ‘plant location decisions are determined not by production and transport processes alone but by the interaction of those processes with the resource creation process’ (Webber 1972 p. 22).

Webber determines a ‘more realistic model’ should add that ‘markets are monopolistic and profit maximisation rather than cost minimization is the aim of firms,... that scale and optimum location are interdependent’ as well as incorporating ‘spatial variations in labour costs’, tapering freight rates, ‘individual decision taking aspects of agglomeration’ and ‘the resource creation process’ (Webber 1972 p. 23).

Hoover’s (1937) industrial location theory built of Weber’s least-cost theory highlighting the impact consideration of transfer costs in determining where goods are produced. Hoover and Giarratani (quoting Isard) (1970), concluded that ‘...only the transport factor and other transfer factors whose costs are functionally related to distance impart regularity to the spatial setting of activities’ Hoover identified transfer costs as including transport, handling, storage and trans-shipment of goods as well as the clerical costs incurred on moving products to the final market.

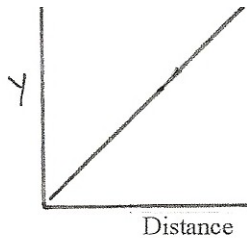
The cost of transportation varies depending on the quantity, size, value, fragility of the goods and the appropriate mode of transport and the distance to be covered. Goods may be moved to market by road, rail, water, aeroplane, pipeline, telecommunication cables, networks, animals or people, individually or by a combination of transport types. To determine the economically optimal form of transport, cost-based location theorists focused on the product’s perishability, fragility, liquid or solid state and its value.

Transport costs are in fact less than proportional to distance. (Hoover 1948; Lloyd, Dicken 1972 p. 78). Taking into account terminal costs which include handling costs, as the distance traveled increases, the terminal costs are spread over a longer distance resulting in a drop in cost per km as shown in Fig 3.2. This is known as ‘tapering’. The degree of tapering varies with the type of transport being used and the distance traveled.

¹² Fagan R. H. 1969 Australian Metaliferous Mineral Industries: a Framework for Locational Analysis
Department of Human Geography Seminar Paper Canberra.

Figure 2.1.**Transport cost curves proportional to distance**

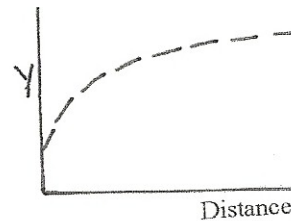
Proportional to distance



Y transport cost per unit weight

Source Lloyd P. Dicken P. Fig 5.6 p 79

Less than proportional to distance



Y transport cost per unit weight

Source Lloyd P. Dicken P. Fig 5.6 p 79

Transport costs vary depending on the type of transport, the type of product, the volume of cargo, speed needed to reach the market, the distance the goods are transported and freight rates. Lloyd and Dicken suggest that when tapering rates are applied manufacturing industries could locate at the source of raw material or at the market without disadvantage. Locating an industry at an intermediate point would be disadvantageous as seen in Figure 3.2 and Figure 3.3. The intermediate location would require moving the raw materials to the manufacturing location (a short haul journey) and the finished product to the market (a second short haul journey) which would be more costly than the original long haul from raw material location to the market. For medium and long haul transport water transport is the cheapest as energy use is most efficient and the transfer costs per km decrease with distance. Nevertheless in some sectors a particular input (notably labour costs) could over-ride the transport-based optimal location, for example in labour intensive industries such as textile and clothing manufacturing. As well governments can manipulate the locational costs to bring about a desired optimal outcome.

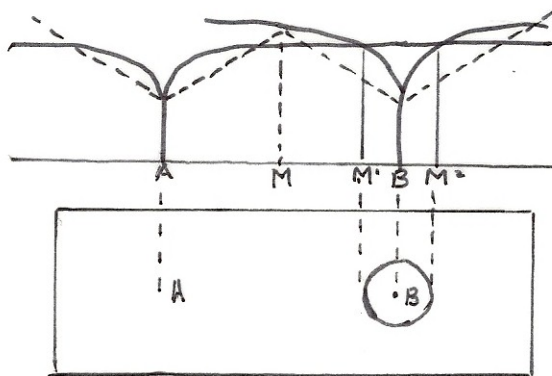
There are many industries that establish at what initially may seem disadvantageous points, that is, neither at the source of raw material nor at the market. At this break of bulk point one might expect that goods which moved from one type of transport to another incurred higher handling and terminal costs and lose the advantage of long haul economies. However there are sound reasons to establish industry at this break of bulk point where two different

transport systems intersect and goods are trans-shipped. Hoover named this the trans-shipment point or modal interchange (Hoover, Giarratani 1970 Ch. 3).

Hoover's theory of trans-shipment provides an understanding of the historic factors which led to the growth and development of Albury, its population and economy. Albury the furthest inland port on the Murray River was established in 1839 at the trans-shipment breakpoint where river transport intersected with road transport. Albury the largest town in the region supplied the hinterland with goods and shipped wheat and wool from the region to Goolwa on the coast. Some 50 years later the railway which linked Albury and Sydney provided another form of transport. New South Wales built a four foot eight inch gauge railway system while Victoria built a five foot three inch railway gauge system. The different railway gauges from New South Wales and Victoria at Albury and Wodonga became another trans-shipment point for the development of Albury into the early 20th century.

Figure 2.2.

The effect of tapering freight rates on the market areas of two competitors A and B.



Source Lloyd P. Dicken P. 1972 fig 5.11 p84

Hoover and later Lloyd and Dicken (1972) draw on Figure 3.4 to explain the reason for establishing industry at the trans-shipment point or break point. In Figure 3.4 A is the location of raw material and B is the location of the market while C represents the point where water transport and rail transport (different types of transport) intersect allowing goods to be trans-shipped. Between A and C goods are moved by water transport while between C and B goods are moved by rail transport. The total transfer cost is shown at the top of Figure 3.4. Water transport was used to transport bulky raw materials to point C. At C the bulky raw materials

were converted into lighter smaller finished products more readily and cheaply moved to market by rail transport (see Figure 3.4).

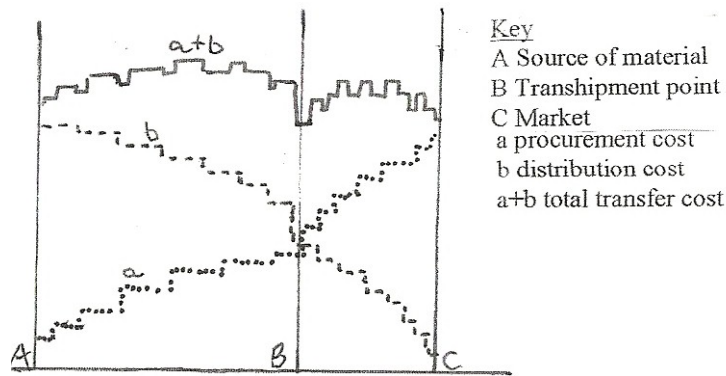
The trans-shipment point offers a strategic location for industry as it is the focus of a second type of transport with different transport routes which offer scale economies and includes specialized facilities for goods handling and storage.

Hoover decomposes total transfer costs of a product into procurement and distribution costs. Where procurement and distribution costs intersect, the total transfer costs are minimized rendering the location in question an ideal trans-shipment point conducive to the establishing of industry. The trans-shipment location might well be an inland river port town like Albury where other sources of alternative transport (rail and road) intersect with water transport. Trans-shipment point locations also provide advantages both to industries which need to acquire raw materials from a number of sources and for industries that have to access several markets.

Hoover believed 'there are only a limited number of such nodal points, and each is a production centre for manufacturing as well as trading and intermediate handling operations. Since the transfer advantages of these points rest partly on large volume traffic and frequent and flexible service, there is evidently a cumulative pressure towards concentration of transfer advantage' (Hoover 1948 p. 120). Hoover concludes that freight rates are not proportional to distance but taper off with distance; the causes of labour cost differentials are due to 'variations in the cost of living' and 'labour immobilities'; and agglomeration can occur at 'material sources, transshipment points and markets' (Webber 1972 p. 20).

Figure 2.3.

The effect of the convergence of two transportation media on the total transportation costs



Source from Hoover E.M. 1948 fig 3.8 p 39

There seem to be a number of other factors influencing the location of trans-shipment points. According to Lloyd and Dicken they may occur at political boundaries where a new journey begins at the border 'even though no actual break occurs' and where the higher trans-shipment costs are reduced by establishing production centres (Lloyd, Dicken 1972 p. 85). Furthermore Lloyd and Dicken submit that the granting of 'in-transit' privileges by railroad companies wanting to attract business to their routes also provides an incentive for industry to establish at a trans-shipment point (break of point). This requires the railroad company to allow material to be shipped to the trans-shipment point, be processed and sent to market by rail while being charged a through rate for transport, which does not penalize the industry for the change of transport (Lloyd, Dicken 1972 p. 86). The transportation of wool to Sydney from Albury, and from Wodonga across the border, echo the conditions described by Lloyd and Dicken. The New South Wales government offered reduced freight rates as incentives for Victorian wool to be shipped from Sydney.

In a later study, Hoover and Giarratani (1970) speculated on how energy price rises and new information technology might impact on the desirability of industrial location within a specific region. For one, since short haul truck transport consumes more energy per kilometer than long distance rail or water transport, a relative rise in its costs could well induce some entrepreneurs to consider moving closer to their markets. As to improvements in communication technology, by affording a rapid dissemination of information over wide areas at ever reducing costs, the distance factor in regulating and controlling outlying branches or units assumes less significance (Hoover, Giarratani 1970 Ch. 3).

The improved technical developments in the transport industry have also improved the linkages and coordination between different types of transport. Containers have standardized faster, cheaper more efficient movement of goods between truck, rail and ship. As well improved transport facilities have created a general decline in the average cost of transport. Pred showed that the cost of rail transport in the USA between 1865 and 1900 declined while Hoover highlighted the reduction in time to move carload shipments between Chicago and Minneapolis from three to four days initially to thirty six hours in 1948 (Lloyd, Dicken 1972 p. 87).

Benefiting from technology communication and transport improvements Albury and Wodonga have become centres for wholesale, distribution and transport industries. Woolworths established a large storage and distribution centre at Logic, Wodonga to trans-ship goods to markets throughout the hinterland. Border Express stores goods unloaded at Melbourne port at Logic¹³ for trans-shipment throughout Australia.

After a lull in attention given to location of industry theory since the 1970s, McCann and Sheppard (2003) detected a renewed interest within a number of disciplines including economics, geography, management science, marketing and international business studies. The cause for this could be new international institutional arrangements for economic integration and free trade zones, growth in communication and information technology, easier access to data, as well as simply a change in academic interests (McCann, Sheppard 2003).

McCann and Sheppard fault Hoover and Marshall for both accepting market prices and market location as givens and not fully explaining why ‘activities are grouped together in geographical space’ (McCann, Sheppard 2003 p. 653). That is, ‘the arguments underpinning agglomeration behaviour are generally treated as being exogenous to the micro-location problem’ (McCann, Sheppard 2003 p. 653) and they fail to explain why firms would continue to locate in an agglomeration giving rise to higher land and labour prices that could well encourage dispersion (McCann, Sheppard 2003 p. 653). For want of an alternative theory McCann and Shepherd settle for the conclusion that urban clusters occur because of ‘historical reasons or because of topographical features’ (McCann, Sheppard 2003 p. 653).

¹³ Storage fees at Logic are cheaper than in Melbourne.

McCann and Sheppard take issue with classical location theory in that the costs of a firm are divided between transport costs, which are linked to distance, and location specific costs, which include land and labour. Transaction costs have altered over time as technology has improved. Transaction costs today are divided into information transmission costs and transportation. (McCann, Sheppard 2003 p. 659). Information technologies have reduced the cost of communicating over distance (time-distance compression) and allowed decision makers to control the coordination of spatial arrangements of activities. This has been counterbalanced by the increased cost of the greater variety and complexity of information which is required to be transmitted. In transport technology, improvements including roll-on, roll-off trucking, containerization, rapid-turnaround shipping and just-in-time shipments (JIT) have partially reduced costs. However some of the new forms of transport-technology, such as JIT, have required more frequent deliveries so transport costs have increased (McCann, Sheppard 2003 p. 660). Information technology is essential for transport technology such as JIT to function effectively. JIT requires information about storage, retrieval, ordering and transportation. Costs may be reduced where there is an efficient speedier means of transport. On the whole transport cost for bulky, low value goods have fallen while transport costs for manufactured goods have risen.

Despite the insights revealed, a common criticism of least-cost location theories has concerned the assumption of perfect knowledge and optimizing behaviour by decision-makers. Various ways of dealing with different behaviour and imperfect knowledge have been suggested. In 1963 for example Gould proposed the use of Game Theory to create a broad conceptual framework of knowledge, facts and observations, to explore a wide variety of choices and strategies for action. Game theory aims to 'provide the best solutions to problems in which the outcome for one player depends not only on his own actions, but also on the actions of an opponent' (Lloyd, Dicken 1977 p. 305). Game Theory provides the bridge between the more rigid normative location theory and more flexible behavioural approaches incorporating uncertainty. It provides insights into complex situations and focuses on uncertainty and attitudes towards uncertainty, as variables in the decision making process.

By the 1970s the spatial analysis of location of industry turned to the behavioural processes already 'well established in other branches of human geography' (Lloyd, Dicken 1977 p. 426). Lloyd and Dicken suggest that location issues are complex, differ in time and place, and since people are not 'perfectly rational economic men' (Lloyd, Dicken 1977 p. 338) they lack

the ability and information (knowledge) to resolve location issues. In its simplest form Game Theory 'can be used to illustrate spatial decisions in the face of uncertainty' (Lloyd, Dicken 1977 p. 305).

Lloyd and Dicken hypothesize that manufacturers are highly conservative and do not have to make decisions about relocating a firm frequently nor routinely. They suggest that the initial location of a firm is often located where proprietor lives, has trained, and has contacts. A subsequent location involves many complex issues. The location of a firm is linked to 'three variables: distance costs, external economies, as well as economies and diseconomies of scale within the firm' (Webber 1972 p. 273), and all include variables of uncertainty. As a result uncertainty affects investment, the cost of the factory, its size, distance from markets and suppliers; access to labour, contacts and transport; knowledge obtained from family, contacts, and government agencies; knowledge about infrastructure changes, government subsidies, redevelopment programs, actions of rivals and innovations.

Uncertainty impacts on the scale of a plan and the level of uncertainty affects the proportion of a firm's capital which could be invested in the firm or a plant or held in reserve. If uncertainty is high then investment will be less and firm and plant will be smaller which will in turn reduce the market area. As plant size is reduced plants rely more on external services resulting in agglomeration preferably in larger cities where services are readily available, and market prospects are greater. Uncertainty is not the same in all industries and increases with distance from the market. Transport of goods increases with distance from the market, and as the distance from the market increases, so the need to hold more stock increases and communication costs rise. 'Uncertainty causes greater increases in the costs of distance from markets than in the costs of distance from supplies' (Webber 1972 p. 275) causing plants to agglomerate near markets. Agglomeration increases in uncertain economies more than in certain economies, resulting in population concentrations in large cities where because of uncertainty, firms also locate to access readily available services and frequent innovations which are readily accessible.

When seeking a new location Webber states 'that firms simply do not have the information they require to maximize profits' (Webber 1984 p. 38). He identifies three areas of uncertainty including the high cost of information, unpredictability of the future and the actions of rival firms. These uncertainties impact on the decision, which is both costly and

fixed, of where to locate the firm. Location decisions require the ex ante evaluation¹⁴, for each site before the sites can be compared in terms of ‘how much can be sold, how much it costs to produce that output, and the expected prices’ (Webber 1984 p. 39). The most profitable site location is termed ex ante optimum. However the actual costs and profit for the firm will only be known once the firm has relocated and is fully functioning and is termed ex post optimum. It is rare to locate at a site which is optimizing¹⁵. More frequently a site is selected which is satisficing¹⁶, and because most selections are satisficing, ‘satisficing is optimal’ (Webber 1984 p. 40). Webber believes that ‘the need for a normal rate of profit is a socially imposed goal’ (Webber 1984 p. 40) which causes firms that are not satisficing to close because they are not competitive.

To reduce the level of uncertainty many small firms tend to imitate the locational behaviour of others as a result of information flows or through observation, and locate in large cities. In so doing they agglomerate which is ‘as much a behavioural as a strictly economic phenomenon’ (Lloyd, Dicken 1977 p. 338). Unlike the small firm when multi-plant firms relocate they face a greater degree of complexity but are aided by a larger budget and specialist staff to evaluate a wider range of information and prepare strategies. Most large firms function within a five year plan which forecasts sales, operating costs, investment needs, planned growth, technological changes, competitive threats and market trends. For the multi-plant firm the decision about relocation has been forecasted and occurs more frequently than for a small firm. Multi-plant search processes for re-location generally involve two steps. The first step involves a broad scoping of the region or city while the second step involves a detailed investigation of the specific site in a given industrial zone. However if the relocation is the result of a merger, the location will be predetermined and if the multi-plant firm is located in an ideal location enlarging the existing premises results. By relocating in an industrial zone the multi-plant firm like the smaller manufacturing firm becomes part of agglomeration economies.

Albury-Wodonga established as a manufacturing centre with many small manufacturing firms and a number of large branch firms whose headquarters are located nationally or internationally. Some of the large international firms have established policies (based on

¹⁴ “After obtaining data for each site the locations can be compared (this is an ex ante evaluation) and the most profitable one selected (this is an ex ante optimum) Webber M. J. 1984 p. 39.

¹⁵ “Obtaining the highest level of profit is termed optimizing” (Webber M. J. 1984 p. 39).

¹⁶ “Attaining a satisfactory profit is termed satisficing” (Webber M.J. 1984 page 39).

accumulated knowledge) which direct the location of industry away from capital cities yet within close proximity to them. This location is believed to be ‘satisficing’ and having selected Albury-Wodonga they hope it will be ‘optimal’. Only when the firm is fully functioning will it be determined if its location is ‘ex post optimum’. To reduce the level of uncertainty smaller firms, tend to imitate the behaviour of larger firms and have located in the industrial zones of Albury-Wodonga to become part of the agglomeration economies.

The geographic concentration or agglomeration of firms often defines the character of a region or city for example the film industry in Hollywood California, the tyre industry in Akron Ohio, the steel industries in the Ruhr Germany and Sheffield UK, and the fashion industry in Paris France. Some of these agglomerations have persisted over time while others have declined and have been replaced by new areas of agglomerations.

In the 1890s Marshall¹⁷ working in the Sheffield industrial district noted that an agglomeration with knowledge spillovers, linkages between suppliers and producers, and labour market interaction had formed (Beenstock, Feldstein 2010). He stated that the cause of the spatial clustering of economic activity in Sheffield was due to three principal factors: first, access to specialized inputs and services such as raw materials, water and coal (either at the market base or near the raw material source) second, access to a source of skilled, specialized labour and third, access to a spillover of technological knowledge.

Classical cost based location theory allowed such agglomerations to draw location away from the least-cost point to specialised agglomerations and especially after the 1950s to large cities. Marshall believed that externalities impacted on agglomeration. He distinguished first nature externalities to include knowledge spillovers and second nature externalities to include technology. It would seem that his ideas about the three externalities continued to be strongly supported (Williamson, Paling, Staheli, Waite 2008).

Once industries established in a district in response to the availability of externalities they would remain there for a considerable period of time enjoying the advantages of a growing pool of skilled labour, specialised machinery and the benefits of knowledge spillovers. As well agglomeration would gradually increase over the long run because of a gradual accretion

¹⁷ Marshall A. Principles of Economics 1890.

of external returns to scale and an enhanced inter-generational preference for the region in question. Both producers and consumers would benefit from agglomeration since it facilitates a better comparison of both the prices and qualities of comparable goods.

Despite the fact that agglomeration of small industries resulted in the same economies of scale as large companies, the phenomenon of agglomeration could give rise to a number of disadvantages for a specific district. Should the demand for the products of the dominant industry in the region decline, both the dominant industry and the region would become vulnerable to economic difficulties. As well, if there was a downturn in the economy, the dominant industry which employed specialised male labour would be forced to retrench workers resulting in mass unemployment. In Sheffield there were few opportunities for women to be employed, since the industrial region only provided employment for specialized male labour. As a result the household income was derived from a single male income and was lower than in other areas where two income families were the norm.

Economic activities occur in spatial clusters located at 'material sites, terminals and trans-shipment points, cheap labour location as and at the focal points of major markets' (Lloyd, Dicken 1977 p. 286) where they benefit from the comparative advantages which the location offers. This spatial association and the functional linkages in this agglomeration economy benefit from external economies of scale. The external economies of scale which encourage cost economies in the firm result from its locational association in the agglomeration. Agglomeration economies thus impact on the entrepreneur's decision of where to locate the firm.

Although Weber (1909) suggested that agglomeration economies would impact on the minimum transport – cost location, as cheap labour impacted on locations, his view of agglomeration was regarded as too simplistic since it failed to recognise that agglomeration economies 'depended upon the coincident decisions of a number of firms' (Lloyd, Dicken 1977 p. 287). Agglomeration economies stress the linkages between firms in a given geographic area, such as a region or section of a city, through which external economies flow. All or some of the linkages relating to production, service and marketing may be present in agglomeration economies to lower the firm's costs. As well other economies, such as pools of skilled labour for specialised industries, may also be present to provide advantages.

Hoover's classification of agglomeration economies included localization and urbanization economies (see 3.1.3). He suggests that urbanisation economies apply to all firms and industries in a given location where external economies derived from savings made by the large scale activities of the agglomeration pass down to the firms. At times it has been difficult to distinguish between localisation and urbanization economies. An essential element of agglomeration economies however is the need to have minimal distance between linked firms and their trading partners. As well Hoover suggests that particular scale economies also originate from specialization of function. The other benefits of agglomeration include economies of large scale buying, rapid communication between customer and supplier, access to large pools of skilled labour and social relationships which generate networks, loyalty and trust (Lloyd, Dicken 1977 p. 291).

Most researchers state that at a certain point the advantages in an agglomeration changes and diseconomies of scale prevail. For example as the size of the city increases traffic congestion, time lost traveling from home to work, pollution, shortage of raw materials, over specialization become problems. Weber stated these were deglomerative tendencies which would not necessarily change the agglomeration process while external economies still provided an advantage to firms but it did however impact on people.

In the course of time Marshallian ideas were also explored and extended by Scott 1988, Porter 1990, Patten 1991 and Feser 2001. Porter (1990)¹⁸ explored the idea of industry clusters in the same geographic area to gain economies of scale and create linkages between firms. He believed that the industries flourished because agglomeration encouraged greater specialization of production and labour skills as well as greater mobility of labour supplies.

Following its initial advantage as a trans-shipment point Albury attracted additional industries through its agglomeration economies. In addition agglomeration was formally encouraged by Federal, State and Local governments between 1972 and 1975 at the time of the Albury-Wodonga Growth Centre. Since the demise of the Growth Centre, State and Local government have encouraged agglomeration of industry to locate in Albury and Wodonga Industrial Parks. External economies which have drawn industry to the twin towns include

¹⁸ Porter M. The Competitive Advantage of Nations 1990.

pools of skilled, specialized male labour, specialized machinery, spillovers of technological knowledge and access to local, national and international markets.

2. 1. 2. Cumulative Causation and Growth Poles.

Lloyd and Dicken suggest that the trigger which causes cumulative causation occurs at a location of comparative advantage, where goods required by a population are produced at a given moment of time. The trigger may have its origin in social, cultural, economic or even political forces. The trigger itself is not easily identified except when governments create new towns. Most researchers¹⁹ state once the trigger has been activated it ‘exerts a powerful cumulative impact on subsequent growth and development within the space economy’ (Lloyd, Dicken 1977 p. 389). If the trigger originates from outside the region it creates an external demand for the goods produced in the region²⁰ which in turn directly impacts on employment and income in the region. If the impact is indirect a change in one sector of the economy will create a chain-like reaction in other sectors of the economy. As the demand for goods and services increases the production factors react creating more employment and income and resulting in increased economic development in the town or region.

Added to this is the multiplier effect which amplifies the cumulative process of development. The strength of the multiplier depends on the linkages which exist in the regional economy. In classic theory, in a less developed region new income that is generated leaks away as goods and services are bought from outside the region. Where the region is more insular more of the new income would remain within the region. Nevertheless any investment in the region exerts a multiplier effect on the regional economy which is measurable through input-output analysis which provides an analysis of the relationships of all sectors of the economy.

Thus many researchers suggest that economies of scale in agglomeration at a site of initial locational advantage, draws new investment and each successive investment creates a successive phase of growth and an expanding demand for consumer goods resulting in cumulative growth and development in the region. As the unit cost of production reduces, internal economies of scale follow, and the impact of the multiplier process ensures growth and development in the region. The spatial pattern that emerges is one of core and periphery.

¹⁹ Myrdal G. 1957; Hirschman A. 1958 as quoted by Lloyd P. Dicken P. 1972 page 164.

²⁰ See Export Base Theory and Staple Theory of Economic Development in Lloyd P. Dicken P. 1977 page 389.

The core is the centre which experiences cumulative growth and dominates the periphery or hinterland socially, economically and politically (Lloyd, Dicken 1977 p. 413).

Two forces known as the spread and backwash effects of development, determine if the gap between the core and periphery will close or enlarge. Classical equilibrium theory suggested that the spread effect will transmit the growth process and equalize conditions between core and periphery. Wages and interest initially rise and are higher in the core which entices movement from the periphery where they are lower. As a result a shortage of labour and capital occurs in the periphery, which in turn causes wages and interests to rise in the periphery, which leads to an equalization of conditions between the core and periphery.

Regional development theorist, Myrdal neither accepted the notion of stable equilibrium, nor the impact of the spread effect. He argued that if left to market forces, the backwash effect would continue to increase the competitive advantage of the more developed region while the poorer region would remain worse off. According to his theory, an initial economic stimulus within a core or developed region would foster further development, which in the short term would bestow little benefit to any outlying region or Periphery. Myrdal identified the core as usually being the largest city in any economy, in which consumer durables clustered (capital, skills and expertise) in agglomerations. With a rise in industrial activity, job prospects within the core would be enhanced which in turn would induce a migratory flow to it from the periphery. As its markets widen so would the core draw upon more outside capital and in so doing find itself better placed in trading with outsiders. Thus at the core self-perpetuating growth cycles would be generated as a consequence of cumulative causation. Meanwhile at the periphery because of diminishing investment opportunities caused by a shrinking market following labour and other resource transfer to the core. Negative backwash effects would be experienced so economic development in the core regions starts to occur comparatively at the expense of the peripheral regions.

In the short term uneven development would arise between the core and the periphery. In the longer term as the core region labour and other input costs start to rise (as a result of core demand pressures) investors could well turn to the now cheaper options in the periphery and in the process set off a positive backwash effect. This could then result in economic growth generating a more even pattern of development between the core and the periphery. But as Okun and Richardson maintained Myrdal had oversimplified the backwash mechanism which

they believed was ‘too complex to permit global generalization’ (Lloyd, Dicken 1972 p. 180). Instead they upheld that backwash effects do not inevitably occur in all places and even where they take place there is no guarantee that they would be sufficiently positive. Likewise Lloyd and Dicken were skeptical of market forces being able to correct adverse trends. This was based on an assumption that few core centres would reduce their dominant roles in response to rising resource and or congestion or environmental costs, since firms would continue to benefit from external economies (Lloyd, Dicken 1972; Hansen 1972). That being the case, they favoured non-market forces in the form of government intervention to diminish spacial disparities. Diverging somewhat, Hirschman was more agnostic in querying whether ‘the disequilibrium situation (is) likely to be corrected at all, by market or non-market forces or by both acting jointly?’ (as quoted by Lloyd, Dicken 1972 p. 182).

Stilwell (1974) suggested that the Core-Periphery model developed by Myrdal and later expanded by Friedmann could be used to explain regional development, as it included not only the synthesis of supply and demand models but also took into account the historical and institutional perspective. In the 1960s Rose (1966) had shown the core-periphery models were particularly relevant to Australia at the State level where metropolitan primacy developed in each separate colony (with the exception of Tasmania). At the national scale however, the core-periphery model was less relevant as Australia developed five large urban economies (State capital cities and the former colonial primate cities) with little specialization among them. The interventionist Federal government’s policy of tariff protection had encouraged large manufacturers to establish plants in each capital city. The idea that economic development in the core occurs cumulatively at the expense of the peripheral regions became an underpinning notion for policies of industrial decentralization adopted widely during the Long Boom by Australian State governments.

The 1972 Australian Federal Government’s policy to establish a so-called Growth Centre at Albury-Wodonga was in no small measure influenced by Growth Pole Theory originating in the 1950s from the work of French regional economist Francois Perroux. Perroux (1950) explored the relation between European reconstruction and the tensions of space in the Post-World War Two period gave rise to the Growth Pole Theory. Rejecting the neo-classical notion the market could be relied upon to create a form of equilibrium (Polenske 1988; Higgins, Savoie 1988; Plummer, Taylor 2001). Perroux anticipated that economic polarization would give rise to a cumulative process of dominance and dependence.

Unfortunately, Perroux's work is somewhat recondite. Higgins and Savoie provide the following quotation to explain this issue:- 'growth poles as sets of basic irreversible activities in a system of interactions in space' that are 'far more complex than the simple idea of a selected urban centre generating spread effects to its immediately surrounding geographic region' (Higgins, Savoie 1988 p. 378). It may well be that that much of Perroux's theory has been imperfectly understood by Anglophone planners since it was written in French and imperfectly translated. Perroux's growth poles arise as a result of disequilibrium and uneven growth to form a complex of industries linked in an input-output sense, in which there is one dominant or propulsive industry driving development by stimulating, dominating and creating innovation. 'In Perroux's terms then "poles" are industries or firms, not geographical locations' and he adds 'growth does not appear everywhere at the same time; it becomes manifest at points or poles of growth, with variable intensity; it spreads through different channels with variable terminal effect on the whole economy' (as quoted by Lloyd, Dicken 1977 p. 405 from Perroux 1955 p. 93).

Perroux (1955) elaborated on his theory suggesting a growth pole could be based on investment which implied that growth could occur in a specific sector of industry or a basic industry and not necessarily in urban areas. The core industry is characterized as being innovative and developing outwards thus creating a growth pole. As the growth pole linkages extended both upstream and downstream and connected with other sectors, development would result. Backwash in the contiguous region would result in depopulation, lower standards of living and uneven regional development. The growth pole theory suggested that at a later stage a number of growth poles would develop creating greater equalization of regions. The theory has been used in planning decentralization of industry and population from one large centre to other potential growth poles. In fact, Perroux initially wrote about the 'natural' or spontaneous growth pole rather than about a planned growth pole and his theory related to abstract space rather than geographic space. It was only later that he drew attention to the 'regional disparities and the impact of the growth pole on its environment' (Parr 1999 Part 1).

Perroux's ideas were extended by Aydalot (1965) and Boudeville (1966). Parr describes Boudeville's definition of growth poles in geographic space as 'a set of expanding industries located in an urban area and including further development of economic activity throughout

its zone of influence' (Parr 1999 Part 1 p.1197). This definition was too narrow to be of use in regional development. It also implied that the urban centre, the geographic space, had the same attributes as abstract economic space. In 1975, building on the work of Boudeville, Hansen stated that the growth pole in geographic space would be found in an urban centre with a minimum population of 250,000 people (Parr 1999).

By the mid-1960s academics and public policy makers had applied Growth Pole Theory with enthusiasm, to regional policy in France, Belgium, Italy and Quebec and in the 1970s in Spain, USA, Japan, Latin America, Africa, Asia and Australia. When applying growth pole theory regional planners identified major urban centres as the growth poles anticipating that, in time, growth poles would stimulate a region's economy and generate spread effects into the urban areas of adjacent poorer regions. By virtue of the establishment of new industries in the adjacent urban centres regional inequalities might gradually be reduced.

A loose usage of the terms natural growth pole, planned growth pole, growth point, growth centre, growth area, development pole and development centre gave rise to some confusion. As Polenske (1988) noted, even Perroux did not distinguish between growth poles and growth centres, or growth poles and development poles (Higgins 1997; Thomas 1972). By 1967, Niles Hansen argued that the concepts and the languages that had characterized Growth Pole Theory needed to be more precise and consistent (Thomas 1972 p. 80). Commenting on Hansen's remarks Morgan Thomas added that in terms of policy there was a lack of knowledge of the processes of growth poles over time in addition to a lack of information about the nature and significance of the spatial component of inter industry linkages as they affect growth pole industries (Thomas 1972 p. 80).

There is some similarity of approach between that of Albert Hirschman (1958) and Perroux. Both believed that psychological forces and behavioural elements provided the impetus for growth in economic poles. Both believed that tensions between shortages and excess supplies would stimulate growth as entrepreneurs exploited new opportunities. (Perroux it should be noted was not overly concerned about spatial dimensions). Boudeville's assessment, of Perroux's formulation of the 'Theory of Economic Space', is that it is merely 'the application of a mathematical space on or in a geographical space' (Thomas 1972 p. 57).

Hirschman and Perroux both employed input-output analysis pioneered by Hollis Chenery and Tsunehiko Watanabe. Hirschman²¹ (1958) identified interdependent linkages (input-output) between industries in a similar way that Perroux had done when writing about propulsive and key industries which had input-output connections (Thomas 1972).

Growth Pole Theory initially generated widespread enthusiasm as a means of dealing with regional issues. Based on a rough estimate, Garry Gaile found that ‘by the late 1970s growth-pole strategy had been implemented, provided for, or seriously discussed in at least 28 countries’ (as quoted by Polenske 1988 p. 105). But general disillusionment eventually set in. By the 1970s global economic conditions had deteriorated and many governments withdrew financial support from planned regional economic development strategies. The application of Growth Pole strategies in most countries were not crowned with success. Strategies based on them were often prematurely aborted and not surprisingly, targeted objectives were not realized (Parr 1991 Part 1). Few took notice of the fact that growth pole theory was complex and highly conditional. Few tried to evaluate Growth Pole strategy in a framework or general theory of regional economic policy. Higgins in particular felt that ‘the failure of the Growth Pole strategy was not the failure of the Perroux theory, but the failure of a distorted version applied by his disciples, mainly Boudeville’ (Polenske 1988 p. 105). Others, such as Feser thought that the strategies did not work because they did not pay enough attention to the ‘economic and social prerequisites that are necessary..... for growth centres’ (Feser 1998 p. 34).

Although the Growth Pole strategy had been discredited some researchers hold that it still has merit. Parr for instance rebuffs criticism of the theory on the grounds that it has been misrepresented (Parr 1999 Part 2). Others, such as Plummer and Taylor see recent economic trends as vindicating the theory. What they have in mind is the stimulation and propulsion originating from new technologies in firms whereby large corporations endowed with new technologies of production and organization of production and organization and initiate ‘spread and demonstration effects in regional and national economies, and beyond into a globalizing world’ (Plummer, Taylor 2001 p. 223). Yet more commonly Growth Pole strategy is not seen as being applicable to all regional problems and should not be applied indiscriminately. Rather it requires thorough investigations to determine whether or not it is

²¹ Hirschman (1958) published *The Strategy of Economic Development*.

‘inappropriate, infeasible, unrealistic, internally inconsistent or simply unnecessary’ (Parr 1999 Part 2 p. 1262).

2.2 Political Economy of Regions.

Fagan and Webber (1994) argue that the Long Boom or the golden age of capitalism is defined as ‘a period in which each year’s (smoothed) rate of growth exceeded the postwar average’, which differed in countries for example in the ‘USA it occurred from 1960-1968, in Japan 1954-72, and in Australia 1962-72’ (Fagan, Webber 1994 p. 10). The end of the Long Boom brought to an end, what theories based in political economy often came to refer as the Fordist era of national growth driven by mass produced goods industries, manufacturing in factories in production lines by deskilled workers, using specialized tools and machines, to perform single tasks in the production process on the assembly line. In this era workers were provided with a higher ‘living’ wage so that they could afford to buy the products being mass produced. Manufacturing was the most dynamic sector of the economy stimulating regional growth.

After OECD²² economies plunged in to economic crises during the 1970s, bringing the Long Boom to an end, new forces impacted on industries and industrial regions. These included increased energy costs as OPEC²³ raised oil prices, the collapse of the Bretton Woods agreement, deregulation, floating exchange rates and new agreements to reduce trade barriers. As old regions of industry such as the Ruhr in Germany, the Midlands in UK, and the Midwest in the USA fell into a state of decline, western governments moved away from the welfare state. Stagflation²⁴ and unemployment coexisted as ingredients of an economic crisis.

‘At which time(s) economic, social, political and technological relationships in the societies are altered fundamentally. These relationships are restructured purposefully by various institutions in society, such as large business organizations, governments and trade unions, in attempts to restore economic stability and growth’ (Fagan, Webber 1994 p. 7).

2. 2. 1 Post Fordist landscapes

²² Organisation for Economic Co-operation and Development

²³ Organisation of Oil Exporting Nations

²⁴ ‘a stagnant economy coexisting with inflation’ Woodward D. 2005 page 37.

Post-Fordism is a term coined to designate the emergence of new forms of production and industrial management systems during the industrial restructuring period which attempted to ensure greater profits through flexible systems of production (FSP) replacing Fordist mass production as the driving force in national economic growth. Firms tried to reduce overheads and costs by using variants like the Japanese management systems called, 'total quality management (TQM)', which required the 'just in time' (JIT) inventory controls and organization of the workforce in leaderless work groups. Products had a faster product life cycle and were directed at niche markets using flexible methods of production to respond rapidly to changing taste, fashion and markets to meet consumer needs. As new technology introduced rapid global transfers of capital, governments established new banking and credit systems. Labour intensive manufacturing had moved off shore to cheaper labour producing regions in newly industrialising countries which required more equitable trade arrangements. Since the USA was a significant power broker, the dollar was adopted as the currency for international trade payments and financial trading. New technology using computer chips and miniaturization produced rapid global communication through IT, causing the Western world work force to expand, to form quaternary and quinary sectors. Although more women began to pass the glass ceiling as firms downsized or were taken over, men and women faced unemployment, part-time work and loss of job security.

It is difficult to place Australia in this international political economy, because, although it is clearly an industrially developed country, it does not have all the obvious characteristics of such. Australia's trading profile is dominated by exports of primary products employing a small percentage of the workforce, more like developing countries rather than most northern hemisphere developed countries where manufactured goods dominate trade. Like other industrialized countries the Australian Federal government followed Keynesian principles of full employment (life time jobs), low unemployment (about 2%) and welfare during this period. During the 'golden age' Australia's foreign capital increased as TNCs from USA and the UK invested in plants. Domestic financial systems and foreign trade were controlled by Federal government policy as was the source of labour, which included immigrants from non-English- speaking countries who would become part of Australia's multicultural society.

Australian governments adopted an import-replacing strategy for industrialization after 1950. After the War primary products continued to form the major exports while consumer goods (especially technology-intensive) were imported. Australia's share of world exports declined

steadily throughout the 1950s to 1970s (Fagan Webber 1994 p. 52). The level of foreign ownership by TNCs in mining and manufacturing was the second highest in the developed world. Manufacturing developed in each State capital characterized by fragmentation, little specialization and high transport costs due to large distances between the State capitals. All of which limited scale economies and resulted in higher costs. After 1960 Australia increased its trade with its Pacific neighbours and moved 'away from protected domestic markets dominated by Sydney and Melbourne' (Fagan, Webber 1994 p. 53). The end of the boom saw unemployment rise which was the indicator most used, along with the end of annual national economic growth trends for a while.

The changes which affected development globally encouraged people from different disciplines including sociology, economics, geography and politics to look for ways to explain the changes, suggest reasons for the changes and provide some solutions to the problems encountered. This era of Post Fordism saw new industrial regions with small and medium sized businesses established by entrepreneurs to use the new technology requiring highly skilled and flexible labour and management in Europe and the USA. Emphasis was placed on flexible modular production systems which permitted small runs to meet niche markets established by taste and fashion demands of consumers. As well the number of women in the workforce increased as did the number of white collar employees in the service industries. Fordism with stable social, economic and political relations between capital, labour and the state was the successful regime for capital accumulation during the Long Boom. However by the 1970s the breakdown of Keynesian economics affected the mode of (state) regulation. Restructuring of industries followed and a new regime of accumulation emerged in the OECD countries. This was referred to as flexible specialization in which new relations emerged between capital, labour and the state, which evolved as Neo-liberalism or the mode of regulation. As well each OECD country developed its own post Fordist landscape since the interactions between capital labour and the state are regional and country specific.

2 .2 .2 Responses to restructuring: Locality Studies and Flexible Specialisation.

By the mid-1970s conventional (neoclassical) economic geography could not explain the industrial (restructuring) occurring in OECD economies such as the United Kingdom. Massey (1979) among others turned to empirical evidence to show the uniqueness and differences of place at the international, national and local levels through case studies. By the 1980s there

were a large number of factory closures resulting in joblessness and poverty. The Anglo American school researchers explored a new methodology, theory and policy to explain the changes. Two themes evolved Political Economy; and Feminism and Post Structuralism. More committed Marxists placed emphasis on class, labour theory of value, and structural crises or conflicts resolved by state apparatus representing class interests to explore urban spaces (land rent, housing programs, urban planning), poverty (jobless, de-industrialisation, restructuring) and uneven development (at different scales and cumulative causation and economic imperialism).

While Locality studies showed how local areas responded to internal and external social pressures; national and international capitalist forces and those forces directed through local events. Research focused on labour markets, travel to work or spatial areas using intensive research methodologies which were often descriptive and used inductive studies of regional economic trends and commented on local politics with politically active researchers. Locality studies produced ‘a layered reality of structurally necessary relations, mediating mechanisms and contingent outcomes’ (Barnes, Peck, Sheppard, Tickell 2007 p. 9). Locality studies were criticised by Smith who stated it failed to enlarge Geography’s knowledge base, as its fine detail failed to provide generalizations for theory while Scott added it was descriptive, empirical, a mixture of regional economic trends commenting on local politics (Barnes, Peck, Sheppard, Tickell. 2007 p. 11). Tiring of locality studies Massey, Henry, McDowell and others tried to intersect political economy, feminism and post structuralism.

In the 1980s three different strands of research evolved to better explain regional impacts of industrial restructuring. The first strand examines what became widely known as flexible specialization following the work of Piore and Sabel (1984) who provided theoretical accounts of flexible specialization and social and institutional factors in the industrial regions like so called ‘Third Italy’. This region developed flexible specialization rather than conventional mass production and was characterized by clusters of small firms across linked industrial sectors having variable outputs in short production runs; better adapted to rapid changes in markets and competition; and maximizing external economies of scale through new industrial agglomerations. The flexible specialization theories yielded four hypotheses. First, the technologies of production and divisions of labour production are the outcomes of institutional pressures and choices made at important points in the histories of products and their markets. Second, flexibility and specialization are alternatives to mass production.

Storper adds that 'it has made its way into virtually every important theory of the firm and the production system in post Fordism' (Storper 1995 p. 196). Third, regionalism is both localized and territorially specific and linked to specific institutions. Fourth, situation in institutional networks are essential for a regional economy to adapt and flourish. Storper suggested one failing of the flexible specialization school is its inability to 'develop analytical language about ongoing industry adjustments – or what is now called learning' (Storper 1995 p. 197).

A second strand of new research examined impacts of new technology especially electronic communication technologies on agglomeration at a variety of scales. Saxenian (1992) used ethnographic immersion methodology, living in and observing Silicon Valley and Route 128 for 10 years. She explored the semiconductor industry in small and medium enterprises (SMEs), flexible mass production, niche markets and with high income skilled labour of conservative managers and technicians contrasting the low income unskilled migrants. Her research provided new theoretical insights about regional advantage. However Storper suggested Silicon Valley and Route 128 were the result of strong university links, entrepreneurs, high technology, infrastructure and a high quality of life and did not create a 'theory of high technology or any necessary link to regional development' (Storper 1995 p. 203).

A third strand of research claimed that firms were practicing vertical disintegration strategies to cope with changing market conditions (MacKinnon, Cumbers, Chapman 2002). To minimize transactions costs firms located close together tightening agglomeration tendencies and augmenting production externalities (MacKinnon, Cumbers, Chapman 2002). The research delved into changing business organisational structures and input-output relations between firms, that is, traded interdependencies. The Californian researchers focused on the role of business organization and institutions, in regional development (Storper 1995; MacKinnon, Cumbers, Chapman 2002). Scott (1988), Storper (1995), Christopherson (1986), observed the clothing industry in Los Angeles, as restructuring proceeded, firms adopted vertical disintegration strategies and as externalities of production increased they agglomerated, reducing transport transaction costs between firms and using local labour markets (MacKinnon, Cumbers, Chapman 2002; Storper 1995). As Storper explained the studies 'took what seemed to be fact in the Italian cases and created an economic model of the agglomeration process' (Storper 1995 p. 197; Scott 1988).

This Californian School of thought about flexible specialization drew on French Regulation Theory (Scott 1988; Storper 1995; MacKinnon, et al 2002) with different historical forms of capitalism described through regimes of accumulation and modes of social regulation. The Californian School also added ‘a window of locational opportunity’²⁵ for development to occur. Critics of the Californian School observed that the analysis produced applied to modernized craft industries, some labour intensive industries and service industries similar to those of the flexible specialization school. Because input-output relations were insufficient to account for agglomeration alternative modes in studying firms seemed to be called for.

2. 2 .3 Neo-liberalism

By the 1980s, the Post Fordist era saw the rise of conservative neo-liberal governments in the Western World. Changing employment, occupational structures, social and ideological changes brought about increasing uneven development within and between countries. The ‘New Right’ a mixture of moral and social conservatives (frequently steeped in religious values) sought small government and greater freedom for individuals.

Arguably what has become known as neo-liberalism emerged in Britain following the election of the Conservative Thatcher government (1979-1990), followed in the USA with the Republican Reagan government (1981-1989) before spreading to other industrialized countries. Aspects of neo-liberal policy were also imposed on countries seeking aid from the World Bank and the IMF. The policies which most of the right wing neo-liberal governments implemented included reducing government controls in business, dismantling the welfare state, creating a ‘free market’ introducing deregulation and privatization and encouraging free trade by removing tariffs, quotas etc., ‘Neoliberalism is a powerful driver of organizational change’ (O’Neill, Moore 2001 p. 21) and ‘unlike globalization Neoliberalism operates at multiple scales’ (O’Neill, Argent 2005a p. 5).

After a lengthy absence from government in Britain, the Labour Party was elected in 1997 under the name of ‘New Labour’. The Blair government (1997-2007) associated with social

²⁵ Storper M 1995 page 198 describes new industries which develop with new technology and which do not use the inputs of the old industries. The new industries develop their own advantages (window of location opportunity) as they grow.

theorists such as Giddens and attempted to incorporate neo-liberalism into the agenda of a social democratic party calling it the Third Way. The Blair government aimed to equip the population with stronger attitudes and more confidence to adapt to the changing economic conditions. The government aimed to help the unemployed to retrain, find work and re-educate themselves, so that the market could set the level for the supply of labour with little government interference.

In Scandinavia neo-liberalism evolved as part of the Social Democratic platform of social justice and a welfare state which influenced the centre-left Hawke-Keating government in Australia where a distinctly Australian model evolved. In Australia neo-liberalism was known as economic rationalism (Woodward 2005 p. 39). Australia adopted a 'corporatist' model which had three major aims including reconstructing the economy, cutting unemployment and managing the budget deficit which it inherited from the Fraser government. The Hawke-Keating Labor governments adopted much of the neo-liberal agenda and some of the Scandinavian model in the search for global markets and industrial restructuring which focused on capital cities. Events of the Hawke-Keating government are explained at length in Chapter 4.

2. 2. 4. New Industrial Spaces and Industrial Districts

Scott (1988) argued that New Industrial Spaces (NIS) were needed for the three strands of research to cope with restructuring. He examined Third Italy, Scientific City on the outskirts of Paris and Silicon Valley in suburban San Francisco. The computer industry represented agglomeration and specialization of labour and products, relied on entrepreneurship, self-reliance, flexible forms of production, and was located in new areas. It was underpinned by technology systems, organizational structure and labour relations. Third Italy represented craft and design industries in small and medium firms in high technology industries with flexible production. While business, finance and personal services industries required flexible specialized firms and were located not only in the CBD but also in suburbs and new areas.

Scott identifies two industry types. The craft and design industry in the inner city using cheap, female and migrant labour; and the high technology industries in suburbs, in small and

medium enterprises (SMEs) with clearly defined social divisions of labour²⁶. Networks evolve horizontally and vertically so production systems and social systems become mutually dependent. New industrial areas have low density housing and recreation areas and positive work environment, as well as low taxes which encourage a good life style and attract more skilled labour, which in turn attracts more industry to the area.

Legendijk (1997) suggests in NIS cumulative causation creates agglomeration and change over time and changes in industrial organization. Growth Centres thrive because of 'windows of opportunity' created by industrial change and Growth periphery are linked to Growth Centres by plant relations. He reminds us that most researchers adopt a Marxian approach to NIS however Storper uses untraded interdependencies to explain social conventions of organisation technology and territory. Scott (1988) agreed that flexible production and accumulation replicate social and economic relations but used traditional intensive quantitative methodology (mall surveys, trade directories) to examine NIS.

Research into Industrial Districts (ID) evolved from NIS research to focus on place-based industrial networks. Both NIS and ID laid stress on the processes of vertical disintegration and territorial competitiveness. Economic development focused on social processes in the social and cultural milieu creating distinctive forms of communication. ID explained flexible specialization, the division of labour, interconnected tasks and the institutions which supported markets and services, driven by entrepreneurs.

Legendijk (1997) stated that ID was important for New Regionalism as it included embedding, networking and territoriality (Legendijk (1997). Yet Barnes, Peck, Sheppard and Tickell (2007) believed that ID was 'methodologically limited' and despite sparking interest across the social sciences was 'modest in terms of empirical substantiation' yet sparked interest across the social sciences (Barnes, Peck, Sheppard, Tickell 2007 p. 16). Markusen and Park stated that the high technology businesses that were embedded in local regions were not in fact local, but were part of global companies and the global economy. They stated that firms in South Korea and Seattle were not embedded locally but were clustered around hubs of foreign investment and were instead 'state anchored districts' or hubs of clusters with new styles of governance (Markusen, Park 1993). As well Grabher (1993) suggested that

²⁶ Social divisions of labour are represented by the highly paid, highly skilled managers and the poor shop floor worker who is female and or a migrant.

networking could produce either positive or negative impacts in a region. Where ideas were old fashioned and out of date ‘ties that bind may become ties that blind’ as were seen in the Ruhr District of Germany (Lagendijk 1997; Gilbert 1988; Grabher 1993).

2.3 New Regionalism

From the 1980s and into the 1990s the Western nations began to restructure their economies as Globalization and Neo-liberalism evolved together. Changes included corporatisation and privatisation of public assets, western governments focusing on global cities, skilled labour and new technology, as low skilled jobs moved off shore to enterprise zones in developing countries. High unemployment which resulted was exacerbated by the 1987 stock market crash and the 1989 recession. Transnational Corporations (TNCs) began to exploit regional differences and create specialization or clustering with greater intensity. Businesses become innovative, more efficient and developed new attitudes. Collaboration replaced competition, rival firms turned to alliances and partnerships to achieve better profits.

Globalisation, it was thought would create borderless movements of labour, information, travel and finance, and improve levels of transparency in businesses and governments. The market for labour, design, finance, production and marketing of products grew. Trade expanded from the highly specialized regions and global cities, to supply national and international markets. New industrial regions focused on new technology, flexible production, skilled specialized labour and entrepreneurship developed as the old industrial regions declined. Some of the new industrial regions had GDPs larger than some of the poorer nations. These new industrial regions became the drivers of economic growth and development, and dominated national economies. By the 1990s development policies focused on sustainable development and were influenced by the 1992 UN Rio Declaration and the 1997 UN Tokyo Greenhouse Gas Declaration.

2.3.1 The rise of New Regionalism

With the onset of globalisation it was thought that ‘the region might be a fundamental basis of economic and social life after mass production’ (Storper 1995 p. 191). Economic and regional geographers focused on the region, as the unit and scale at which economic organizations and political interventions could foster economic growth in the new regions of Silicon Valley and

Third Italy. From the mid-1980s theories, widely known as ‘New Regionalism’ (NR) developed in the developed economies. Keating affirms that NR challenges the nation state as it regulates and controls economic governance and cultural identity. Jessop (Jessop 2004 p.25) suggested the nation state was ‘hollowed out’ vertically from above by internationalism and global organizations; vertically from below by regional or local market conditions; and horizontally by non-government have been used to emphasize the progression of the knowledge driven economy of the region. According to Keating NR evolved from three politically interdependent tensions; functional restructuring; institutional restructuring and political mobilization (MacLeod 2001 p. 814). Regions create new identities, instill social cohesion, reshape political space, and encourage new socio-political mobilization. As the new forms of production evolve in the new regions the processes of learning²⁷ and innovation²⁸ in such regions create the competitive advantage required for growth. The notions of institutional thickness²⁹, embeddedness³⁰, social capital³¹ learning and innovation have been used to emphasize the progression of the knowledge driven economy of the region (MacKinnon, Cumbers, Chapman 2002).

Rainnie and Grant (2005) quoting from an Australian Local Government Association (ALGA) report (2001), identify five elements of the NR development paradigm:

- ‘transition to a knowledge economy where there is not one already based on high technology industries and in which all regions, industries, organizations, households and individuals must participate;
- clusters where successful regions form or strengthen clusters or dense networks of firms, research or educational institutions and regional agencies to produce an innovative milieu;
- global firms embedded in regional networks where they gain access to tacit knowledge found therein;
- the state at the local and national level playing an important role in promoting business and community networks as well as developing new visions;

²⁷ learning: the process of acquiring knowledge. The collective process of learning supports innovation.

²⁸ innovation: is an interactive process of collective learning where complimentary forms of knowledge are combined. It involves specialists bringing tacit knowledge (specialized knowledge, unwritten, or local knowledge) to create new forms of knowledge (MacKinnon, Cumbers, Chapman 2002 p298).

²⁹ institutional thickness: the totality of social cultural & institutional forms & supports for enterprises including trade associations, sectoral coalitions, local elite.

³⁰ embeddedness: the degree to which firms are enmeshed in networks.

³¹ social capital the institutions, relationships and norms that shape the quality and quantity of a society’s social interaction.

- a need to address the disparities between core and peripheral regions through proactive strategies that enable regions to attain their knowledge based potential' (Rainnie, Grant 2005 p.10).

Codified knowledge is ubiquitous and regions with specialised knowledge or tacit knowledge gain development advantages (Maskell 1998; Storper 1997; MacKinnon, Cumbers, Chapman 2002). The specialised knowledge or untraded interdependencies are embedded in production processes, shared through interpersonal relations between firms, and regarded as a source of learning (Storper 1997; MacKinnon, Cumbers, Chapman 2002; Keating 2001). As tacit knowledge increases firms specialize, agglomerate and experience competitive advantages. They cooperate as trust binds firms in business networks and collective learning encourages innovation³² and stimulates the development of agglomeration as knowledge creation becomes a 'public good' (MacKinnon, Cumbers, Chapman 2002; Capello 1999).

In 1994-95 the Hawke-Keating government in Australia, through the Office of Labour Market Adjustments (OLMA) budgeted \$27million for 150 regions of which \$10 million was allocated for business incubators (McManus, Pritchard 2000 p.175). Since business incubators had no model to follow in small regional economies they had difficulty setting up (Beer, Maude, Pritchard 2003). Rainnie and Grant (2005) add 'in Australia there has been little critical engagement with the concepts of knowledge economy and New Regionalism and it is not clear whether they can be successfully imported and applied' (Rainnie, Grobbelaar 2005 p. 13). However O'Connor (2005) suggests that knowledge economies are located in mega-metro regions around capital cities which have cultural and tourism industries and are also the ports, from which goods are exported to global markets.

2. 3. 2. Industrial Networks and Clusters

Storper (1995) explains agglomeration at the regional and national scale in terms of the technological changes in transport and communications and explores the regionally uneven distribution of technology. He quotes Lundvall who states the capitalist economy 'has entered a new stage in which knowledge is the most critical resource and learning is the most important process' (Storper 1987, quotes Lundvall 2006 p. 2).

³² Innovation is the process of collective learning.

Ideas about Industrial Networks include sociological notions of embeddedness and governance (Scott 1992). The relationships within a network were governed by and embedded within institutional norms and practices (Barnes, Peck, Sheppard, Tickell 2007). The network approach explains high technology growth in which specialized knowledge is embedded in social networks amongst people who trusted each other and was reproduced through formal and informal institutional governance. Networking studies moved from local scale to cross scalar globalizing networks. The major impetus for networks came from Actor-Network Theory (ANT). ANT theory suggests new objects called hybrids or quasi objects, are continually created to go wherever they lead, creating their own relationships and their own topologies and forms, which could be animate or inanimate, large or small, a person or thing³³ (Barnes, Peck, Sheppard, Tickell 2007). ANT methodology does not follow a set path or methodology but explores a number of different relationships. Criticisms of this methodology includes the difficulty to make generalizations and develop theory, as each study is distinctive, using a broad approach to explore where ever the research leads.

An alternative methodology, more widely used in Human Geography is the commodity chain which examines the social, cultural, political economic and geographical relationships, beginning with the product in the field through to the global market. This commodity chain is linear and allows for the exploration of 'dense, multifarious, non-sequential and dynamic relationships' (Barnes, Peck, Sheppard, Tickell 2007 p. 18).

By contrast Saxenian (1992) and Gertler (1995) using the methodology of immersion broke new ground in network studies. Saxenian explored embedded governance structures and associated networks for two regions using ethnographic methodology, living in and observing Silicon Valley and Route 128 for 10 years. Her research provided new theoretical insights about regional advantage. Gertler studied manufacturing systems in Germany and used similar immersion methodology. (Barnes, Peck, Sheppard, Tickell 2007 p. 15; Storper 1995; Scott 1988).

³³ The hybrid or quasi object could be a post it note, or a day trader or a machine.

The Industrial Cluster³⁴ (IC) concept derived from endogenous growth theory has become a central concept in NR, is highly fashionable, and has been applied to regional planning, regional policy and local business. ICs are agglomeration of competing, collaborating, export oriented industries; vertically and horizontally networked, with strong buyer-supplier linkages, shared economic institutions, creating wealth in a region and driving economic growth (Stimson, Stough, Roberts 2002). Industrial Cluster Theory (ICT) focuses on market and competition, and includes spatial perspective, ID, milieu and technological districts as well as productions systems, hub firms, flexible production. They vary in size, from SMEs to large sections of regional economies. In ICT, the Diamond Factor Model (DFM) identifies four drivers³⁵ (diamonds) of regional competitiveness and development, which explain how innovative industrial clusters produce exports.

Because the firm is located in a cluster it experiences information flows and rivalry from competing firms which in turn stimulate competition and innovation and cause the firm to become internationally competitive. Porter advises the policies being implemented by governments may be compromised by inaccurate or biased data and urges governments to differentiate between cluster strategy and industrial policy and to avoid picking ‘winners and losers’.

Porter suggests geographic proximity encourages tacit knowledge to be shared and explains why the financial sectors of cities cluster in the CBD where there is face to face contact. Contact or exchanges of labour between firms allows the dispersal of knowledge as do business and industry associations, research centres and organizations which practice collaboration, networking. When rent prices in the CBD force firms in the financial sector to set up offices in outer suburbs, a hub and spoke model evolves. The CBD office continues face to face contacts, strategies and rivalry between firms, while the suburban office communicates with the CBD office through information communication technologies.

Some suggest that Porter’s ideas about clusters derive from management theory and emphasizes competition and rivalry rather than trust, while others suggest cluster theory is

³⁴ Porter M. The Competitive Advantage of Nations 1990.

³⁵ First Factor- Conditions include specialised factors of production; Second factor – Local Demand Conditions examines the demand for infrastructure and invisibles; Third factor-Related Supporting Services examines the presence or absence of subcontractors and related firms that are internationally competitive. Fourth Factor- Firm Structure Strategy & Rivalry examines the mode of operation. Two external factors include Chance eg war, natural disaster and Government.

based 'on the work of Marshall agglomeration economies and externalities' (Bergman 1998 p. 92) yet others propose there is similarity with Perroux's ideas of propulsive industries, in which dominant large industries with market power, became innovators and form Growth Poles which evolve into clusters (Bergman, Feser 1999). Steiner (1998) states cluster theory is not amenable to definition, measurement policy recommendation and evaluation. Bergman concurs. In addition knowledge is not easily measured. Patents permit some measurements, however they fail to show the quantity or quality of knowledge being absorbed or passed-on within the cluster (Krugman 1991; Bergman, Feser 1999). Saxenian identified industrial networks among firms in Silicon Valley or Route 128 but they did not benefit from clustering when faced with fast changing markets and technologies. Rather the attractions of the two locations were the open labour markets and dense social networks which encouraged entrepreneurship and experimentation.

Clusters or networks form as the region specializes but as the product life cycle ends so does competitive advantage and new firms are discouraged from establishing, so information and networks diminish creating an old industrial region which is 'in danger of petrification' (Tichy 1998 p. 230) and becomes a 'closed system' (Fritz, Mahringer, Valderrama 1998 p. 184). Rallet and Torre (1998) suggest sharing tacit knowledge does not require face to face contact but rather rapid ICTS³⁶ within organizational proximity which gradually turns tacit knowledge into codified knowledge (Rallet, Torre 1998 p. 42). While Dubin and Helper (1998) state information flow is greater between people who have close links such that social distance becomes more significant than geographic distance.

Marceau (2001) identifies a number of reasons why industrial clusters are poorly developed in Australia. Australia's small economy, lack of a critical mass, incomplete industry structure, results in a lack of local partners with whom to collaborate. As well R & D is limited as many firms are foreign owned and all three tiers of government have limited interest. As well Australia remains an exporter of primary products which generate fewer linkages than manufacturing. There is also a lack of civic and business leadership and a lack of industrial specialization in regions. Nor have industry and educational institutes become sufficiently integrated to foster a cluster approach.

³⁶ ICTS Information communication technology systems.

Roberts and Enright examined case studies in Queensland and concluded that ‘Globalisation is a phenomenon that has led to the hollowing out of traditional clusters and the emergence of new networks partnerships and alliances that have fundamentally changed the way industries and firms do business’ (Enright, Roberts 2001 p. 81). Beer, Maude and Pritchard identified the South Australian government as the only State in Australia which adopted a formal cluster policy for industries including defence, spatial information, water and multi-media (Beer, Maude, Pritchard 2003 p. 18). Other examples of clusters include the wine and ‘tourism products’ industries in the Hunter Valley (Dredge 2005) and the cluster of high technology service industries for the mining sector in Perth (quoted from Saupin and Maxwell by Beer, Maude, Pritchard 2003 p. 136).

2.3.3 Critiques of New Regionalism

New Regionalism (NR) research is based in North America and Europe and draws on new institutionalism, economic sociology and political economy to find drivers of economic change in regions which displace the nation state as the area of production, networking and resource orientation. NR encompasses globalization with researchers coming from a wide range of disciplines offering new ideas which have produced a wide range of topics from regional economies³⁷, financial, multi-media and cultural industries³⁸, class and gender relations³⁹ and dynamics between firms and regions⁴⁰. Policy makers find the ideas of NR including ID, innovation, milieu, regional innovation systems and clusters appealing as the region becomes the ‘functional space for economic planning and political governance’ (MacLeod 2001 p. 803). The region is the tool for innovation, learning and knowledge and functions through competitive advantage and collaboration with rivals creating greater integration and cooperation between business, government and communities. However the region has been given a ‘plurality of approaches and diversity of theories’ (Harrison 2006 p. 26) which create ambiguities and undermine clarity of definition as the region remains an elusive concept. Harrison includes Purcell’s comments that regional analysis needs to study scale in relation to other scales, that is, the region in relation to other scales (Harrison 2006). Regional perspectives include technology transfers, institutional thickness, untraded

³⁷ Scott 1988, Yeung 2000.

³⁸ Allen 1998;Markussen 999; Scott 1999.

³⁹ MacDowell 1997.

⁴⁰ Schoenberger 1999.

interdependencies and learning within firms. MacLeod (2001) proposes the use of Paasi's typologies of regional concept, as the entry point⁴¹ to regions.

Keating suggests the authority of the nation state is under challenge by the regional states (Harrison 2006 p. 25) while Jessop suggests that States are being hollowed out from above by internationalization, from below by regions and laterally by society (MacLeod 2001). NR needs to focus on changing relationships to explain what organization or institution would form to replace it; at what scale, how and why it would occur (Harrison 2006 p. 28). Similarly the 'filling in' of power should be addressed to explain where it would go and what restructuring would result. As the state is being reorganized to deal with globalization and cities become the sites for new economic flows and institutional space, they seek a position in the global hierarchy. The city region and state are not mutually exclusive but interdependent, superimposed territorial organizations.

The methodology of NR has drawn criticism. Markussen states empirical evidence is weak, 'concepts are fuzzy' and concepts rely strongly on associations among themselves i.e. cyclical referencing, as well 'there has been a steady slippage in both the rigour of evidence and thus the quality of conceptualisation' (Harrison 2006 p.39). Martin adds that a 'thicket of linguistic cleverness' has added to the 'lack of rigour' and Markussen concludes 'how do I know when I see it?' (Harrison 2006 p. 40). Cultural explanations e.g. trust, are hard to measure and define, and it is difficult to show relationships between agglomeration, learning and trust.

Nevertheless Harrison adds 'single region case studies are important because there can be no variants to a single identified region (real place)' (Harrison 2006 p. 41). In addition Lovering raises the issue that 'the policy tail is wagging the analytical dog' (MacLeod 2001p. 809) - warning ideas from successful regions were being applied as quick solutions to declining regions and the 'service class' may have its own agenda and produce reports to satisfy its needs. Lovering also raises the issue that researchers pay little attention to 'financial capital' and 'labour markets (which) are socially constructed and embody relations of power' (Lovering 1999 p. 388). NR has not been able to provide adequate explanations of why some regions grow and others decline.

⁴¹ MacLeod G. 2001 p812 'Anssi Paasi (1996) identifies 3 typologies: 1 As taken-as-read or 'un-reflected choice' by the researcher. 2 A formal or functional regional classification. 3. An integral feature of capital accumulation or collective interpretations in identity-formation or a setting for social interaction and practice'.

MacLeod agrees that NR has faults, but suggests it is a theory still evolving. Both MacLeod (2001) and Harrison (2006), identify Keating's new framework for NR studies which is divided into functional regionalism, institutional regionalism and political regionalism. From this Keating identifies the region as the location for 'generating post national identities, instilling cohesion by reshaping political space and encouraging new forms of socio-political mobility' (Harrison 2006 p. 25). Harrison (2006) also identifies a political economic method of conceptualizing the state's role. The state needs to be restructured not dismantled and its capacity (not its size) needs to be enhanced. This associational theory relies on the mode of intervention, which enforces the state's role as the institution responsible for national innovation and social cohesion. Since the state is the main source of regional policy Harrison believes that in the future it needs to be included in NR theory.

Rainnie and Grant (2005) suggest it would be surprising if NR would develop in Australia as within the country there has been little critical discussion about the knowledge economy and NR. Australia's spatial development is uneven. Regional planning and development policy rests with the States while Federal government's influence has been experimental (the Whitlam Growth Centre period) or crisis driven. Beer, Maude and Pritchard (2003) suggest Federalism 'has a tendency for spatial inertia' which limits urban and regional development (Beer, Maude, Pritchard 2003 p. 36) yet through the Grants Commission it has attempted to compensate the poorer States and provided equal access to services and amenities for all citizens (Beer, Maude, Pritchard 2003 p. 66). Since development agencies draw support from a variety of government sources they are answerable to more than one tier of government and are often cut short by them or alternatively, duplication of functions occur and their effectiveness becomes questionable (Pritchard, McManus 2000). Local economic development agencies are poorly funded and lack resources to support NR institutions. As a result 'patterns of growth and decline in regional development policy and practice remain weak and uneven' (Rainnie, Grant 2005 p. 13).

Since the late 1980s regional development policies have focused on encouraging business formation, supporting SMEs and providing infrastructure (Pritchard, McManus 2000 p. 183). In reviewing regional development policy Pritchard and McManus state Australia is very different to other countries; 'Australian efforts can only be characterised as local development because of their limited scale and funding' (Pritchard, McManus 2000 p. 32); additional resources are required for SMEs; greater resource are needed for 'industry clusters and

networking between businesses'; business incubators should be encouraged to expand as there are few business incubators in Australia; there should be 'strategies to link Australia's regions to global markets' through increased exports and increased foreign investment, and Australia should ensure it has a skilled workforce able to act competitively (Prichard, McManus 2000).

2. 4. Research Methodology.

The research in the thesis has made use of an eclectic methodology. Researchers such as Massey, Barnes, Peck, Sheppard, Tickell, Sayer and others have suggested combining extensive analysis and intensive methods, carefully and reflexively (Barnes et al 2007). According to Sayer and Morgan extensive methodology examines 'recurrent or typical features of taxonomic groups' at a descriptive level through direct observation.

. 'The extensive method lacks explanatory penetration not so much because it is a broad-brush method and insufficiently detailed, but because the relations it discovers are formal ones of similarity, correlation etc., rather than substantial causal relations' (Sayer and Morgan as quoted by Barnes et al 2007 p. 8). By contrast intensive methods look for 'theoretically informed case studies' (Barnes et al 2007 p. 9). It includes new techniques of interviews, to search for 'causal meaningful necessary relations and tendencies' to reflect 'a 'layered' reality of structural/necessary relations, mediating mechanisms, and contingent outcomes' (Barnes et al 2007 p. 9). Extensive analysis⁴² is often secondary⁴³ source data analysis but also primary⁴⁴ data collected from surveys. Intensive analysis uses primary data collected from in-depth fieldwork which may be qualitative⁴⁵ (in-depth interviews) or quantitative⁴⁶ (straw polls, surveys). This is the most common research methodology used in location theory, regional development theory and restructuring theory. These theories have also guided the kinds of material explored to answer the research questions set out in Chapter 1.

⁴² Barnes et al 2007 page 8 Extensive methods are common in Economic Geography.

⁴³ Secondary data has been collected by someone else and is being reused. The latter may have issues with measurement, bias, reliability and time scale.

⁴⁴ Primary data is data derived from new research using interviews, surveys, case studies, etc., or original research using pre-existing statistics.

⁴⁵ Qualitative analysis involves acquiring in-depth material or responses which are not numerical data.

⁴⁶ Quantitative methodology requires a large number of responses to measure size or extent of a phenomenon using numerical data.

This section is divided into four sub-sections. The first discusses quantitative and qualitative data from primary sources accessed or created through fieldwork in Albury-Wodonga. Second a range of secondary sources both qualitative and quantitative from census statistics to articles and print media is discussed. Third ethics protocols are considered and finally issues arising during the field research are explored.

2.4.1 Secondary data sources

There are a limited number of sources available relating to Albury Wodonga Growth Centre or the twin towns of Albury and Wodonga covering the time span being examined. Secondary material included statistics, historical accounts, reports, strategic plans of Local Councils and Area Consultative Committees, biographies, aerial photographs, and a variety of maps. Attention was focused on gathering data relating to actual economic, social and political changes occurring in Albury-Wodonga over time. Statistics were gathered from The Australian Bureau of Statistics (ABS), a variety of Australian Year Books, reports and documents from the Albury-Wodonga Development Corporation, the Albury and Wodonga City Councils, Federal Government Departments, Federal Parliament industries and a variety of sources on the internet and in other print media.

Some difficulties arose when using ABS statistics. For example tables for Albury and Wodonga for the census periods 1971, 1976, 1981, 1986, 1991 which provided detailed classifications in each table had to be accessed as historical data as they were not available in the public domain. Another difficulty occurred after 1991 when the ABS produced industry tables with more detailed classifications. As a result it became harder to compare statistics in detail after 1991 with those from 1991 and earlier. However broader categories could still be examined without any difficulty. Since the period after 1991 formed a natural break in the story the change in composition of industry tables did not create a major issue for research. Most of the statistical information was acquired from the Population and Housing Censuses which are available on internet. The ABS has produced a series of information papers to explain some of these changes and methods to overcome difficulties⁴⁷.

⁴⁷ ABS information papers include Concordance ASIC to ANZSIC 2003, ABS Information Paper (6259.0) 'Revisions of Historical ANZSIC Industry Data 2011' and ABS document (1292.0.15.004) 'Concordance Between Standard Industrial Classification (ASIC) and the Australian and New Zealand Industrial Classification (ANZSIC), 1993'.

Newspapers such as the Sydney Morning Herald, The Age and The Border Mail have been readily accessible on internet and provided information which linked Albury-Wodonga to local, national and international affairs. The Border Mail through the internet provided historical and current information about the two towns and the region. The newspaper was an independent rural newspaper which was acquired by the Fairfax Press on 4 March 2006. At about the same time much of the archival material was lost in a fire⁴⁸. The chief reporter of the Border Mail interviewed in Albury in 2009 provided up to date as well as archival information. The newspaper firm had recently changed ownership and lost material in a fire. These large files have yielded a window into the historical events of the towns and the region.

Contemporary and older editions of the national papers from Sydney and Melbourne have also been a source of information about events in Albury-Wodonga and linking the twin towns to national and international issues. Reports, speeches and papers by parliamentarians relating to Albury-Wodonga have been accessed from Federal and New South Wales and Victorian State parliaments, university libraries and through the internet. Some parliamentarians in New South Wales and Victoria with interests in resolving cross-border anomalies, made available copies of reports and committee summaries on the issue. Similarly Hansard reports in both the Victorian and New South Wales parliamentary libraries have served as a valuable source of information and were accessed through the internet. To avoid bias in the information collected material was gathered from politicians across the political spectrum. The AWDC library, which was located in Albury (now closed), was a ready source of historical, social, economic and environmental data and reports about the Albury-Wodonga Growth Centre. At times some of the AWDC economic reports were also retrieved through other university libraries and the National Library.

Aerial photographs of Albury and Wodonga, at its inception and its demise, were provided by the Albury–Wodonga Development Corporation (AWDC) and Omnilink Pty Ltd, Albury, which had been employed by the AWDC to produce them. The photographs provide a clear indication of the expanse and growth of the urban areas of Albury and Wodonga since its inception. Topographic maps from the New South Wales Department of Lands Bathurst, were also used to ascertain the size of the towns, landform and land use in the region.

⁴⁸ Reported by the Chief Reporter at an interview in Albury 9/9/09.

2. 4. 2. Primary data sources.

Both the extensive and intensive methods employed in the thesis research used primary information sources generated by the author through both postal surveys (questionnaires) and fieldwork in Albury-Wodonga and elsewhere often using in depth interviews⁴⁹, with a range of respondents. This information underpinned both quantitative and qualitative research methods (Krieken et al. 2000).

Quantitative information

Primary quantitative information largely involved numerical data generated by a postal survey sent to 150 firms in Albury-Wodonga. The data was generated by structured closed questions seeking the same information from each respondent. This was used alongside secondary data such as the census, for extensive quantitative analysis of economic and social change over time easily recorded and tabulated for analysis to provide a static picture from which an overall pattern or structure could be found.

In 2007 a scoping postal survey was conducted targeting 150 private sector firms chosen across manufacturing and service sectors in Albury-Wodonga. Since the Local Councils and Chambers of Commerce in Albury and Wodonga did not have complete lists of manufacturing and service industry firms, a selection was made using the Yellow Pages Telephone Directory for Albury-Wodonga. The aims were to obtain a broad static picture of industry and service firms in Albury-Wodonga and to gather a large amount of information in a short time given the resource limitations of doctoral research. The form seeking informed consent from the respondent was enclosed with the survey as was a self-addressed, stamped long envelope in the hope that it would encourage participants to complete and return the survey and consent form (See Appendix 6).

The survey was formulated to provide quantitative information through closed structured questions which were carefully worded and ordered to obtain precise data for statistical analysis. In addition, open-ended questions were added to the questionnaire to encourage respondents to provide more reflections and interpretation. Some use was made of the Lickert

⁴⁹ Krieken et al 2000. Primary source includes 'data collecting by researchers themselves' and using information from surveys, interviews, observation, participant observation, ethnographic studies.

Scale aimed to assess attitudes and opinions (see Appendix 6). The aim was to achieve a response rate of 10%, commonly attained in such postal surveys. In the event a 17% response rate was achieved. The responses from the closed answer questions were tabulated, analysed and synthesized to form an important basis for empirical research in the thesis.

Similarly when a straw poll was conducted participants were asked structured closed questions to gauge their views on anomalies and attempts to resolve them. By asking the same question of every respondent the information was quickly tabulated to provide a picture of views on anomalies and their possible resolution.

Qualitative Information.

Qualitative research methodology was employed to provide a richer and deeper account of the trends and to underpin intensive research designed to capture ‘people’s meanings, definitions and descriptions of events’ as well as the ‘thoughts, perceptions and feelings experienced by the informants’ (Minichiello et al 1995 p.10). This involved fieldwork both in Sydney and during two trips to Albury-Wodonga. The fieldwork also provided a sense of social reality through the researchers interacting with interviewees who expressed their personal interpretations and understandings of the subject. In-depth interviews with respondents were both structured interviews and semi-structured interviews. The structured interviews used ‘standardized questions carefully ordered and worked in a detailed interview schedule’ (Minichiello et al 1995 p. 63) with open ended questions and closed questions. The semi structured interview was used especially with a range of local stakeholders or agents and ‘meant that the topic guided the questions but the mode of asking followed an unstructured interview process’ (Minichiello et al 1995 p. 63).

Fieldwork in Sydney involved interviews with Federal and State politicians who had played significant roles in relation to Albury-Wodonga wither as a cross-border regional development project or in attempts since the 1970s to address anomalies experienced in each town because of the border location. Fieldwork in Albury-Wodonga was undertaken in 2008 once acquired preliminary analysis had been completed of secondary data sources and document analysis and results of postal questionnaires. Two fieldtrips were undertaken to Albury-Wodonga in 2008 and 2009, reflecting both the resources available to support this project and the location of Albury-Wodonga over 500 km from the researcher in Sydney. All

interviews were recorded and later transcribed shortly thereafter. Each interview was checked for reliability⁵⁰ and validity⁵¹ through triangulation⁵² using material from secondary print media and information obtained from other interviewees.

In- depth interviews were undertaken with senior managers of eight large firms in Albury-Wodonga (see Chapter 7; Appendix 2). These respondents, targeted across a variety of industries, agreed to participate and discuss such things as their large firm's decision to establish in Albury and or Wodonga, the location of their markets, residence of their workforces, proportion of their workforces crossing the border daily for work and the issues which encouraged or discouraged these large firms from both establishing and prospering in the twin towns. Because of the nature of face to face interviews, many people talked freely about subjects not identified on the postal questionnaire providing valuable insights into economic and social development of the towns and the impacts of border location. During the 2008 and 2009 fieldtrips, semi-structured interviews were also held with senior staff of Albury Wodonga Corporation⁵³ (AWC), (See Appendix 5) elected local and State government office-holders and local council staff, journalists, leaders in professional and regional service organizations. Many of the stakeholders who were interviewed were contacted through a chain of information method (See Appendix 6).

2. 4. 3 Ethics Protocol.

Before either quantitative or qualitative research could be undertaken with specific subjects, approval was required from the Macquarie University Human Ethics Committee. This included provision to ensure confidentiality of responses and anonymity of respondents to both the postal scoping survey and the in-depth interviews. Under the Ethics Protocols, participants consented to being identified in the thesis only by their professional role or broad function in their organization. Names of participants or firms were only used where permission had been sought, and granted, formerly from respondents, or where information

⁵⁰ van Krieken R. et al 2000 page 607 "quantitative methods are seen to provide greater reliability.....the research can be repeated and the results checked.

⁵¹ van Krieken R. et al 2000 page 607 'A valid statement gives a true measurement or picture of what it claims to measure or describe'.

⁵² Minichiello V. et al 1995 page 187 There are two reasons for the use of triangulation. 'Firstly, that the deficiencies of any one method can be overcome by combining methods and thus capitalizing on their individual strengths' (Blaikie 1988 page 1). 'Secondly, that it can be used to overcome the problems that stem from studies relying on a single method, single data and single investigation' (Burgess 1984 page 144)..... 'It is regarded as a means of enhancing validity and decreasing possible bias'.

⁵³ The name of the corporation which replaced AWDC after State governments withdrew in 2004.

under analysis was obtained from material in the public domain rather than through fieldwork (for questionnaires and ethics protocols, see Appendix 6 and 7).

2. 4. 4. Issues faced during the research.

During the period of study the boundaries of the cities were changed. In 1994 the area of Wodonga Local Government Area increased from 330sq. km to 432.8sq km and similarly in 2004 the area of Albury Local Government Area increased from 104.3sq km to 313.2 sq km. Both towns absorbed land from the surrounding Shires including more flat land for houses. Despite these changes the towns have continued to grow as evidenced by the respective growths of population. The increase of population and economic data however was slight and not significant to be an issue.

Comparisons prior to 1971 were sometimes problematic due to extensive redrawing of Statistical Division (SD) boundaries, as they were being redrawn to correspond with the boundaries of the First Growth Centre being established by the Federal Labor Government between 1972 and 1975. This was part of the National program for Regional Development which was abandoned by the Fraser Government in 1975. The SD boundaries which had already been drawn up remained (Howard 2003 p. 195). The Task Force on Regional Development 1993 which underpins the Keating 'Working Nation Program' used the same boundaries which had been completed ((Howard 2003 p. 195). The SD boundaries were not a major issue and did not impact on research.

In 1991 the ABS placed a note on economic tables cautioning that the Australian Standard industrial Classification ASIC was being replaced with the Australian and New Zealand Standard Industrial Classification ANZSIC (see ABS Concordance ASIC to ANZSIC 2003). In 2006 further revisions were undertaken although ANZSIC 2006 revisions are minor maintaining scope concepts and structure and concentrating on revising primary activities and correcting minor errors and omissions (ABS 1292.0.15.004). The impact of these classification changes for the analysis trends will be discussed in the empirical analysis.

2. 5 Conclusion

No single body of theory can be employed to explain the growth and development of Albury-Wodonga from colonial times to the present. This chapter has reviewed theories establishing the importance of spatial concentration, growth poles and growth centres in understanding regional development. These theories underpinned both ‘decentralisation’ policies of the NSW Government for much of the second half of the 20th century and also ‘growth centre’ policies of the Whitlam Federal Labor Government which established Albury-Wodonga as a regional development project in 1972. While these theories are used to provide a basic conceptual framework for empirical research in this thesis, the framework also draws on theories of industrial restructuring which re-shaped economic geography and regional development studies following the onset of economic crisis throughout OECD countries, including Australia, from the mid 1970s.

The empirical research is guided by these theories which emphasise the importance of change over time and the key relationships between national (later global) economic restructuring and developments at local scale in specific towns and regions. Hence, the empirical research traces economic development and growth through the Long Boom after 1947, through the period of major economic restructuring in the Australian economy, to the early 21st century by which time the national economy was experiencing what many have called ‘a return to prosperity’. Finally, this chapter has considered contemporary theories of new regionalism which, in North America and Europe, have tried to identify key ingredients in 21st century regional development focused on the importance of knowledge transfer, networking between firms and emergence of industrial clusters. The study of Albury-Wodonga may shed some light on the degree to which these ideas, currently fashionable in the northern hemisphere, have relevance in non-metropolitan Australia given its different historical and institutional circumstances.

Theories of locational advantage suggest empirical analysis of the importance for development of Albury and Wodonga of their location astride the state border between NSW and Victoria and on the principal transport corridor connecting Australia’s largest markets of Sydney and Melbourne. The changing impacts of this border location, notably during the periods of national economic boom and restructuring crisis identified above, will be examined in detail with a focus on causes underpinning the emergence of Albury-Wodonga as a major inland manufacturing centre especially since the 1970s. The empirical research employs both extensive and intensive methods, based on data analysis and field interview, to investigate

processes of industrial agglomeration, the locational decision-making of both large and small firms in manufacturing and service industries, the importance of labour pools and skills, and the impacts of contemporary information technology and changing delivery systems for raw materials and finished goods. The theories reviewed in this chapter, therefore, underpin the fieldwork through both the questionnaires distributed to businesses and in-depth interviews with a variety of stakeholders.

Because of the significance of Albury-Wodonga in the history of state and federal regional policy in Australia, the empirical research also focuses on the institutional framework in which both manufacturing development and regional change have taken place. The selection of Albury and Wodonga as a federal 'Growth Centre' in 1972 was the first and only time the Federal government has intruded directly into State affairs in relation to regional development. While theories of cumulative causation and growth poles influenced the development of the Australian growth centre policies, as they had from the mid-1960s in North America and Western Europe, the institutional framework, notably Australia's particular federal political system, will be a crucial focus of this empirical research. The Growth Centre in Albury-Wodonga was overseen by an Albury-Wodonga Development Corporation (AWDC) for 26 years although federal support for the Growth Centre was short lived. The institutional framework is fundamentally shaped by the twin city's location astride the NSW-Victorian state border so, before detailed empirical analysis of the experiences of Albury and Wodonga can be undertaken, chapter 3 explores conceptualization of borders in political geography, how they might intersect with regional development studies and, more specifically, how the significance of the NSW-Victorian border has changed over time.

Chapter 3

Border Theory and Reality.

Minghi argues that: ‘most boundary studies in political geography have been concerned with international boundaries, lines separating internal divisions have also been the subject of research both at the state⁵⁴ and at the more local level’ (Minghi 1969 p.157). Little has been written about internal borders, however, as most of the research has focused on cooperation or conflict across international borders specifically in Europe, North America and Asia.

This chapter is divided into two sections. The first examines the conceptualization of borders (territoriality, sovereignty), internal borders, border regions and cross-border towns. The terms border (territoriality, sovereignty), internal borders, border region and border-crossing towns are defined. Borders in general form the basic concept which underlies this research, specifically internal borders within a country governed by a Federal system of government. As well a brief discussion about cross-border cities is included. The second section of the chapter explores the development of the border between New South Wales and Victoria, across which the contiguous towns of Albury and Wodonga are located, in what has become known widely as the Albury-Wodonga Region. Understanding the contemporary borders of New South Wales and Victoria requires exploring their historical context including: establishment of the 19th century colonial border between the independent self-governing British Colonies; federation of Australia in 1901; the Constitution which sets out the roles of the Federal and State governments; and the impacts of the constitutional division of powers on operation of what became an internal State border. Evaluating the impact of the border on daily activities of the population, commerce and industry in the Albury-Wodonga Region is a principal aim of the thesis and is undertaken in chapters 7 and 8.

3. 1 The border, territoriality and sovereignty, internal borders.

This section will discuss definitions of borders, territoriality and sovereignty. Although most of the politics and political geography literature relates to external borders, the ‘methodology

⁵⁴ In this chapter, the term State, written with a capital S, refers to the internal States in Australia, while the term state, written with a lower case ‘s’, refers to a country.

evolved at the international level can be used successfully at all political levels' (Minghi 1969 p. 160). Understanding the different conceptualisations of borders at an international level also provides a framework for understanding of the State border between Albury and Wodonga. This border prior to Federation in 1901 was the external border separating two self governing, independent British Colonies. The border follows a physical landform, the Murray River.

3. 1.1 Borders

Since the Treaty of Westphalia⁵⁵ some 350 years ago boundaries became a feature of enclosing territory (Anderson, 1999). These early borders in Europe were selected commonly as physical landform features because they were readily visible geographic features. They were easily recognised within and without the territory and could be policed as a barrier to enemies while keeping a population inside the territory. Most state borders were established and defended by military and political power of the nation-state concerned (Paasi A. 1998). Borders are instruments of communication as they indicate the beginning and end of a territory often using markers or signs.

Writing during the First World War Lyde⁵⁶ (1915) suggested that although borders acted as barriers, rivers also created create regional bonds and make good natural borders. As such the rivers should encourage peacemaking. Holditch⁵⁷ (1969) a year later supported a different opinion suggesting natural features like deserts, rivers, lakes and mountains were the best borders, as they were easily defended, similar to 'seafronts', and less likely to cause war.(Minghi 1969 p. 141).

Difficulties often arose, however, when using landform features as recognised borders, as the precise position of the border in the river or mountain range could change. For example rivers may change their course over time or the border may be on one river bank or the other. It becomes even more problematic if the border is located mid-stream or in a navigable channel.

⁵⁵ The Treaty of Westphalia brought to an end the Thirty Years War (1618-1628) between the Holy Roman Empire and Ferdinand III and the Eighty Years War (1568-1648) between Spain and the Dutch. It introduced the notion of sovereign states and a new political system in Europe.

⁵⁶ in Kasparson R. Minghi J.1969.

⁵⁷ in Kasparson R. Minghi J 1969.

To avoid problems arising at a later date⁵⁸ it is necessary to clarify the precise location of the border by treaty when it is declared.

Because many borders were established before rulers of nation-states had detailed knowledge about the territories involved, borders frequently did not take into account the ethnic, religious, linguistic or tribal groups living in the territory and as a result borders have divided such groups between two or more jurisdictions. The Kurds, for example, have been divided by borders between the nation-states of Turkey, Iraq, Iran, Syria and Armenia (Anderson, O'Dowd 1999). As well social cohesion of minority groups within the nation is difficult and may create tensions between neighbouring nations and even when a border is opened and integrated, the tensions may persist in people's thinking and be expressed as feelings of prejudice or ill-feeling towards the 'Other', which in turn creates personal conflicts (Struver 2004).

Within the discipline of political geography the definition of a border has varied over time. Each border is unique yet borders are ubiquitous and 'are equally social, political and discursive constructs' (Newman, Paasi 1998 p. 187). Muir defines the border as being linear and not only having a horizontal interface with another territory but also a vertical interface with individuals or groups (Muir 1975). Prescott (1978) described a border as 'a line on a map accepted by national and international law that encloses a territory and its people'. Paddison proposes an ideal state and argues the border encompasses socio-political forces of a government within the area it encloses (Paddison 1983). Anderson defines a border as the boundary around a territory which forms a single political and legal unit over which the state has sovereignty (Anderson 1999 p. 127). While Anderson and O'Dowd (1999) state that borders 'shape and are shaped by what they contain' and then add⁵⁹:

'Borders then refer to the legal line separating different jurisdictions; or to a frontier area of variable width on either side of this legal line, or simply to a broad zone of transition between different societies and centres of power, as was more typical of some pre-modern states and their frontier societies' (Anderson, O'Dowd 1999 p. 594).

⁵⁸ Issues about the Murray River border between Victoria and New South Wales are raised in Chapter 4 and Chapter 8.

⁵⁹ Quoting from 'Medieval Frontier Societies' edited by Bartlett and Mackay (1989).

Similarly Paasi states that borders are indicated on maps as a single line which represents the political and jurisdictional limits of the state and ‘marks the furthest extent of the state’s ‘limits of sovereignty’ (Paasi 2003 p. 462). Paasi states that borders are more than just ‘lines on a map, however: they have crucial links with identity, action, mobility and power’ (Paasi 2004: Johnson, Jones, Paasi, Amoore, Mountz, Salter, Rumford 2011). Borders are also ‘zones of mixing, blending, blurring and hybridizations’ (Paasi 2004) where both material and symbolic dimensions and power relations come together.

Definitions of borders have changed over time as researchers have refined their views or employed different conceptualizations. Newman and Paasi’s definition proposed in 1998, for example, differs from their definition in 2004 when they state

‘Boundaries by definition are lines of separation or contact. This may occur in real or vertical space, horizontally between territories or vertically between groups and or individuals. The point of contact or separation usually creates an ‘us’ and an ‘Other’ identity and this takes place at a variety of socio-spatial scales’ (Newman, Paasi 1998 p.197). Hence, borders are social, political and discursive constructs which produce and institutionalize territory and territoriality.

The number of nation-states found in the world has increased since the late 20th century. Prior to the Second World War there were 70 recognised nation-states in the world⁶⁰; in the 1960s 90 states were recognised by the United Nations Organisation; by the 1980s there were 180 states and near the end of the 20th century over 196 states were recognised ⁶¹ creating 300 land borders (Newman, Paasi 1998 p. 197). This has occurred not only because new nation-states have gained political independence from former colonial rulers, but because identity has become more complex as ethnic groups within nation-states seek independence based on their specific history, culture and narratives.

Since the 1990s other disciplines have developed an interest in border studies which has become increasingly multidisciplinary (Johnson, Jones 2011; Parker, Vaughan-Williams 2009). Boundary and border studies occur in sociology, cultural studies, environmental studies, international legal studies, anthropology and geo-politics. Further, the terminology of

⁶⁰ Recognised by the League of Nations.

⁶¹ 193 are members of the United Nations.

border studies has had a variety of meanings over time, in different cultures, in different languages and in different disciplines (Anderson, O'Dowd 1999 p.10) and as a result there is no multidisciplinary theory of borders (Newman, Paasi 1998; Johnson, Jones, Paasi, Amoore, Mountz, Salter, Rumford 2011). Kolossov has suggested 'that it is time' to correct this omission (Kolossov 2005). Clearly borders are multidimensional and complex and defined in relation to the study being undertaken. The border thus encloses the resources and people of a territory while the state power which can be exerted at the border protects the territory and controls the resources and population within the territory. Johnson and Jones suggest that 'scholars need to be mindful and critical of the complicated relationship between state power and space' (Johnson, Jones 2011 p. 62). The form of governance organizes social and economic activity and protects and controls the population. Massey suggests that 'boundaries are one means of organizing social space and is part of the process of place-making' (Paasi 1998 p. 76).

Borders can be studied at a variety of levels. Bounded spaces include countries as major territories which exercise territoriality, sovereignty and control within its borders. Supra- and sub-state regions are also bounded spaces however sub-national regions differ from states as they lack sovereignty and coercive powers (Johnson, Jones, Paasi, Amoore, Mountz, Salter, Rumford 2011 p.63) At the spatial context of a state and the level of the suburb or local government area, which would be is the smaller, lower level while the state is the higher, larger level. At a small level such as the postcode, there are no visible borders while at the 'largest' level the border defines territory between states often identified by border control posts and the symbolism of national flags. In a spatial context, borders may also form a hierarchy of governance within a state. Thus, moving from the top down, the power hierarchy can extend from the largest border to the smallest border, for example through national, State/provincial, regional and local governments. Internal borders within a nation-state delineate administrative divisions into which the governance of a state may be divided. Australia's national border, for example, encloses State borders with the distribution of powers for governance set out by its written Constitution. Yet States are further divided into Local Government areas while most are also divided by the State, for a range of purposes, into regions municipalities and other local territorial units (such as 'wards' in local government areas).

Borders, then, are clearly multidimensional, multicultural and multiscalar phenomena. Lloyd, Suchet-Pearson and Wright (2004) suggest

‘borders are complex and dynamic, are heavy with power relations , and have the power to bring people together in complex spaces of situated agreement and self-determination. Borders are thick with social, economic and political meaning and relational spaces within which collective and individual identity is (re) defined and (re)created’.

Thus it becomes clearly difficult to propose a definitive definition of the term ‘border’ so it is best to vary it with the complexity of the research and change as political social and economic conditions change over time.

A basic approach is to recognise a national border enclosing a state as a political unit (with a state apparatus or governance), as well as enclosing a ‘nation’ which is a cultural entity, whose symbols, institutions, ideologies and narratives, create and reinforce the nation, as well as the legitimacy of the sovereign territory. This latter is always provisional especially in territories containing multiple cultural groups. Taylor (1995) suggests that the border is a ‘container’ that ‘shapes and is shaped by the territorial contents’. The border and the nation-state provide a sense of identity and citizenship. The border allows people to ‘make sense of the world at all spatial scalesbut also defines and regulates social action’ (Paasi 2003 p. 467). This can be applied usefully to internal (State) borders in the Federation of Australia. The internal border between Albury (NSW) and Wodonga (Victoria) can reinforce different symbols, institutions, ideologies, and narratives, of each State and reinforce State identity, while the external border sets a wider scale offering and constructing Australian citizenship and an Australian identity.

Borders are multifaceted and explain social relations through contradictory dichotomies. Borders have been described as visible or invisible, closed or open, unifying or dividing, inward looking or outward looking, including or excluding, creating Them or Us, cooperating or competing, at war or at peace, secure or insecure and permitting contact or enforcing isolation. The examples of a closed and open border can illustrate these characteristics. The Berlin Wall was built by the East Germans in the Cold War to divide Germany in to capitalist West Germany and communist East Germany. The Berlin Wall is an example of a visible border symbolizing a distinct political ideology which unified, controlled and enclosed its population within its territory. The Berlin Wall separated the East German people and

excluded all elements representing the Western World through its closed border which acted as a barrier to the influences of capitalism. Its population became isolated, inward looking and were prevented from leaving. There were few links or acts of cooperation across the Wall. By contrast prior to 9/11, the Canadian-USA border was regarded as a soft border, an invisible, open border, permitting the free movement of goods people and ideas. It was a border of cooperation, outward looking, inclusive and peaceful (Anderson, O'Dowd 1999). However after 9/11 the border was policed with greater vigilance and the movement of people and goods were scrutinized.

3. 1. 2 Territoriality and sovereignty

Territoriality expresses the power and political might of the state to hold its territory. The territory is the place (space) where political organization provides security for people to socialize, practice economic activity and function as a society (Newman, Paasi 1998). 'As Sack points out territoriality is easy to communicate, since in principle it requires only one kind of marker or sign: the boundary' (Newman, Paasi 1998 p.187). However territoriality has in the past generated rival territorialities as occurred in the Second World War and subsequent others.

Following Sack, Anderson and O'Dowd suggest that territoriality is a 'spatial strategy to affect, influence, or control resources and people, by controlling area' (Anderson O'Dowd 1999 p.598). The state border controls access into and out of the territory and shapes the contents of the territory and its character. Borders are ubiquitous but each is unique and they occur at all scales in a territory e.g. they may enclose an industrial zone, a suburb, a municipality, a town, a State or a nation.

Sovereignty is a country's independent authority, recognised by other nation-states as giving the right to govern itself and make agreements with foreign states without interference from any other nation-state. The functions of the sovereign state are to provide a safe environment for social, cultural, economic and political development. It encourages nation building and nationalism, while territoriality offers inclusion to citizens, national identity, citizenship (Taylor 1994). Thus sovereignty is defined as 'that unique power to both exert exclusive force and law within a particular territory and over a particular population and that recognition from other international actors (Johnson, Jones, Paasi, Amoore, Mountz, Rumford 2011 p. 66).

Hence, border controls are major outcomes of the exercise of sovereignty and, indeed, have been increasing in some nation-states since the 9/11 terrorist attacks on New York City and the movement of economic refugees and illegal immigrants from poorer to wealthier countries. Border control posts manage the flow of goods, services and people into and out of territory and the porous or impervious nature of the border is frequently an indication of the political relations between the state and its neighbours.

It has been suggested globalisation has seriously challenged the future of states and the operation of borders. For some scholars, transnational corporations have challenged the economic sovereignty of the state by their increasing control over the movement of capital, labour, raw materials, production and trade across international borders. Similarly the communication and information technology of the internet has eliminated borders, or so it can seem, and created a borderless world. For some, globalisation has involved a bypassing of territorial borders and establishment of 'virtual economies, cultures, and even systems of governance, transcending territorial borders' (Anderson, O'Dowd 1999 p. 599). This has allowed instant global flows of finance, communication and information. Transnational corporations have benefited from this form of communication which has increased the spread of Western consumerism and values globally.

Some suggest that globalization and new technology have undermined and compromised the territoriality of the sovereign state. Today few states can claim to have control over all aspects of social life within their borders. 'States retain control over law and order, education, health welfare and taxation albeit with limits set by external pressures' (Anderson, O'Dowd 1999 p. 601). The states continue to change in response to new conditions and have increased extra-territorial activities and the internationalization of elites and state organisations (Anderson, O'Dowd 1999). In the 1980s Jessop had argued that nation-states were being 'hollowed out' as a result of globalization however by 2004 he concluded 'the future of the national state involves more than hollowing out and multi-level governance' (Jessop 2004 p. 25) as the nation state is able to redesign itself and is flexible and innovative and can deal with new complexities.

As an example it is not entirely clear when Australia became a fully 'sovereign' nation. Prior to Federation in 1901, six independent self-governing, British colonies existed each having the British monarch as its own head of state. In 1901 the six colonies united by a British Act

of parliament and became the Federation of Australia, a self-governing country with a written Constitution and adopting the same monarch as head of state. Australia was declared a British Dominion and, while recognised as a self-governing state, remained ultimately answerable to the British Government as with other dominions like Canada and New Zealand.

Many people believed Australia became a sovereign nation at the end of the First World War. The Hansard minutes for the Federal House of Representatives on the 10th September 1919 and the Federal Senate on 1st October 1919 record Australia had been welcomed into the family of nations through membership of the League of Nations at the end of the War. This interpretation was supported by Sir G. Butler⁶² who stated that Article 1 of the Covenant of the League of Nations states, 'the British Dominions have their independent nationhood established for the first time'. This was also supported by the then Australian Prime Minister Billy Hughes who, at the direction of King George V, signed the Peace Treaty of Versailles on the 28th June 1919 for Australia, as an independent sovereign state.

Ambiguity remained, however, because The Statute of Westminster of 1931, ratifying decisions of the Imperial Conference of 1926 which first formalized the British Commonwealth of Nations, stated for the first time Dominions had the right to make treaties and agreements with foreign powers as well as managing their own military strategies. Australia would not be answerable to the British government and the monarch could only act on the advice of the Australian Government and Australian Governor-General. Australia adopted the Statute of Westminster 1931, as the Statute of Westminster Adoption Act 1942, giving it full independence. Passage of this Act in 1942 seems to accord with the definition of state sovereignty outlined earlier. The Australia Acts of 1986 declared Australia to be a sovereign, independent and federated Nation, with a monarch as its head and finally, the right of appeal to the Privy Council in Britain was removed from the Australian legal system. Since 1986, Australia has been unquestionably a sovereign state with independent authority and right to govern itself and make agreements with foreign states without interference from other nations. Since 1986 the High Court, established in 1901 to interpret and uphold the Australian Constitution, became the final court of appeal.

⁶² Corpus Christi College Cambridge

3. 1. 3 Internal borders

By comparison with the voluminous scholarship published about international borders, there is only limited literature about borders within nation-states. Minghi defines internal boundaries as lines separating internal jurisdictions both at the State and local level (Minghi 1969). Such internal borders within a state differ from international borders as they are infrequently involved in conflicts requiring force to defend it nevertheless States/provinces can maintain law and order through legal institutions and the police. However in a weak or 'failing' state, militia in conflict inside the nation-state's borders and beyond the effective control of the 'national' militia, create formal civil wars or informal 'insurgencies' as in Afghanistan or Iraq. Paddison suggests 'space, in an organizational sense', is a politically organising tool (Paddison 1983 p. 14) and sub-national government is determined by territory in 'legally bounded spaces' (Paddison 1983 p. 15) which in Australia are the States and the local government areas. These internal subdivisions of Australia are defined by a hierarchy of scales and the internal boundary which encloses its territory.

An internal border between States such as the border between New South Wales and Victoria, is frequently not marked and visible although everyone understands that crossing the Murray River is crossing the border. Prescott states that 'Some of the most important internal boundaries, which decide where a person may vote, at what level rates will be levied and the schools which children must attend, are never marked on the ground, but are shown on maps hanging in municipal and local government offices' (Prescott 1978 p. 193). Local authorities erect signposts on main roads, for example, to indicate when one is entering or leaving a State or local government area. The exact location of an internal border is clearly indicated however, on large scale maps.

Newman draws on a quotation from Lundun and Zalmans (2001) concurring that 'scale figures prominently in much of the recent border literature. There has been a geographic refocusing of the state, down to internal regions, municipalities and neighbourhoods' (Newman 2005 p.148). Newman and Paasi suggest boundaries 'operate on a number of different scales' and 'exist in different spatial contexts' and that 'most of life's functions take place within the context of local boundaries both real and perceived' (Newman, Paasi 1998 p. 197).

Newman draws on Blatter (2001) who stated that ‘we live in a world of scale hierarchies, where different borders affect our daily life practices at one and the same time’ (Newman 2006 p. 148). Internal borders within a ‘territorial container’ help to organize daily life and are determined by authorities for administration in urban and rural areas to delineate things like electoral constituencies, educational zones, land use zones, crime, pollution or planning mechanisms. Newman states that ‘it is at the level of narrative, anecdote and communication that borders come to life’ (Newman 2006 p. 152) and ‘border narratives reflect the diverse experiences and meanings which borders have for the individual’ (Newman 2006 p. 152). The internal border becomes a border of exclusion or inclusion. It helps us to distinguish between Us and Them, or Inside and Outside. It is ‘important to know whose plots or turfs dominate’ and the social life within the border stored in ‘narrativity’ (Newman, Paasi 1998 p. 195).

Physical features may also be used to form internal borders in nation-states (refer to 3.1 to ascertain how physical features in international border could be applied as internal borders).

According to Minghi, (1969) the literature about internal borders may be grouped according to studies of: first, impact of borders on spatial patterns; second, impacts of historical changes in administrative borders; third, development and demarcation of borders in newly formed countries; fourth, land use zones, for example within urban areas; fifth, impacts of borders on cities divided by - ‘straddling’ – a State border; and finally, internal border disputes and anomalies. ‘Although internal borders have not enjoyed the same attention as those of the international variety, studies on the subject show the methodology evolved at the international level can be used successfully at all political levels’ (Minghi 1969 p.160). The most common methodology adopted in internal border studies is the case study method. Most research relies on secondary data whose validity has been proved to be reliable. Minghi adds that ‘it is important to collect primary data in economic, cultural and sociological areas, for spatial patterns of sociological behaviour can be even more important in determining the impact of a border and its viability as a divider’ (Minghi 1969 p.160) (see Chapter 8 where border anomalies in Albury-Wodonga are considered through field research).

3. 1. 4 The border region.

The terms border, boundary and frontier are frequently confused and used interchangeably. The term boundary carries the most precise meaning as a demarcated line which is the border,

while frontier carries the broadest meaning as an area between two countries. Most of the published scholarly literature deals with cross-border issues relating to external borders or supranational regions in Europe, North America and Asia which have formed partly as a response to globalization (Johnson, Jones, Paasi, Amoore, Mountz, Salter, Rumford 2011). This section considers border regions on each side of external (international) borders.

Border Regions Across External Borders

The term border is often used to mean the same as ‘border region’, ‘borderlands’, or ‘cross-border region’. These terms generally refer to ‘an area beside an external border or straddling it; or an administrative region abutting an (external) border where centres are physically or socially distant from the (external) border’ (Anderson O’Dowd 1999 p. 594, 602-603).

Since about the 1960s the number of cross-border regions have increased. During the 1980s as internationalization and globalization spread more borders opened up and national borders and the power of the States appeared to decline. With the decline of the Cold War in Europe in the early 1990s this trend continued. These changes fostered porous borders, cooperation, collaboration, greater communication and networking across borders and established new cross-border regions which have provided material for researchers in border studies (Struver 2004; Newman, Paasi 1998; Anderson, O’Dowd 1999). Cross border regions are often created by explicit state policies as has been seen within the European Union. Although it has been suggested that globalization has caused the power of the state to wane, the establishment of supranational blocs has rejuvenated the states as they now participate in international governance discussions about policies for supranational regional activities (Perkmann, Sum 2002) and cede powers to supranational organizations. Jessop has suggested that the national state nevertheless has the ability to rescale the powers of the state through innovation and flexibility and deal with the new complexities (Jessop B. 2004).

International cross-border regions vary in size, have different objectives and are governed in different ways. In the EU⁶³ for example, Euro-regions have formed through cooperation between municipalities, districts or regions and have populations of between one to two million people. They straddle borders for about 50km in either direction. In Asia, by contrast designated Growth Triangles are often so large as to include countries (Perkmann, Sum 2002)

⁶³ EU European Union

e.g. the Indonesia-Malaysia-Singapore (IMS) Growth Triangle, the Brunei-Indonesia-Malaysia-Philippines (BIMP) Growth Triangle.

Cross-border regions which are contiguous regions, located on either side of an external border, generally have different economic, cultural, political and social conditions emanating from within each state which reflects the differences existing between each state. No two cross-border regions are the same. They vary in size and character and exhibit inequality and asymmetry.

Staudt (2002) suggests that if borderlands are porous, it allows people and commerce to flow from one to the other, yet at the same time, imposes an official, formal, obstructive tone as national officials and institutions ensure state sovereignty in each borderland. Where the border is impervious and closed, the border controls and inhibits all movement across the border creating a sense of Them and Us. The dichotomy which exists at borders also impacts on the border regions.

Newman and Paasi suggest new communication and information technology has removed the borders between states and has created a borderless world. The dissemination of information in cyberspace has created a 'global based national identity of communities' (Newman, Paasi 1998 p. 189). Most of the people in the wealthy states have access to the internet while Hirst and Thompson (1995) suggest the poorer two thirds of the globe are 'trapped by the lottery of their birth' and still cannot afford this facility.

Cross-border regions frequently cooperate⁶⁴ or collaborate⁶⁵ or sign agreements or treaties to make better use of their resources and avoid duplication and red tape and reduce the high costs of providing services and thus make better use of their resources. Some new regional alliances for trade and investment between states has been called 'new medievalism' since they result in 'overlapping authorities and contested loyalties between the states and other agencies' (Paasi 1998 p. 72). At the same time fragmentation has caused some states to cope with the rise of regional challenges for separatism and new nationalisms. Among these groups seeking economic political and cultural independence are the Scots, Welsh, Basques and

⁶⁴ Independent agencies maintain their own mandates and responsibilities but work together for a common purpose or benefit.

⁶⁵ Independent agencies come together and change their individual approach to a goal to allow sharing of resources and responsibilities.

Bretons to name a few. Taylor suggests that the new states become 'more successful cultural containers than the old states being dismantled' (Taylor 1994).

The literature about supranational cross-border regions explores a number of themes including scale and rescaling; imaginary discourses and identities; and governance. The research is frequently multidisciplinary and methodology frequently relies on case studies.

Border regions across internal borders

Limited literature exists on regions straddling internal State borders in federations similar to Australia. Internal boundaries generally delineate administrative borders used for governance, administration, social, cultural and economic development. Local governments use administrative boundaries within States to provide services to residents. Administrative borders may change over time as new governments are elected and choose to enlarge, reduce or alter the borders of administrative areas. By studying change over time geographers can contribute to resolving border disputes, and provide principles for border delineation and demarcation.

Internal cross-border regions and cross-border regions across external borders face many similar issues. The internal cross border regions may be symmetrical or asymmetrical. They frequently have different social, cultural, economic and political backgrounds. Administration in each region often reflects different rules and regulations and the dichotomy of border characteristics may still persist.

Where an internal cross border region straddles a jurisdictional and political border asymmetry frequently exists in the regions abutting the political border. To reduce the amount of asymmetry in the border regions it is essential that representatives from public and semi public organizations meet with their opposite numbers to organize common projects and pursue positive links to improve communication and cooperation and establish mutually beneficial agreements between them. As well this would mitigate issues such as duplication, red tape and anomalies and impact on the day to day lives of residents, commerce and industry.

3.1.5 Cross-border towns or cities

Most of the literature about cross-border towns or cities relate to towns or cities astride international borders. In a paper on cities across international borders Buursink (2001) suggests terminology which describes cross-border cities is used too loosely and greater care should be taken in defining cross-border cities. Buursink identified ten different terms used to describe international cross-border cities. They include duplicated cities, partitioned cities, companion cities, connected cities, double cities, neighbouring cities, twin cities, bi-national cities, border-crossing cities and transborder cities.

It is evident from Buursink's study there are many different types of cities each with their own unique characteristics and history. Buursink suggests it would be more appropriate to use the term 'border-crossing cities' which he defines as cities in which populations cross the border daily for work, commerce, recreation and entertainment and whose public organizations have contacts with similar organizations in the city across the border

For the purpose of this research into the contiguous cross-border cities of Albury and Wodonga, located astride an internal border in Australia, it is more appropriate to use conventional terms found more frequently in academic articles, newspaper reports and the organizational narratives of the Albury-Wodonga Development Corporation about Albury and Wodonga. For this reason the contiguous towns of Albury and Wodonga will be referred to as 'twin towns' or 'contiguous towns' recognising, cross-border flows and organizational connections are crucial.

Cross-border towns located astride international borders, generally function independently and are subject to the sovereignty of the respective country in which they are located. There are numerous examples of contiguous towns located across international borders including Sarnia (Canada)-Port Huron (USA); Puerto Iguazu (Argentina)-Ciudad del Este (Paraguay); Tornio (Finland)-Haparanda (Sweden) amongst others. By contrast, contiguous towns located astride an internal border in a nation-state, are subject to the same national, sovereign power. In most instances, cross-border towns located astride internal borders are located across open borders. This thesis focuses on Albury-Wodonga as Australian cross-border towns but there are broadly comparable examples, for example, from USA and Canada which also have Federal systems of government albeit different to the Australian system. Some of the numerous examples in the USA, include Delmar (Maryland)-Delmar (Delaware); Fargo

(North Dakota)-Moorehead (Minnesota); while Canada has three examples including Lloydminster (Alberta)-Lloydminster (Saskatchewan); Ottawa (Ontario)-Gatineau (Quebec); Flin Flon (Manitoba)-Flin Flon (Saskatchewan).

Scott (1999) suggests cross-border towns astride international and internal borders can initiate a proliferation of different initiatives to overcome the issues of duplication of services and the high cost of providing them. Some towns encourage their council administrations to collaborate or alternatively to cooperate to achieve this outcome. Still others organize formal agreements or treaties, or alternatively establish new governance structures. Where there is a close working relationship between the towns across an open border, the new initiatives will encourage better economic and social integration between the towns, and encourage people to cross the border to seek work and recreational activities. Nevertheless each example of contiguous cross-border towns is unique reflecting the historical, social, political, legal and economic conditions which formed them.

In the USA, Delmar Maryland and Delmar Delaware have developed astride an internal open border, each with their own council and mayor to collect taxes and revenue but given to a single town manager to organise joint services for the two towns. The service head quarters are distributed between the two towns so that the police, elementary schools and water treatment plants are located in Delmar Maryland while all other services are in Delmar Delaware. The combined administration creates an efficient service provider as well as broadening opportunities for state grants. The residents move freely between the towns for social, educational, recreational and economic activities.

The Canadian example of Lloydminster is somewhat different. Lloydminster in Canada was incorporated as a township in 1903, before the 1905 provincial border between Alberta and Saskatchewan was settled. In 1905 the towns on each side of the border established their own municipal council and offices but amalgamated as a single town with a single municipal authority in 1930. The municipal offices and city hall in Saskatchewan were relocated in the Alberta town which now has the majority of the population. The Lloydminster Charter allows it to follow daylight saving throughout the town and places the town in the Mountain Standard Time Zone. Day light saving is law in Alberta but not in Saskatchewan. However Lloydminster follows the Saskatchewan schedule for voting in municipal elections and the Saskatchewan anti-smoking legislation (The Alberta legislature hurried this legislation

through soon after). Nevertheless the Lloydminster functions as one unit, for social, educational, recreational and economic activities.

3.1.6 Future border studies research

Rumford states that border studies ‘addresses a wide range of complex what, where and who questions. What constitutes a border.....Where are these border found? Who is doing the bordering?’ (Rumford in Johnson, Jones, Reece, Paasi, Amoore, Mountz, Salter, Rumford 2011 p.68).

Parker and Vaughan-Williams suggest a possible new approach to border studies. A new starting point for research in border studies could be attempted through border epistemology, or border ontology, or spatial-temporality. Parker and Vaughan-Williams suggest the path through border epistemology might seek to find a new sense of security and order or seek to find another epistemology which sidesteps the fixed border or find a topology which is not the common Western ‘binary topology denoting inside/outside thinking; or perhaps determine if one’s race, religion or nationality would impact on one’s border experience’. They suggest that the path through border ontology might explore border foundations to ask ‘who or what.....makes borders?’ or examine ‘the changing and indeterminate nature of borders’ (Parker, Vaughan-Williams 2009 p.585). In addition the path through the space-time of borders might examine border spatialities such as aspects of transgressed borders or border temporalities such as how borders change or examine ‘the border in a space marginality’ (Parker, Vaughan-Williams 2009 p. 584-585).

3.2 Albury-Wodonga and the New South Wales-Victorian Border

The State of New South Wales has a number of twin towns along its northern border with Queensland and along its southern border with Victoria. The largest of the twin towns are Albury (New South Wales) and Wodonga (Victoria) located astride the Murray River. The population, from both towns, move freely across this porous border for work, recreation and shopping. Other cross-border towns in Australia are listed in Table 3.1.

Table 3.1**Other towns astride internal borders in Australia**

Victorian Town	NSW town
Cobran	Barooga
Yarrawonga	Mulwala
Koondrok	Barham
Echuca	Moana

Queensland town	NSW town
Coolangatta	Tweed Heads
Wallengarra	Jennings

Source Phillips Atlas

3.2.1 Establishing the colonial border between the British colonies of New South Wales and Victoria

The colonial political environment in Britain's Australian colonies in the 19th century determined border arrangements for land being officially and legally described as terra nullius⁶⁶. In the 1800s natural landforms such as mountain ranges, lakes or rivers which were clearly visible and easily identified, were frequently selected as borders. These landforms were considered to be of strategic significance as they afforded a line of defence from invasion. The New South Wales border was not selected for defence purposes but rather, to enclose a maximum land area which would allow continued growth and which the colonial government of the day could control and rule.

In 1850 the first Colony to explore a border and enclose its territory was New South Wales. The Surveyor General of New South Wales, Sir Thomas Livingstone Mitchell, requested a report on the location of a 'clearly defined natural boundary' (Pennay 2001 p 7) Although the Murrumbidgee River had been suggested as the border, the Murray River further south was selected. In 1866 the Victorian and New South Wales government representatives agreed on an arbitrary point, Cape Howe, as the point on the coast line where the border would end. The border between the State of New South Wales and Victoria was drawn by Lord Stanley, Secretary of State for the Colonies in the British government in 1842. It was to be 'a straight

⁶⁶ Anderson E.W. (1999 page 132) quotes Muir (1982) as stating that a 'boundary may be at the limits of territorial expansion and this is legal if the territory claimed, is considered to have been un-administered prior to the claim. Such a territory is known as terra nullius or res nullius'.

line drawn from Cape Howe to the nearest source of the River Murray and thence, the course of the river to the eastern boundary of the Province of South Australia' (Holmes 1944) This border was based on the natural feature of the Murray River which was clearly visible to all, and encompassed both banks of the river. The government of New South Wales confirmed the border in 1850 and an amendment in 1855 stated that the entire river course would be in New South Wales. The inclusion of both banks of the river was to create difficulties later (see Map 1).

The Victorian colonial government was dissatisfied with this border decision and was of the opinion that the Murrumbidgee River would be a better alternative as a border. For some time they argued that the Riverina should be part of Victoria, and that the Murrumbidgee River or the Hume River was the source of the Murray River. The Murrumbidgee River was closer to Cape Howe than the Hume River which had been declared the source of the Murray River. Nevertheless the earlier boundary remained (Prescott 1978 p.174). Geographer MacDonald Holmes also believed the border should not have been the Murray River. He suggested that since people on both banks of the Murray River had similar livelihoods, were good neighbours, and lived in peace and cooperation, the river should not divide the population. He believed the river basin should unite people on both banks of the river in one unit (Holmes 1944). As was the custom of the period, the border was established without taking into account seasonal movement of Aboriginal tribes⁶⁷ living in the area, nor concerns about environmental management of the river.

3.2.2 The closed border

In 1839 Albury was established as a port on the north bank of the Murray River in New South Wales and in 1853 Wodonga followed suit on the south bank in Victoria. Both Colonies established custom posts at their respective ports to collect revenue and control goods, people and stock across the border. As this limited trade, restricted markets and was inconvenient to residents, disgruntled residents established the Border Customs Abolition League to resolve cross-border issues (Pennay 2001). In 1873 the Colonial governments withdrew the custom post but within six months re-instated them. As a result despondent residents supported Federation as the solution to cross-border issues.

⁶⁷ The Nganlgo, Thana, Dudurda, Dilamatang, Jasmethang tribes of the coast and Alps and the Wiradjuri tribes of the Murray Valley (Pennay B. 2001 page 14).

In 1873 Victoria built a 5 foot 3 inch gauge railway line radiating out of Melbourne⁶⁸ to its border regions. New South Wales followed with a 4 foot 8 inch railway from Sydney to Albury⁶⁹ (Jeans 1972). The Colonial governments were in competition for trade from the Colonies. Each appeared to offer cheaper railway freight rates but by 1905 the new State of Victoria had withdrawn from the competition. Yet with the advent of the railways to the border regions, more people were attracted to settle there, as the border regions were no longer isolated and railways offered access to markets in the capital cities.

The cross-border competitive behaviour of governments continued to create strong feelings in both Colonies. Governor Robinson of New South Wales stated 'neither annexation nor border treaties would mitigate border inconveniences' (Pennay 2001 p.34). While the Victorian parliament held the view that lack of cooperation from New South Wales 'might be expected from an unfriendly foreign power, but.....cannot be justified from a friendly colony of the same nationality and under the same flag' (Pennay 2001 p. 34).

Despite a bridge being built across the Murray River in 1883, the railway gauges remained fixed and a turntable at Albury was used to move the trains from one gauge to the other. The different rail gauges remained well in to the 20th Century proving a major obstacle in the First and Second World War when troops and equipment from the army base at Wodonga were required to be moved north across the border. The journey became cumbersome, time consuming, costly, inefficient and difficult. Indeed it created a major military concern during wartime (Jeans 1972).

3.2. 3 Federation and attempts to open the border

In 1901 an act of the British government, the sovereign power of the six independent colonies, established the Federation of Australia, which united the independent colonies in a Federation. The external border of Australia became the coastline of Australia, and the external borders of the independent Colonies, now States, became the internal borders of the States in the Federation of Australia. The border of the States remained the furthest territorial limit of their power while the rules, regulations and policies of the earlier colonies continued to function in the new States, so that each State functioned differently. The Constitution

⁶⁸ Pennay B. 2001 p. 20. The railway from Melbourne reached Wodonga in 1873. The railway line between Albury and Wodonga was joined in 1883.

⁶⁹ Pennay B. 2001 p. 30. The railway line from Sydney reached Albury in 1881.

identified the powers and roles of the Federal and State governments (see Appendix 4 for the division of Federal and State powers)

Robinson (1969) suggests the Act of Federation in 1901 reinforced the existing colonial patterns found in each State and that the character of each State today, can be traced back to this colonial past. Robinson quotes Partridge, who suggests that the States today are 'almost entirely political units not coherent social and economic groups' (Robinson 1969 page 460). Robinson disagreed with Partridge's suggestion that each State acted as an agent of change and created local attitudes and patterns, which are markedly visible along sections of borders such as the contrast between the cropped and grazing land on either side of the Murray River (Robinson 1969 page 460). He argues that patterns that are visible are the result of each State's history and different use of resources rather than a response to the border. Similarly Rose discerned visible differences in buildings along the Victorian and South Australian border (Rose 1966).

Although the Australian Constitution 1901, permitted autonomy for each State, the Federal acquisition of income tax powers came in two stages in each of the World Wars. The main consolidation of income tax powers came in 1942 under the wartime powers section of the Constitution when the Federal government prevailed over the States for national security reasons and defence. This power has never gone back to States, but was kept through agreement to reimburse the States according to complex formulae determined in conference. But while these Commonwealth grants have become the crucial element of State Government finances, State's still levy all sorts of direct taxes and charges. In 1999 the Goods and Services Tax (GST) was passed and came into operation in 2000 and today also contributes to State government finance. Since the Federal government is the source of the State's finance it thus has some control over the States. Three sections of the Constitution permit the Federal government to intrude into State affairs. Section 92 controls freedom of trade between the States; Section 55 allocates equal taxes to the States and Section 96 provides financial assistance to the States on terms and conditions as Parliament deems necessary. The legislation, policies for development and inducements, to attract industries and create competition between the States originated as the legislation and policies of the independent colonies. This autonomy which persisted after Federation prevented States from forming a fully united Australia. Each State has continued to function, to some extent, as if their border

is an external border. Different rules and regulations in each State have resulted in anomalies impacting on daily life and are the subject of Chapters 6 and 8.

After Federation, then, Victoria and New South Wales still functioned to a significant extent with a closed border. They benefited from duty on goods⁷⁰ transported across the border, and were able to control fruit fly infestations with checkpoints along the border, as well as the spread of animal and plant diseases across the border. (Pennay 2001). Because Melbourne was closer than Sydney to the border region it was more influential to the population along the New South Wales border. To reduce the impact of Melbourne on the border region, the New South Wales government extended State railway lines and reduced freight charges to Sydney from Albury. In this way Sydney captured more trade and prevented the goods from New South Wales moving across the border to Melbourne.

At the 1901 census, some New South Wales politicians ‘saw the border district, as a Victorian appendage’ (Pennay 2001 p.35) as it was closer to Melbourne than Sydney, and had been developed with Victorian energy and money. As well the 1901 census indicated 33% of people on the New South Wales side of the border were Victorian born and by 1911 the figure had climbed to 39% (Pennay 2001 p.72).

Between 1902 and 1912 John Ogier a magistrate, wrote three papers to query sections of the Murray border. He stated the Umaralla River which flows into the Murrumbidgee River is closer to Cape Howe than the tributary which was used as the source of the Murray River and linked to Cape Howe. Although the general public supported his view this was not pursued formally (Dunn, Deckert 2004⁷¹; Prescott 1978 p. 174). Eventually the high water mark on the south bank of the Murray River was declared the border between New South Wales and Victoria. Nevertheless by 1906 the State border itself still remained an issue. The Victorian government proposed that the Riverina should be incorporated into Victoria while the Mayor of Albury’s response was to suggest that the area should become a Federal Territory (Pennay 2001 p. 72).

⁷⁰ duty was collected on alcohol, tobacco, coffee, dried fruit

⁷¹ B.Dunn J.Deckert *The Disputed Country: Australia’s lost border* published 2004.
www.free/library.com.au+Bob+Dunn

By 1915, with the establishment of Cooperative Federalism⁷², custom houses were abolished and encouraged free trade and traffic to flow across the border between the States.

Unfortunately the open border did not last long and closed when the severe drought of 1914-1915, forced the New South Wales government to establish a wheat acquisition scheme, to prevent wheat from being sold across the border. By limiting wheat sales across the border, the New South Wales government was able to maintain low bread prices.

3.2.4 Transport and Communications Technologies and the Border Issue.

The issue of distance from the capital cities continued to plague the border area between New South Wales and Victoria from Federation through until the Second World War. By 1920, dissatisfied population formed the Riverina Severance League on the New South Wales side of the border, which four years later became the New State Movement. It was also strongly supported by communities on the south bank of the Murray. The dissatisfaction in this border region led to a Royal Commission being established in New South Wales⁷³. The commission examined the over-riding impact of Melbourne on culture, sport and services in New South Wales border communities; the rivalry between Sydney and Melbourne; the cost of 'junction fees' for transshipment of wheat; and the poor rail, health and education services available to people living on either side of the New South Wales-Victorian border. The Commission rejected the case for a New State, and found the case the border region suffered from neglect, could not be demonstrated. It assured the population of the border region that conditions would improve as new rail links and silos were built, and services would become more readily available (Pennay 2001).

Road transport became more efficient by the 1930s and vital goods such as petrol, and groceries were transported daily from Melbourne to Albury. The new road transport technology had made the border region less isolated. Each State formulated its own transport policies. Transport Acts of Victoria and New South Wales governments ensured rail freight fees were lower and more competitive than those of the new trucking companies.

Additionally, State road transport authorities required that if the journey extended beyond 161 miles from the border, the driver would need a license for each State, which proved costly and

⁷² Wanna J. Philimore J. Fenna A. Harwood J 2009 page 3 Cooperative Federalism occurs when the Federal and State governments pass 'mirror' legislation and complimentary legislation to harmonise laws' and set up 'institutional and administrative arrangements to facilitate cooperation' for the benefit of the nation.

⁷³ Pennay B. 2001 page 79 Royal Commission in 1924 to investigate the 'proposals for the establishment of a New State or New States wholly or in part out of the present territory of the State of New South Wales'.

time consuming. These added costs and the advent of an overnight train between Melbourne and Albury effectively forced the trucking industry to collapse (Pennay 2001).

After the 1930s depression, the Rivierina Movement resurfaced with support from the Graziers Association of the Southern Riverina. It proposed that the Riverina was an integral part of the Murray Basin which should function as a cohesive valley with the Murray River uniting people on each side of the state border rather than dividing the valley. By 1937 the Country Party in each state had endorsed these ideas and had adopted the abolition and reorganization of State boundaries as their election platform (Pennay 2001). National and international economic factors and strong community feelings had provided incentives to alter the border and create one community in the Murray Valley. In 1938 *The Border Mail* the newspaper servicing both sides of the Border, highlighted the economic and social issues created by cross-border anomalies which impacted on communities on either side of the Murray River. As well editorials highlighted the failure of both State governments to reduce anomalies (Pennay 2001).

The new technology of telephones and radios opened the border communities to a wider set of influences. The ABC, the National radio station broadcast Australian news and global news from Melbourne to the region, while a local broadcasting station, established in Albury, fostered regional news. The State border was to some extent transcended by these technologies and the capital cities were now within reach daily. As motor transport became more affordable to the general public, State based tourist offices were established on the border. Both Victoria and New South Wales promoted Albury as a base to explore the Alps and vineyards (Pennay 2001).

After the Second World War the Federal Government appeared to endorse developing the Murray Valley as one region. Writing in support Professor Macdonald Holmes stated 'rivers united people rather than divided people' (Holmes 1944 p.197) as he believed that the region should be developed 'along functional lines rather than political lines' (Holmes 1994 p. 197) ignoring the presence of the border. This was supported by the local newspaper, the *Border Mail*, which now serviced north east Victoria as well as southern New South Wales. Editorials proposed a joint Chamber of Commerce to plan growth and development of the two towns and reported on the existence of anomalies.

By 1944 Albury had grown as the dominant city while Wodonga was still a very small town often referred to as ‘Struggle Town’. With the Federal government supporting the notion of a Murray Valley Region, in August 1944 the Murray Valley Development League was formed to examine its potential. Although the Federal government encouraged both States to become involved in the regional planning of the Murray Valley, because it did not appoint a statutory authority to oversee the planning it did not progress (Bayley 1976; Pennay 2001).

3.2.5 Further Attempts to Open the Border and Resolve Anomalies

Once Australia’s so-called ‘Long Boom’ of industrial growth was underway (roughly after 1950: see Chapter 5), the State borders once again became significant. The State Governments saw themselves being in competition for industrial development and each developed their own policies for ‘education, health and housing’ (Pennay 2001 p. 107), often to support industrial development strategies. Because the area of direct jurisdiction and influence around the towns of Albury and Wodonga extended approximately 180 degrees around each town, the respective State governments ignored these towns, for example locating state government offices in Wagga Wagga⁷⁴ (NSW) and Wangaratta (Victoria) rather than in the border towns.

In 1959 the Murray Valley Development League, which formed in 1944, focused attention on anomalies such as school holidays, curricula, transport and awards, noxious weed control, fruit fly, daylight saving and summer time, created by the constitutional separation of powers and the different policies in place on each side of the border. (Anomalies will be discussed in Chapter 6 and 8).

The issue of the location of the New South Wales–Victorian border was raised again officially 60 years later in 1963, by Sir Henry Bolte, Premier of Victoria. He proposed Victoria should include the Riverina within the Victorian border since it had been developed mainly with Victorian capital. The proposal was ignored by the Federal government. After much pressure from border communities the Premier’s department of both States in 1979 appointed a joint Cross-Border Anomalies Committee to ameliorate anomalies (discussed in Chapter 4). By 1980 the High Court of Australia clarified the location of the border between New South Wales and Victoria as, the ‘top of the bank’ of the Murray River on the Victorian side of the

⁷⁴ Both Wagga Wagga and Wangaratta had a 360 degree area of influence as they were not on a border.

river. It stated that ‘New South Wales was to have authority over the river and the land between the water-line and the top of the Victorian bank’ (Pennay 2001 p. 9) In 1984 a team of Royal Melbourne Institute of Technology students led by Dr. Grenfell surveyed part of the Black-Allan line⁷⁵ and discovered ‘an error that meant that NSW had for decades been repairing a Victorian stretch of the Princess Highway just north of Genoa. It was only a 14 metre stretch but.....for Victoria, a rare and symbolic victory’⁷⁶.

In 2005 the Victorian Government’s State and Regional Development Minister, John Brumby (subsequently Premier), suggested the section of the border between Cape Howe and the source of the Murray River had never been officially proclaimed. He proposed the Victorian border should be moved north to incorporate Merimbula, Pambula, Bega and Eden within Victoria. This would necessitate the border’s end point on the coastline, being moved northwards from Cape Howe to Merrimbula, so the Murray River source would be joined to the coast with a shorter, straight line. Mr. Brumby stated he had received strong community support for the change. The suggestion however, was firmly rebuffed by the Premier of New South Wales, Mr. Morris Iemma. (Sun Herald 18 Dec 2005). In 2006 ‘more than 130 years late the Governors of Victoria and New South Wales Governor signed off on their States final declared boundaries’ (the Herald Sun 17/2/2006 p. 12). Although the border between the Murray source and Cape Howe was proclaimed it was never signed off. The Victorian Governor John Landy and the New South Wales Governor Marie Bashir, officially proclaimed the border between the Murray River and Cape Howe, at Bonang Road, between Delegate NSW and Delegate River Victoria⁷⁷.

Under the Australian Federal system the range of powers given to State governments by the Constitution are often by default since it is the Federal government powers that are spelled out in detail. Since each State has the right to continue making its own laws and regulations it is inevitable that anomalies will result and cross-border anomalies are in itself the most obvious instance of them. The border location was a crucial reason for Albury-Wodonga’s selection as a National Growth Centre (which in itself is a sort of anomaly, as two States are involved which can be seen to give the Federal tier some stronger Constitutional roll) (see map 2). The

⁷⁵ The Black –Allan line runs from the source of the Murray River on the north-west slope of Forest Hill, near Mount Kosciusko, and then east –south-east for 155 km in a straight line to Cape Howe on the coast. The straight line section of the border was surveyed for Victoria between 1870 and 1871 by Surveyors Alexamder Black and Alexander Allan and is called the Black-Allan line.

⁷⁶ The Age 24/11/04 p.3

⁷⁷ The Age 19/2/06 p.3; The Herald Sun 17/2/06 p.12

border issue has continued to be debated in the 21st century for example in the One City proposal which will be discussed in Chapter 8.

3.3 Conclusion

The conceptual framework for understanding both external (international) and internal (State) borders will be applied in this thesis to research the twin towns of Albury and Wodonga located on either side of the border between New South Wales and Victoria. The impact of the border, sovereignty and territory provide a framework to study anomalies and economic growth and development in Albury-Wodonga. This chapter shows that issues about location of the initial Colonial border, based on the Murray River, arose from time to time in the 19th century and have persisted since Federation in 1901. Despite various campaigns and enquiries about relocating the New South Wales-Victorian border, especially in the Albury-Wodonga region, it remains in its Colonial position. The independent Colonies of New South Wales and Victoria had established distinctive forms of governance for each Colony which continued when they became States. These rules and regulations have become more complex since 1901 resulting in cross-border anomalies despite the act of Federation opening State borders.

Although the border follows a clearly visible physical landform, the Murray River, there are few markings or signs to indicate movement from one State into the other State on the highway connecting Albury and Wodonga. Nevertheless as one crosses the border from NSW to Victoria, one becomes aware of different land uses, settlement patterns and road systems. The field research reported on later in this thesis confirms that the border still divides the Albury-Wodonga Region economically, culturally, and politically. Hence individuals, commerce and industry still face complicated sets of border anomalies which impact on daily life. The Hon. W.R. Baxter MP has reflected:

‘It is ironic that the communities along the Murray River were the communities that pushed for Federation because of the difficulties they faced with trade between the two colonies of New South Wales and Victoria. The same communities are still facing all of the cross-border difficulties more than 100 years later’ (Victorian Parliamentary Hansard 17 Sept 2003 p. 141).

Despite State Government attempts to mitigate the impact of the anomalies over the past century they continue to increase in number and remain as an issue for the Albury-Wodonga

cross-border region. This thesis researches these anomalies in detail from a wide range of official and academic sources (Chapter 6) then explores contemporary issues through fieldwork with key regional stakeholders (Chapter 8). One principal aim is to evaluate the impact of border location on the economic development of the twin towns (Chapter 5) and its impacts on business and the daily life of the twin towns' residents. Chapter 4 now develops a framework for understanding the selection of the twin-towns as a federal government regional development initiative in the early 1970s, through exploring regional development policy in Australia.

Chapter 4

Regional Policy and the Albury Wodonga Growth Centre.

‘In Australia the term ‘Regional Policy’ has come to mean those public policies originating at any level of government, which relates to the development of areas at a scale above local government but below that of the six State⁷⁸ governments’ (Logan M. 1978, p. 23).

This chapter will try to provide insights into the various Federal and State government policies for regional development. The Constitutional roles allocated to Federal and State Governments have influenced the way governments have functioned. Regional policies will be examined chronologically and will include a brief discussion about regional policies prior to 1947 which gave rise to the dispersed decentralization policies in the States.

The study itself will focus on the three periods. The first, extends from the ‘Long Boom’ and includes the Whitlam years 1972-1975 in which the Albury-Wodonga Growth Centre was established based on theories of Locational Advantage, Growth Pole and Growth Centres. Whitlam stated ‘The Constitution’s archaism and anomalies and inadequacies become more burdensome and frustrating as Australia becomes a greater trading and industrial country⁷⁹’. The Whitlam government tried to bypass the States by using Special Purpose Payments (SPP) and Regional Organisation Councils (ROCs) and the Albury-Wodonga Development Council (AWDC) to coordinate and enforce planning in what had been deemed State matters. The Albury-Wodonga Growth Centre experiment was cut short by the sudden dismissal of the Whitlam government.

The second period, from the mid 1970s encompasses ‘the lead up to and restructuring of the Australian economy’ under the Fraser Coalition government and then the Hawke-Keating Labor Governments. Following high unemployment and inflation during the Fraser government, the Labor government introduced economic rationalism, restructured the

⁷⁸ Throughout this thesis State spelled with a capital ‘S’ represents the State/province while state spelled with a lower case ‘s’ represents the nation-state.

⁷⁹ Gough Whitlam’s John Curtin Lecture 1961.

economy, cutting unemployment and managing the budget deficit. Regional policy was limited as Federal government grappled with developing global cities. In 1989 the Hawke government instructed the AWDC to reimburse governments and return planning powers to local councils. Regions were expected to find local leadership, local skills and entrepreneurs to develop bottom-up projects which created uneven regional development. The notion that the regions would improve as the national economy developed did not eventuate.

The third section deals with ‘the return to prosperity’ under the Howard Coalition government which inherited high unemployment and a large budget deficit. Believing in small government and neoliberal deregulation, privatization user pay initiatives and globalization policies the Howard government, ignored the regions with the result that one member of the One Nation Party was elected to Federal parliament. The Coalition government reacted with Rural Summits and issue papers but did little to support regions. In 2000 the Albury-Wodonga Repeal Act was passed and the States withdrew totally from the Albury-Wodonga Growth Centre project. The Albury-Wodonga Corporation (AWC) replaced the AWDC and was left to sell off assets, reimburse Governments and shut down.

4. 1. The Golden Age

The British established Colonies in Australia for both convicts and free settlers from 1788 onwards. The major port of each Colony became the respective capital and primate town of each Colony (Rose 1966). The Colonies pushed back the Aboriginal people to encourage settlers to move inland to produce wheat and wool which became the major exports to Britain. Early manufacturing began in the capitals and was protected by subsidies and bounties. Horse and carriage and where possible river transport, were the main form of transport. Following the discovery of gold in the 1850s railways built with different rail gauges, radiated out of capitals, inhibiting competition for trade from neighbouring Colonies. They remained the main form of transport for the next 80 years and opened up the interiors to settlement and trade.

In the 1850s to raise revenue governments imposed tariffs on numerous products⁸⁰ and stock crossing Colonial borders while ad valorem duties applied to imported sugar, tea and dried fruit, farm implements, clothes, liquor and building material. From the mid-1850s there were 'sporadic customs wars'⁸¹ along the Murray border and in 1867 the Border Customs Abolition League⁸² raised the issues of reduced markets, lost sales for retailers, higher prices on goods, inconvenience, petty bureaucracy and cheating. Many people along the border supported Federation as it promised free trade and open borders.

4. 1. 1 Regional development initiatives under Cooperative Federalism⁸³

The Colonies formed a Federation in 1901 having ensured in the Australian Constitution their rights to keep their own laws and future rights as States to make laws. The Constitution identified the Federal government responsibilities as defence, universities, pharmaceuticals, social security, marriage, currency and coinage, broadcasting and film production and air transport. All other responsibilities were to be shared between Federal and State governments (see Appendix 4). The development strategies adopted by both Federal and State governments would change over time as the political needs and economic conditions changed both in Australia and overseas. Although Federal government initiated the development programs it was the State governments who were expected to implement the plans for regional development which remained firmly within their political control. Given the constitutional division of powers (see Appendix 4), Cooperative Federalism⁸⁴ became the mechanism for regional development in Australia. In 1911 a per capita grant system was established by Federal government to determine the amount of money to be paid to each State. This formula

⁸⁰ Pennay B. 2001 page 26 'Taxable items in 1894 include 60 items e.g. tobacco, wheat, agricultural implements, biscuits, matting, whips, engines, glass, wine, twine, confectionery sugar, fruit, carpets, timber, rice, ale, eggs, metals, grease, beer, coffee, drugs, paper bags, jewellery, polishes, bicycles, bottles, china, candles, soap, hosiery, leatherwear, watches, hessian, mustard seed, soap, machinery tools, hats, rugs, clocks, oil, spirits, bags, nails, coffin'.

⁸¹ Pennay B. 2001 page 21.

⁸² Pennay B. 2001 page 21.

⁸³ Twomey A. Withers G. 2007 page 24 'Cooperative Federalism in the Federal system occurs daily. It takes place through cooperative legislative schemes, with government agreements, the referral of matters by the States to the Commonwealth, the creation of joint administrative or enforcement bodies, the use of Ministerial Councils and other cooperative schemes such as the joint electoral roll.....A good example is the Mutual Recognition Scheme'.

⁸⁴ Wanna J. Phillimore J Fenna A. Harwood J. 2009 page 3. In Cooperative Federalism State governments pass 'referral of powers, mirror legislation and complimentary legislation to harmonise laws' with Federal government, and set up institutional and administrative arrangements to facilitate cooperation for the benefit of the nation.

was adjusted in 1927 in the Financial Agreement Act and today remains the basis of State funding by the Federal government (Lloyd, Troy 1981; Barnard 1963 p. 576).

Federal government influenced rural development through provisions of transport⁸⁵, social services⁸⁶ and utilities which opened up the interior and encouraged the development of agriculture to stimulate exports of primary products to Britain. Manufacturing established in capital cities and was encouraged through tariffs, credit schemes and import restrictions. During World War I trade was controlled by the War Precautions Act 1914 (Barnard 1963 p. 497). In the 1920s all parties in Federal government agreed housing, slum clearance, provision of transport, water supply, sewerage and drainage, the provision of telephone, transport facilities and regional development were Federal government responsibilities (Lloyd, Troy 1981 p. 5). Anticipating World War II, for strategic reasons the road across the Nullabor, and north-south roads were sealed with tarmac.

4. 1. 2 War and Post-War Reconstruction

During the Second World War (1939-1945) the Constitution gave the Federal Government sweeping powers to deal with the national security emergencies and to bypass State governments where necessary. This extended to a more direct Federal role in urban and regional development.

Between 1940 and 1959 before the Commonwealth Bank was privatized, the Federal government established a high risk lending facility in the Commonwealth Bank to permit finance to be available to high risk entrepreneurs and companies (BTRE 2003). In 1942 uniform national income tax laws were introduced, at first as an emergency measure to provide the Federal government with finance throughout the war period. In 1942 the Federal government established the Department of Post-War Reconstruction including the Division of Regional Planning and the Division of Industrial Planning which aimed to coordinate planning between three tiers of government.

⁸⁵ Commonwealth Railways Act 1917, Loans Act no 7 1922, Main Roads Development Act 1923, 1924, 1925, Federal Roads Act 1926 used Section 96 of the Constitution to provide the first Special Purpose Payments (SPP), Commonwealth Aid Roads Agreement (CAR), Public Works Act, Federal Road and Works Act 1937.

⁸⁶ War Services Homes Act 1918, 1920 Commonwealth accepts financial responsibility for recruitment and placement of migrants (Lloyd C. Troy P. 1981 p. 3), Development and Migration Commission 1926.

Chifley, Minister for Post-War Reconstruction established a Commonwealth Housing Commission in 1943, which proposed a tripartite planning structure and nationalization of land to be held as leasehold to curb high prices of homes which were in short supply. The Commission also suggested planning of homes should be 'experimental, flexible, public and populist, (Lloyd, Troy 1981 p. 8) and recreation and transport facilities should be included. This was over ambitious and a watered down housing program⁸⁷ was carried out by the Department of Works and Housing in 1945.

In 1944 at the Premiers Conference the States were asked to plan resource development in regional divisions in each State. Once established the regional organizations lacked adequate powers and soon lost interest. For strategic reasons the Federal government encouraged industries to decentralize from State capital cities. Victoria was the only State which followed this advice moving industry 50 miles inland from Melbourne.

By 1946 however, in the period of Post-War Reconstruction, the Federal government argued that the national income tax system should be maintained indefinitely in what became known as 'Coercive Federalism'⁸⁸ (Barnard 1963 p. 576). In 1947 the Commonwealth Aid Road Work Act was used to develop minor roads linking small rural towns and mining communities. As well legislation was passed to develop a standard gauge railway line throughout Australia. To ensure adequate electricity supplies for industrial development, Federal and State governments embarked on the Snowy Mountains HEP Scheme in 1950. The Federal government however lost a Referendum which would have carried its increased powers beyond the War years.

4. 2. Regional policy during the 'Long Boom.'

Following the end of the Second World War, a 'Cold War' commenced between the emerging new political power blocs of capitalist USA and its allies and the communist Soviet Union and its Eastern European allies. From 1950 to the early 1970s, industrial development boomed in the developed capitalist world. Australia also experienced these industrial boom

⁸⁷ Lloyd C. Troy P. 1981 p 9 Commonwealth State Housing Agreement (CSHSA) and War Services Settlement Agreement Act.

⁸⁸ Hamill D. 2007 Since World War II Federal government has been involved in policy in areas traditionally organized by the States. This was brought about by the fiscal dominance of the Federal government, instituted by wartime uniform tax legislation.

conditions after 1950. Federal government policy was interventionist in what became known as the Keynesian mould and aimed at securing full employment. Indeed, national unemployment rates hovered around 2% for much of this 20-year period, widely understood as national full employment despite significant differences between the experiences of men and women (Logan 1978; Barnard 1963). Despite a Federal policy of closer settlement in rural areas, Federal and State governments had little choice but to continue facilitating population growth in the largest cities including Sydney and Melbourne, investing in infrastructure in new outer suburbs to cope with expanding population and industry. The agglomeration of industries in suburban Sydney and Melbourne during the Long Boom benefited from economies of scale, the large pool of skilled labour pushed along by the immigration program and the concentration of large markets in Sydney, Melbourne and South East Australia.

Approximately 85% of Australians lived in towns and cities spread within a 30 km wide coastal strip between Brisbane and Adelaide by the 1970s⁸⁹. State governments focused on burgeoning urban issues in their largest cities such as land use zoning, establishing industrial estates and improving transport networks. The Federal government encouraged assisted passage immigration from Britain, Northern Europe and the countries around the Mediterranean in an effort to acquire an enlarged, skilled, labour force to expand manufacturing which had flourished during the Second World War. A larger population would in turn create an enlarged market for the consumer goods which manufacturing industries were producing.

As the capital cities continued to grow, however, concern continued to grow about a perceived decline in the quality of life in the large cities. Loss of community, long travel time to work, increased crime and increased pollution made city living unattractive (Whitlam 1972). It was argued widely that smaller cities and even rural areas could offer a better quality of life for many wage-earners. State Governments, with the possible exception of Tasmania, adopted specific decentralisation policies during the Long Boom both to encourage economic development in non-metropolitan areas and assist in solving problems of large populations in the capital cities (Whitlam 1972). The State governments of New South Wales and Victoria

⁸⁹ Whitlam G. John Curtin Speech 1972 Urbanised Australia 1972-1975.

used decentralisation policies to encourage regional growth, hoping that manufacturing and population would be diverted from Sydney and Melbourne to smaller towns in the interior.

4. 2. 1. The end of national planning: the Coalition in office

In 1949 the Federal Chifley Labor Government was replaced by a Coalition government under the leadership of R.G. Menzies. 'Menzies, effectively destroyed the spirit of national planning which the Chifley government had encouraged' (Lloyd Troy 1981 p. 13). His policy speech at the 1949 election made no mention of national planning, housing or regional development, instead committing a Coalition Government to a focus on macroeconomic (growth) policies, boosting exports where possible through resource developments while protecting manufacturing against imports with high tariff levels, continuing and expanding the Post-War immigration program, and fostering suburban housing development by holding interest rates on housing loans at artificially low levels. These are recognisably Keynesian policies which gained bipartisan support although the Labor opposition placed more emphasis on national planning. For the next 23 years regional development and planning reverted back to State and local governments. Prime Minister Menzies stated he was committed ideologically to preserving State's rights. The Labor Government's Department of Post-War Reconstruction became the Department of National Development and its Regional Development Division floundered. Although Menzies was prepared to continue to build welfare housing as part of the Housing Agreement with States, he believed 'little capitalists' should be encouraged to buy their houses from the Housing Commission. Menzies wanted 'a home-owning democracy' (Lloyd Troy 1981 p. 14). The Federal Government expected the private sector to meet most of the demand for low-cost housing and relieve the Federal government of this task. Thus the Federal government shaped urban and regional development through indirect impacts of its economic and social policies.

In 1954 the proportion of Federal money spent on rural roads was increased to 40% of total road expenditure. In 1959 the Act was amended to achieve a more equitable distribution of funds in each State. The Federal government continued to support road building throughout Australia and the 1969-74 program included funds for arterial roads to move goods quickly between States and capital cities. In 1961 the first four lane highway was completed along the Hume Highway at Craigieburn, Victoria, the Princess Highway was sealed from Sydney to Melbourne and a year later the Sydney to Melbourne railway was completed as a single gauge

railway. Between 1961 and 1977 grants were provided to develop Beef Cattle Roads to expand the beef cattle industry in Northern Australia (AusLink 2008). The development of the road networks during this period would later have an impact on population and economic growth in some non-metropolitan centres.

Section 125 of the Constitution provided the Federal government with the means to build a capital city for Australia. In 1957 it established the National Capital Development Commission (NCDC) with executive powers to accelerate the building of Canberra which included urban expansion to accommodate and relocate the Federal public service still in Melbourne⁹⁰. ‘Menzies, made his greatest contribution to urban and regional development, by giving the impetus and finding the resources, for the rapid development of Canberra’ (Lloyd Troy 1981 p. 16). Years later the Whitlam government would try to emulate the NCDC when it established the Albury-Wodonga Development Authority (AWDC) to oversee its Growth Centre in Albury-Wodonga (considered later in this chapter).

State governments established Departments of Regional Development charged with developing strategies to encourage regional development. These included relocation of government departments to regions, offering financial incentives for firm relocation, developing factory buildings and infrastructure in non-metropolitan regions, offering incentives to professionals to relocate, supporting businesses and clustering initiatives and developing social capital (BTRE Working Paper 55 2003 p. 26). Both State and Local governments also played a key role in the delivery of Federal, State and Local government programs. Local government managed planning and zoning regulations, land grants, infrastructure subsidies, and promoting training and business opportunities (BTRE Working Paper 55 2003 p. 27).

By the 1950s the New South Wales and Victorian governments had established committees to report on regional development. The State governments agreed to provide subsidized rail freight rates, power subsidies and loans to encourage decentralization out of the capital cities. Despite this positive decentralization policy the State governments fostered only modest

⁹⁰ The Federal Government started to build Canberra on Griffin’s plan in 1913 and the Federal parliament was transferred to Canberra from Melbourne in the late 1920s. The depression, then World War II, slowed the building program so Menzies sought to get it back on track.

regional growth as aid was not concentrated on selected regional growth centres but disbursed throughout the State on an ad hoc basis.

A decade later under the Askin Liberal government (1965-75) regional assistance to select regions in New South Wales was increased. In 1966 the NSW government passed the State Development and Country Industries Assistance Act and established Regional Advisory Boards. The Act provided loans of up to 60% of land purchase and building costs where local government provided 30% and the firm 10% of the total cost (Wilkinson 2009 p. 30). Repayments from loans were returned to the fund and \$2 million was added each year from general revenue. In Victoria the Bolte Liberal government of Victoria (1947-1972) also developed a dispersed regional growth policy and sought overseas investment for Victoria. Infrastructure was developed for coal and power in the Latrobe Valley and in Gippsland for off-shore oil production.

State and Local government aimed to improve living conditions by establishing land use zones in cities. Local government provided industrial areas with transport links to ports for exports. New industries and TNCs agglomerated in the large industrial zones on land near the outskirts of capital (port) cities. Few industries had relocated to the smaller inland towns proposed before the Second World War and much of Australia's manufacturing was concentrated in Sydney and Melbourne.

In 1965 John McEwan leader of the Country Party, established a committee with State governments to explore decentralization (Troy, Lloyd 1981 p. 19). The report was delivered seven years later by J.D. Anthony the new leader of the Country Party who endorsed the idea of growth centres and set up a similar committee which recommended decentralization should be carried out over a 25 year period targeting Gladstone in Queensland, Coffs Harbour, Bathurst and Albury in New South Wales, Yallourn in Victoria, Murray Bridge in South Australia and Albany in Western Australia. Academics including John Bayley (Melbourne University), Hugh Stretton (ANU)⁹¹ and Professor Max Neutze (ANU)⁹² as well as industry

⁹¹ ANU Australian National University.

⁹² Professor Max Neutze had published the highly influential *Economic Policy and the Size of Cities* in 1965. He was Director of the Australian National University's Urban Research Unit.

leaders such as Dr. Henry Norvick⁹³, encouraged the idea of decentralization as a solution for the issues found in capital cities, but also to promote regional development.

4. 2. 2 Steps in the emergence of a Federal Growth Centre policy

By the 1960s, each State government had a variety of departments each with its own policy competing on decentralisation. Thus the Department of State Development in Victoria offered incentives to firms to relocate to a distance of more than 50 miles from Melbourne, while the Victorian Decentralisation Advisory Committee proposed that growth policies should target five towns. The majority of States provided assistance to multiple centres and few practiced any selective assistance. State governments believed decentralization policies really required Federal government assistance if they were to succeed.

In 1965 the Mayor of Albury Cleaver Bunton, drew attention to the fact that Albury had been ignored in New South Wales government decentralisation plans. Two years later John Bayley⁹⁴ argued the border towns of Albury and Wodonga offered promise for development (Bayley 1976 p. 220). This was later supported by the Murray Valley Development League and the Ministers for Development of both New South Wales and Victoria.

The 1967 Manson Report to the Victorian Minister of State Development, Murray Byrne, identified Ballarat, Bendigo, Latrobe Valley, Portland and Wodonga as special places for State development initiatives. In 1966 Wodonga's population was 8,653⁹⁵ while Albury's had a population of 23,279⁹⁶. With remarkable foresight the report proposed that with support from the New South Wales government Wodonga–Albury offered promise as a new regional centre (Pennay 2005). The report suggested an economic committee be appointed to plan and promote Wodonga Albury under Section 51 of the Constitution requiring free trade between States. The committee was encouraged to seek funds for the project from both Federal and State governments to acquire land for development, establish housing and provide primary secondary and tertiary education facilities. In addition it was hoped public servants would be transferred to Wodonga-Albury and that telephone communications to the standard of the

⁹³ CEO Uncle Ben's Pet Food Wodonga.

⁹⁴ J. Bayley W. Department of Town and Regional Planning, University of Melbourne.

⁹⁵ Street Ryan and Associates 1982 Population projections for Albury-Wodonga 1981-2001 extract Table 2.1 Population Albury, Wodonga 1947-81.

⁹⁶ Street Ryan and Associates 1982 Population projections for Albury-Wodonga 1981-2001 extract Table 2.1 Population Albury, Wodonga 1947-81.

capital cities would be developed. By the early 1970s Albury and Wodonga were being referred to frequently as ‘twin towns’ (Bayley 1976 p. 220).

In New South Wales, the Askin government established the first ministry and department in Australia devoted exclusively to Development and Decentralisation (Wilkinson 2009 p. 1). Sir John Fuller, Askin’s Minister for Decentralisation and Development accepted the recommendations of the Manson Report and agreed to develop Albury-Wodonga with Victorian and Federal funds. The Local Councils in each town supported the idea as did the Federal members for Farrer and Indi. The Victorian government agreed to change the name of the planned centre from Wodonga-Albury to Albury-Wodonga as Albury was larger and more dominant (Pennay 2005).

In 1970 the New South Wales government offered industrial firms a 5% preference⁹⁷ for supplying government tenders and a year later established programs for management education, for country based executives. By 1974, 898 manufacturing firms in New South Wales were established in 170 country towns including: Borg Warner in Albury, Clyde Industries and Ferrero Chocolates in Bathurst, Speedo Knitting Mills in Taree, and W. E. Smith Engineering in Coffs Harbour (Wilkinson 2009 p. 31). Further, in 1973 the New South Wales government rescinded the Anti-Competitive Act which removed all restrictions on interstate road transport for freight⁹⁸ and the New South Wales railway ran at a loss for the first time in 118 years (Lee 2003 Ch. 10). This encouraged the establishment of transport and distribution centres in Albury-Wodonga as capital cities could be accessed overnight by road.

The New South Wales and Victorian State governments expected that decentralization would encourage people to move out of Sydney and Melbourne to smaller towns in which industry would establish and regional growth would follow.

4. 2. 3. The Federal Growth Centre policy choosing new cities.

In the early 1960s the Deputy Leader of the Labor Opposition E.G Whitlam had begun to introduce urban and regional issues into Federal parliament. By the time he became the leader of the opposition in 1967 his speeches raised issues of inequality and social justice in urban

⁹⁷ This permits the firm to charge up to 5% more than competitors and still retain competitiveness in the tender.

⁹⁸ The South Australian government rescinded the same law in 1963.

areas which he thought could be overcome by regional development and more effective use of local government. He was aware of similar problems being tackled by government strategies, and promoted by urban and economic geographers in the UK and the USA. Before Federal Labor came into office in 1972, the New Towns built north of London in the 1950s, and improved housing in the USA, for the poor living in the inner cities, were examined by the future Minister for the Department of Urban and Regional Development (DURD)⁹⁹, who visited the towns in his quest for knowledge about social justice and decentralization.

In 1969 in the First Leslie Wilkinson Lecture¹⁰⁰ Gough Whitlam acknowledged Australia was the most urbanized nation in the world¹⁰¹. He quoted Professor Zelman Cowan¹⁰² who in 1966 had argued that the concentration of more than one third of Australia's population in Sydney and Melbourne was a 'national problem commanding national solutions' (Whitlam 1969 p. 8). Whitlam added Australia's largest cities had developed in an unplanned manner into conurbations lacking any sense of community. Although the Coalition government had encouraged dispersed decentralization under the umbrella of national tariff protection and using freight subsidies to draw industries away from the capital cities, this had had little effect.

Whitlam preferred the term 'developing regional concentrations' to the idea of 'national decentralization' (Whitlam 1969 p. 11) and reported that a Labor government would reaffirm the 'injunction of the Commonwealth Housing Commission in 1944' which stated that 'the Commonwealth government should not make available financial assistance for housing unless the State concerned, satisfied the Commonwealth that it has taken or is taking, definite steps to erect and implement regional and town-planning legislation' (Whitlam 1969 p. 8). He added the cost of establishing housing in new towns¹⁰³ was less than in capital cities, and private investment could be canvassed to build new regional cities¹⁰⁴ for up to 500 000 people (Whitlam 1969 p. 14). With this in mind, Whitlam appointed Clyde Cameron as Opposition

⁹⁹ Interview with Minister of DURD in Balmain Sydney 27/7/05.

¹⁰⁰ Leslie Wilkinson Lecture to the Sydney University Architecture Society.

¹⁰¹ First Annual Leslie Wilkinson Lecture Sydney University Architecture Society 'An Urban Society' 2/7/1969 Gough Whitlam stated 'In 1961 Australia's urban area contained 81.9% of our population whereas Britain's urban areas contained 80%, America's 69.9%, Canada's 69.6% and Japan's 63.5%'.

¹⁰² Professor Zelman Cowan, C.G. Lewis Memorial Lecture.

¹⁰³ Whitlam G. 1969 page 3 providing engineering works & utilities in capital cities cost \$10 000 while similar facilities in new towns cost \$7 000.

¹⁰⁴ Whitlam G. 1969 page 4 'a Dusseldorf, a Jennings or a Strasser would find greater rewards in developing new cities than tinkering with the problems of any existing city'.

spokesman for cities in February 1967. In 1968 Tom Uren was appointed spokesperson for Urban Affairs and Environment, a position he was to hold throughout the Whitlam government period, and whose department functions included analysing and evaluating State plans, conserving the National Estate, providing urban research and planning and providing service organizations consisting of a wide spectrum of professional competencies¹⁰⁵.

‘Over the next three years Uren brought to his policy area coherence and clarity which Whitlam’s responses to specific problems had sometimes lacked. For the first time, urban and regional development policy was ordered into a set of inter-related propositions which were incorporated into the Labor Party national platform of 1971 , and which formed the basis of the urban and regional pledge in the policy speeches for the 1972 Federal election’(Lloyd, Troy 1981 p. 19).

Tom Uren understood the inequality issues created by rapid growth in the capital cities after 1950 and was passionate about planning for change. Both Gough Whitlam and Tom Uren had lived in the outer western suburbs of Sydney and experienced lack of suburban amenities. They believed regional and local governments could improve the living standards and supply services missing for working class people in suburban Sydney and Melbourne (Higgins, Savoie 1994).

In 1972 the Australian Institute of Urban Studies produced a report on New Cities in Australia. It proposed decentralisation, new city development and population redistribution, as a solution to social inequalities growing in the capital cities. Through decentralisation, people would experience a better quality of life in smaller cities, as they would experience shorter journeys to work, cheaper accommodation, less pollution and crime. The Report suggested the Federal government could encourage industrial relocation and economic growth by transferring government departments from the capital cities to the smaller towns.

The McMahon Coalition Government in 1972 two months before a Federal election, established a National Urban and Regional Development Authority (NURDA) under the leadership of Sir John Overall (formerly head of the NCDC). This was tasked with preparing

¹⁰⁵ Whitlam G. 1969 page 11 ‘The service organizations included engineers, economists, ecologists, town planners, architects, urban anthropologist, landscape architects, and other persons with relevant professional skills’.

a five year report on urban and regional development for the Prime Minister. McMahon promised the Federal government would work with the States to enrich life in the cities and would sponsor growth centres (Lloyd Troy 1981). At the ensuing Federal election in 1972, however, the electorate failed to support the McMahon government and the Whitlam Government was elected, the first Federal Labor government since 1949. Hence, Tom Uren was able to explore the theories of Growth Poles and Growth Centres, popular in Europe and the USA and combine it with new town models also from the UK and USA in new policies regarding social justice, urban inequalities and regional growth centres.

In April 1972 the New South Wales government passed the Regional Organisation Act¹⁰⁶ to reduce the number of regions in the State and create efficient regions common to all government departments. In a similar fashion Victoria created 10 regions to stimulate growth in small towns. Stimulation for this change also came from the Australian Institute for Urban Studies report into New Cities (Logan et al 1975). The report proposed populations from large cities should be encouraged to migrate to smaller towns where quality of life was superior. Some government departments would also have to relocate to encourage economic growth in non-metropolitan centres. This thinking was influenced strongly by cumulative causation theory (see Chapter 2) suggesting more economic activity would result as the population grew and market size expanded (Logan et al 1975).

In the 1972 election campaign, Whitlam stated that ‘social inequality is fixed upon families by the place in which they are forced to live even more than by what they are able to earn’¹⁰⁷ (Hansen, Higgins. Savoie 1990 p. 168) and therefore ‘spatial allocation of public investment is as important as sectoral allocation’ (Logan, Smith, et al 1975). Hence the new Labor Government introduced an explicit Federal regional policy with three objectives: first, removing social inequality in the large cities and providing equity of access to public sector resources; second, decentralisation of population away from Sydney and Melbourne through ‘growth centres’; and third, provision of infrastructure to central and northern Australia especially those areas affected by the 1960s mineral boom. Priority was given to the first two objectives which influential academic advisers believed could be implemented through strategies based roughly on Perroux’s Growth Pole Theory reviewed in chapter 2. Perroux stated ‘economic growth (was) uneven across regions and agglomeration economies formed

¹⁰⁶ Regional Organisation Act assented 11/4/1972.

¹⁰⁷ The Age We Have New Chance for Nation 14/11/1972.

around large ‘poles’ of economic activity based on large firms, advanced levels of technology and expertise’ (quoted in BTRE Working Paper 55 2003 p. 21).

The political focus of the Federal Labor Party before the 1972 election highlighted the need to improve living conditions in capital cities and redistribute the population to smaller towns through a decentralization and growth centre policy. The party believed the election would be decided by disenchanted voters in the outer suburban areas of the largest cities which, overall proved to be the case. As soon as the Whitlam Government was elected it offered to fund and establish ‘new cities’ or ‘Growth Centres’, as part of a new phase of ‘Cooperative Federalism at the inland towns of Albury-Wodonga and Bathurst-Orange, at the peri-metropolitan centres of Campbelltown and Gosford-Wyong in New South Wales and at the ‘greenfields’ site of Monarto in South Australia (Lloyd, Anderton 1990 p. 8). By focusing their resources on five strategic targets, the Whitlam Government hoped to be more successful than State governments had been during the long boom in spreading their limited resources widely.

Another issue to cause problems for the Labor Federal government was a shortage of skilled personnel. Because of the direction which the Labor Federal government took on decentralization and growth centres it was also faced with a shortage of trained economists and urban geographers in the public service who could implement these new policies. As the government was forming it functioned under a Machinery of Government Committee¹⁰⁸ which established a Cities Commission including NURDA, the NCDC and the Australian Tourism committee. This Commission was to oversee research and development in urban areas, deal with resource allocation, assess plans dependent on Federal grants and oversee a national survey of urban areas and tourism (Lloyd, Troy 1981 p. 33). Once the Ministers were appointed to government the Cities Commission was broadened into a new Department of Urban and Regional Development under Minister Tom Uren. In October 1972¹⁰⁹ the New South Wales government selected the Bathurst-Orange area as an additional Growth Centre to be developed by Federal and State funds. On the 25th January 1973 the Premier of Victoria Rupert Hamer (1972-1981) met with the Prime Minister Gough Whitlam and Premier Askin of New South Wales to agree to develop the Albury-Wodonga Growth Centre. The agreement was signed on the 23rd October 1973 and became effective as the Commonwealth Albury-

¹⁰⁸ Machinery of Government Committee had two members, G. Whitlam and L. Barnard.

¹⁰⁹ NSW State Archives ‘the decision to establish Bathurst Orange as the first pilot growth centre on 3rd October 1972’.

Wodonga Development Act on the 21st December 1973. It would take seven acts of parliaments to provide the necessary legislation to establish the Growth Centre in Albury-Wodonga (Rushman 1976 p. 15).

The National Urban and Regional Development Authority together with government representatives from the New South Wales and Victorian governments, first developed the policy to establish a Growth Centre at Albury-Wodonga with the aim initially of reaching a population of 300 000 people by 2000, from a population in 1971 of 37 931 people¹¹⁰. The Federal Minister for Urban and Regional Development Tom Uren, the New South Wales Minister for Decentralisation and Development John Fuller (Liberal) and the Victorian Minister for State Development and Decentralisation Murray Byrne (Liberal), agreed on the 18 principles in the Federal government Albury-Wodonga Development Act 17th December 1973 allowing for cross-border Growth Centre development and promised to ensure local interests and individual citizens would be involved in the decision making process. The NSW Department of Industrial Development and Decentralisation and the Victorian Government introduced a raft of incentives for manufacturing firms to establish in Albury-Wodonga covering finance, loans, pay roll rebates, housing assistance, training, freight subsidies etc., (see Appendix 1).

Whitlam argued about Albury-Wodonga :

‘being astride the State border, the centre would be an ideal clearing house and melting pot for the mass of regulatory and supervisory laws imposed on their citizens by the largest States. The States would be encouraged by public opinion to produce common laws to safeguard consumers and the environment’ (Pennay 2005 p. 8).

Whitlam believed the ‘Murray River should not be the means of dividing but of reinforcing the twin cities of Albury-Wodonga’ (Pennay 2005 p. 10; Border Mail 19 Oct 1971). Nevertheless the border would create issues for this Growth Centre development. The border could be porous to capital flows and transfers of goods, people, ideas, technology and communication but be impervious to tariffs, labour laws and the movement of fresh fruit and vegetables¹¹¹. An impervious border could result in a negative effect on the region by inhibiting development. Arbitrage

¹¹⁰ BTRE Working Paper 55 2003 page 22.

¹¹¹ Attempts would be made to contain fruit fly infestations from Victoria.

or the exploitation of differentials in prices and interest rates, could also affect the economies of the Victorian and New South Wales sections of the Albury-Wodonga Region (Neutze 1989).

The surrounding Albury-Wodonga Region was envisaged as a Planning Region which would use Cooperative mechanisms to achieve its aims which included the establishment of the Albury-Wodonga Development Corporation (AWDC) to oversee land management and development; the use of private, public sectors and government to stimulate economic development and an environment to encourage industrial growth¹¹². The Growth Centre Region was centred on the towns of Albury and Wodonga and with a radius of 55km from Union Bridge over the Murray River incorporated approximately 5 000km square of land, of which 4 500km square was rural (see Fig 1.2; Fig 1.3). In 1972 the population of Albury was 33 000 while Wodonga's population was 14 000 people and the initial target for the combined growth centre was 300,000.

The Federal government provided loans to establish a land bank for the development of the new towns, while the States provided public housing, schools and hospitals. The development of the twin towns was to be overseen by an Albury-Wodonga Development Corporation (AWDC) which would control the land-bank, plan and develop the towns jointly. New towns were to be built within 30km from Albury-Wodonga and required cooperation of the local communities (AWDC's First Annual Report 1974). The long term plans to accommodate the expected population growth of 300 000 by the year 2000 (Neutze 1989) included developing two new Greenfield towns, Baranduda in Victoria and Thurgoona in New South Wales. The instruction by the AWDC Ministerial Council on September 21st 1977 that 'Development initially would concentrate around Thurgoona and Wodonga with the commencement of development at Baranduda not expected for several years unless a major employer sought to locate there earlier'¹¹³ brought repercussions later (AWDC's Second Annual Report). The running costs of the AWDC would be shared by the three governments. This was the first time that States had cooperated with the Federal government to establish a regional

¹¹² This included access to low priced land and factories, infrastructure including transport and communication facilities, a skilled labour force, high quality living conditions and access to resources as well as incentives from State governments to encourage industry.

¹¹³ The Albury-Wodonga Development Amendment Bill 1999 Federal Commonwealth Report of the Senate Rural and Regional Affairs And Transport Legislation Committee April 2000.

development strategy aimed at mitigating urban problems in Sydney and Melbourne (Rushman 1976).

The Commissioner of NURDA, Sir John Overall, presented a report on new cities and regional development to Prime Minister Gough Whitlam as the new government formed (Lloyd, Troy 1981 Ch. 4). NURDA would continue to prepare feasibility plans for the Growth Centres before being subsumed by the Department of Urban and Regional Development (DURD). DURD would be instrumental in creating the policy for regional development in Albury-Wodonga. The Minister of DURD¹¹⁴ appointed Robert Broughton Lansdown, Deputy Commissioner of NURDA, as the Head of DURD as he believed his skills as a negotiator would shine through when negotiating with Federal and State governments about urban and regional development. DURD had 10 functions:-

- Establish policy for developing and implementing urban and regional strategy.
- Develop and monitor an urban and regional budget program for resource allocation.
- Develop an urban and economic long-term resource planning group.
- Initiate and coordinate activities of Federal Department of Urban and Regional Development and provide advice to Ministers.
- Advise and assist the State, local government and semi government authorities about plans for cities and regions.
- Assess the need for urban transport and public transport for the Department of Transport.
- Initiate and coordinate urban and regional research by the department.
- Establish and supervise Australian and state land commissions.
- Administer the new cities program e.g. Albury-Wodonga, Holsworthy-Menai.
- Develop and advise the government about the National Estate program.

(Lloyd, Troy 1981 Ch. 5).

The functions of the Department were divided into two sections. One was to set up and oversee urban and regional development strategy and resource allocation and the other was to administer the programs. After initial conflict with Treasury it 'served notice that DURD intended to establish itself as major policy Department' (Lloyd, Troy 1981 p. 92). To achieve these ends the Department was divided into seven divisions:-

¹¹⁴ Former Minister of DURD interviewed in Balmain Sydney 27/7/05

- Urban and Regional Development.
- Development Projects and task forces.
- Management.
- Urban and Regional Budget.
- Urban and Economic Resource Planning.
- National Urban Development Strategy.
- States (Lloyd, Troy 1981 Ch. 5).

The Minister of the Department for Urban and Regional Development was able to ‘impose much of his style and philosophy on the Department, in effect turning on its head the traditional approach by which long established department heads impose their ethos on a new minister’ (Lloyd, Troy 1981 p. 228; Interview with former Minister of DURD¹¹⁵). DURD’s role as a Department which sought to bring about social justice meant that it would often clash with Treasury and other Departments to ensure its policies were implemented. Further, urban commentator Leonie Sandercock suggested DURD hired staff who had been involved in ‘grass roots urban action’ and who ‘did not sit easily in the interdepartmental committee meetings’. Hence from 1972-1975 DURD gained a reputation as ‘the abrasive department’ and ‘missionary zeal, moral outrage, and shorts and thongs, were not styles of negotiating that got far in the dour pseudo-neutral, quiet suited world of the Canberra bureaucracy’ (quoted in Hansen, Higgins, Savoie 1990 p. 170). Other commentators argued that the Whitlam Labor Government lacked the experience to implement such a new policy after the Labor Party had not held Federal office for 23 years.

Wilson (1978) suggests that the inequality which Prime Minister Whitlam wished to ameliorate had a spatial dimension and was most evident where the majority of the Australian population lived, in the capital cities. The government determined it was not so much due to concentrations of ownership of wealth but rather to the disparities resulting from where people lived, an approach which did not please sections of the Labor Party’s left wing. The government nevertheless directed its ‘regional policy’ primarily at the working class western suburbs of Sydney and Melbourne. (Hansen, Higgins, Savoie 1990 p. 168).

¹¹⁵ Interview with former Minister of DURD Balmain Sydney 27/7/05.

Wilson (1978) adds that ‘between 1973-74 and 1975-76 around \$564 million (equivalent to \$2.5 billion in 2002 dollars) in Commonwealth expenditure was committed to these objectives including sewerage (\$260m), Growth Centres (\$140m), land commissions (\$100m) local government area improvement program (\$36m) and urban renewal (\$428m)’ (BTRE Working Paper 55 2003 p. 21). Of the \$140m for the Growth Centres \$24 m was spent on Sydney’s peri-metropolitan centres, \$79.8m on Albury-Wodonga and the remainder on Bathurst-Orange and Monarto. Wilson’s estimates of expenditure for Albury-Wodonga fall short by \$11.9m compared to the estimates made by Harris and Dixon (1978), and Pennay (2005).

Table 4.1

Federal Funds provided for the Albury-Wodonga Growth Centre.

1973	\$9 million	Of which \$2.4 million was for land acquisition
1974	\$42.3 million	
1975	\$40.4 million	
Total	\$91.7million	

Source Pennay B. 2005; Harris C. Dixon K. 1978.

In 1974 the Cities Commission now within DURD, seeking information about potential migrants from the capital cities, commissioned Daly, Fagan, Rawling and Brown to identify concerns of residents about moving to the new cities. They discovered many people feared a narrower access to social and cultural facilities, a narrower social life and inferior living conditions to that in the metropolitan centres. They discovered

‘people who were best informed about the new cities programme, and who generally were in favour of it, are the least likely to move out of Sydney. Those who are inclined to move out to the Growth Centres come from the lower income suburbs and know the least about the new cities programme and they do not have very accurate perceptions about costs and other aspects of non-metropolitan living.’ (Daly,

Fagan, Rawlings, Brown 1974 p.136).

As well, labour in the capital cities was reluctant to move ‘to a new centre with unknown employment offerings’ (Daly, Fagan, Rawlings, Brown 1974 p. 5) and some people believed

Growth Centres would be a means to utilize pools of under-employed labour¹¹⁶ in country towns.

The Whitlam government's attempt to raise the profile of local government and provide local councils with direct access to the Loan Council was defeated by State governments. To bypass them the Federal government passed the Grant Commission Act 1973 which permitted it to deal directly with regional organizations but not directly with individual local councils. Examples of these schemes include the Area Improvement Program (AIP), funded by the Grants Commission Act 1973. DURD programs could thus be transmitted through Regional Organisations of Councils (ROCs) which brought together consortia of local councils. Grants Commission funds were channeled to local government through the ROCs. In addition ROCs received \$450 000 minimum for administration from Regional Assistance Program and reported about research on urban infrastructure and community services through the AIP (Lloyd, Troy 1981 p. 171). A Land Commission Program attempted to establish public development agencies in each State to influence land prices although the Liberal State governments were soon in conflict about this.

Similarly an Australian Assistance Plan (AAP) aimed to promote social development on a broad basis in the selected regions. It required direct citizenship participation and effective control by the regional Council for Social Development. This approach to regional development differed to the one held by DURD. DURD transferred regional government decision making to the regional level with no direct responsibility of the proposed administration to the citizens. Local government was central to this policy. The Federal Labor government machinery lacked political control at the regional level. The Federal government's powers were restricted by State and Local governments and the Constitution.

In 1973 under the AAP, a Social Welfare Commission (SWC) was set up as an innovative institution for providing social welfare. This regional organization included representatives of Federal, State and Local governments, the Trade Unions, employer organizations and non-government organizations to monitor, advise government departments, and plan social services, as well as completing projects funded by the Commonwealth. This formed the Regional Council of Social Services (RCSD) and was based on the Albury-Wodonga Growth

¹¹⁶ Notably large pools of underemployed female labour.

Centre. The State Governments of New South Wales and Victoria, as well as DURD, objected and proposed there should be one council in each State so State boundaries would remain inviolable. Here was a clear indication that DURD and SWC had different policies about regional development.

A major difference of governance existed in the way the Regional Agencies functioned in New South Wales and Victoria. In New South Wales, the State government provided staff and funds to the agencies which thus linked development programs to the general State government strategies. In Victoria however Regional Agencies received financial support through grants and infrastructure from local government and the boards of these agencies were comprised of local members of the community. These differences in governance would result in differences in the way the Regional Agencies would function in the New South Wales and Victorian sections of the Albury-Wodonga Region (Lloyd, Troy 1981; Pennay 2005).

In a move similar to the establishment of the NCDC, which oversaw development of Canberra from 1957 under the Menzies Government, the AWDC was established in 1974 as a statutory body with executive powers to oversee the planning and development of the twin cities and their surrounding region. Its first full time Chairman was Gordon Craig, who had been the First Secretary of the Department of Urban and Regional Development. The AWDC was thus a new governance structure imposed on the twin cities by three governments. Scott suggested that 'new governance structures can be defined as particular forms of political and economic regulations that mediate between the local 'sociologies' and demands imposed from outside the region' (Scott 1999 p. 607).

4. 2. 4 Albury-Wodonga as a Growth Centre: AWDC in the Whitlam years

Much of the material below about economic development and population growth foreshadows material discussed in more detail in Chapter 5 and 6.

The AWDC under Chairman Gordon Craig had two full- time deputy chairpersons, Mel Read (Victoria) and Barry Eisenhower (New South Wales,) and two part- time board members, Les Stone (Mayor of Wodonga) and Les Mair (Alderman Albury). Thus the AWDC provided a

new governance structure which linked local needs and all three tiers of government. Gordon Craig the Chairman of the AWDC stated

‘In building a new city and in particular our appreciation of how to approach our task in Albury-Wodonga we also realized that we were part of our region and in turn a part of the overall economy and could only grow and develop by taking advantage of that position’ (Craig 1990 p. 16).

The AWDC acquired land within the 55km radius of Union Bridge joining the towns and a land price stabilization scheme was established to prevent land speculation. The latter was supported by legislation passed in both State parliaments which set the market price of the land at 30th October 1972. This land was to be indexed by an appropriate land price index. The AWDC would provide fully serviced sites with 99 year leases for government and private development. Residential land was to be freehold while industrial and commercial land would be leasehold. By 1975 the AWDC had acquired 14,000ha. of the total 52,000ha. required, at a cost of \$38million. 2/3rds of the land was in Victoria and the remainder was in New South Wales (Lloyd, Troy 1981; Pennay 2005; Harris, Dixon 1978; Oke 1986).

Funds for the planning and development of the Albury-Wodonga Region were provided in the establishment period from the Federal, NSW and Victorian Governments and later from Federal government grants, long term grants and government guaranteed loans. At all times priority was to be given to controlling pollution and protecting the environment (Harris, Dixon 1978). For the first time a Federal government had designed a spatial administrative region straddling a State border. ‘Just as the retention of local government boundaries was a cardinal rule for DURD so too was it likely to gain the political odium of the States by proposing regions which ignored their boundaries’ (Harris, Dixon 1978).

The left wing of the Labor Party had expected that DURD would become a Super-Ministry to coordinate others yet DURD did not control the spatial allocation of expenditure on housing, public transport, conservation and the environment and often clashed with Treasury. Because of the pressures created by the large body of work incorporated in DURD, late in 1975 J.M. Riordan, Minister for Housing and Construction, was appointed as Minister Assisting the Minister for Urban and Regional Development. This created a forum for both ministers to resolve issues between DURD and the Ministry of Housing and Construction. DURD was also encouraged to raise its profile and negotiate with the private sector to develop housing on land controlled by the AWDC. To encourage more buyers into private sector housing the

Chairman of Lend Lease, G. J. Dusseldorf, proposed the idea of a deferred mortgage repayment scheme which was adopted by the Australian Housing Corporation (Lloyd, Troy 1981 Ch. 11).

The 'AWDC Initial Proposals' (AWDC June 1974) explores development of Albury-Wodonga as a new city and explains the planning and building of the city, its likely future progress and proposed long term effects developing a larger city straddling the border as a strategic location. The AWDC also identifies the areas in Albury and Wodonga which it would need to acquire to complete developments proposed. Finally, the policy document also outlines strategic proposals for the form of the new city. In the forward to the document Gordon Craig, first Chairman of the AWDC, argued:

'The building of a city is an exciting challenge. Its development will bring more than new streets, new buildings and new industry. Most important of all will be the opportunity it brings for its people - opportunities for employment, for housing, for social activity, for recreation - all of the things which combine to make life worthwhile.....The development of Albury-Wodonga has, and will continue to be, a co-operative venture. It could not proceed without the basic goodwill and enthusiasm of the citizens of the region, local government councils, the governments of the States of New South Wales and Victoria and the Australian government' (AWDC. June 1974).

At local level, the Chairman of the AWDC believed Albury-Wodonga required a strong manufacturing base to survive. To market and encourage new industry and technology to locate in the region, IBIS Corporate Services were employed. A number of international firms established in Albury-Wodonga¹¹⁷ (explored in more detail in Chapters 5 and 6). In addition, to establish a stable community it was essential that education, social structure and amenities be provided for families in Albury-Wodonga (Craig 1990 p.17). The AWDC did not implement such strategies but acted as a coordinator introducing plans, ideas and structures to the community which then developed them. The reason for this approach was to ensure community involvement and its active participation to create strong bonds (Craig 1990 p.19). In subsequent reflections, Mr. Craig expressed clear views about the task of building the new city in 1973.

¹¹⁷ Craig G. 1990 page 17 'The Japanese managing director of Sanyo who make TVs in Albury-Wodonga has publicly stated on many occasions that the productivity of his Albury-Wodonga factory is 10% better than his Japanese factories'.

‘A city is not built by drawing a plan, by letting a contractA city is the sum of its people, their hopes and their desires. It can only exist with its own politic and its own dynamism. A corporation cannot build a city it can only create opportunity and foster that opportunity so that new philosophy, new ideas and a new economy can develop and grow’ (Craig 1990 p.16).

The impact of the AWDC was greatest in these formative (Whitlam) years 1973-75 when financial support was readily available from the federal government. The AWDC was empowered to plan, develop and market Albury and Wodonga as a single urban unit. The name ‘Albury-Wodonga’ soon became well known nationally and internationally as a result of the AWDC’s marketing techniques. As well the AWDC was to build two new satellite towns within 30km of Albury-Wodonga. Plans were drawn up to build Thurgoona in New South Wales and Baranduda in Victoria. In many ways it was hoped that the Growth Centre would become a second Canberra. The New Towns would follow the models seen in the UK and USA. The AWDC would coordinate provision of community facilities such as schools in each new town and the Federal government appreciated the need to establish a diverse residential population representing all economic and social classes, who would foster cultural facilities and amenities which would sustain a new city.

Plans for the Growth Centre would also need to accommodate the physical constraints of the large floodplain alongside the Murray River which could not be built on and the steep hill slopes on the surrounding hills. It was proposed these areas would remain as parkland. Land would also need to be acquired to accommodate the expected population of 300,000 people. It has been suggested, however, that Prime Minister Gough Whitlam had selected the magical figure of 300,000, as a target population of the Growth Centre in the midst of a political speech rather than as a figure based on logic or analysis¹¹⁸.

The AWDC received almost all its funding from the Federal government with a small contribution of \$1.5 million from Victoria. New South Wales did not contribute any finance to AWDC.

¹¹⁸ Suggestion made by first Chairman of AWDC at interview at Baranduda 25/7/08.

Table 4.2**Federal Government Funding of AWDC**

Year	\$ million
1974-75	41.67
1975-76	33.63
1976-77	19.93

Source Albury-Wodonga Corporate Profile October 2009 p. 3.

Between 1974/75 and 1975/76 the AWDC received \$75.48 million from the Federal government. Some \$59.92 million, about 80% of this total, was used to acquire land for the land-bank. The price of land acquired had been set at the market value of the land on the Third of October 1972, the date the Askin government agreed to participate in the Albury-Wodonga project. By setting the market value at this date price speculation was avoided.

In 1974 52 060 ha. of land had been identified as needed for acquisition by the Growth Centre (1975 AWDC Second Annual Report). The AWDC did not resume land by force. Land held close to the cities was acquired by directly approaching the owners for voluntary sale at the agreed price. By 1975, about one third of the total land identified had been acquired (AWDC Second Annual Report 1975). Ultimately, AWDC acquired 24 000 ha. of land, of which 8 842 ha. was in New South Wales and 13 237 ha. was in Victoria (AWC 2009 Corporate Profile). Residential land would be sold as freehold land while commercial or business land would be sold as leasehold.

In 1975, however, this phase of the Albury-Wodonga Growth Centre policy was brought to an abrupt end by the sudden demise of the Whitlam Government. Supply Bills for the Hayden Budget of August 1976 were not passed by the Senate in which the Government did not have a majority. As the Government could not obtain supply, the Governor-General used his constitutional prerogative and on the 11th November 1975 the Labor government was dismissed and Malcolm Fraser was declared acting Prime Minister on agreement that supply would be passed immediately by the Senate and an election called. In December 1975 the Coalition Liberal-National-Country Party won the election in both houses and Malcolm Fraser was appointed Prime Minister.

4. 3 AWDC and the Fraser Government after 1975

The Fraser Coalition government (1975-1983) did not initiate specific regional strategies, rejecting Whitlam government policies and being concerned about the debt they had incurred (Lloyd, Anderton 1990 p. 8) in '1975 marked the end of public sector involvement or even policy interest in new city development' (Lloyd, Anderton 1990 p. 8). DURD was able to continue operations over the next 26 days without disruption (Lloyd, Troy 1981 p. 238) but was then replaced by a new Department of Environment, Housing and Community Development illustrating the government's priorities. Regional development programs introduced by the Whitlam government were cancelled as the Federal government sought to return regional policy to State governments. The AWDC budget was cut by two thirds from \$64million to \$19 million after which its land acquisition program slowed. By 1982-1983 the AWDC received a paltry \$1.3 million (Hansen, Higgins, Savoie 1990 p. 175). Tonts and Haslam-McKenzie (2005) argue the Fraser government withdrew quickly from the Albury-Wodonga Growth Centre after election in 1975 because 'it had been ineffective in dealing with, urban and regional problems, was excessively costly, and that the Federal government had no constitutional or ideological reasons for being involved in regional development' (Tonts, Haslam-McKenzie 2005. p. 8).

4. 3. 1 State regional policies

Reflecting its determination to return the impetus for regional policy to state governments, the Fraser Coalition Government introduced a strictly modest Regional Development program with a budget of \$36.5million (Pritchard, McManus 2000 p. 175) and turned its focus instead to capital cities to stimulate economic growth and reduce unemployment. Overall, it proposed State governments and private enterprise should provide support for regional development. Yet 'none of the States developed a coherent urban and regional policy' at this time (Hansen, Higgins, Savoie 1990 p. 175). In 1976 the New South Wales State government changed to a Labor government and two years later, with support from the Wran government, Albury Mayor Harold Mair was elected to the seat of Albury (1978-1988). The conservative Albury electorate had voted in its first Labor representative since 1946. The Wran government contributed over \$1m to secure Federal government finance for the Growth Centre from the Fraser government and also provided incentives for the Australian Newsprint Mill to be

established in Albury. It has been suggested Mair was elected on the basis of this support (Pennay 2007).

In 1977 the NSW Wran Labor government (1976-1986) passed the Country Industries (Payroll Tax Rebated) Act to reduce rebates for firms. The State government abandoned the idea of a new city in the Bathurst-Orange Growth Centre in 1979 and by 1985 effectively withdrew from the Albury-Wodonga project as its population had only grown from 55 800 (1971) to 63 000 (1986), well below the targets needed to reach the proposed 150 000 by 2000¹¹⁹. In 1980 the Wran government's Department of Industrial Development and Decentralisation changed the Regional Advisory Boards of the Askin era in to Industry Development Boards. To further stimulate industry in 1983 interest rate subsidies, rental subsidies and loan guarantee schemes were introduced and payroll tax was reduced further encouraging large scale assistance to industries in regions closer to Sydney (Wilkinson 2009 p. 31).

In Victoria the Hamer government's reputation as a social-liberal government was visible in strengthened Environmental laws and the establishment of Deakin University branches in Warrnambool and Burwood. The government also established the Victorian Economic Development Corporation (VEDC)¹²⁰ to provide loans and equity funds to promote economic growth in Victoria. As well the government eased restrictions on shop- trading hours and the hours (Days) for public entertainment. But by the 1980s manufacturing in Melbourne declined, unemployment was high and the government was faced with industrial unrest.

Protectionism from State governments included subsidized rail freight transport; preference for enterprises with State government purchasing; State arbitration commissions that set 'margins for skills' for trades and occupations (to be added to the basic wage); regulations, standards and provisions for people, fruit, vegetables and animals which inhibit inter-State trade; and building codes which inhibit interstate trade (Hansen, Higgins, Savoie 1990 p. 177). Professor Gruen added that protectionism damaged efficiency and was more damaging in the small Australian economy than in large economies.

¹¹⁹ The Federal government reduced the original target from 300 000 to 150 000 people by the year 2000 on receiving the Borrie Report.

¹²⁰ The Age 8/9/2005 Business: VEDC The Ghost that Still Talks.

4. 3. 2 Reorganising the AWDC

Once the Fraser Coalition government came to power, then, the AWDC assumed the role of a developer to show the Growth Centre project was progressing and had not come to a halt. The AWDC financed its land bank by developing subdivisions mainly for residential purposes as houses were in short supply. Some of the houses were rented on a short term basis for approximately two years. Thereafter the AWDC would arrange for finance to become available for house buyers. It also ran a competition¹²¹ in conjunction with the NSW Housing Commission for plans to build an environmentally and technologically advanced house as a marketing ploy to draw attention to Albury-Wodonga.

The AWDC developed a number of other schemes to induce settlement and investment in the Growth Centre after accession of the Fraser Government. With help from the State Housing Commission the AWDC established a subdivision in which clients of the Housing Commission could organize for private developers to build a house to their own design at a set price, while receiving assistance to obtain a mortgage. Another scheme involved establishing a subdivision with sample houses erected by private developers. As the block and house was sold, so the developer would pay for the land. The blocks of land were carried by the AWDC until they were sold. Some residential subdivisions were also developed with the help of developers and builders (A. V. Jennings) from Sydney.

During this period the AWDC continued under the strong leadership of Gordon Craig¹²². Additional land was acquired for the land bank with the profits from AWDC projects. The major aim of the AWDC had been to build a new city. Craig had never regarded the AWDC as a primarily a property developer but rather as the organisation which would coordinate building a new cross-border inland city and create the momentum in the community to take over and run the city after AWDC had left¹²³. After 1975, the AWDC focused on enlarging the role of manufacturing in Albury-Wodonga despite a national economic downturn which was increasingly apparent. The AWDC focused on manufacturing rather than service industries because Albury-Wodonga's population at the 1976 census did not seem large

¹²¹ Interview with the First Chairman of the AWDC Baranduda 24/7/08.

¹²² Opinions of the majority of stakeholders interviewed in Albury-Wodonga 2009.

¹²³ Interview with the First Chairman of the AWDC in Baranduda 24/7/08.

enough to make accelerated expansion of service industries a viable proposition. Larger population thresholds were required¹²⁴.

The advantages the AWDC publicised in the late 1970s remain as significant today. Albury-Wodonga is located on the principal transport corridor between Melbourne and Sydney which provides access to nearly 80% of Australia's population (market). Albury-Wodonga has an educated, skilled workforce which does not reflect strong unionism and experiences little labour turnover in jobs. There is a good supply of water electricity and gas (at Melbourne prices) and flat land for factories. Housing when relocating is subsidized. The AWDC set up a computer model for intending industries to determine the feasibility of Albury-Wodonga for their firm. The Department of Defence used this when establishing the Latchford Barracks and the Tenex Industry at Bandiana. As well today, information technology has linked Albury-Wodonga with national and international markets speedily and efficiently and new Just-in-Time (JIT) delivery systems have helped to cut costs.

The AWDC Third Annual Report stated the 1976 census found a 3.2% growth of population in the Albury-Wodonga urban area, exceeded the AWDC target, despite the fact that transfers of government agencies to the Growth Centre had not taken place. By June 1976 in contrast to a fall in private sector employment in Australia, private sector employment in Albury-Wodonga had increased by 6.8% (AWDC Third Annual Report 1976). Manufacturing employment also increased despite the decline which Australia was experiencing at the start of a recession and inflation. Private investment in the Growth Centre continued and for the 3 years from 1973 reached \$100million which in per capita terms was 15% above that for Australia (AWDC Third Annual Report 1976).

In 1976 the AWDC obtained additional home finance from the Commonwealth State Housing Agreement to aid the rapid influx of people who had come to settle in the Growth Centre. The AWDC also initiated and provided a rental program of family accommodation for new settlers to the towns. As well it had completed the industrial estates on Dallinger Road Albury and Melrose Drive Wodonga (AWDC Third Annual Report 1976). The AWDC Fourth Annual report stated that despite the fall of the Whitlam government and the fall in land purchases, manufacturing employment had continued to rise and total employment had

increased by 6500 workers since 1971. According to the report, business confidence in the Growth Centre continued and was reflected in private investment which in 1977 was 20% above Australia on a per capita basis. New industries continuing to establish in Albury-Wodonga (AWDC Fourth Annual Report 1977) and these are investigated in more detail in Chapter 5. Australians continued to migrate to the twin towns and between 1971 and 1976 the population of Albury-Wodonga showed the largest absolute increase of any country town in NSW or Victoria (AWDC Fifth Annual Report 1978).

4. 4 Regional policy during economic restructuring

The Hawke government (1983-1991) had three major aims which included restructuring the economy, cutting unemployment and managing the budget deficit. Between 1983 and 1996 under the Hawke-Keating Labor Federal government recognisably neoliberal economic policies, often called economic rationalism in Australia using Michael Pusey's evocative term, were adopted to address the national economic crisis. This included the devolution of policy for regions which continued their return to State governments. The Department of Local Government and Administrative Services (DOLGAS), later the Department of Immigration, Local Government and Ethnic Affairs (DILGEA), was allocated the task of dividing the country into regions for analysis and planning. The first minister for DOLGAS was Tom Uren but there would be no return to interventionist policies of the Long Boom or the Whitlam era. DOLGAS established 94 regions consisting of 75 urban centres and 24 regions within the six metropolitan centres. Subsequently, DILGEA collected social and economic data for each region so that 'there are 500 statistical series for each of the 94 regions.....Australia may well have the richest data bank for regional analysis in the world' (Higgins, Savoie, 1994 p. 7).

One of the first applications of these data was to underpin The Country Centres Project (CCP) in 1986 with a budget of \$210 million and an objective of 'enabling local communities in rural areas to adjust positively to the cumulative impacts of economic and social change' (Higgins, Savoie 1994 p. 7), and to encourage a bottom up approach to regional development in regional towns. This required private sector involvement and local management of economic development initiatives. The CCP had limited impact as it only applied to 11

centres¹²⁵ and did not focus on problem regions (Pritchard, McManus 2000 p. 175). ‘The CCP treated urban centres as central places rather than as growth poles; the idea was to save the cities by improving conditions in their peripheries rather than to save the countryside by measures that would generate growth in the urban centres’ (Higgins, Savoie 1994 p. 6). It was soon evident that local communities lacked business skills, information and networks to benefit from the opportunities being proffered. The CCP was replaced during the Keating Government by Area Consultative Committees.

It suffices to observe here that Federal government continued to move away from direct involvement in regional development during the Hawke era with its focus on making the national economy more competitive and internationalised to address economic and social dislocation caused by industrial restructuring and high unemployment. A National Competition Policy was introduced to improve management and labour skills exhorted management to use best practice principles. Further, communities in each region were encouraged to develop their own solutions for local development. Regions could seek help from local councils and State governments but were encouraged to employ bottom-up development strategies. To this end during the Hawke Government the Office of Labour Market Adjustments (OLMA) was established to provide support for business incubators and local enterprise ventures in regional Australia. OLMA aimed to reduce unemployment caused by restructuring and focused on vulnerable areas in both cities and non-metropolitan regions. The budget allocation for OLMA in 1994-95¹²⁶ was only \$27 million, however, spread over 150 regions. Each region had its own committee comprised of local community members, business people and local government representatives. OLMA developed Regional Skills Development Council to facilitate better skills in the regions. The Federal government’s focus however was once more on the capital cities to access the global markets and expand the country’s economy.

Yet the Keating government, given the political fallout from sharply rising unemployment rates, also outlined a new commitment to regional development by announcing A Task Force for Regional Development, a Department of Industry Technology and Regional Development

¹²⁵ Lloyd C. Anderton N. 1990 page 9 the 11 country centres were Geraldton & Meriden WA; Berri & Green Triangle SA; Ballarat & Bendigo Vic; Griffith & Northern Rivers NSW; Bundaberg & Mackay Qld; Burnie-Devenport Tas.

Another 8 centres were added subsequently Port Lincoln SA; Huon Tas; Castlemaine Vic; Lithgow & Parkes/Forbes NSW; Ipswich, Innisfail & Gladstone Qld.

¹²⁶ 1994-95 during the Keating government.

and an Office of Regional Development. Prime Minister Keating stated that ‘Regional development is a matter of high priority..... Regional development means national development on a regional basis.The role of the Commonwealth will not be to deliver money by the dray load, but to assist the regions to take advantage of their potential’ (Higgins, Savoie 1994 p. 11).

Bill Kelty¹²⁷ was asked to set up a Taskforce on Regional Development seeking public input which resulted in *Developing Australia: A Regional Perspective Report* in 1993. It proposed the establishment of 66 Regional Economic Development Organisations to promote and develop strategies for regional development nationally and to liaise between all three tiers of government. Little materialized.

In response to criticism of the Kelty report the Federal government commissioned the *Lead Local Compete Global, McKinsey Report* (1994) which suggested a bottom-up approach focusing on leadership, competitiveness and highlighting quality of life attractions in regions. These ideas were expanded in the *Regional Development: Patterns and Policy Implications Report* from the Bureau of Industry Economics in 1994. Almost all of the reports implied that neo-liberal policies had created social and economic inequalities in the regions. Whereas in the past the model for regional development had been to reduce uneven development and promote spatial equity the new model was a bottom-up approach; the region was to help itself while the Federal government would only be a minor partner.

In 1994 the Keating government presented a White Paper on unemployment and growth entitled *Working Nation*. The aim of the White Paper was to assist long term unemployed and reform labour market programs. The focus on regions was to see them not as disadvantaged requiring specific policies for aid, but as areas of potential and plenty which would flourish with local leadership and resources (Gibson-Graham 1994). *Working Nation* had a budget of \$6.4 billion, of which \$263 million, 4.1% of the budget was allocated to regional development. Sorenson adds that only projects which were economically viable were supported (quoted in Tonts, Haslam-MacKenzie 2005 p. 11).

¹²⁷ Bill Kelty Secretary of the Australian Council of Trade Unions 1983-1999.

Among the bottom-up, grass roots initiatives for regional development suggested by the White Paper on Employment and Growth (1994) was the development of Area Consultative Committees (ACC) which would evolve out of OLMA. The ACCs encompassed 61 urban and rural regions. Each committee in each region turned its attention to reducing the unemployment figures through Job Compact, Youth Training Initiatives and New Work Opportunity. The ACC was subsequently replaced by the Regional Development Program (RDP) which had a small budget allocation of \$150 million to be spent over 4 years, of which \$70million was allocated for infrastructure in regional areas (Pritchard, McManus 2000 p. 176). 'The formation and operation of the RDOs was not supported by specific legislation and it was up to State governments and individual regions to establish these bodies' (Tonts, Haslam-MacKenzie 2005 p. 11). Another aspect of the RDP program was the establishment of Regional Development Organisations (RDOs) to provide finance for strategic planning. The RDOs were local organizations consisting of local members who sought finance from the private sector as well as State and Federal governments for regional development. The RDOs policies included improving skills and management in the region by encouraging 'Best Practice Policy' and establishing centres to provide formal training.

The Keating government policy for regional development probably exacerbated uneven development of the regions. It assumed national economic development would automatically result in improving social development. That is, the unemployment rate would automatically fall as industry developed and created new jobs. If the jobs were created in regions of high unemployment the result would be self evident however even if the jobs were created in other regions, the unemployed would be drawn from regions of high unemployment to the regions where jobs were available. This did not occur. Neither economic development nor industry established to any significant extent in regions with high unemployment rates.

In New South Wales regional policy had also undergone significant change during this period of restructuring. The Greiner Liberal Coalition government (1988-1992) reconstituted the Industry Development Boards as Regional Development Boards. Government assistance became smaller-scale assistance with regional incentives reduced and automatic entitlements replaced by a case by case assessment by the Regional Business Development Scheme. Following the Federal government policy changes, the Greiner government also cut assistance to Albury-Wodonga and the regions. Nevertheless despite Payroll tax having been terminated the following Coalition government, the Fahey Coalition Government (1992-1995) increased

regional relocation and expansion assistance so that by 1995, 300 firms had received \$17 million in regional relocation and expansions assistance (Wilkinson 2009 p. 32).

In 1995 a Labor State government took office with Bob Carr (1995-2005) as Premier. While it passed the Albury-Wodonga Repeal Act in 2000 it continued to assist firms in regional New South Wales. In Victoria John Cain (Junior) formed a Labor government (1982-1990). The Cain government extended Saturday shopping hours, hotel hours, night club hours, gambling hours and Victorian Football League games were permitted on Sundays. These changes also affected tourism and quality of life in regional Australia. The Victorian government attempted to stimulate the State economy by boosting infrastructure development, and continued the Victorian Economic Development Corporation (VEDC)¹²⁸ and Victorian Equity Trust, which had been started by the Hamer government to help finance new industries. The Cain government sought equity in the firms or part ownership in the firm and by the end of the Labor era had been involved in 1600 deals, of which only 30 had failed¹²⁹. Nevertheless because of poor management and lack of political accountability, the VEDC went into receivership in 1988 with debts of \$112 million. At the same time the State Bank of Victoria was also facing difficult times¹³⁰.

Australia was facing a global stock market crash, high unemployment and conflict with the unions when Joan Kirner replaced John Cain to become the Labor Premier (1990-1991) of Victoria. With high government debt and interest rates of \$3.5 billion per annum the Kirner government sold off rolling stock in trains and trams and then leased them back, as well the State Bank of Victoria was sold to the Commonwealth Bank in 1991. In 1991 the government legalized the use of gaming machines in Victoria. This had been the reason why Albury, and not Wodonga, had developed clubs for recreation, entertainment and gambling using gaming machines¹³¹.

The Labor government in Victoria was replaced by the Kennett Liberal government (1992-1999) which introduced privatization of State owned services of gas, electricity, utilities, ambulance services and prisons as the State budget was in debt of about \$2.2 billion. Local government was restructured with the amalgamation of small councils to gain greater

¹²⁸ The Age 8/9/2005 Business: VEDC The Ghost That Still Talks.

¹²⁹ Victoria Parliamentary Library Archive Bills.

¹³⁰ The Age 8/9/2005 Business: VEDC The Ghost That Still Talks.

¹³¹ Victoria Parliamentary Library Archive Bills.

efficiency, functioning as fewer and larger local government organizations. To counter State debt a poll tax of \$100 per household was implemented and Local government was expected to develop and put into effect economic development' (Wilkinson 2009 p. 33). Nevertheless unemployment remained high and because of the amalgamation of councils, members of the public service were made redundant.

4. 5 The final demise of the AWDC

As national economic conditions became more difficult during the lengthy period of economic restructuring from the mid 1980s the Hawke Federal Labor government, supported by the Greiner Coalition Government in New South Wales and Cain Labor Government in Victoria, instructed the AWDC in 1989 to begin repaying original loans to the Victorian and Commonwealth governments and to wind down. This effectively prevented AWDC from carrying out further development roles after 1990. Up to this time the AWDC had worked together with Albury & Wodonga Councils, planning development but in 1992 planning power was returned to the Albury and Wodonga Councils which resumed development projects (Review Today 2007).

Both Albury and Wodonga Councils had continually objected to the fact that AWDC had not paid council rates on any land acquired since their inception. This condition had been determined, stipulated and agreed upon, however, in the initial agreement signed in 1973 between the three tiers of government. Both local councils were concerned that as a result of this condition they had forgone significant income. The Albury Council claimed it had foregone \$23.3 million of rates by 2004/05. This resulted in the AWDC making an ex gratia payment of \$0.9 million to Albury Council.

After 1992 economic growth and industrial development has been in the hands of each individual town Council with no overall plan for development and marketing of the twin cities as a regional entity. As explored in Chapters 5 and 6, the town Councils began competing with each other to attract industry to its side of the border. The over-arching plan for developing Albury-Wodonga as a single functioning urban area was abandoned. In 1995 deputy Prime Minister Brian Howe stated that the Keating Labor government no longer supported decentralization, declaring it to have been a failed experiment. Acting in his role as Minister for Housing and Regional Development, Howe instructed AWDC to wind down and

sell its assets within a 5 year period. As this was impracticable and after receiving representation from the AWDC, Howe extended the time frame to prevent property prices from plummeting. The AWDC nevertheless began to wind down and sell assets. The land bank was reduced to 13,754 ha. of which 4,038 ha. were in New South Wales and 9,716 ha. were in Victoria. The remaining AWDC assets are shown in Table 4.3 and the financial returns to Federal government are shown in Table 4.4.

Table 4.3

AWDC Assets in 1990

Number	Type of Asset
137	Rural leases
98	Agistment licenses
160	Estate dwellings in urban centres which had been built and leased
99	Rural dwellings of which 28 were leased with farmland
14	Factory units
20	Leased utility, community & recreational sites
7	Leased commercial & industrial sites
2	Extractive industry sites
1	Office building

Source AWDC Report: 1995.

4. 6 Regional policy and the Howard Government

With the fall of the Federal Labor government in 1996, the Howard Coalition Government established a National Commission of Audit which reported that many regional programs were inefficient, ineffective and experienced duplication between State and Local government administration. As a result the Howard government ended all Federal regional programs arguing that market forces would determine development in the regions. The ideology of the Coalition government was seen in the name change of the Department of Transport and Regional Development, which was renamed the Department of Transport and Regional Services, with its staff slashed from 150 people to eight (Tonts, Haslam-MacKenzie 2005 p. 12).

4. 6. 1 Neoliberalism and approaches to 'Regional Australia'

In conjunction with 1996-1997 budget the Minister John Sharp, presented *Regional Australia: Leading the Way* (1997) highlighting the Coalition's attitude to regional Australia. Little was said about regions as such. Although the document explained how regional Australia would benefit from extensions of neoliberal deregulation, privatization and user pay initiatives, it failed to address regional inequalities. The Coalition's ideological standpoint was clear again in *Regional Australia: Our Commitment* (1998) (quoted in Tonts, Haslam-MacKenzie 2005 p. 13). The Howard Government did not develop specific policies for regional development but sought to influence regions through its general economic strategies. Economic development organizations were able to access finance from funds which were administered by RDPs, ACCs, The National Heritage Trust, Networking the Nation, the Export Access Program and the Regional Solutions Program (Pritchard, McManus 2000 p. 26).

The 1996 election victory was in some ways a surprise to the Howard government as national economic conditions were clearly improving. Yet local communities had become disenchanted with the lack of consultation from the Keating Government and rising fears about impacts of immigration on cities along with continued reduction of services within outer suburban and regional communities – homes to the so-called 'Howard battlers'. Marginalization and disempowerment of people in smaller towns and rural areas drew disaffected voters to the policies of the right wing One Nation Party which offered economic support and greater services for rural areas, as well as a return to some industry protection and an anti-immigration stance, tapping into what was perceived as part of a general backlash against 'globalisation'. As a result Pauline Hanson won a seat in Federal parliament as an independent having had her initial endorsement as a Liberal candidate disqualified by the party for her public statements about immigration.

The impact of both One Nation and rural disaffection was strongly felt in subsequent State elections of Queensland and Victoria. In the 1998 Queensland State election voters punished incumbents and One Nation won 11 seats, while in the 1999 Victorian State election, many rural electorates reacting to neoliberal policies of the Kennett Coalition Government swung away from the Coalition producing a Labor Government, kept in power by the votes of independent candidates from regional electorates. By the 2001 Western Australian State election, however, disaffected rural voters were acknowledged as the mainstream political

parties introduced policy platforms which promised to address their demands (Tonts, Haslam-MacKenzie 2005 p. 16).

Responding in part to the recent state election results, the Howard Government proposed in its 1999 budget that regions would prosper if the country as a whole prospered and that all government policies should reflect both this national prosperity strategy and its regional impacts. The Budget itself included a Regional Impact Statement and stated Cabinet submissions would require henceforth, regional impact statements from all departments. In October 1999 the Federal government held a Regional Summit to discuss the problems of rural areas. One outcome of this conference was a policy entitled *Stronger Regions: A Stronger Australia* (2001) proposing partnerships between government and communities to encourage development in regions. In 1999 John Anderson (National Party), the Deputy Prime Minister, addressed regional issues in a paper called *Regional Australia: Meeting the Challenges*. He addressed issues of communities taking responsibility for their future, the need for local leadership, entrepreneurship, and personal and collective responsibility. However Beer¹³² (2000) notes he failed to discuss any funding for regional development programs (quoted in Tonts, Haslam-MacKenzie 2005 p. 16).

During 2000 Prime Minister Howard undertook a 'bush tour' to acknowledge and help formulate ideas about reviving struggling towns. The Federal Government introduced the 'Regional Solutions Program's modest program using a variety of measures designed to support regional growth. This provided some support for State and Local Governments to assist small business to expand their trade and improve their competency through mentoring and networking. The 'Supermarket to Asia' policy was a program designed to create cultural and trade links between Australian cities and so-called global cities in the Asia-Pacific region. Finally, the 'Main Street' policy aimed to expand and develop local markets through beautification of the local business environment and introduction of new public management models for local government.

In 2001, the Federal government's regional policy statement¹³³ included a 'Stronger Regions Program' as one of its strategies allocating \$115 million to promote equity of service delivery

¹³² Beer A 2000 in Pritchard W. McManus P. *Land of Discontent: The Dynamics of Change in Rural and Regional Australia* page 179.

¹³³ *Stronger Regions, A Stronger Australia*.

between the cities and rural areas based on using new technology and infrastructure. When banking services were withdrawn from regional centres the Howard Government established 500 transaction centres in regional centres in an effort to ameliorate the hardship. Some effort was also made to provide health and communication services (delaying the sale of Telstra) to regional centres. Beer states that one month after introducing the regional policy, the government supported a loss of 10 000 jobs in Telstra and a merger of the Commonwealth Bank and Colonial State Bank suggesting the Federal government's approach to regions was fragmented and a second-order priority (Beer 2000 Ch. 10).

4. 6. 2 The AWDC Amendment Act

In 1999 the Howard Federal Coalition government passed the Albury-Wodonga Development Corporation (Amendment) Act 1999 which required the AWDC to wind down completely within 5 years (a further extension of Howe's extension). In the same year the AWDC Annual Report identified the core activities of the organization as 'land and asset management, development and sales'. The remaining assets consisted mainly of the land bank as well as urban and rural rental housing. Federal Parliament passed the Albury-Wodonga Development Amendment Act 2000 to divest the AWDC of all remaining powers. The NSW and Victorian governments each passed complimentary legislation on 3 May 2000 to withdraw formally from the Albury-Wodonga Growth Centre Project, seventeen years after signing on with the Whitlam Government. This was followed by a winding-up agreement between the States and Federal governments. The AWDC continued to dispose of its assets and returned the proceeds to the Federal government.

In 2003/04 the States finally withdrew from the AWDC. Victoria received an equity payment of \$3.6m for its \$1.5m contribution, based on a formula calculated in 1984 for funds contributed earlier. NSW had made no contributions to the running of AWDC. In 2004 the AWDC agreed for the first time to pay land rates to the councils. They paid rates on englobo¹³⁴ land which they still held. After completing a scoping study for the Federal Department of Finance in 2005 the AWDC was required to wind up within 10 years and since 2009 the time span for complete closure has been extended (by the Rudd Labor Government) for another 5 years. Over this period, the AWDC has reduced its staff from 30 to 5 people,

¹³⁴ Albury-Wodonga Corporate Profile 2009 p 5 'Englobo parcels of land are essentially ready for subdivision and development'.

was off-loading park land to councils and selling off englobo land in an effort to close its books on land acquired and wind up. Table 4.4 shows the AWDC has been reimbursing the Federal government since 1988 and has paid the Australian Government a total of \$217 million in reimbursements.

In 2001 the Premiers of New South Wales and Victoria proposed that Albury and Wodonga should become One City (see Chapters 6 and 8). The AWDC, although in the process of formally winding down, saw this proposal as a great opportunity for Albury and Wodonga to combine and function as One City. William Hanrahan the Chairman of the AWDC, in the 2000-2001 AWDC Annual Report, stated One City 'creates an enormous opportunity for the region and might have some influence on the disposal of the Corporation's land bank'. Concern had been raised that the introduction in 2000 of the GST by the Federal government would adversely affect the market prices of AWDC asset sales. In response to the GST and to stimulate the building market the Federal government increased the First Home Buyers grant from \$7 000 to \$14 000¹³⁵. It was expected this grant would encourage the medium to lower end of the market and first home buyers, to buy homes and prevent a downturn in national and local building industries. Since the AWDC catered for first home buyers at the medium to low end of the market, it was hoped the grant would forestall a drop in their asset sales. The 2001-2002 AWDC Annual Report indicated the AWDC had in fact increased its market share of sales of home sites with a record number being sold. Some 367 home sites, 228 in Victoria and 139 in New South Wales, had been sold because of the first home buyers grant, low interest rates and inactivity by local developers.

Since State governments had withdrawn formally from the AWDC in 2003/04, the AWDC was replaced by the Albury Wodonga Corporation (AWC) which is under Federal jurisdiction to continue selling land assets. In 2006-07 the AWC and Albury City Council developed industrial land at Thurgoona Industrial Estate and the AWC and Wodonga City Council developed land at Baranduda Enterprise Park. By June 2007 AWC had 51 rural leases remaining along with 34 agistment licenses, four utility and recreational sites, an extractive industry site, two industrial units and a container terminal under management, as well as 43

¹³⁵ In 2012 In Albury NSW First Home Owners Grant (FHOG) is \$7 000 for homes up to \$750 000, Stamp duty is exempted for FHOG up to \$500 000 and Concessional for FHOG up to \$600 000 to a maximum of \$14 500. In Victoria FHOG is \$7 000 for homes up to \$750 000 .to this can be added 1\$13 000for newly constructed homes up to \$600 000 and \$6 500 for newly constructed regional homes adding up to \$26 500 worth of FHOG in regional areas.

This creates an anomaly for first home buyers in Albury and Wodonga.

rural houses. The land bank of undeveloped land had fallen to 5 213 ha. (AWC Annual Report 2006-07; see Appendix 5 for AWDC wind down).

Table 4.4

Returns to the Federal Government from the AWDC

<u>Year</u>	<u>\$ Returns to the Federal Government</u>
1988-89	1 600 00
1989-90	2 310 000
1990-91	2 490 000
1991-92	2 574 000
1992-93	3 049 000
1993-94	5 545 373
1994-95	4 668 738
1995-96	14 300 000
1996-97	14 500 000
1997-98	11 000 000
1998-99	10 200 000
1999-2000-	15 000 000
2000-01	11 000 000
2001-02	8 000 000
2002-03	12 000 000
2006-07	30 000 000
Total	\$ 217million by 2008

Source AWDC Annual Report 1999

AWDC Annual Report 2006-07

4. 6. 3 State governments regional policy during the Howard era

In 1995 the New South Wales Labor State government took office on a platform including some limited regional policies. As indicated above, Premier Bob Carr (1995-2005) promulgated the Albury-Wodonga Repeal Act in 2000 but continued to assist some regional firms. The Labor Government established a Department of State and Regional Development with a \$17.5 million Industries Assistance Fund and a \$7.5 million Regional Business Development Fund to assist regional industry. Funds were also directed to specific regions with high unemployment, such as the Hunter Advantage Fund and Illawarra Advantage Fund, which were also able to gain financial support from Federal government (\$10 million) and

BHP¹³⁶ (\$10 million) (Wilkinson 2009 p. 32). Despite pressure to do so, the Carr Government failed to restore the Cross-Border Anomalies Committee which had been established in 1979 to examine means of reducing anomalies in border towns (see Chapter 6). After Carr's retirement the Iemma Labor Government (2005-08) continued small scale assistance to firms in regions. The Regional Business Development Scheme continued and in 2006 the government introduced a payroll tax incentive scheme 'providing a rebate of \$144 000 per annum for the first 3 years for businesses investing in areas with unemployment rates above the State average' (Wilkinson 2009 p. 33).

Table 4.5

RDV Programs for Victoria

Program name	Function
Regional Business Investment Ready 2005-06	\$250 00 to develop business skills, knowledge and access networks
Regional Joint Action Groups	Regional SMEs wine, tourism & food firms receive \$24 000 grants to promote tourism
Small Towns Development Fund and Living Suburbs	Grants to \$250 000 for economic & social development
Provincial Pathways	Develop multi-use tourism & recreational trails for cyclists, walkers and horse riders on abandoned railway lines
Community Pathways	\$800 000 to encourage skilled migration from Melbourne
Energy Technology and Innovation Strategy	\$103.5 million invested over 5 years in Latrobe Valley for competitiveness and clean brown coal technology

Source Wilkinson J. 2009 p.34, 35.

Beer and Maude¹³⁷ (2002 page 10) have argued that 'local and regional economic development was recast in Victoria in the early and mid 1990s with the restructuring of local government' by the Kennett Coalition Government in its second term (Wilkinson 2009 p. 33). In 1999 however, the Bracks Labor government (1999-2007) established weak regional

¹³⁶ The TNC named BHP Billiton.

¹³⁷ Beer A. Maude A. Local and Regional Economic Development Agencies in Australia (Local Government Association of South Australia Adelaide 2002 p10-11).

policies in response to the swing away from major parties in the 1999 election discussed above. It established the Department of Innovation, Industry and Regional Development (DIIRD) (Wilkinson 2009 p. 33) and following the Federal government push into the 'Knowledge Nation' policies, in 2003, set up Regional Development Victoria (RDV) with The Regional Infrastructure Development Act 1999 which became operational in July 2000 with a budget of \$2 million. The Act proposed four aims for regional Victoria including improving transport, developing industry, providing education and providing information technology to develop regional and rural Victoria.¹³⁸ The RDV established six programs to aid regional development shown in Table 4.5.

4.7 Conclusion

The orientation of regional policy in Australia has changed often over time because of the different programs of mainstream political parties, the diversity of regional problems emerging in various eras of national economic performance, and changing advice from bureaucrats and academics provided to both Federal and State governments. Popular theories being widely used in Europe and USA on Growth Poles, Growth Centres and Locational Advantage provided some of the impetus to establish the Albury-Wodonga Growth Centre. The factors of Locational Advantage in 1972 remain pertinent today and as a result Albury-Wodonga has reached a critical size and will continue to grow as one of Australia's larger inland cities.

There has been no singular response to regional issues despite some broad similarities during the Long Boom in State government 'decentralisation' strategies designed to divert economic activity away from the largest cities and help retain population in 'the regions'. By and large Australia's Labor governments have shown mild to keen interest in regional policies and regional development, and the Liberal-National-Country party conservative coalition, when in power, has displayed anything from disinterest to active opposition to such policies' (Hansen, Higgins, Savoie 1990 p.165). They have proffered different policy statements, policy tools, strategies and funding arrangements to resolve the different regional issues. 'Regional Policy has been characterised by what may be termed pragmatic incrementalism' (Collits 2002 p. 6). Given the dominance of most capital cities in electoral fortunes in most

¹³⁸ Victoria Parliamentary Library, Archive Bills.

States, regional development appears to have been of peripheral interest to most State and Federal governments tending to become significant only periodically before elections. In addition Federal and State governments shift blame for regional policy, as well, 'regional policy is often formulated post hoc after specific programs and initiatives have been deployed in response to specific problems' (Collits 2002 p.7).

This chapter has explored in some detail the Whitlam Labor Government as the only Federal government to implement significant urban and regional policy, an area which, largely for constitutional reasons, had always been under State jurisdiction. The Whitlam Government's proposal to establish a Growth Centre or 'new towns' at the cross-border towns of Albury and Wodonga was made with the aims of decentralizing industry and population, delivering equity in resource allocations and reducing urban and regional social inequalities. The Growth Centre policy, activity and funding which was invested in Albury-Wodonga was revolutionary for its time. Yet this chapter has shown policy achievements were hampered because of its short duration and lack of tangible support for a Federal role in regional policy by all Federal governments since demise of the Whitlam Government in 1975.

In a series of reflections on this policy history in 1990 economist Peter Gruenewegen argued 'the Whitlam government's attempt to upgrade local and regional government to the status of full partners in the Federation are, at the same time, the most interesting of its innovations and the greatest of its failures' (quoted in Hansen, Higgins, Savoie 1990 p.168). Yet the Albury-Wodonga Regional Planning Committee stated in 1990 that the overall outcome of the Albury-Wodonga Growth Centre 'was not a failure but that it fell short of expectations' (BTRE Working Paper 55 p. 22) due to a lack of public funding and political support when the Whitlam government was pushed from office in 1975, but also because of the national economic downturn in manufacturing and employment, the onset of a lengthy period of economic restructuring in the national economy and the slowing growth rate of the population in Sydney and Melbourne. Since this 'experiment', regional development policy has effectively returned to State Governments with some input from local councils.

In 1990 Gordon Craig, the first chairman of the AWDC, reflected that the Albury-Wodonga project had been a justifiable pilot program providing lessons for future regional developments and had been chosen 'because it provided opportunity' and had 'been a successful project' overall (Craig 1990 p. 18). Troy and Anderton draw attention to the large

collection of impressive document information remaining from the Albury-Wodonga project and argue that its role as an example of Cooperative Federalism is often not acknowledged. 'It was not a program based on the ideology and aspirations of a Federal Labor Government but a pragmatic arrangement reflecting what the States were likely to accept' (Troy, Anderton 1990 p. 8). They conclude Albury-Wodonga's solid economic indicators since the 1970s, despite the severity of restructuring in the national economy during the 1980s, suggest it was a good choice for a growth centre and 'its greatest success was the stimulus given to Albury-Wodonga which is destined to become Australia's first inland city, except for Canberra, to pass a population of 100 000¹³⁹ (Troy, Anderton 1990 p. 14). These economic and demographic changes in Albury-Wodonga are considered in detail in Chapter 5.

In his 1972 Policy Speech Gough Whitlam stated 'The greatest enemy of regional development in Australia has been rivalry between the States and jealousy between centres within the States'. The Albury-Wodonga Growth Centre brought together the two towns of Albury and Wodonga and their Local Councils which have all benefited in different ways from the Growth Centre policy as well as three governments¹⁴⁰ which have worked together cooperatively. The AWDC was appointed to plan, develop and market the Growth Centre which at times unfortunately did not function harmoniously with Local Councils. Wodonga appears to have gained most from the development as it was more willing to work with the AWDC. The Hawke Labor Government in 1989 changed the direction of the AWDC, to promote and foster growth and development, in conjunction with Local government and State Government, and to return investment to governments through the sale of assets. With harsh financial times following, in 1995 the Keating Labor government advised the AWDC to accelerate the rate of return to governments and wind down. In 2005 the Howard government ran a scoping study and announced that the AWDC would exit land development and concentrate on selling its assets in anticipation of closing. After 38 years of functioning as the twin towns of Albury-Wodonga and as the AWDC sells off its assets and closes its doors, the two towns have decided to once again become competitors across the State border. The hyphen¹⁴¹ has been removed and the marketing of the brand name destroyed. Parochial views and lack of leadership have destroyed the Growth Centre and is encouraging duplication and

¹³⁹ Department of Infrastructure 2011 State of Australian Cities 2011 Ch 2 page 17. Albury-Wodonga's population in 2010 was stated as 106 052

¹⁴⁰ The Federal, New South Wales and Victorian governments.

¹⁴¹ Border Mail 3/7/2003

greater spending by Local Councils which in turn will impede access to a better quality of life and higher standard of living.

Federal government regional policy in the first decade of the 21st century reflects the impact of at least two decades of neoliberal policy settings, with little time or attention reserved for specific policy to develop regions. To the extent that Federal regional policy survives, it aims to facilitate self-help, bottom-up approaches dependent on local leadership and entrepreneurship and seeking competitive advantages through region- specific development schemes. The Federal government has established some meso-level organisations to focus on selective and targeted assistance to encourage sustainability, yet centre on existing businesses to create more jobs and development in regions. Federal government rhetoric about the regions, from both mainstream political parties has focused on promoting national development through capital city growth and securing Australia's position in global markets. Chapter 5 now focuses on the impact of these economic changes since the long boom on economic and social development of Albury-Wodonga against the background of its experiences as a policy 'Growth Centre' reviewed here.

Chapter 5

The Economic Development of Albury-Wodonga

The aim of this chapter is to explore economic development and growth of Albury and Wodonga. This account is divided into three sections. The first explains the economic development of Albury and Wodonga during the Long Boom from 1947 to include the mid 1970s which includes Whitlam years. There was evidence of growth and manufacturing development in the towns prior to 1972 when the Whitlam Labor government established the Growth Centre. The second section extends from the defeat of the Fraser Coalition government in 1983 and the period of major restructuring in the Australian economy during the Hawke-Keating Labor Governments. The third section extends from the defeat of the Keating Government in 1996 to the time of the last published census in 2006, during which period the Australian economy experienced the longest period of continuous growth in its history - a return to prosperity.

5. 1 The Long Boom

Throughout the Western industrialized world, the period from the late 1940s to the early 1970s has been known as the Long Boom during which time steady economic growth produced low national levels of unemployment¹⁴² and steadily rising per capita incomes. Between 1950 and 1960 Australia experienced a large population increase, as a result of high birth rates (the Baby Boom), and high levels of immigration, which required increased government spending on social services and education.

Settlement patterns in each Australian States were characterized by metropolitan primacy (Rose 1966) with the State capitals capturing most investment, commerce and industry as well as new immigrants. In the capital cities the post 1950s years were characterized by high levels of employment and population growth as a result of high birthrates (the Baby Boom), and high levels of overseas immigration which required increased levels of spending on social

¹⁴² Unemployment levels fluctuated between 1% and 2% per annum.

services and education. Between 1941 and 1971 the population in the five largest capital cities had doubled which deepened metropolitan State primacy. Natural increase had provided between a third and a half of capital city growth but in Sydney and Melbourne net immigration produced 55% of the population growth (Our Cities 2010 p. 22).

Commodities prices for wheat and wool, the main agricultural exports remained high for most of the Boom, bolstered by a substantial mineral boom in the 1960s. The Australian manufacturing sector grew significantly expanding through capital investment from overseas, substantial levels of tariff protection, a ready pool of skilled labour, boosted by post war immigration and a growing demand reflecting population growth and growth in the capital cities. By 1959 two out of every three homes were in the process of being bought and as women entered the workforce purchasing power increased. By 1971 manufacturing accounted for more than 30% of all jobs in Melbourne and just under 30% in Sydney (Our Cities 2010 p. 24) and by the mid-1970s trade union membership was held by 50% of the workforce (O'Neill, Fagan 2006). These patterns of economic growth encouraged the labour force to settle in the large cities where there appeared to be more job opportunities and which in turn encouraged the expansion of manufacturing due to capital from the UK and USA.

Rural areas¹⁴³ encountered job losses as new technology replaced labour and rural-urban drift followed. In 1945 few people had cars¹⁴⁴ but by 1971 there were 500 cars per 1000 people. This freedom of movement and the shortage of housing led to the continuous and rapid suburbanization in the larger cities. Suburban housing developments were strongly encouraged by Federal government policies on housing loan interest rates, however, lack of State finance and rapid growth meant that suburbs often lacked adequate amenities and facilities such as sewerage services. The continuous growth of the large cities led to difficult living conditions.

The international economic crisis, the rise by OPEC of oil prices in response to the Middle East War and the 'stagnation of Keynesian-managed nation State economies' (O'Neill, Fagan 2006 p. 5) impacted on Australia. The reduction of trade barriers by the Whitlam Labor government produced a dramatic decline in employment in the manufacture of clothing textiles and footwear, adding to rising unemployment, as did the Federal Labor government's

¹⁴³ 1966 Census 14% of the population lived in rural Australia as opposed to 31% in 1933.

¹⁴⁴ Our Cities page 25. 100 cars per 1000 people.

action to increase the ‘share of total factor income flow to labour, the proportion rising from 56% in mid-1972 to 62% by late 1975’ (O’Neill, Fagan 2006 p. 5). The Federal government responded with high spending in an attempt to sustain full employment. Conditions did not remain static as the Senate refused to pass the Supply Bill and the Federal government was peremptorily dismissed by the Governor General in 1975. By this time, the Long Boom of post- War economic growth in Australia had ended.

5. 1. 1 Population change in Albury and Wodonga in the Long Boom

Between 1947 and 1976, the era of the Long Boom, Albury’s population had increased by 102% while Wodonga’s population although much smaller than Albury’s, had increased markedly by 367%. By 1971 Albury’s population was 27 403 and Wodonga’s population was 10 533 (see Table 5.1). In 1971 Wodonga’s population was less than half of Albury’s population but growing faster. Between 1947 and 1976 continuing immigration swelled the large cities of Sydney and Melbourne, yet in the 1970s Albury and Wodonga together grew faster than both capital cities and other smaller centres.

Table 5.1

Population change in Albury and Wodonga 1947 to 1976.

<u>Year</u>	<u>Albury</u>	<u>% change p.a.</u>	<u>Wodonga</u>	<u>% change p.a.</u>
1947	14 412		2 800	
1954	16 726	2.5	5 260	9.43
1961	18 621	1.55	7 501#	5.20
1966	23 279*	3.24	8 653*	2.06
1971	27 403*	3.32	10 530*	4.0
1976	34 050	4.44	16 020	8.75

Source Street Ryan 1981-2001 Extract Table 2.1 Page 3

#Australian Yearbook 1962 showing 1961 Census of urban area of Wodonga ¹⁴⁵

* Australian Yearbook 1972 showing 1971 Census of Albury and Wodonga.

In a study about relocation from Sydney to the Bathurst-Orange Growth Centre, Daly, Fagan, Rawlings and Brown (1974) concluded that many people were concerned that the Growth

¹⁴⁵ The 1961 Census provides urban and rural information about Wodonga. It indicates ‘of the 5 296 people in Wodonga who are not Australian born, the large number of rural people not Australian born (3 641) can be attributed to the Bonegilla Migrant Centre’.

Centre was inland rather than on the coast and distant from Sydney. People interviewed raised concerns there would be lack of amenities; high transport and communication costs; and provincial towns would be dull and lack facilities. Many acknowledged smaller towns could offer a better quality of life with shorter journeys to work, more family time and recreational time, however most people stated it would not be their first choice of residential location. It was fine for others but not for them. For many people though this rationale did not seem to apply to Albury and Wodonga between 1966 and 1976 as many workers moved into the towns.

Table 5.2

Annual population growth rates of other centres 1947-76.

	1947	1954	1961	1966	1971	1976
Sydney	1 484 004	1 863 217	2 183 231	2 448 345	2 897 828	3 022 1982
%change		3.30%p.a.	2.29%p.a.	2.32%p.a.	2.78%p.a.	1.48%p.a.
Melbourne	1 226 409	1 524 062	1 912 055	2 110 168	2 503 490	2 504 135
% change		3.15%p.a.	3.29%p.a.	1.99%p.a.	3.48%p.a.	0.79%p.a.
Ballarat	40 181	48 050	54 771	56 290	58 620	68 480
% change		2.59%p.a.	1.89%p.a.	0.55%p.a.	0.81%p.a.	3.15%p.a.
Bendigo	30 779	36 918	40 335	42 208	45 936	56 152
% change		2.63%p.a.	1.27%p.a.	0.91%p.a.	1.71%p.a.	3.72%p.a.
Wagga	15 340	na	22 087	25 819	28 905	34 351
Wagga						
% change				3.17%p.a.	2.28%p.a.	2.28%p.a.

Source ABS Australian Historical Population Statistics Table 17.

In 1971 the structure of the population in Albury-Wodonga reflected a society of young families with many young children (Daly, Fagan, Rawlings, Brown 1974).

Between 1976 and 1981 Wodonga¹⁴⁶ had 30% of its population under the age of 15 years and the population was growing at the average rate of 4% per annum. In fact Albury-Wodonga¹⁴⁷ had a higher proportion of population between 20 and 40 years of age than Australia, reflecting steady in-migration. As well there were fewer people in the 60 year age group in Albury-Wodonga than in Australia, which suggests that population growth had continued since the early 1970s when the Growth Centre project began (Kranz 1982 p. 3).

¹⁴⁶ Includes migrant population at Bonegilla.

¹⁴⁷ Includes migrant population at Bonegilla.

At the end of the Second World War the population of Albury and Wodonga reflected a similar history to Australia and represented a predominantly Australian born, English speaking, Christian society with a few Chinese, Americans, Canadians and New Zealanders who were remnants of the 1850s gold seekers.

Between 1947 and 1971, 320 000 migrants were housed temporarily at Bonegilla Migrant Camp in Wodonga¹⁴⁸. Later some of the migrants settled in Albury and Wodonga which explains why the proportion of people born overseas was higher in Albury and Wodonga than in other inland centres. In the 1950s the Federal 'ten pound' migrant scheme encouraged Northern Europeans and later southern Europeans, to immigrate and bolster Australia's population. As the population of Australia grew, the enlarged internal market provided a focus for the manufacturing sector to expand. By the 1960s Australia's population was no longer totally British based but included small numbers of Scandinavians, Dutch, Yugoslavs, Germans, Italians and Greeks. By 1971 the population in Albury and Wodonga remained predominantly Australian born¹⁴⁹ with small numbers of Dutch, Yugoslavs and Germans many of whom had settled in Wodonga and Albury after time spent in Bonegilla (see Chapter 4). In 1976 internal migration to Albury came from New South Wales (39.1%) and Victoria (35.8%), while in Wodonga 50.6 percent came from Victoria and only 24.6% came from New South Wales. Overseas migration was much less and accounted for 9.7% of people settling in Albury-Wodonga.

Table 5.3

Overseas born population 1971

Town	1971
Albury	11%
Wodonga	15%
Shepparton	12%
Wangaratta	11%
Ballarat	8%
Bendigo	6%
Wagga Wagga	7%

Source Kranz P. 1982 extract Table 4.4.1.

¹⁴⁸ Bonegilla Migrant Centre near Wodonga were the army barracks used during the Second World War.

¹⁴⁹ In the Wodonga Census of 1971 83% were Australian born 3 % came from UK/Ireland New Zealand and USA/Canada and 13% were non-English Speakers.

Table 5.4**Internal migration to Albury-Wodonga from other States 1976**

Albury			Wodonga	
State	Number	Percent	Number	Percent
NSW	3 555	39.1%	1 599	24.6%
Vic.	3 252	35.8	3 293	50.6
Qld.	296	3.3	512	7.9
S.A.	211	2.3	247	3.8
W.A.	108	1.2	141	2.2
Tas.	170	1.9	56	0.9
N.T.	45	0.5	50	0.8
A.C.T.	177	2.0	128	1.9
O/Seas	886	9.7	325	5.0
Not Stated	379	4.2	153	2.3
TOTAL	9 079	100%	6 504	100%

Source AWDC Development Plan 1978 page 4.

5. 1. 2 Economic development in Albury-Wodonga

In 1972 with the slogan ‘Its Time’ the Whitlam Labor government swept to power and introduced changes with ‘social reforms, inclusiveness, improved government services, a responsive public sector and increased government spending’ (O’Neill, Fagan 2006 p. 5). The Federal Labor government provided better conditions for workers in the western suburbs of Sydney and Melbourne. Dispersed decentralization policy of State governments during the 1960s, was now focused on distinct targets and after the 1972 election the Albury-Wodonga Growth Centre was established (see Chapter 4) to be planned and developed by the AWDC. This economic and social experiment did not last long and was curtailed, as the Long Boom came to an end and political and economic events in 1975 forced the Federal Labor government from office.

Based on the prediction that Australia’s population would reach 25 million by 2000 the Federal Whitlam government proposed that the population of the Albury-Wodonga Growth Centre should reach 300 000 by the year 2000. However in 1975 the Borrie Report ¹⁵⁰stated

¹⁵⁰ Borrie W.D. National Population Inquiry.

that the population predictions for Australia had been overstated as migration had slowed, natural increase was low, and there was a natural flow of population from the capital cities to smaller centres.

The report stated that Australia's population would not reach 2 million. Thus Albury-Wodonga's population target for the year 2000 was reduced to half the original determination.

Table 5.5

AWDC initial population proposal

Year	Population
1975	53 100
1980	65 000
1985	105 000
1990	177 000
1995	245 000
2000	300 000

Source AWDC Initial Proposals 1974.

Albury and Wodonga, already had a diverse manufacturing base and were growing fast¹⁵¹. Firms included Bradford Kendall¹⁵² a steel foundry manufacturing steel rails and steel, Lamson (Moore) Paragon¹⁵³ printing and servicing the business community, Donga Meats an abattoir and Borg Warner manufacturing automotive transmissions. State and Local governments had attracted industry to the towns prior to 1971 by offering incentives¹⁵⁴ to industries (see Appendix 1). In 1967 the Victorian government had drawn Uncle Ben's pet food factory to Wodonga as part of the Victorian government push for accelerated development.

¹⁵¹ Pennay B. 2005 page 38 states Albury's population grew from 23 380 in 1966 to 27 380 in 1971 (11%) and Wodonga's population grew from 8 650 in 1966 to 10 530 in 1971 (21.7%).

¹⁵² Established in 1953 and later known as ANI Bradken.

¹⁵³ Established in 1958 to provide business services.

¹⁵⁴ Prior to the establishment of the Albury-Wodonga Growth Centre State governments offered reductions in payroll tax, freight subsidies, and land tax to industries.

Table 5.6**Revised population AWDC**

Year	Population
1985	77 000
1990	90 000-100 000
1995	113 000-127 000
2000	140 000-160 000

Source AWDC Facts and Figures June 1982.

Similarly in 1970 Borg Warner had established in Albury with help from the New South Wales government. Other industries in the towns included Amalgamated Textiles¹⁵⁵ the Wool Exchange, Farmers and Graziers, Aywon and Crestknit. Between 1972 and 1976 H. D. Lee established in Albury before relocating to Wodonga and Sanyo developed a TV factory in Wodonga. Table 5.7 lists the firms which formed the basis of the Albury-Wodonga Growth Centre.

Table 5.7**Firms which formed the basis of the Albury-Wodonga Growth Centre**

Firm	Date Established
Uncle Ben's	1960
Borg Warner	1967
Southern Bakeries	1972
Gadسدens	1973
H. D. Lee	1973
Sanyo ¹⁵⁶	1974
Sale Yards Bandiana	1978

Source Albury-Wodonga Economic Indicators 2002 Time Line.

The workforce profile in 1971 in Albury-Wodonga did not echo the national one. The three major employers in Albury-Wodonga were in descending order Retail, Manufacturing and Public Administration and Defence whereas in Australia, the three leading sectoral employers were in descending order Manufacturing, Retail and Community Service. The prominence of

¹⁵⁵ Later known as Macquarie Textiles.

¹⁵⁶ Mr Cole MP for Melbourne reported that the regions reputation for good labour relations and productivity had encouraged firms to locate in Albury-Wodonga He added that 'the Japanese company of Sanyo had stated that productivity at the factory on Albury-Wodonga is 10% better than is the case in any Japanese factory' (Vic Hansard Albury-Wodonga Agreement Amendment Bill; Craig G. 1990 page 17).

Public Administration and Defence in Albury-Wodonga (Table 5.8) reflects the strong presence of an army base¹⁵⁷ which had been established in the 1940s in Wodonga.

While Albury-Wodonga's manufacturing employment was proportionally smaller than that of Australia, Wholesale and Retail was bigger as the towns acted as distribution and retail centre for the region and Wodonga serviced the army base at the Bonegilla Migrant Centre. Even so, in both areas the relative engagement of workers in Manufacturing, Wholesale and Retail was high for non-metropolitan Australia at 42.6% in Albury-Wodonga and 42.1% for Australia.

The relative importance of each sector of the Albury-Wodonga economy in providing employment is indicated by the proportion or percentage of the total labour force engaged in that sector. However, there is yet another question that could be posed and that is to what extent does a specific sector generate relatively more or less employment in the region than it does in the Australian economy as a whole? To answer that, use is made of location quotients (LQs) which are calculated by dividing the sector's percentage share of employment in the region by the sector's percentage share throughout Australia.

An LQ of one indicates that the relative importance of the sector in the region is the same as in the entire country, less than one that it is relatively less important and greater than one relatively more important. One of the advantages of using LQs is that we are able to rank sectors accordingly. For example, in 1971 the LQ for Wholesale/Retail in Albury-Wodonga was 1.32 suggesting that the Wholesale/Retail sector had relatively higher importance in the Albury-Wodonga than it had for Australia. There are four other sectors in 1971 which have a higher relative importance in Albury-Wodonga than in Australia. They include Business Services with a LQ of 1.06; Communication with a LQ of 1.23; Recreation with an LQ of 1.41 and Public Administration and Defence with an LQ of 3.17. A large factor contributing to the outcome of the latter has been the presence of the large army base in Wodonga.

¹⁵⁷ The army base was established inland between the major population centres on the State border to allow easy access to the base for soldiers coming from both capital cities. The location was regarded as a strategic location, enabling troops to be deployed either via Sydney or via Melbourne to different theatres of war. Supplies to support over 7 000 people at the base were sourced from Wodonga. The break on rail gauge between New South Wales and Victoria proved to be cumbersome to move troops. After the war the military proposed that a standard rail gauge be built between Sydney and Melbourne.

Table 5.8**Sectoral workforce Albury-Wodonga and Australia 1971 as percentages**

Sector	Albury-Wodonga % [#]	Australia % [*]
Primary	0.7	8.8
Manufacturing	17.6	23.2
Public Utilities	1.1	1.7
Construction	7.5	7.9
Wholesale	7.7	5.8
Retail	17.3	13.1
Transport	6.4	5.2
Communication	1.8	2.0
Business Services	7.3	6.9
Public Administration & Defence	17.1	5.4
Community Services	8.3	10.8
Recreation	7.2	5.1
Private	67.3	73.9
Public	32.7	26.1

Source AWDC Employment in Albury-Wodonga 1971-86.

*Australia 1971 includes a 4.1% 'Other/Not Stated' component.

Percentages may not add due to rounding.

. As well the public sector of employment in Albury-Wodonga is higher than that of Australia. Following the establishment of the Albury-Wodonga Growth Centre the largest share of employment was provided by the Metal sector (automotive subsection and engineering), Food and Beverages and Clothing (Table 5.9) Between June 1973 and March 1976 there was a significant rise in male employment in Manufacturing. The largest share of employment was provided by the Metal sector (automotive subsection and engineering), Food and Beverages, and Clothing (Table 5.9).

By 1974 'the Australian economy was sliding into its worst post-war recession' (Shrapnel 1976 p.10). Manufacturing in Albury-Wodonga however reflects a different picture to the rest of the country (see Table 5.10). In a study for the AWDC Shrapnel stated there were more than 1400 private firms in Albury-Wodonga by 1974 and despite the economic conditions in Australia, between 1973 and 1976 there had been an increase of 11% of the male labour force and 26% of the female labour force in Albury-Wodonga (Shrapnel 1976).

Table 5.9**Sectoral employment in manufacturing in Albury-Wodonga 1973-1976.**

	1973	1974	1975	1976
Food & Beverages	115	1228	1244	1280
Textiles & Clothing	412	500	456	506
Metals	1163	1293	1488	1625
Wood	174	175	232	257
Paper & printing	293	337	329	302
Other Manufactures	253	253	262	301
Total	3450	4986	4011	4271

Source Shrapnel P.1976 Table 3.2 page 1.

Table 5.10**Employment changes 1973-74 to 1974-75.**

	June 1973-74	June 1974-75	December 1974-75
Albury-Wodonga	15.5%	0.6%	11.6%
NSW	3.2%	-11.0%	-4.4%
Victoria	3.8%	-10.3%	-2.7%
Australia	3.4%	-9.5%	-3.1%

Source Shrapnel P. 1976 page 18.

Between 1971 and 1976 all sectors of employment grew. Manufacturing and Community Services grew the most with the number of Manufacturing jobs increasing from 2 599 to 4 298 jobs, (an increase of 65%) and Community Services jobs increasing from 1 226 to 2 446 jobs, (an increase of 99.5%). Although the share of total employment dropped in Rural & Mining, Construction, Wholesale, Retail, Business Services, Public Administration and Defence the absolute number on jobs increased in all such sectors.

The AWDC aimed to attract population, industry and commerce to Albury-Wodonga. It hoped that a Federal government Department would be established in the towns to create employment. The AWDC proposed to continue to build on the diverse mix of industry which was already evident in the towns as well as encouraging tourism and tertiary educational

institutions. The relative performance of individual sectors is shown in Table 5.11¹⁵⁸. The only sectors manifesting employment growth between 1971 and 1976 are Recreation, Communication and Community Services. All other sectors encountered relative employment declines.

By 1977 (Table 5.12) the pattern of LQs had altered from that of 1971. In 1971 Business Services, Wholesale/Retail and Recreation were seen to be relatively more significant in Albury-Wodonga compared with Australia.

By 1977 three sectors with LQs greater than one included Wholesale LQ1.09, Communication LQ 1.11 and Recreation LQ1.26 while Public Administration & Defence, with the large army base in Wodonga, remained far more significant in Albury-Wodonga than in Australia, despite the LQ dropping from 3.17 in 1971 to 2.6 in 1977. Albury was regarded locally as the service centre and Wodonga was regarded as the manufacturing centre (Shrapnel 1976 p. 15).

The impact of the AWDC on the planning and development of the twin towns and the region was greatest in its formative years. Total Private Investment (Table 5.13) between 1973-74 and 1975-76 amounted to \$103.2 million. Per capita investment in 1973/74 and in 1974/75 in Albury-Wodonga was higher than in Australia suggesting that Albury-Wodonga was seen by entrepreneurs to be growing and developing and worthy of investment. Unfortunately by 1975/76 the pattern changed as the Federal government cut financial support for the Growth Centre and the national economy stagnated.

¹⁵⁸ The changing economic conditions were created by the end of the Long Boom conditions in Australia, the reduction of tariff protection for the clothing footwear and textile industries and the withdrawal of funds from the Albury-Wodonga Growth Centre by the Fraser government.

Table 5.11**Employment growth Albury-Wodonga 1971 and 1976.**

	1971		1976	
	% share	Number Employed	% share	Number Employed
Rural & Mining	0.7	101	0.5	104
Manufacturing	17.6	2 599	21.7	4 298
Public Utilities	1.1	160	1.1	218
Construction	7.5	1 110	6.0	1 188
Wholesale	7.7	1 139	7.1	1 404
Retail	17.3	2 559	16.1	3 193
Transport	6.4	939	4.7	939
Communications	1.8	268	1.9	380
Business services	7.3	1 071	7.0	1 382
Pub. Admin. & Defence	17.1	2 522	13.7	2 712
Community Services	8.3	1 226	12.3	2 446
Recreation	7.2	1 057	7.9	1 574
Total	100.0	14 571	100.0	19 838
Private share	67.3		69.5	
Public share	32.7		30.5	

Source AWDC employment survey 1971-1981; AWDC Economic Indicators 1991.

In 1976 the AWDC inaugurated a marketing campaign to draw industry to the Growth Centre drawing attention to Albury-Wodonga's locational advantage, the ability to reach markets by road transport within 24 hours, government incentives for industries (see Appendix 1) and the use of computer simulation modeling to help firms assess relocation advantages. As people relocated to Albury-Wodonga investment in dwellings initially superseded construction as housing became a priority.

Nevertheless in 1974/75 and 1977/78 investment in dwellings receded slightly. Housing construction in the mid 1970s was produced by a number of small firms employing less than 20 people which tended to retard the growth rate of dwellings as those firms found it difficult to raise sufficient finance. To rectify the matter in the following decade, the AWDC induced a number of large contractors such as AV Jennings from the capital cities to enter the Albury-

Wodonga market. The new entrants in turn sub-contracted work to some of the smaller local firms¹⁵⁹.

Table 5.12

Albury-Wodonga sectoral employment 1971 and 1977

Sector	% Share Albury-Wodonga 1971	% Share Australia 1971	% Share Albury-Wodonga 1977	% Share Australia 1977
Primary	0.7	8.8	0.6	1.6
Manufacturing	15.6	23.8	21.8	22.8
Utilities	1.1	1.7	1.1	1.9
Construction	7.5	7.9	5.4	8.6
Wholesale	7.75	5.8	6.1	5.6
Retail	17.3	13.1	15.6	17.7
Transport	6.4	5.2	4.7	5.7
Communication	1.8	2.0	2.0	1.8
Business Services	7.3	6.9	7.2	8.4
Public Administration & Defence	17.1	5.4	12.9	5.7
Community Service	8.3	10.8	12.7	15.8
Recreation	7.2	5.1	8.3	6.6
Private	67.3	73.9	71.8	72.0
Public	32.7	26.1	28.1	28.0

Source AWDC Planning Paper Number 10 extract from Table 1 page 9.

Table 5.13

Private investment trends

Period	Albury-Wodonga	Albury-Wodonga	Australia	Australia
	\$M	Per capita	\$M	Per capita
1973/74	30.2	658	7 571	556
1974/75	38.0	800	8 323	602
1975/76	35.0	713	10 621	760

Source AWDC Economic Indicators Extract Private Investment Trends page 3.

¹⁵⁹ Information obtained from the first Chairman of the AWDC at an interview at Baranduda 24/7/08.

5.1.3 Unemployment

During the Long Boom Australia had low unemployment rates (around 2%), regarded as full employment. By 1973 after the formation of the Albury-Wodonga Growth Centre the unemployment levels rose as the Long Boom began to collapse. In 1974 Albury-Wodonga unemployment had doubled from the rate consistent with full employment and surpassed the level of unemployment being experienced in Australia. In 1976 when unemployment in Australia had doubled to around 5%, it was once again higher in Albury-Wodonga¹⁶⁰. All manufacturing in Albury-Wodonga was privately owned and by 1976, 77 firms accounted for 94% of all employment.

Table 5.14

Unemployment in Australia and Albury-Wodonga 1971-1976.

	Albury-	Wodonga	Australia	
Year	Number	% Workforce	Number '000	% Workforce
1971	314	2.1	92.7	1.7
1972	316	2.0	144.0	2.6
1973	413	2.4	105.8	1.8
1974	739	4.0	140.9	2.4
1975	764	4.1	287.4	4.9
1976	1201	5.7	292.7	5.0

Source AWDC Economic Indicators July 1991 pages 13, 15.

5. 1. 4 Social and cultural changes

In 1944 Albury became the focus of national attention as Mr. Menzies formed the Liberal Party in Albury and in the same year having reached a population figure of 15 000, Albury was declared a city. Wodonga gained national attention in 1947 when the Bonegilla Migrant Centre¹⁶¹ was opened to receive migrants from war torn Europe.

¹⁶⁰ The changing economic conditions were created by the end of the Long Boom conditions in Australia, the reduction of tariff protection for the clothing footwear and textile industries and the withdrawal of funds from the Albury-Wodonga Growth Centre by the Fraser government all contributed to those changes. Furthermore the high relating unemployment rate in Albury-Wodonga was also due to the large number of new comers who had not yet found work.

¹⁶¹ Bonegilla Migrant Centre is part of what had been army barracks in Wodonga.

In 1953 when State taxes on trucks were abolished Albury and Wodonga became a base for road haulage. With the removal of State laws as impediments to door to door transport the New South Wales railway ran at a loss for the first time in 118 years¹⁶². The location of the towns on the transport corridor between Sydney and Melbourne in the heart of SE Australia was one of the reasons which supported the location of the Growth Centre. In 1961 the third Union Bridge was opened to road transport to replace the 1898 iron bridge. It took until 1976 before a four lane divided road was built on the Lincoln Causeway.

The Riverina Daylight Express linked Sydney and Albury in 1949 and by 1956 the journey was cut to 13 hours. In 1962 the standard rail gauge between Sydney and Melbourne was completed removing the need for a change of trains at Albury¹⁶³. In 1964 the airport was also reconstructed, encouraging air transport from Sydney and Melbourne.

To reduce pressure on the Albury Base Hospital opened in 1918, the Wodonga Hospital opened in 1954 followed by the Mercy Private Hospital in Albury in 1957. Facilities in the towns also expanded. Entertainment came with the opening of the Upper Murray library in 1950, the establishment of the Civic Theatre, access to TV in 1964 and the SS & A Club which established in Olive Street Albury in 1960¹⁶⁴. Shopping also improved when 'Target' opened in 1970.

Primary and secondary, government and private schools provided good opportunities for education. In 1972 the Albury Grammar School for boys merged with the Woodstock Girls' School to form The Scots School. In the same year the Riverina College of Advanced Education (later to become the Charles Sturt University) opened in Albury and four years later the Albury-Wodonga Continuing Education Centre opened.

In 1965 in an attempt to encourage dispersed decentralization the State governments of Victoria and New South Wales set up the Albury-Wodonga Complex Committee to promote border growth. Two years later the Victorian government proposed the establishment of a Wodonga-Albury Growth Centre which became a reality with the Whitlam Labor

¹⁶² Lee R. 2003.

¹⁶³ Victoria's rail gauge was five foot three inches while the NSW's rail gauge was four foot eight inches .to control trade within each State.

¹⁶⁴ The club had poker machines which were illegal in Victoria until 1992 so it drew residents across the border for entertainment.

government, as the Albury-Wodonga National Growth Centre. In 1972 the Whitlam government took office and together with the New South Wales and Victorian governments, established the first National Growth Centre in Albury-Wodonga. By 1974 the AWDC was established to plan and develop the Growth Centre and build two new towns Thurgoona and Baranduda. By 1976 the AWDC's housing scheme had begun in Springdale Heights & Willow Park.

5. 2 Restructuring the economy

The incoming Fraser Coalition Federal government did not follow the top down policies of decentralization and regional investment of the Federal Whitlam Labor government (Vipond 1989). The Federal government focused on investing in infrastructure to reduce the rising unemployment levels which had reached five percent by 1976 and peaked at eleven percent in 1983. The Fraser government focused on fiscal controls and failed to introduce economic reforms to counter the growing internationalization of the world economy.

By the mid 1980s de-industrialisation of the labour force was occurring. Other sectors grew faster than manufacturing in their contribution to GDP so there was a relative deindustrialization of the economy as the information economy began to rise.

Table 5.15

Unemployment in Australia 1971-1983.

Year	Unemployment rate as %
1971	1.7
1972	2.6
1973	1.8
1974	2.4
1975	4.9
1976	5.0
1977	6.0
1978	6.6
1979	6.1
1980	6.2
1981	5.9
1982	7.2
1983	11.0

Source AWDC Economic Indicators 1991.

Nevertheless by the mid 1970s ‘non-metropolitan areas were attracting increased shares of national population growth’ (Murphy 2001 p. 4) as people pursued better living conditions and a better quality of life. The metropolitan cities continued to grow because of natural increase and migration but net outflows from the large cities began to slow down their growth rates as people moved to smaller coastal towns setting up the trend of counter-urbanisation mainly in coastal towns in the 1980s.

The Fraser government cut funds to the AWDC reducing its ability to buy land for future development. The AWDC’s response to the lack of funds was to build houses which they sold for profit. The profit was used to finance the program to buy the land which would be required for future population growth¹⁶⁵. The AWDC housing estate at St Johns Hill was developed.

Despite the difficult economic times Albury-Wodonga continued to flourish. In 1977 natural gas became available to industry at Melbourne prices and the Clyde Cameron Training College¹⁶⁶ was built in Wodonga for the Australian Council of Trade Unions (ACTU).

In 1979 Centrepoint Arcade and Lavington Square shopping centre were opened. Two years later Myer Albury was opened, followed in 1983 with the opening of the West End Plaza¹⁶⁷ Albury and the Albury Sports Stadium. Culturally the Murray River Performing Group and the Flying Fruit Fly Circus were also inaugurated.

Employment opportunities flourished with the Australian Newsprint Mills opening in 1981 and the army Apprentice School¹⁶⁸ from Balcombe Victoria moving to Latchford Barracks Wodonga. As well a polypropylene packaging plant¹⁶⁹ opened in Wodonga.

At the national scale, the reduction of tariffs which began in the Whitlam era caused manufacturing jobs to decrease as industries were forced to become more competitive. The

¹⁶⁵ Interview with the first Chairman of the AWDC at his home in Baranduda 24/7/08.

¹⁶⁶ Today it is the Murray Valley Private hospital.

¹⁶⁷ The plaza includes K-Mart.

¹⁶⁸ Apprentice School opened in 1982.

¹⁶⁹ The plant produces polypropylene (plastic) film for food packaging, labeling, adhesive tapes and stand up pouches. In 2007 Taghleef Industries Bahrain bought 50% of the firm & in 2009 bought the remaining 50%.

Fraser government restored some tariff protection. Textile tariffs rose from 35% to 54%; clothing and footwear from 64% to 220%; motor vehicle manufacturing from 38% to 100% while other manufacturing tariffs fell from 23% to 15% (Woodward 2005 p.154-155). The Fraser government had not understood the need to curb unemployment and inflation. Its response had been reactive.

National unemployment continued to rise, passing ten percent in 1983 and adding to the inflation level while the national debt reached \$9.6 billion. All these factors led to the demise of the Fraser government. O'Neill and Fagan (2006 p. 6) suggested. 'With the benefit of hindsight it is clear that the ineffectiveness of government economic management during this period arose from the lack of awareness of the growing internationalization of the world economy'.

The Fraser government was replaced by the Hawke and Keating Labor governments (1983-1996) using the slogan 'Bring Australia together'. The economic rationalism of the Hawke Keating government has been described by O'Neill and Fagan (2006) as a 'roll-back or reform' of the broadly Keynesian patterns of government intervention during the Long Boom. The Hawke government sought to restore economic growth and reduce inflation and unemployment. Using the Prices and Income Accord supported by the ACTU, wages were kept in check, the social wage increased, central wage fixing was replaced with Enterprise Bargaining and the number of strikes reduced. The economy was restructured by floating the Australian dollar, removing controls on foreign exchange and foreign banking, and reducing tariffs to 5%, as well as phasing out the tariffs for textiles, clothing and footwear, and the car industry.

State capital cities became the focus of government attention as Sydney and Melbourne vied for position in the global market. New technology and the information economy were on the rise as businesses battled for global markets. Mergers and takeovers of firms created middle management unemployment while downsizing in old industrial sectors created blue collar unemployment. Federal and State governments continued to invest primarily in the capital cities both for electoral reasons and because of the concentration of newly growing sectors of the information economy. The Federal government saw this as internationalization but 'with hindsight this was a period of when the Australian economy began adjustment to what would become global restructuring (O'Neill, Fagan 2006).

Regional Australia was almost forgotten and as a result experienced shortages of facilities and amenities. The Hawke–Keating governments expected the regions to be self-reliant with a bottom up approach to development. The worsening divide between rural and urban areas would come to the fore in the mid 1990s as a political backlash.

5. 2.1 Population in Albury-Wodonga 1976-1991

It has been difficult to gather reliable statistics about the number of Indigenous people in Albury and Wodonga and the Albury-Wodonga Region as the Australian Bureau of Statistics (ABS) did not adopt a consistent approach when publishing information about Indigenous people until after 1991.

The 1991 ABS Indigenous population table indicates that 461 people or 1.1% of the total Albury population and 153 or 0.6% of the total population of Wodonga were Indigenous. About three times as many Indigenous people lived in Albury than Wodonga.

Table 5.16.

Indigenous population of Albury and Wodonga in 1991.

	Albury	Albury	Albury	Wodonga	Wodonga	Wodonga
	M	F	TOTAL	M	F	TOTAL
Aboriginal	194	208	402	59	57	119
Torres Strait Islander	22	37	59	17	20	37
Both	na	na	na	na	na	na
Total	216	245	461	76	77	153

Source 2001 Census of Population and Housing.

Between 1976 and 1981 the population of Albury-Wodonga continued to grow by 2.59% per annum, compared with the slower Australian growth rate of 1.34% per annum. Between 1981 and 1991 the population growth rate in Albury-Wodonga rapidly increased to 4.28% per annum with two thirds of the growth occurring in Wodonga. Although Albury remained the larger town, the rate of population growth in Wodonga was far in excess of that in Albury as seen in Table 5.17. Although Wodonga had more than doubled its population over the ten year period between 1971 and 1981, it remained smaller than Albury, having started with a

smaller base. To meet the need of the growing population in the twin towns the AWDC undertook to build new suburbs in Lavington and North Albury and the new town of Baranduda in Wodonga.

Between the census of 1976 and 1981, 15 583 people settled in Albury-Wodonga. Since only 1 211 people originated from overseas (AWDC Development Plan May 1978 p. 4) it suggests migration was being driven by net internal migration from within Australia.

Table 5.17

Population change in Albury and Wodonga 1976 to 1991

Year	Albury population	%growth p.a.	Wodonga population	%growth p.a.
1976	34 050		16 020	
1981	37 350	1.9	19 540	4.1
1986	39 190	1.6	23 160	4.0
1991	41 790	1.29	25 389	2.27

Source Street Ryan 1981-2001 Extract Table 2.1 page 3.

Table 5.18

Population change in other centres

S.D#.	1976	*%pa	1981	*%pa	1986	*%pa	1991
Ballarat	68 450	1.00	71 930	0.65	74 298	1.27	79 117
Bendigo	55 152	1.30	58 818	2.06	65 134	2.05	72 083
Wagga Wagga	34 351	6.65	47 399	1.31	50 576	1.40	54 225
Shepparton	31 160	2.17	34 695	2.07	38 437	0.87	40 129

Source ABS Australian Historical Population Statistics Extract Table 17.

S.D# Statistical District.

* %pa means Percentage of population growth per annum.

The population throughout the 1980s grew by 10%, with Wodonga growing at a faster rate than Albury (Urban Futures Research Program 1991 p. 183). Since 1976 over half of Albury-Wodonga's population growth came from Victoria and settled in Wodonga, where land was cheaper and in good supply (Urban Futures Research Program 1991 p.183). Considering that the average weekly male wage of \$168.2 in Albury-Wodonga exceeded the Australian average wage of \$165.8 most newcomers were not exposing themselves to any decline in

living standards especially since property prices in the region fell below those of the capital cities.

In the 1981 census Australia's population of 14 576 330 people was still predominantly Australian born. Nearly a quarter of the total population, about 3 003 834 people were migrants coming from the Commonwealth countries of New Zealand and the United Kingdom, while the remainder came from Europe, Asia and America. The population in the Albury-Wodonga region reflected a similar population makeup.

In 1981 76.4% of the Australian population was Christian and a further 1.4% followed Buddhist, Jewish and Muslim religions (ABS 1981 Census of Population & Housing). 1991 Australia's population had reached 16 850 334, of whom 75.5% were Australian born, 87.6% were citizens, 82.5% were English speakers and 73% affirmed that they were of the Christian religion. In Albury-Wodonga a similar pattern of society existed.

Table 5.19

1991 Age structure of the Albury-Wodonga and Australian population

	Albury- Wodonga	Albury- Wodonga	Australia	Australia
Age group	Number	Percentage	Number	Percentage
0-14 years	22 040	25.5	3 912 475	11.0
15-64 years	55 782	64.6	12 688 997	77.7
Over 65 years	8 542	9.8	2 370 878	11.3

Source ABS 2001 Census Population & Housing Australia.

2001 Census Population & Housing Albury-Wodonga.

By 1991 the age structure of the Albury-Wodonga's population still remained different to the national pattern with a larger proportion of the population in the less than 15 year age group than Australia (see Table 5.19). In Albury-Wodonga 25.51% of the population was less than 15 years of age, 9.89% were more than 65 years of age and the working population accounted for 64.60% of the population. In Australia by contrast 11% were less than 15 years of age, 11.3% were over 65 years of age and the working population accounted for 77.7% of the population. Wodonga had a younger population than Albury reflecting the greater proportion of new settlers (Urban Futures Research Program 1991 p.183).

5. 2. 2 The lead up to Restructuring - The Fraser era

By 1981 (Table 5.20) the proportion of employment in manufacturing in Albury-Wodonga was greater than for Australia which was not the case in other non-metropolitan centres, other than steel producing towns. In Albury-Wodonga two-thirds of the manufacturing workforce were engaged in metals, food and beverages, wood and wood products (which is a specialization). In Australia the major industries employing the largest number of people were metal manufacturing, electrical equipment and other non metal products which accounted for nearly two thirds of all manufacturing employment. As a result the manufacturing profile of Albury-Wodonga was roughly similar to the manufacturing profile of Australia.

Table 5.20

Sectoral employment in Manufacturing in Albury-Wodonga and Australia 1981/82

	<u>Albury-Wodonga 1981</u>		<u>Australia 1981/82</u>			
	<u>Establishment</u>	<u>Employment</u>	<u>Establish*</u>	<u>Employ#</u>		
	Number	%Total	Number	%Total	%Total	%Total
Food & Beverage	21	11.6	1 227	21.4	12.1	15.5
Textiles & Clothing	11	6.1	753	13.1	9.4	9.8
Wood, Wood Products, Printing	41	22.7	970	16.9	24.8	15.8
Non-Metal Products	16	8.8	238	4.1	9.5	9.2
Metal Processing/ Fabrication/Transport Equipment	44	24.5	1 780	30.1	22.5	29.8
Electric Equipment & Other	48	26.5	791	13.8	21.7	19.8
TOTAL	181		5 739			
Overseas Owned	17	9.1	2 925	51.0	na	na
Locally Owned	164	90.9	2 814	49.0	na	na

Source AWDC 1983 Planning Paper Number 9 page 28.

AWDC 1982 Planning Paper Number 6 page 24

In 1981 (See Table 5.21) three sectors of the economy had an LQ which was greater than 1, indicating greater significance in the Albury-Wodonga than in Australia. They included Manufacturing LQ 1.08, Wholesale /Retail LQ 1.08 and Recreation LQ 1.38. Public Administration & Defence¹⁷⁰ had an LQ of 2.09 which continued to reflect the impact of the large army base in Wodonga. The manufacturing LQ shows continued growth despite the dramatic national restructuring.

Table 5. 21

Industry sectors as percentages in Albury-Wodonga and Australia 1971-1981

	Albury-Wodonga		Australia			
	1971	1971	1981	1981	1971	1981
	Number	%	Number	AW %	%	%
Primary industry*	101	0.7	98	0.4	8.8	1.6
Manufacturing	2 544	17.6	5 739	22.4	23.2	20.7
Public Utilities	160	1.1	255	1.0	1.7	2.1
Construction	1 110	7.5	1 871	7.3	7.9	7.8
Wholesale/Retail	3 698	25.1	5 893	23.0	18.9	21.3
Transport	939	6.4	1 116	4.4	5.2	5.7
Communications	268	1.8	375	1.5	2.0	1.8
Business services	1 071	7.3	1 834	7.2	6.9	9.0
Public Administration & Defence	2 522	17.1	2 671	13.4	5.4	6.4
Community Services	1 226	8.3	3 435	13.4	10.8	17.0
Recreation	1 057	7.2	2 293	9.0	5.1	6.5
Private industry	67.3%	73.9%	73.9%	73.6%		
Public Industry	32.7%	26.1%	26.1%	26.4%		

Source Oke G. 1988 page 9 Extract Table 1.

* agriculture, forestry, fishing and mining.

Manufacturing growth in Australia's Long Boom had been characterized by foreign investment including TNC takeovers. These events also impacted on Albury-Wodonga's manufacturing sector with TNCs producing for the domestic market. By 1983, 65 manufacturing firms were identified as being overseas owned or controlled, 70% of employment was in USA owned firms, 13% in UK owned firms while the rest was with firms

¹⁷⁰ Represents a large army base in Wodonga.

owned in Japan, West Germany Singapore, Hong Kong, Canada, France and Sweden (Oke 1983). This contrasts with Table 5.22.

Table 5.22

Employment in international firms in Albury-Wodonga 1980

<u>Number Employed</u>	<u>Proportion</u>	<u>Location of Head Offices</u>
2303	83%	USA
461	17%	UK, France, New Zealand, Canada, Hong Kong, West Germany.
Total 2764	100%	

Source Oke G. 1981 page 21.

By 1981 8 852 people were employed in 39 large firms of more than 100 people each (Table 5.23). An AWDC report drew attention to the fact that the loss of even one such firm would impact significantly of growth and employment in the twin towns.

Table 5.23

Size of firms in Albury-Wodonga 1981

<u>Size of firm</u>	<u>Number of Firm</u>	<u>Employees</u>	<u>% Share of Employees</u>
1-3	1 039	1 997	7.8
4-9	728	4 106	16.1
10-19	242	3 218	12.6
20-49	141	4 103	16.0
50-99	48	3 304	12.9
100-299	32	5 206	20.3
300:+	7	3 646	14.3

Source Oke G. 1981.

Private employment in Albury-Wodonga (Table 5.24) had shown positive growth in all years except 1975 and 1982. Australia experienced a decline in growth during the recessions of the 1970s and remained stagnant throughout the 1980s on account of the OPEC oil shocks of 1974 and the recession of 1982, which all led to the demise of the Fraser government in 1983. Private sector employment growth rates in Albury-Wodonga were much higher than in Australia for all years except 1975 and 1983. This suggests continued private investment in Albury-Wodonga throughout this period accompanied by net economic growth. The AWDC

Industrial and Commercial Register confirms this stating that investment had ‘grown from \$30.2 m in 1973-74 to \$131m in 1983/84 and that average per capita investment over the period was estimated to be 35.2% higher than the Australian average’ (AWDC Industrial and Commercial Register 1989 p. 6). Albury-Wodonga’s private sector growth continued somewhat erratically until 1982. Thereafter it began to reflect national job shedding trends.

Table 5.24

Private Employment trends Albury-Wodonga and Australia 1971 to 1983.

<u>Albury-Wodonga</u>			<u>Australia</u>	
Year	Total	% Change	Total ‘000	% Change
1971	9 921		4 314.0	1.1
1972	10 732	8.2	4 362.0	3.1
1973	11 540	7.5	4 497.0	0.1
1974	12 803	10.9	4 510.5	-2.2
1975	12 800	0.0	4 409.6	1.3
1976	14078	10.0	4 465.9	1.3
1977	15 003	6.6	4 525.6	-1.2
1978	15 290	1.90	4 524.7	1.2
1979	16 486	8.9	4 710.1	4.1
1980	18 574	11.6	4 744.8	2.1
1981	19 598	5.5	4 809.7	-0.4
1982	19 270	-1.7	4 789.3	-3.8
1983	19 515	1.3	4 605.1	3.8

Source AWDC Industrial and Commercial Register 1989.

At first glance Table 5.25 seems to indicate private investment in Albury-Wodonga was greater in construction of housing and other construction, than in plant and equipment. However when one takes into account the ‘special purchases’ with regard to plant equipment, then the plant and equipment category had the largest investment particularly from 1979 to 1983 and construction investment took second place.

Table 5.25**Private investment trends in Albury-Wodonga and Australia 1973-1983.**

Albury-Wodonga						Australia	
<u>Year</u>	<u>\$m*</u>	<u>\$m#</u>	<u>\$mplant</u>	<u>\$m Total</u>	<u>\$/capita</u>	<u>\$mTotal</u>	<u>\$/capita</u>
<u>1973/74</u>	<u>13.1</u>	<u>8.2</u>	<u>8.9</u>	<u>30.2</u>	<u>658</u>	<u>7 114</u>	<u>523</u>
<u>1974/75</u>	<u>9.6</u>	<u>9.7</u>	<u>18.7</u>	<u>38.0</u>	<u>800</u>	<u>7 829</u>	<u>556</u>
<u>1975/76</u>	<u>11.5</u>	<u>11.9</u>	<u>11.6</u>	<u>35.0</u>	<u>713</u>	<u>9 677</u>	<u>693</u>
<u>1976/77</u>	<u>15.2</u>	<u>12.5</u>	<u>21.0</u>	<u>48.0</u>	<u>961</u>	<u>11 370</u>	<u>806</u>
<u>1977/78</u>	<u>13.3</u>	<u>25.6</u>	<u>29.0</u>	<u>67.0</u>	<u>1 301</u>	<u>11897</u>	<u>833</u>
<u>1978/79</u>	<u>15.1</u>	<u>27.9</u>	<u>37.8</u>	<u>80.8</u>	<u>1 506</u>	<u>13 914</u>	<u>964</u>
<u>1979/80</u>	<u>16.3</u>	<u>47.2</u>	<u>31.5</u>	<u>95.0</u>	<u>1 728</u>	<u>17 200</u>	<u>1 178</u>
<u>1980/81</u>	<u>24.4</u>	<u>38.7</u>	<u>38.0</u>	<u>101.1</u>	<u>1 798</u>	<u>21 696</u>	<u>1 465</u>
<u>1981/82</u>	<u>24.6</u>	<u>22.7</u>	<u>55.0</u>	<u>102.3</u>	<u>1 779</u>	<u>25 942</u>	<u>1 724</u>
<u>1982/83</u>	<u>20.4</u>	<u>21.3</u>	<u>56.0</u>	<u>97.7</u>	<u>1 657</u>	<u>23 083</u>	<u>1 511</u>

Source AWDC Industrial and Commercial Register 1985 extract page 7.

AWDC Economic Indicators 1992 extract page 3.

*dwellings.

#construction

plant equipment ,vehicles.

Excludes special equipment purchases of \$41.0m in 1979/80; \$54m in 1980/81 and \$18.0m in 1982/83.

Between 1976 and 1985 over 4% of employment growth occurred per year. Private per capita investment in Albury-Wodonga was higher than in Australia and was the major source of growth in the two towns. In the Private Sector, Community Services, Retailing and Recreation grew strongly during this period (Table 5.26). Manufacturing grew until 1981 when like national manufacturing it was forced to restructure. It began to show recovery by 1984 and 1985 in the first years of the Hawke-Keating Government. In the Government Sector employment growth was slower as the sector consisted of a variety of industries. Community services increased sharply and the establishment in 1983 of the Army Apprentices School in Wodonga bolstered growth in Public Administration & Defence. By contrast Transport and

Communications reduced employment and Utilities and Public Administration grew slowly (AWDC Planning Paper no. 10 p. 13).

Table 5.26

Employment Albury-Wodonga 1976-1985.

	1976 Number	1976 % share	1985 Number	1985 % share
Rural	113	0.6	183	0.6
Manufacturing	4 523	22.7	6 068	21.1
Utilities	217	1.1	262	0.9
Construction	1 160	5.8	1 611	5.6
Wholesale	1 170	5.9	1 529	5.3
Retail	3 245	16.3	5 087	17.7
Transport	980	4.9	1 157	4.0
Communication	302	1.5	351	1.2
Business Services	1 428	7.2	2 073	7.2
Public Admin& Defence	2 686	13.5	3 412	11.9
Community Services	2 462	12.4	4 286	14.9
Recreation	1 630	8.2	2 743	9.6
TOTAL	19 916	100	28 762	100

Source AWDC Planning Paper Number 10 extract Table 2.

Above average growth between 1976 and 1985 occurred in Manufacturing, Construction, Wholesale, Retail, Business Services, Public Administration, Community Services and Recreation accounting for 56% of Albury-Wodonga's employment (AWDC Planning Paper Number 10 page 14). In 1985 Wodonga had a higher proportional share of employment in Manufacturing and Public Administration & Defence compares to Albury which had more people employed in services. Albury had more employment than Wodonga in all sectors except Public Administration & Defence (AWDC Planning Paper no 10).

Table 5.27

Employment in Albury and Wodonga 1985

Sector	Albury number	Albury %	Wodonga number	Wodonga %
Private	14 025	79.4	6 821	61.5
Government	3 639	20.6	4 277	38.5
TOTAL	17 644	100	11 098	100

Source AWDC Employment Census 1985.

Private sector employment was greater in Albury than Wodonga however because of the large Public Administration and Defence employment sector in Wodonga, Government employment was greater in Wodonga (Table 5.27).

In the introduction to the AWDC Industrial and Commercial Register 1988, Gordon Craig¹⁷¹ stated the growth of Albury-Wodonga had been rapid and

‘It was underpinned by a fast growing, well balanced industry structure with a 4.8% p.a. growth in employment since the start-up of the Growth Centre (in 1973) and private investment at levels significantly in excess of national per capita outlays’.

In fact between 1971 and 1986 employment in manufacturing in Albury-Wodonga had increased 5.1% p.a. while manufacturing in Australia had declined 1.6% over the same period. The percentage private sector employment over the same period had been on average 4.2% higher than that of Australia (AWDC Industrial and Commercial Register 1988 page 5, 6). Between 1976 and 1991 the labour force grew by 57.5percent (Urban Futures Research program 1991 p. 184). ‘Wodonga ‘s labour force doubled between 1976 and 1991 and accounted for just over half of the total labour force growth for the twin cities’ (Urban Futures Research program 1991 p. 184).

Table 5. 28

Private sector employment trends Albury-Wodonga 1983-1990

<u>Albury-Wodonga</u>		<u>Australia1 1983-1990.</u>		
Year	Total number	%change	Total No ‘000s	%change
1983	19 384	1.8	4 605.1	
1984	20 135	3.9	4 775.5	3.7
1985	21 166	5.1	4 967.7	4.02
1986	21 713	2.6	5 138.8	3.44
1987	22 905	5.5	5 328.5	3.69
1988	24 354	6.3	5 614.9	5.476
1989	25 131	3.2	5 999.9	6.86
1990	24 539	-2.4	6 081.2	1.36

Source AWDC Economic Indicators 1991extract pages 13, 15.

¹⁷¹ Gordon Craig First Chairman of the AWDC.

Investments in Albury-Wodonga (Table 5.29) declined sharply after 1989 when the Hawke Government and the States declared that the AWDC would end its role in Albury-Wodonga and begin to wind down. On a per capita basis over the period 1973/74 to 1988/89 Albury-Wodonga averaged a private investment sum of \$1 800 per annum compared with \$1 570 per annum for Australia which indicates that the Growth centre had strong support from business and entrepreneurs from its inception until the AWDC was stood down. As well the recession of 1989-93 was already having an effect on investments in Australia.

Table 5.29

Private investment in Albury-Wodonga and Australia 1983/84-1990/91.

Year	Albury-Wodonga				Australia		
	Dwelling	Construct	Plant	Total	Investment	Total	Investment
	\$m	\$m	\$m	\$m	\$per capita	\$m	\$per capita
1983/84	24.3	27.3	61.0	112.6	1 843	25 539	1 652
1984/85	35.2	38.7	57.1	131.0	2 134	29 725	1 896
1985/86	27.0	29.8	66.0	122.8	2 142	32 983	2 074
1986/87	32.2	39.7	89.1	161.0	2 560	36 739	2 276
1987/88	40.4	43.1	85.2	168.7	2 649	42 453	2 589
1988/89	64.0	49.0	107.0	220.0	3 423	56 346	3 378
1989/90	55.7	42.0	67.0	164.0	2 396	59 107	3 486
1990/91	57.0	32.0	50.0	134.2	1 910	50 533	2 936

Source AWDC Industrial and Commercial Register 1989 extract page 7.

Construct =other construction.

Plant = plant, equipment & vehicles.

NOTE Plant equipment and vehicles excludes 'special equipment purchases' of \$41.0m in 1979/80 & 1980/81 and \$18m in 1981/82.

Extensive revaluation during 1986 by the ABA of plant /equipment/vehicle components has resulted in substantial increases in total investment over these years. Both series exclude investment in the mining industry and real estate transfer expenses.

Much of the construction investment in the early years was to build new factories, shops and offices. In later years between 1987 and 1991 the reverse seemed to be the case. Having created more productive capacity additional workers required homes to be built. Non-residential building was assisted by low AWDC land rents on industrial estates.

By the mid-1980s seven large manufacturing firms were established in Wodonga employing more than 100 people in each factory. Similarly in Albury eight manufacturing firms employed more than 100 people in each firm. Albury had 37 firms which employed less than 100 people in each firm and Wodonga had 21 firms which employed less than 100 people in each firm. From this account it seems that Albury had a stronger manufacturing base than Wodonga. Albury had 45 manufacturing firms while Wodonga had 28 manufacturing firms yet a decade earlier Shrapnel and Co. described Wodonga as the manufacturing town and Albury as the service centre (Shrapnel 1976 p.18).

In 1988 the AWDC held the same point of view about the towns (Oke 1988 p. 16). Perhaps this could be explained by the fact that the retail, wholesale accommodation, health and education sectors in Albury were all relatively more important than they were in Wodonga. Albury has the bigger economy of the two towns. A list of firms that were established in Albury-Wodonga in 1988 is included in the Appendix 2. As well in 1988 in Wodonga close to half the workforce was employed in Manufacturing and Public Administration and Defence, while in Albury more employment occurred in all other sectors. (AWDC Planning Paper no 14 p.16). During 1980s private investment in Albury-Wodonga continued to grow and most of the investment targeted plant equipment and vehicles (Table 5.29).

In 1982 the AWDC completed a survey to determine the residential pattern of workers in the Growth Centre. Of the 18 383 employees in the Private Sector 61.3% (11 263) lived in Albury, 28.5% (5 235) lived in Wodonga and 10.2% (1 885) lived elsewhere. Of the 6 941 workers in the Government Sector 49.9% (3 466) lived in Albury, 38.2% (2 653) lived in Wodonga and 11.9% (822) lived elsewhere. Thus of the total workforce of 25 324 people 58.2% (14 729) lived in Albury, 31.1% (7 888) lived in Wodonga and 10.7% (2 707) lived elsewhere (AWDC Planning Paper no 9 p. 23).

The large number of men employed by the Defence Force in Wodonga affected the pattern of residence of employees between Albury and Wodonga. It is estimated that in 1985 60% of Albury-Wodonga's workforce lived in Albury, 30% lived in Wodonga and 10% lived outside the two towns. (AWDC Planning Paper no10 page 20). In 1988 the AWDC conducted a similar survey to determine the residence of employees working in Albury-Wodonga. 53% of the Growth Centre's workforce resided in Albury, 31% in Wodonga and 15% outside these twin cities. (AWDC Planning Paper no 14 p.15).

Table 5 30**Trends in Labour Force Status 1977/78 and 1990.**

<u>Albury-Wodonga</u>			<u>Australia ('000)</u>			
1977/78	Males	Females	Total	Males	Females	Total
Full-time	13 095	5 643	18 738	3 650.9	1 415.8	5 066.7
Part-time	784	1 628	2 412	203.8	736.1	939.6
TOTAL	13 879	7 271	21 150	3 854.7	2 151.9	6 006.6
1990						
Full-time	17 125	8 527	25 652	4 201	1 947	6 147.7
Part-time	2 438	5 670	8 108	376	1 327	1 702.3
TOTAL	19 563	14 197	33 760	4 576.5	3 273.4	7 850 0

As Percentage Share Albury-Wodonga Australia (000)

1977/78	Male%	Female%	Total%	Male%	Female%	Total%
Full-time	61.9	26.7	88.6	60.8	23.6	84.4
Part-time	3.7	7.7	11.4	3.4	12.3	15.6
TOTAL	65.6	34.4	100	64.2	35.8	100
1990						
Full-time	50.7	25.3	76.0	53.5	24.8	78.3
Part-time	7.2	16.8	24.0.	4.8	16.9	21.7
TOTAL	57.9	42.1	100	58.3	41.7	100

Source AWDC Economic Indicator 1991 page 17.

Note 1977 earliest year available for Albury-Wodonga

1978 earliest comparable year for Australia.

In 1977/78 Australia's economy was just moving out of full employment. In Albury-Wodonga of the 13 879 males employed, 61.9% of males held full-time positions and 3.7% were in part-time employment (Table 5.30). Of the 7 271 females employed, 26.7% were in full-time employment while 7.7% held part-time jobs. In Australia the pattern of the male workforce was similar to Albury-Wodonga. Of the 3 854 700 males, 60.8% were employed full-time and 3.4% were employed part-time. The pattern for females differed between Albury-Wodonga and Australia. In Australia the proportion of females in part-time employment was greater. 23.6% of females worked full-time while 12.3% worked part-time.

By 1990 the pattern showed change as most of the restructuring of the economy by the Hawke Keating government had been completed. Of the 19 563 males working in Albury-Wodonga 50.7% were in full-time employment and 7.2% were employed part-time. Between 1977/78 and 1990 the absolute number employed full-time in Albury-Wodonga had not declined however the proportion showed a fall of 11.2% of males in full-time employment and an almost doubling of the proportion and tripling of the number of males in part-time employment. The pattern of female employment had also shown change with an increase in the proportion and number of women working part-time.

The pattern for Australia also changed between 1977/78 and 1990. The proportion of males working full-time had decreased by 7.3% while the absolute numbers increased. The proportion of males in Australia in part-time employment had increased by 1.4%, a smaller margin than in Albury-Wodonga. The pattern of female employment over the same period indicates a rise in the proportion and number of females in part time employment from 12.3% to 16.0%. These were the conditions which materialized as the Hawke Keating government introduced neo-liberal style reforms in response to rolling economic crises, stagnation and deindustrialization. O'Neill and Fagan refer to this as the 'roll-back' phase of neoliberalism. Unemployment remained high throughout the 1990s. At the same time 'Regional income differentials widened as replacement non-metropolitan investments failed to emerge' (O'Neill, Fagan 2006).

By 1991 the five leading employment sectors in Albury-Wodonga (Table 5.31) remained Retailing (14.36%), Manufacturing (14.09%), Government Administration & Defence (11.95%), Health and Community Services and Construction (5.49%). Yet the overall importance of Manufacturing Construction Retailing and Government Administration & Defence had fallen. As for Australia, the leading five 1991 sectors were Retailing (15.5%), Manufacturing (12.9%), Health & Community Services (8.3%), Education (6.6%) and Wholesaling (5.9%). Business Services had not been taken in to account since the ABS had subsequently divided the category into two. An interesting feature was that whereas the primary sector's importance (mainly farming) rose in Albury-Wodonga, it fell in Australia where the rural sector was generally receding. In the Albury-Wodonga Region the rural sector provided the raw materials for the food & beverage industry, and wood for paper production and wood products in Albury and Wodonga.

From Table 5.31 we can see that the percentage of employment in Manufacturing in Albury-Wodonga is ahead of that in Australia. For the first part of the restructuring period manufacturing continued to show some growth against national job shedding trends. In Albury-Wodonga Manufacturing ceased to grow after 1987 during the Hawke government decade and began to shed labour (in a net sense) by 1991. However because of Albury-Wodonga's locational advantages, including the availability of AWDC land, a skilled workforce, access to markets overnight, and lifestyle, overall de-industrialisation of the labour force in Albury-Wodonga (Table 5.32) was slower than for Australia as a whole. By the early 1990s Albury-Wodonga edged ahead of the falling national share because its industrial decline had been slower than the national pace of de-industrialisation.

Table 5.31

Employment in Albury-Wodonga and Australia 1991 as percentages

Sector	Albury-Wodonga %	Australia %
Agriculture, Forestry & Fishing	4.21	4.52
Mining	0.10	1.22
Manufacturing	14.09	12.76
Electricity, Gas & Water	0.49	1.29
Construction	5.49	5.94
Wholesale	5.36	5.95
Retail	14.36	13.23
Accommodation, Cafes, & Restaurants	4.97	3.73
Transport & Storage	3.26	3.73
Communication	1.01	4.53
Finance & Insurance	2.75	1.65
Property & Business Services	2.75	4.43
Government Administration & Defence	11.59	5.67
Education	6.69	6.66
Health & Community Services	9.23	8.39
Cultural & Recreational Services	1.02	1.78
Personal & Other Services	2.80	3.31
Not classified	0.26	0.37
Not stated	6.41	6.97
TOTAL number of people employed	36 389	7 086 175

Source 1996 Census of Population & Housing Time Series

In 1991 four sectors had an LQ¹⁷² which was greater than one indicating a higher relative importance in Albury-Wodonga than Australia. This included Manufacturing LQ 1.17, Accommodation Cafes & Restaurants LQ 1.09, Finance and Insurance LQ 1.66 and Health and Community Services LQ 1.1. As in the past, Government Administration and Defence had a higher LQ of 2.04 once again highlighting the greater significance of the army base in Wodonga.

Table 5.32

Employment in manufacturing 1983 to 1991.

Year	Number employed	% Share
1983	5 634	29.1
1985	6 067	29.1
1987	7 022	22.3
1990	7 015	20.8
1991	5 127	14.9

Source AWDC Economic Indicators 1991 page 12.

AWDC Planning Paper no.10 pages 12, 13.

AWDC Economic Indicators 1988 page 10.

Finance and Business Services in Australia appear to lag behind the Albury-Wodonga sector, as they are heavily clustered in the capital cities and ended up driving the Howard government boom along with the Minerals sector.

In 1991 in Albury-Wodonga (Table 5.31) the sector employing the largest number of people was the Retail sector which employed 5 225 people (1996 Census Albury-Wodonga). The Retail trade had grown to supply the two towns and the region with most of the comparison goods and necessity goods which they required. Albury and Wodonga had also become the major service centre of the region. By 1991 Retailing in Australia was also the largest sector of employment reflecting at least 15 years of de-industrialisation of the labour force.

Manufacturing which ranked second in Albury-Wodonga in 1991 employed 5 127 people in the workforce. In Australia Manufacturing also ranked as the second largest employer.

¹⁷² LQ Location Quotient which indicates a particular sector is of greater significance to the twin towns compared to its significance in Australia.

In 1991 the pattern of employment in Australia and Albury-Wodonga remained similar. Retailing ranked first and Manufacturing was ranked second in both cases. The third ranked industry employer in Albury-Wodonga was Government Administration & Defence. The army base which remained in Wodonga and the presence of the Australian Tax Office (employing 600 people) once again left their imprint on the Albury-Wodonga economy. Government Administration & Defence was not prominent in the Australian scene. It appears that the Manufacturing sector in Albury-Wodonga ceased to grow during the Hawke government restructuring and had probably started to shed labour in a net sense by 1991. Nevertheless in 1992 80 percent of the jobs in manufacturing were related to national markets and exports (Urban Futures Research Program 1991 p. 185; see Appendix 2 for list of firms).

By 1991 employment growth in the twin towns had been increased because of duplication of functions in government, tertiary education, health services, recreation and financial sectors. 74 percent of recreation¹⁷³, personal and other service industries were in Albury (Urban Futures Research Program 1991 p.186) making it the major service centre of the twin towns.

In 1992 the Keating government introduced a compulsory superannuation scheme to encourage the general population which was an aging population, to save for retirement. Savings in these funds have become a major source of corporate funding which has had an impact on the regions. In some regions corporations closed profitable ventures because they sought more lucrative rates of return for investors elsewhere. In 1999 in a submission to Federal parliament by Albury-Wodonga Area Consultative Committee (AWACC) stated that there is a net outflow of superannuation funds from the region which anecdotally amounted to 'as high as \$80m a year, let alone repatriation of profits' (AWACC Submission 1999 p. 8).

5. 2. 3 Unemployment

The impacts of the restructuring crises throughout the Australian economy have been conventionally indicated by trends in unemployment. After a period of full employment (2%) after the Second World War, unemployment rates rose in 1974 (2.4%). From 1971 to 1979 unemployment rates were higher in Albury-Wodonga than in Australia including the largest cities. In part this was because the development of the Albury-Wodonga Growth Centre had drawn additional people to the area in search of work.

¹⁷³ Victoria had restrictive gaming laws until 1992 encouraging people from Wodonga to visit clubs in Albury to play on poker machines.

The Fraser government attempted to control inflation rather than reduce unemployment. It reduced spending but failed to introduce economic reform. To add to its woes it was faced with a recession in the mid-1970s and again in the early 1980s and unemployment did not fall back after the recessions. In 1983 unemployment peaked at 11% (Table 5.33). The low levels of unemployment (2%) seen in the Long Boom were not to be seen again. Unemployment became an election issue and with unemployment peaking at 11% in 1983 the Fraser government fell.

After 1983 the Hawke-Keating government attempted to restructure the Australian economy. It was committed to reducing unemployment through the Accord with the Trade Unions and reduced inflation with wage restraints. It aimed to 'produce a redistribution of factor income in favour of capital, labour's share of the nation's domestic income falling from 60% in 1983 to 53% in 1989' (O'Neill, Fagan 2006 p. 6). The breaking of a severe drought in Australia and the revival of the global economy together with initiatives by the government to restructure economic sectors, remove trade protection and liberalize financial markets helped to reduce unemployment to 6% by 1989 and increased employment between 1983 and 1989 by 1.45 million people (Woodward 2005 p.143).

By 1996 the economy of Australia had been through 15-16 years of economic restructuring accompanied by an economic rationalist economic reform. Nationally the unemployment level had peaked in 1983 at 11% p.a., before falling gradually to reach the Long Boom rate in 1989 before taking off again in 1991 to an even higher rate of 11.6% during the Keating government's 'recession we had to have.' Yet despite this high level of unemployment the Keating government was returned to office. The economy revived slightly and unemployment began to fall to 8% by 1993 before unemployment peaked once again in 1996 resulting in the demise of the Labor governments.

Table 5. 33**Unemployment in Albury-Wodonga and Australia.1975-1991**

Albury-Wodonga			Australia	
Year	Number	% unemployed	Number '000	% unemployed
1975	764	4.1	287.4	4.9
1976	1 201	5.7	292.7	5.0
1977	1 623	7.1	159.3	6.0
1978	1 569	6.7	395.7	6.6
1979	1 655	6.7	363.8	6.1
1980	1 767	6.5	392.3	6.2
1981	na	Na	377.1	5.9
1982	na	Na	458.5	7.2
1983	2 907	9.6	686.8	11.0
1984	2 657	8.6	604.6	9.4
1985	2 569	8.1	571.2	8.5
1986	2 906	8.9	595.6	8.6
1987	2 700	7.8	601.9	8.5
1988	na	Na	538.7	7.3
1989	na	Na	469.4	6.1
1990	na	Na	587.4	7.5
1991		11.12	932.8	11.6

Source AWDC Economic Indicators 1991 page 13, 15.

In Albury-Wodonga the level of unemployment during the Fraser government was higher than that of Australia. As in the past, this was probably caused by the large influx of people still seeking jobs. During the Labor Hawke-Keating governments unemployment in Albury-Wodonga continued to fall and remained slightly lower than the Australian rate except for 1986 when unemployment in Albury-Wodonga was higher than in Australia.

As industry and population grew, the twin towns transformed (Table 5.35) as new facilities akin to larger cities were added. Table 5.34 indicates the diverse manufacturing base of Albury-Wodonga.

Table 5.34**Industries established in Albury-Wodonga 1981 to 1991.**

Industry	Town	Date established
Wilson Transformer	Wodonga	1981
Australian Newsprint	Albury	1981
Shorko	Wodonga	1982
Kimberley Clarke	Albury	1986
Geofabrics	Albury	1986
Tax Office	Albury	1986
Gateway tourism project		1986
Ettamogah Pub	Albury	1987
Bandiana Logistics Group	Wodonga	1989
Defence Housing starts	Wodonga	1989
AWDC & Albury Council build Norris Park industrial estate	Albury	1990
ACI Pacific Recycling	Wodonga	1991

Source Albury-Wodonga Economic Indicators 2002 Historical Timeline.

5. 2. 4 Social and Cultural changes in Albury-Wodonga 1976-1991

The border rivalry between the States which originated in Colonial times continued between the State governments, and as a result Albury-Wodonga acquired Charles Sturt University in Albury in 1989 and La Trobe University in Wodonga in 1991. Albury-Wodonga acquired a relatively far more generous number of places in universities and TAFEs than was available in most large cities.

From 1981 to 1991 a steady stream of new companies established in Albury-Wodonga creating more job opportunities in the diverse manufacturing sector as indicated in Table 5.34.

Table 5.35**Facilities in Albury-Wodonga in the 1980s.**

Facilities	Town	Date established
Myer Department store	Albury	1981
Albury Regional Art Gallery	Albury	1981
New Airport Tower	Albury	1983
Albury Sports Stadium	Albury	1983
West End Plaza	Albury	1983
New Courthouse	Albury	1987
AWDC hands back power	Albury and Wodonga	1989

Source Albury-Wodonga Economic Indicators 2002 Historical Timeline.

5.3 The Return to Prosperity

The Howard Coalition government platform extended the neo-liberal reforms first begun under the Hawke–Keating government. The Howard government moved into more difficult, politically fraught areas of labour market deregulation and further welfare cutbacks. O'Neill and Fagan (2006) describe this as a 'roll-out' phase building on the 'roll-back' reforms of Hawke-Keating government. The path of further neoliberal reform was held back however, by a hostile Senate until July 2005 and by Labour State governments. Nevertheless four significant changes were introduced from 1996. First the Coalition introduced greater fiscal conservatism to reduce the large debt which had accumulated under the Hawke-Keating government. Despite the significant cut-backs to social programs required, the Howard government was able to ensure 'seven of the last eight budgets being in surplus' (O'Neill, Fagan 2006 p. 207). Second it further constrained the centralized system of wage fixing in Australia and further discouraged collective bargaining even at the Enterprise level. Third it encouraged marginalized people to return to paid work, including 'work for the dole' schemes rather than being dependent on State welfare assistance. This was part of a broader move to the ideology of 'Mutual obligation' for citizens to have responsibilities as well as rights and involved further reducing growth rates of State expenditures by shifting significant service provision to the not-for-profit or volunteer sector. Finally it withdrew some State programs which directly encouraged economic activity, placing initiatives squarely on the shoulders of people or firms and their competitive performance in the market. Employment services which had been run by government were privatized and marketed by not-for-profit organizations which were paid a fee for service.

Although people believed the Howard government to be primarily deregulatory, it nevertheless significantly recentralized the economy ‘to create the social and regulatory environments for prosperity to flow in the desired directions and to discipline groups marginalized by the new arrangements’ (O’Neill, Fagan 2006 p. 207). This is exemplified by the Howard government attempting to take labour market regulatory powers away from State governments in order to ‘deregulate’ them. All States apart from Victoria refused to cooperate. The Howard government used the Federal government’s constitutional power to legislate for controlling or regulating corporations.

In 1996 the Howard government introduced the Workplace Relations Act which permitted centralized government agreement over ‘basic things like normal hours of work, rates of pay, leave provision, loadings for overtime and redundancy payments’ (O’Neill, Fagan 2006 p. 214). This could not be activated until 2005 because of a hostile Senate, after which it added significantly to the defeat of the Howard government in 2008. The 1996 Australian Workplace Agreement (AWA) replaced Enterprise Bargaining and it or management, would determine all other conditions of employment. The law also controlled conditions for strikes and secondary strike action. The Howard government argued that these reforms were an attempt to reduce unemployment through making the labour market more flexible, permitting workers to price themselves into jobs.

In 1999 the Federal government pushed further for a “unified national workplace relations system’ to permit ‘workers in key sectors to transfer from (restructured) Federal awards to (unstructured) State wards’ (O’Neill, Fagan 2006 p.215). To organise this change the Federal government suggested that the States ‘confer their powers of industrial relations to the Commonwealth’. Only the Liberal State of Victoria obliged. At the tail end of the 1990s the world economy became stressed by the Asian Financial crisis. As well in 1999 Australian exports were negatively affected by Russia defaulting on debts and Japan’s recession. In the aftermath of 9/11 in 2001 the Australian economy was also affected by setbacks in the commercial activity in the USA. Nevertheless, Australia was able to weather these storms due to the strong demand for raw materials and natural gas.

In 2000 a new tax system introduced the largest personal income tax cuts in Australia’s history and adjusted tax thresholds for individual taxes (Commonwealth Budget Statement

2000-01). A Goods and Services Tax (GST) reduced individual income tax while raising a tax of 10% on goods and services bought (Commonwealth Budget Statement 2000-01). Tax raised by the GST was distributed to the States and Territory. In an attempt to avoid paying the GST Australians hastened to complete residential building in the first half of 2000 which caused a surge in employment and growth in the construction industry in the first half of that year. The building industry was also aided by the fact that in 1999 the capital gains tax on assets held for more than a year was halved. That encouraged investment in residential housing as did the inflow of readily accessible funds from the global economy and a need to provide accommodation for newly arrive immigrants. By 2000 the Federal government and the States delivered the Home Owners Grant to encourage first home buyers, particularly those in the lower income groups, on to the market and off set the GST.

In 2005 when union membership was 25% of the national workforce and Australia had experienced an ‘unprecedented period of continuous growth and prosperity’ (O’Neill, Fagan 2006), the Federal government passed the Work Choices Act which impacted heavily on Australian society. It was strongly supported by business and corporate employers who opposed leave entitlements and penalty rates for overtime and holidays, and opposed by the unions, welfare organizations and church leaders who feared the loss of safety nets for lower paid, lower skilled workers. Safety nets were replaced by a basic minimum adult wage, four weeks annual leave of which two could be traded for cash payments, a 38 hour working week averaged over a year, up to ten days sick leave each year and up to one year of unpaid parental leave’ (O’Neill, Fagan 2006 p. 216). The roles of the unions and the Australian Industrial Relations Commission were diminished. As a result the Federal government obtained greater labour market flexibility, re-regulation and greater central control.

The Howard government’s intervention in trade would also impact on Australian society. By 2001 the Federal government had also achieved the ‘lowest overall barriers to trade and investment among OECD countries’ (O’Neill, Fagan 2006 p. 211). Australian trade reforms appeared to be linked to its political and strategic interests internationally. Australia and the USA signed a free trade agreement (AUSFTA) despite dairy products, sugar, meat and grains being threatened. The National Party which was under pressure from sugar and beef producers, criticized the arrangements and were later to experience their wrath with the formation of the One Nation Party. As a response to the One Nation Party the Howard

government briefly permitted regional issues to be raised and discussed however little was offered to reduce the uneven development which had persisted since the Hawke-Keating era.

5.3.1 Population of Albury-Wodonga 1996-2006.

The proportion of Indigenous people in Albury-Wodonga (Table 5.36) remained a small component of the Albury-Wodonga population, amounting to 1.1% of the total population in 1996 and growing to 1.3% in 2001 and 1.6% in 2006. From 1996 to 2006 the Indigenous population of Albury-Wodonga grew from 1 004 people to 1 565 people, an increase of 55.9% over 15 years.

Table 5.36

Indigenous population Albury-Wodonga 1996, 2001, 2006

	1996			2001			2006		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Aboriginal	437	484	921	561	551	1112	716	744	1460
Torres Str.	31	34	65	31	25	56	41	30	71
Both	10	8	18	13	9	22	21	13	34
TOTAL	478	526	1004	605	585	1190	778	787	1565

Source ABS 2006 Census Population and Housing Time Series Albury-Wodonga

In 1996 Albury (Table 5.37) with 693 Indigenous people had almost three times as many Indigenous people than Wodonga's 215 Indigenous people (Table 5.38). By 2001 Albury with 794 Indigenous people had more than twice the number of Indigenous people than Wodonga (303). In 2006 this proportion remained unchanged as Albury had 970 Indigenous people compared to 462 Indigenous people in Wodonga.

Table 5.37

Indigenous population of Albury 1996, 2001, 2006.

	1996			2001			2006		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Aborigines	316	336	652	367	375	743	459	472	921
Torres Strait.	10	16	26	15	19	35	15	12	27
Both	7	8	15	8	9	17	15	7	22
TOTAL	333	360	693	391	403	794	489	481	970

Source ABS 2006 Census Population and Housing Time Series Albury.

Albury's Indigenous population grew from a larger base but at a slower pace than Wodonga's Indigenous population and remained the larger community of the two. Between 1996 and 2001 Albury's Indigenous population grew by 14.6% while Wodonga's population grew by 40.9%. Similarly between 2001 and 2006 Albury's population grew at 22.2% compared to Wodonga's growth of 52.2%.

Table 5 38

Indigenous population Wodonga 1996, 2001, 2006

	1996	1996	1996	2001	2001	2001	2006	2006	2006
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Aboriginal	80	103	183	142	147	279	203	215	418
Torres Str.	14	15	29	13	6	19	14	18	32
Both	3	0	3	5	0	5	7	4	11
TOTAL	97	118	215	160	153	303	224	237	461

Source ABS 2006 Census Population and Housing Time Series Wodonga.

In an attempt to bridge the gap between the Indigenous community and the rest of the community, the Albury Council has appointed an Indigenous Liaison Worker. In addition both Albury and Wodonga Councils were introducing programs to improve the level of employment participation for Indigenous peoples who in earlier periods had experienced unemployment levels as high as 25%.

The place of birth of the population in Albury-Wodonga remains much the same as the pattern in 1976. By 2006, 9.66% of the population of Albury-Wodonga was foreign born. In Albury the four largest foreign born resident groups came from the United Kingdom, New Zealand, Germany, Netherlands and the Philippines. By Contrast in Sydney the five largest foreign born groups came from the United Kingdom, China, New Zealand, Vietnam and Lebanon and constituted 32% of the total population.

.In Wodonga the five largest foreign born groups came from the United Kingdom, New Zealand, Germany, Netherlands and Croatia. In Melbourne the five largest foreign born groups originated from the United Kingdom, Italy, Vietnam, China, New Zealand and Greece and constituted 28.7% of the total population.

Table 5.39**Population Growth in Albury-Wodonga and Australia 1996-2006**

Year	Albury-Wodonga	%growth p.a.	Australia	% growth p.a.
1996	88 702		17 850 423	
2001	91 675	0.66	18 972 350	1.21
2006	96 096	0.95	20 061 646	1.18

Source ABS 2006 Census of Population and Housing Time Series.

The population of Albury-Wodonga (Table 5.39) increased between 1996 and 2006 from 88 702 to 96 096, an increase of 7 394 people or 0.65%. This was a small increase compared to the increase in Australia, from 17 850 423 in 1996 to 20 061 646 in 2006 or 12.39%. From Table 5.39 it is clear that the population of Australia was growing at a faster rate than the population of Albury-Wodonga. Even compared with other inland centres Albury-Wodonga was only growing faster than Wagga Wagga in 2001 and Greater Shepparton and Wagga Wagga in 2006.

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Table 5.40**Population of Albury and Wodonga 1996-2006**

Year	Albury-	% growth p. a.	Wodonga	%Growth p. a.
1996	42 666		29 188	
2001	44 421	0.81	31 010	1.22
2006	46 669	0.99	32 882	1.18

Source ABS 2006 Census of Population and Housing Time Series.

Between 1996 and 2006 Wodonga (Table 5.40) was growing at a faster rate than Albury. Wodonga seemed to be growing at a similar rate per annum as the capital cities while Albury was growing more slowly. Table 5.41 suggests that in 2006 Wodonga was growing faster than Ballarat, Wagga Wagga and Greater Shepparton (Table 5.41) while Albury was growing at a slower rate.

Table 5.41**Population in other centres 1996, 2001, 2006.**

	1996	2001	% growth p.a.	2006	% growth p.a.
Centre	Population	Population		Population	
Sydney	3 741 290	3 997 321	1.22	4 148 571	0.75
Melbourne	3 138 147	3 366 542	1.44	3 592 766	1.31
Ballarat	76 509	80 045	0.91	84 657	1.13
Bendigo	74 192	79 673	1.44	84 883	1.27
Wagga Wagga	55 519	55 056	-0.17	57 602	0.91
Greater Shepparton	51 902	55 210	1.24	56 115	0.33

Source ABS 2006 Census Population and Housing Time Series for each town and city listed.

The Department of Infrastructure 2011 predicted the population will continue to increase in Albury-Wodonga as there is an even spread of employment opportunities across most of the industry sectors which are likely to draw even more people from the surrounding rural areas (Department of Infrastructure 2011 Ch. 2).

5.3.2 Economic development 1996-2006

Per capita investment after 1989 (Table 5.42) fell for the first time to less than the per capita investment in Australia. In 1989 the Hawke Labour government instructed the AWDC to reimburse governments for their investment in the Albury-Wodonga Growth Centre and by 1992 planning powers were stripped from the AWDC and returned to the two Councils. Nevertheless investment has continued to flow to Albury-Wodonga, and except for 1989-99 and 1993-94 and 1994-95 when it was greater than Australia's per capita investment, all other per capita investment remained lower than Australia's per capita investment.

Table 5.42**Private investment trends in Albury-Wodonga and Australia 1989-90 to 1999-00.**

Albury-Wodonga						Australia	
Year	Dwellings \$M	Construction \$M	Plant* \$M	Total \$M	Per capita \$	Total \$M	Per capita \$
1989-90	55.7	42.0	67.0	164.7	2396	59107	348
1999-91	57.0	27.2	50.0	134.2	1910	52262	3036
1991-92	57.1	40.1	50.0	147.2	2103	46528	2672
1992-93	63.5	69.0	118.0	250.0	3504	48199	2723
1993-94	73.4	68.0	176.2	317.6	4511	58356	3288
1994-95	60.7	40.4	137.9	239.0	3329	63705	3553
1995-96	48.9	46.2	130.8	225.9	3113	64194	3533
1996-97	57.9	48.0	103.3	209.2	2812	69884	3792
1997-98	56.6	87.8	97.9	242.2	3320	78040	4191
1998-99	67.4	107.0	110.0	284.4	3856	87032	4652
1999-00	68.8	117.0	89.6	275.4	3694	99763	5303
2000-01	57.8	37.7	135.1	230.6	3021	90969	4668
2001-02	106.0	23.3	131.5	260.8	3373	99559	5046
2002-03	125.0	65.3	225.3	415.6	5321	105000	5250

Weighted average for 30 years to 2003-2003 for Albury-Wodonga is \$2609 per capita.

Weighted average for 30 years to 2002-2003 for Australia is \$2725 per capita.

Source Economic Indicators 2000 Investment Albury-Wodonga page 8.

Economic Indicators 2002 Investment Albury-Wodonga page 10.

NOTE Plant* equipment vehicles \$M.

Figures after 2002-03 have not been available.

Unfortunately additional statistical information has not been accessible but as industries have continued to develop in the twin towns it can be assumed that private investment has done likewise.

In 1996 (Table 5.43) the top five sectors in Australia were Manufacturing 12.09%, Retailing 10.19%, Healthcare & Social Services 9.36%, Education 7.32% and Accommodation & Food Services 6.24% which represented 45.22% of the workforce. By contrast in 1996 the top five sectors in Albury-Wodonga (Table 5.44) were Manufacturing 14.24%, Retailing 11.43%,

Public Administration & Safety 10.23%, Healthcare & Social Services 10.12% and Education 7.86% which incorporated 53.88% of the workforce.

15 years later in 2006 almost the same sectors occupy the top five slots and once again account for 47.77% of the workforce. They include Retailing 11.35%, Healthcare & Social Services 10.50%, Manufacturing 10.46% Construction 7.80% and Education 7.66%. Retailing has moved to prime position. Healthcare and Social Services dislodged Manufacturing (whose overall position fell to third place) for second place. Healthcare and Social Services, Construction and Education record absolute share increases partly on account of an aging population, a housing boom and an increase in government spending. The overall fall in shares of Manufacturing apart from a massive increase in the importation of labour intensive goods, could also be accounted for by a reduction in Manufacturing assistance initiatives (Department of Foreign Affairs and Trade 2008).

In 1996 the five top ranking sectors included Manufacturing 14.28%, Retail 12.85, Public Administration and Safety 10.23%, Healthcare and Social Services 10.12% and Education 7.86%. In 2006 in Albury-Wodonga the top five sectors were Manufacturing 14.28%, Retailing 12.85%, Healthcare & Social Services 10.24%, Accommodation & Food Services 11.28%, Public Administration & Safety 9.18% and Construction 8.38% amounting to 55.97% of the workforce. Contrary to the trend in Australia, the Manufacturing sector in Albury-Wodonga rose to the top and in Albury and Wodonga separately. Manufacturing was able to hold the top ranking in 2006.

Table 5.43**Employment by Sector in Australia 1996, 2001, 2006**

Sector	1996 %	2001 %	2006 %
Agriculture Forestry and Fishing	4.24	3.99	3.09
Mining	1.13	0.91	1.17
Manufacturing	12.09	11.82	10.46
Electricity, gas, water & waste services	0.90	0.93	0.98
Construction	6.17	6.55	7.80
Wholesale trade	5.54	5.04	4.35
Retail trade	10.19	11.12	11.35
Accommodation & food services	6.24	6.52	6.32
Transport, postal & warehousing	4.70	4.64	4.70
Information media & telecommunications	2.53	2.46	1.96
Financial & insurance services	3.88	3.76	3.83
Rental, hiring & real estate services	1.55	1.70	1.69
Professional, scientific & technical services	6.12	6.61	6.61
Administration & support services	2.77	3.33	3.15
Public administration & safety	6.11	5.83	6.68
Education & training	7.32	7.56	7.66
Health care & social assistance	9.38	9.56	10.50
Arts & recreation services	1.41	1.39	1.40
Other services	4.38	3.98	3.71
Inadequately described /not stated	3.34	2.32	2.60
TOTAL number	7 636 319	8 298 606	9 104 184

Source ABS 2006 Census of Population and Housing Time Series

In 2006 in Australia Retailing became the largest employer. Despite the fact that Retailing in Albury-Wodonga services the entire region it is not as significant in the economic profile as Manufacturing and Public Administration & Safety. Retailing is located in five shopping plazas throughout the twin towns.

Table 5.44**Employment by Sector in Albury-Wodonga 1996, 2001, 2006**

Sector	1996 %	2001 %	2006 %
Agriculture Forestry and Fishing	3.90	3.87	2.98
Mining	0.12	0.09	0.11
Manufacturing	14.24	16.44	14.28
Electricity, gas, water & waste services	0.93	0.65	0.60
Construction	5.39	6.16	8.38
Wholesale trade	5.03	4.28	3.48
Retail trade	11.43	12.19	12.85
Accommodation & food services	7.40	6.77	6.76
Transport, postal & warehousing	3.71	3.85	4.03
Information media & telecommunications	1.77	1.69	1.32
Financial & insurance services	2.38	2.09	2.24
Rental, hiring & real estate services	1.23	1.26	1.21
Professional, scientific & technical services	3.43	3.96	4.41
Administration & support services	2.41	2.84	2.77
Public administration & safety	10.23	8.15	9.18
Education & training	7.86	7.88	7.60
Healthcare & social assistance	10.12	11.16	11.27
Arts & recreation services	0.97	0.87	0.82
Other services	4.51	3.80	3.68
Inadequately described /not stated	2.94	1.98	2.04
TOTAL	37 995	40717	46 010

Source ABS 2006 Census Population and Housing Time Series

In 1996 the Location Quotient (LQ) for Public Administration & Safety was LQ 1.67 which indicates a decline from previously years but still reflected a higher relative importance in Albury-Wodonga than Australia. By 2006 the LQ for this sector had fallen further to LQ 1.59 indicating the public sector overall, was falling behind as a growth sector in Albury-Wodonga due mainly to the restructuring of the Australian economy. Nevertheless the army base and tax office still enlarge the local market and provides a flow-on effect into retailing and small manufacturing. The LQ for Manufacturing in Albury-Wodonga increased from LQ 1.17 in 1996 to LQ 1.36 in 2006. This suggests that by 2006 Albury-Wodonga formed a significant non-metropolitan, inland manufacturing centre which was more significant than the military base notwithstanding its continued importance and high LQ. By 2006 the LQ for manufacturing in Albury-Wodonga was almost certainly the highest ever experienced. In

2004 Manufacturing remained the largest contributor to the region's economy contributing \$530 million (21.8%) to the total (REMplan¹⁷⁴ 2007). In 2004 Manufacturing was diversified and employed 5 832 people and included the only newsprint mill in Australia, a cardboard box plant, a motor vehicle transmission manufacturer, dairy processing, a pet food plant, textile manufacturing, food processing IT & T and plastic fabrication (REMplan¹⁷⁵ 2007).

Education in Albury-Wodonga hovered around LQ 1 (the national average) in both 1996 and 2006 which is difficult to explain since Albury-Wodonga is an important educational centre in an inland location. In Albury-Wodonga the LQ for Finance and Insurance (Business Services) was below one in 1996, 2001 and 2006. Although Business Services were a major driver of the prosperity (growth of GDP) in the Howard years, Albury-Wodonga along with most non-metropolitan centres, are still significantly underdeveloped in these activities.

The Gross Regional Product (GRP) of Albury-Wodonga¹⁷⁶ in 2004 was assessed at around \$2.4 billion in value added terms, making it one of the largest regional economies in South east Australia. Table 5.45 lists the major industries in each town in 2009. By 2011 Manufacturing¹⁷⁷ employed 14.8% of the workforce, generated \$856 million¹⁷⁸ annually and varied from large TNCs to small scaled niche manufacturers producing a diverse range of goods.

Table 5.45

Major manufacturers in Albury and Wodonga in 2009.

Albury	Wodonga
Drivetrain Systems	Mars Petcare
Norske Skog	Norvic Food processing
Macquarie Textiles	Vitasoy National Foods
Cooper Tools	Visy Board
Overall Forge	Wilson Transformers
Bradflo	The Border Mail
Geofabrics	Shorko
Malibu Boats	Bradken ANI
Stramit	Parker Hannifin

Source Economics Department Albury City Council 2009.

¹⁷⁴ Regional Economic Modeling (REM) Albury Council.

¹⁷⁵ Regional Economic Modeling (REM) Albury Council.

¹⁷⁶ Albury Economic Indicators 2005.

¹⁷⁷ Albury-Economic indicators 2011.

¹⁷⁸ Albury Economic indicators 2011.

Table 5.46 highlights the employment pattern in each town¹⁷⁹. In 1996 the top 5 sectors of employment in Albury in descending order included Manufacturing, Retailing Health care and Social Services, Accommodation and Food Services¹⁸⁰ and Education. In Wodonga however the top five employment sectors in descending order were Public Administration and Safety, Manufacturing, Retailing, Accommodation and Food Services, Healthcare and Social Services. In 1996 the impact of the army and manufacturing was evident in Wodonga while manufacturing and retailing remain significant in Albury.

By 2006 the pattern in Albury did not alter markedly from the 1996 pattern. The top five employment sectors in descending order include Manufacturing, Retailing, Healthcare and Social Services Construction and Accommodation and Food. The pattern of the twin towns is very similar. Wodonga's five sector of employment in descending order were Manufacturing, Public Administration & Safety, Retailing, Healthcare & Social Services, and Construction.

In 2006 manufacturing remained the major employer in both towns. By 2011 the merger of the Albury Base Hospital with the Wodonga Hospital has become the largest employer in both towns. Albury remains a significant service centre providing legal, government representation,¹⁸¹ finance, banking, retailing and accommodation for tourists. Manufacturing and the large army base continues to be dominant in the Wodonga economy.

Because of changing global economic conditions and changing labour conditions in Australia manufacturing in Australia was faced with a large number of takeovers and mergers resulting in a change in the employment pattern. In 1996 in Australia (Table 5.47) the labour force consisted of 7 636 319 people of whom 4 739 976 were male and 3 668 313 were female. Of the 5 180 227 people working full time 3 423 451 or 66% were male and 1 756 776 or 33.9% were female. Of the 2 044 965 people who were working part time 629 379 or 30.8% were male and 1 415 586 or 69.2% were female.

¹⁷⁹ Albury and Wodonga received planning power from the AWDC in 1992. In 2007 the hyphen was removed from the marketing name Albury-Wodonga. Each town functions independently and in competition with the other.

¹⁸⁰ There are 37 hotels in Albury and 7 hotels in Wodonga. Wodonga complains of tourist leakage to Albury.

¹⁸¹ Centrelink is located in Albury to service Albury and Wodonga. There is no Centrelink office in Wodonga.

Table 5.46**Employment by Sector in Albury and Wodonga 1996, 2001, 2006**

	Albury	Albury	Albury	Wodonga	Wodonga	Wodonga
Sector	1996%	2001%	2006%	1996%	2001%	2006%
Agriculture Forestry and Fishing	1.33	1.48	1.17	1.29	1.64	1.17
Mining	0.09	0.06	0.08	0.12	0.12	0.10
Manufacturing	14.49	17.64	14.45	14.53	16.88	14.93
Electricity, Gas, Water & Waste Services	0.93	0.65	0.68	0.85	0.64	0.55
Construction	5.67	6.33	8.95	4.78	5.83	7.70
Wholesale Trade	5.87	4.69	3.83	4.50	4.01	3.50
Retail Trade	12.24	13.13	13.75	12.19	12.86	12.52
Accommodation & Food Services	8.67	8.02	7.86	6.72	5.82	5.92
Transport, Postal & Warehousing	3.86	3.94	4.23	3.66	3.88	3.97
Information Media	2.37	2.14	1.58	1.30	1.38	1.17
Financial & Insurance Services	2.57	2.24	2.46	2.44	2.45	2.43
Rental, hiring & real Estate Services	1.47	1.55	1.36	1.15	1.11	1.17
Professional, Scientific & Technical Services	3.95	4.51	4.76	2.91	3.54	4.24
Administration & Support Services	2.41	2.79	2.54	2.65	3.27	3.40
Public Administration & Safety	6.54	5.83	6.51	17.48	12.56	13.53
Education & Training	8.39	7.94	7.69	6.64	7.09	6.79
Healthcare & Social Assistance	10.24	11.00	11.36	8.54	10.22	10.27
Arts & Recreation Services	1.08	0.85	0.92	0.87	1.00	0.70
Other Services	4.82	3.91	3.74	4.61	3.93	3.72
Inadequately described /not stated	3.02	2.11	2.08	2.76	1.76	1.90
TOTAL	18 267	19582	21 862	12 734	13 940	16107

Source ABS 2006Census Population and Housing Time Series

By 2001 the proportion of males working full-time had dropped by 1% to 65.1% while the number of female full-time employees had increased by 1% to 34.9%. The proportion of male part-time employees had increased by 1% to 31.8% and the female part-time employees had decreased by the same proportion to 68.2%. This pattern continued in 2006. The proportion of male full-time workers had decreased slightly to 64.6% while the female full-time workers had increased to 35.4%. The proportion of male part-time workers had decreased by 0.6% to 31.2% while the female part-time employees had increased by the same proportion to 68.8%.

Table 5.47

Labour force status Australia 1996, 2001, 2006

Year	Male	Male	Female	Female	Workforce
	Full-time %	Part-time %	Full-time %	Part-time %	
1996	66.1	30.8	33.9	69.2	7 636 319
2001	65.1	31.8	34.9	68.2	8 959 315
2006	64.6	31.2	35.4	68.8	9 607 987

Source ABS 2006 Census Population and Housing Time Series.

By contrast the proportional pattern in Albury-Wodonga (Table 5.48) differed from the Australian pattern. In 1996 in Albury-Wodonga the labour force consisted of 42 299 people of whom 23 848 were male and 18 451 were female. Of the 25 298 people who were working full time 17 256 or 68.2% were male and 8,043 or 31.8% were female. Of the 10 709 people working part time, 2 976 or 27.8% were male and 7 733 or 72.2% were female. In 2001 and 2006 the population census indicates that the proportion of male full-time workers increased slightly from 67.1% in 2001 to 68.2% in 2006, while the proportion of female full-time workers decreased slightly from 32.9% in 2001 to 31.8% in 2006.

Table 5. 48

Labour force Status Albury-Wodonga 1996, 2001, 2006

Year	Male	Male	Female	Female	Workforce
	Full-time %	Part-time %	Full-time %	Part-time %	
1996	67.0	27.8	33.0	72.2	42 299
2001	67.1	27.5	32.9	72.5	43 977
2006	68.2	27.8	31.8	72.2	48 593

Source 2006 Census of Population and Housing Time Series

The proportion of part time workers also differed with the Australian pattern. The proportion of male part time workers was at its lowest in 2001 at 27.5% and then increased slightly in 2006 to 27.8%, while the proportion of female part-time workers peaked in 2001 at 72.5% before decreasing slightly to 72.2%.

Table 5.49

Labour force status in Albury 1996, 2001, 2006

Year	Male	Male	Female	Female	Workforce
	Full-time %	Part-time %	Full-time %	Part-time %	
1996	67.42	26.64	32.58	73.36	20 424
2001	66.73	27.50	33.27	72.50	21 259
2006	66.56	27.35	33.44	72.65	23 277

Source ABS Census 2006 Population and Housing Time Series

In Albury (Table 5.49) the proportion of male full-time employees between 1996 and 2006 decreased from 67.42% to 66.56% while the part time employment of males over the same time period increased by the same proportion from 26.64% to 27.35%. The proportion of female full-time employees increased marginally from 32.58% to 33.44% between 1996 and 2006. Over the same time period the proportion of female part-time workers decreased from 73.3% to 72.65%.

Table 5. 50

Labour force status in Wodonga 1996, 2001, 2006

Year	Male	Male	Female	Female	Workforce
	Full-time %	Part time %	Full-time %	Part-time %	
1996	69.45	28.11	30.55	71.89	14 268
2001	67.98	27.68	32.02	72.32	15 126
2006	68.87	26.45	31.11	73.55	17 003

Source ABS Census 2006 Population and Housing Time Series

The status in Wodonga (Table 5.50) differs from that of Albury. In Wodonga the proportion of male employees in full-time employment decreased in 2001 to 67.98% but rose in 2006 to 68.87% while the proportion employed part-time which fell steadily from 28.11% to 26.45% between 1996 and 2006. The proportion of full-time female workers peaked in 2001 at

32.02% before dropping slightly to 31.11% in 2006 while the proportion of female part time employees rose gradually between 1996 and 2006 from 71.89% to 73.55%.

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Anecdotal evidence from stakeholders in Albury-Wodonga¹⁸² in 2008 and 2009 suggested that approximately one third of the workforce in Albury crossed the State border to work in Wodonga and vice versa. A number of stakeholders added¹⁸³ that there were very few people who would travel more than 15 minutes by car, between home and work. If the employment was located beyond this time-distance of car travel, the job would usually be rejected.

Table 5. 51

Residence of 84. 5% of workers in Albury –Wodonga in 2006

Location	Number	Percentage
Albury C	18 510	48.7
Wodonga RC	13.618	35.8
Total Albury ©and Wodonga RC workforce	32 128	84.5%

Source Albury Council ABS 2006 unpublished data ‘Journey to work 2006’.

In 2006 the Albury City Council presented unpublished ABS statistics on the internet to highlight the residence of workers in Albury-Wodonga. Table 5.51 indicates that 84.5% of the total workforce lived in Albury-Wodonga. 48.7% lived in Albury and 35.8% lived in Wodonga. The remaining 15% of the workforce (Table 5.52) originated from the Shires of Indigo, Greater Hume, Towong, Corowa and Alpine while a very small proportion also travel from Wangaratta (45 minutes away by car) to work in Albury-Wodonga.

As seen in Table 5.53 68.4% of Albury workers lived in Albury, 17.5% commuted from Wodonga, 11.2% from the closest Shires and only 0.4% came from Wangaratta and the Alpine Shire.

In 2008 however the Wodonga Council Municipal Strategic Statement¹⁸⁴ stated that 25% of the workforce employed in Wodonga resided in NSW and a similar proportion of Wodonga residents commuted to Albury for employment. In 2006 in Wodonga 66.9% of the workforce

¹⁸² Anecdotal evidence collected from the 1st Economist of the AWDC on field trips to Albury-Wodonga 2008 and 2009. See chapter 9.

¹⁸³ Stakeholders interviewed in Albury and Wodonga 2009.

¹⁸⁴ Wodonga Planning Scheme Clause 21.04 11/12/08 page 2.

lived and worked in the town, 21.7% commuted from Albury, 12% from the three closest Shires of Indigo, Gt. Hume and Towong, 0.8% from the furthest Alpine Shire and 1.0% from Wangaratta which is closer to Wodonga than Albury

Table 5. 52

Residence in 2006 of the remaining 15% of the Albury-Wodonga workforce

Location	Number	Percentage
Indigo Shire	2 153	5.7
Greater Hume Shire	1 303	3.4
Towong Shire	607	1.6
Corowa Shire	523	1.4
Wangaratta RC	257	0.7
Alpine Shire	199	0.5
Wagga Wagga C	61	0.2
Other Areas	775	2.0
TOTAL	38 006	15.0%

Source Albury-Wodonga Council ABS unpublished data 'Journey to work 2006'.

. In absolute terms the number of people who crossed the border in either direction for work is very similar with 3 843 traveling from Wodonga to Albury and 3 482 traveling from Albury to Wodonga. According to the Wodonga Council Strategic Statement¹⁸⁵ 25% of the workforce employed in Wodonga resided in Albury and a similar proportion of Wodonga residents commuted to Albury for employment.

Table 5. 53

Residence in 2006 of workers in Albury and Wodonga

Albury			Wodonga		
Location	Albury No	Albury %	Location	Wodonga No.	Wodonga %
Albury	15 028	68.4	Wodonga	9 775	66.9
Wodonga	3 843	17.5	Albury	3 482	21.7
Indigo Shire	794	3.6	Indigo Shire	1 359	8.5
Gt Hume Shire	1 050	4.8	Gt Hume Shire	253	1.6
Towong Shire	305	1.4	Towong Shire	302	1.9
Corowa Shire	318	1.4	Corowa Shire	0	0
Wangaratta	98	0.4	Wangaratta	159	1.0
Alpine Shire	77	0.4	Alpine Shire	233	0.8
Wagga Wagga	0	0	Wagga Wagga	0	0
Other	445	2.0	Other	391	2.4
Total	21 958	100	Total	16 048	100

Source Albury-Wodonga Council ABS unpublished data 'Journey to work 2006'.

¹⁸⁵ Wodonga Planning Scheme Clause 21.04 11/12/08 page 2.

5.3.3 Unemployment in Albury-Wodonga 1996-2006

The Australian unemployment level (Table 5.54) fell from a high of 11% in 1996 very gradually to 5.2% in 2006 'a low not often reached in the last 23 years' (Commonwealth Budget Statement 2004-05). While Albury-Wodonga unemployment remained above the national average at the beginning of 1996-2006 'boom,' it fell steadily to converge on the national average during the 'prosperity'. Albury-Wodonga's unemployment figures suggest that it has shared in the national improvements in labour markets.

Table 5. 54

Unemployment in Australia, Albury-Wodonga, Albury and Wodonga. 1996, 2001, 2006

	1996 %	2001 %	2000 %
Australia	9.2	7.4	5.2
Albury-Wodonga	10.2	7.4	5.3
Albury	10.6	7.9	6.1
Wodonga	10.8	7.9	5.2

Source ABS 2006 Census of Population and Housing Time Series

Table 5. 55

Unemployment in other inland centres 1996, 2001, 2006

Town	1996 %	2001 %	2006 %
Ballarat	11.9	9.5	6.5
Bendigo	13.0	8.9	6.6
Shepparton	11.2	8.1	6.6
Wagga Wagga	8.8	7.6	6.0

Source ABS 2006 Census Population and Housing Time Series for each of the towns listed.

Except for 1996 unemployment in Wagga Wagga, Albury-Wodonga remained with lower unemployment than other inland centres (Table 5.55).

5.3.4 Cultural and social change 1996-2006

Prominent politicians such as Premiers Kennett (1966) as well as Carr and Bracks (2001), attempted to unite the town as One City but to no avail. The Albury-Wodonga community failed to support the notion (See Chapters 6 and 8).

Table 5. 56

Economic activity in Albury-Wodonga 1996-2006.

Date	Economic Activity	Town
1997	Investment Albury-Wodonga (IAW) replaces Development Albury-Wodonga	Albury-Wodonga
	Wodonga Hospital upgraded	Wodonga
1998	Airport upgrade	Albury
	Albury Council opens \$33million waste water plant	Albury
1999	Army closes Buna Barracks in Victoria Street to be sold for housing	Albury
	Industrial Pipe System established	Albury
	Murray Valley Private hospital opens	Albury
2000	Adcil Software Engineering opens	Wodonga
	Telstra Country-wide Rival business opens	Albury
	National Foods open \$25m Vita soy plant	Wodonga
2003	Albury Council budget over \$1m per week	Albury
	NSW & VIC agree to amalgamate Albury Base Hospital and Wodonga Hospital by 2009	
2004	Albury City enlarged three fold by NSW parliament	Albury
2005	Albury Council buys Greyhound Track to sell to Harvey Norman	Albury
2007	Hume Freeway opened	Albury
	Harvey Norman opens whitegoods retail outlet at Newmarket	Albury
2008	Gardens Medical Centre opens	Wodonga

Source Albury-Wodonga Economic Indicators 2002 Time Line.

Albury-Wodonga Historical Society Time Line 2006.

As the population of Albury-Wodonga increased the cultural and social amenities grew to meet the demand of the larger population and market (see Table 5.56 and Table 5.57 below).

Table 5.57**Social and cultural activity in Albury-Wodonga 1996-2006**

Date	Social and cultural activity	Town
1996	6 more screens opened at Cinema complex costing \$6m	Albury
1997	SBS TV broadcasts received in towns	Albury- Wodonga
	Albury Council Apologizes to Aboriginal people for past injustices	Albury
1998	Gold Cup becomes permanent Holiday	Albury
1999	Light Horse Museum in Buna Barracks moved to Bandiana	Wodonga
	Murray Valley Hospital offers cancer treatment	Albury
	Mirambeena Community Centre opened in Lavington	Albury
2000	New Police Station	Wodonga
	New Courthouse	Wodonga

Source: Albury-Wodonga Economic Indicators 2002 Time Line.

5. 4 Conclusion

Albury-Wodonga provides a unique case of cross-border towns which were united as a Growth Centre for a short time, and continued to flourish and enjoy a solid base for future development as individual, competitive towns. The Growth Centre was chosen for a combination of reasons including its locationally based growth during the Long Boom as well as its cross-border location with easy access to Sydney and Melbourne, Australia's largest metropolitan markets. However, the economic crisis and restructuring after 1975 undermined the Federal regional policy and in 1989 the AWDC was wound down and is now in the process of closing. Despite its short existence, financial constraints and the fact it did not reach the population target set, the AWDC was able to fulfill most of its brief to plan and develop the Growth Centre of Albury-Wodonga. This included building two new towns, providing sufficient land from a land bank for new settlers (and land is still being sold from the land bank in 2012), drawing industry to the towns, marketing 'Albury-Wodonga' nationally and internationally, ensuring the 'population mix' included government employees, blue collar workers and professionals who were committed, involved residents as well as enhancing the environment with trees from its own nursery. Some of the institutional framework has been carried forward at State and Local government level. Wodonga has benefited from more growth and construction than Albury because of AWDC aid. As well the

majority of new settlers came from Victoria and wanted to remain in Victoria, settling in Wodonga where there was cheaper land, housing¹⁸⁶, and rates.

The population of the twin towns has grown from 37 916 in 1971 to 96 096 in 2006, an annual growth rate of 3.7% p.a. compared with just 1.79 p.a. for Australia as a whole. Throughout the period of national economic restructuring considered in section two of this chapter, manufacturing continued to record either absolute or relative growth while the Australian labour force de-industrialised, it remains the largest single employment sector in both towns. As a result of Growth Centre policies and inter-State rivalries, the twin towns have been endowed with two new towns (Baranduda and Thurgoona), two universities, two TAFE colleges, Institutes of Further Education, Hospitals (both private and public) including the enlarged Albury-Wodonga Hospital, good schools (both private and government) recreational and cultural facilities and a continuation of good employment prospects. Yet the border location has also created impediments to growth through a wealth of anomalies for individuals and firms as well as compliance requirements for firms which will be discussed in the following chapters.

The analysis in chapter 5 suggests no single theory can explain satisfactorily the growth and development of Albury-Wodonga. Spatial concentration theories provided a basic framework for the empirical research and explain much of the historical growth of Albury and Wodonga astride the state border. Albury first developed in the 19th century as a service centre located at the furthest point upstream from Goolwa near the mouth of the Murray River. Today Albury remains the larger of the twin service centres providing retail, education, commerce, insurance, medical and legal facilities for the towns and their surrounding region. Locational advantage theory explains much of the historical growth in manufacturing industries in both Albury and Wodonga. Many industries, for example clothing and pet food processing industries were dependent on initial advantages of local raw materials and adequate supplies of clean water.

Hoover's theory of trans-shipment sheds light on the growth and development of Albury as a trans-shipment centre established at the break point of transport between river steamers and

¹⁸⁶ Urban Futures Research Program 1991 stated Wodonga attracts the lower end of the housing market, using small local developers, dependent on Council for cash flow to build houses. It is having difficulty providing increased infrastructure.

railway and road transport. The importance of this break-point was enhanced, after the development of railways, by the different rail gauges operating on the NSW and Victorian sides of the border which meant goods needed to be transshipped until the development of the standard gauge Sydney-Melbourne railway line in 1962. Some industries also flourished at Albury and Wodonga because of reduced freight rates for raw materials or finished goods.

Agglomeration economies stressed linkages between firms in Albury-Wodonga which lowered costs and made businesses more profitable. Other external economies for industries included a large pool of skilled labour. Today however industries are faced with a shortage of skilled labour. Uncertainty theory highlights the difficulties faced by manufacturers in locating and relocating their firms. Small firms often lack the expertise required to make informed judgments about relocation and significantly reduce business uncertainties and risks. To overcome issues of uncertainty faced by small firms, the AWDC developed a computer program to aid in making its decisions about relocation.

That the growth of manufacturing, service industry and population in the twin-towns has continued into the 21st century reinforces the importance of Albury-Wodonga's locational advantage. As technology has improved production costs in manufacturing have been reduced. Manufacturing in the twin-towns today is aided by reduced distance-related transaction costs including information transmission and transport. Information technology has reduced the cost, time and distance between Albury-Wodonga and its markets and the headquarters of manufacturing firms in the capital cities of SE Australia or overseas. Information technology together with the technology of JIT shipping of goods has reduced the cost, time and labour requirements for the delivery of raw materials and finished goods. These technological changes have been adopted by a number of large firms (such as the pet food industry) observed during fieldwork.[close up] Improved road transport and roads have also helped to reduce costs and speed up delivery time door to door providing Albury-Wodonga with the opportunity to become a centre of warehousing and storage.

Government policy has also aided manufacturing in Albury-Wodonga, at some times more than others. The AWDC was able to provide ready built factories on industrial estates which were established with road, communication, and utility connections already in place. As well the AWDC and each State government provided financial incentives for industries to relocate in Albury-Wodonga (see Appendix 1). AWDC policy also ensured land was available from a

land bank at reasonable prices to encourage people to re-settle in Albury-Wodonga. To ensure people would remain in the twin towns the AWDC established a cultural base in the towns as well as educational and recreational facilities. Federal government financial support for the twin-towns was withdrawn early in its formation.

Chapter 6

Cross-Border Anomalies

‘Why are we still dealing with cross-border anomalies 100 years after Federation?’ John Brogden¹⁸⁷.

This chapter deals with border anomalies arising from the formation of the Australian Federation in 1901 which saw the establishment of three tiers of government. In the process, allowance was made for the Colonies joining the Federation to maintain their jurisdictional and legal powers over their territory. As a result the differences in legislation, services and agencies between the States gave rise to anomalies, which were especially intrusive for those living along the State border. In Albury-Wodonga the border acts as a dividing line between legislation, services and agencies in Victoria and New South Wales. This in turn has caused adverse repercussions on the residents, commerce and industry in each town.

In an attempt to evaluate the constraints of the border on Albury-Wodonga the chapter is divided into two sections. The first provides a definition of anomalies, explains how and why they have occurred. The second section examines the responses of Federal, State and Local governments and organizations, to cross-border anomalies during the three historic periods covered in this thesis.

6. 1. Border anomalies and their impact

It is difficult to define anomalies since they are manifold and impact over a wide area. Anomalies in Albury-Wodonga are caused by differences in laws and regulations at the State to State level and the Federal to State level of governments. Each time a new law is passed at any level of government inconsistencies could result in new anomalies. Shaw and Associates Consulting, suggest ‘States can use their legislative powers as a competitive tool and so make it relatively more attractive for business and other organizations to invest in their particular State’ (Shaw et al 1997 p. 10). In response to a survey of businesses and organizations in the

¹⁸⁷ B6rder Mail Throwing down the Gauntlet 4/5/04 John Brogden Premier NSW 2002-2005.

Murray Region, Shaw and Associates Consulting grouped anomalies in to 11 categories (Table 6.1).

Table 6.1

Anomalies impacting on businesses and organizations.

Category	Examples.
Funding laws	including a Federal component e.g. health, TAFE funding
‘Hard’ infrastructure authorities	roads, irrigation providers cost of repair of bridges
Licensing of activities and occupations	nurses, doctors, teachers, estate agents,
Taxation	fuel tax, Financial Institutions Duty (FID), mortgage stamp duty
Membership of professional organization	lawyers, doctors, estate agents, builders
Employee related laws	payroll tax, workers compensation, superannuation, awards
Corporate and business laws	business names, compliance, incorporation
Local government planning & building permits	owner builder permits
Quality control	road authorities, health inspection, (all levels of government)
Highly regulated industries	taxis, dairy food
Other	mortuary regulations’

Source Shaw and Associates Consulting 1997 page 10.

Table 6.2 includes some of the anomalies which impact on the daily life of residents in Albury-Wodonga (see Appendix 3).

Because anomalies are so manifold and widespread two definitions of anomalies are suggested. The Victorian Local Government Board states that ‘Anomalies arise from inconsistencies between the laws, regulations, policies and administrative practices of Victoria and New South Wales’ governments (Victorian Local Government Board 1996 p. 31).

Table 6. 2**Anomalies impacting on the daily lives of residents in Albury-Wodonga.**

Anomalies	Examples
Education	In pre-school, primary, secondary school: dates, curriculum, standards, & the starting age vary; salaries differ, fees and services vary. NSW government's \$50 'back to school' allowance was paid to Victorian residents attending school in NSW.
Welfare Services	If one crosses the border access to welfare services difficult; Entitlements from Centrelink differ per State & Seniors Card not reciprocal.
Communication	The use of 1300 and 1800 telephone services do not connect Wodonga residents with government services Victoria instead connect to NSW as the prefix on Wodonga phones is 02(NSW).
Recreation	Swimming pools safety rules differ as do recreational fishing licences, & bags & boating licenses. Victorians playing sport in NSW are ineligible to represent Victoria..
Health	Private Health costs & cover differ & there is not equal access to pharmaceuticals. There are different Mental Health Acts& no reciprocity for ambulances.
Police	Road rules; law enforcement; salaries differ; extradition laws are not effective since special constable status is required to cross the border. More police training for border crossing are due in 2011.
Transport	Differences exist in inspection & cost for road worthiness, age for driver's licence, P-plates, car registration, blood alcohol limits & conditions for learner drivers. Other differences include parking fines,& the price of petrol and diesel. Taxi from one State can not pick up casual fares in other State- only pre-booked fares; taxi fares more expensive in Albury than Wodonga.
Emergency services	Rescue issues relating to the Murray River; fire fighting & Volunteer Emergency Rescue teams in NSW cutting ties with Victoria.
Conditions of employment	Differences in public holidays, daylight saving time, retail store hours & days of operating, workers compensation, payroll tax.
Real Estate	Differences in commission, tenancy laws, occupancy, licensing
Lawyers	Two bodies of law procedures and practices; legal process impeded by movement of witnesses, defendants, debtors and assets across border. Cost of service differs.
Insurance	Differs across the border for individuals, commerce and industry.
TSO	Office only in one town, funding& services differ per State.
Retail trading	Different trading hours, public holidays.
Labeling of products	Packaging and labeling differs per State.
Waterway management	Work and development near waterways controlled by NSW.

Source Author's surveys, interviews and research.

An AWACC submission (1999)¹⁸⁸ adds that anomalies are ‘the difference between New South Wales and Victorian legislation, agencies or services which act as an impediment to business and the community’.

6. 1. 1 Historical causes of anomalies

As shown in Chapter 3, in the 19th century each of the Australian colonies acted under British rule as a sovereign colony with varying degrees of self-government and determined many of its own colonial rules and regulations. In 1901 however, adoption of the Constitution of the Federation of Australia provided the opportunity for these Crown colonies to unite and become part of the new nation of Australia ostensibly offering the colonies inclusiveness and nationalism (see Chapter 3). The laws promulgated by the Colonies prior to Federation in 1901 were often expressions of exclusion, which together with many new laws passed since federation by State governments resulted in anomalies affecting border towns¹⁸⁹. These anomalies cause greater compliance costs, loss of revenue to government, duplication of accreditation, licensing, auditing and trust account regulation: and considerable overlap in many other spheres of governance: all of which affect businesses and residents in border towns.

Federation did not solve problems faced by towns along the Murray River. By 1924 a Royal Commission by the New South Wales government considering the creation of a new State in the Murray Valley identified a number of major anomalies facing residents. They included:-

- stamp duty levied on Victorian cheques presented in New South Wales.
- rail transport to Sydney subsidized heavily by the New South Wales government undermined the shorter rail route to Melbourne. There was a doubling of the handling fees when produce was moved from one rail gauge to another between New South Wales and Victoria. (Pennay 2001).

After the Second World War the Murray Development League formed to find solutions to anomalies through Cooperative Federalism (see Ch. 3). The League sought to resolve

¹⁸⁸ AWACC Submission to the House of Representatives Standing Committee on Employment May 1999: Regarding Issues Specific to Workers over 45 Years of Age Seeking Employment or Establishing a Business Following Unemployment.

¹⁸⁹ Victorian Parliamentary Hansard 6/10/08 pages 279-280.

differences in school curriculum, school holidays, postage, health administration, fishing regulations and debt collections (Pennay 2001 p. 100).

6. 1. 2 Contemporary anomalies

The Federal system in Australia with a high degree of shared functions between State and Federal government, vertical fiscal imbalance and strong tendencies to centralism by the Federal government, has resulted in duplication and overlap, and because of a lack of transparency and accountability by government departments and buck passing between State governments, as explored in Chapter 4.

This 'Flawed Federalism' has also created lost productivity by also increasing the compliance burden through red tape, business tax and GST which has led to

'higher than necessary costs of government including higher taxes and less government services for a given amount of government spending; higher than necessary costs of doing business due to higher compliance costs arising from overlap and duplication and higher taxes; and as a result of the above two low than necessary living standards for ordinary Australian people' (Access Economics 2006 p. v). Access Economics estimates the resulting cost of 'Flawed Federalism' is about \$9 billion per annum or '\$450 a year for every Australian or over \$1,100 a year for every household' (Access Economics 2006 p. 50). Drummond¹⁹⁰ suggested that the cost for Australia may be as high as \$20 billion per annum. As a result of having different laws in each state, public administration and business costs increase as does bureaucracies.

The cost of compliance for a small business on the New South Wales and Victorian border is 330 work hours per annum which is about 75% higher than for a small business elsewhere (Shaw et al 1997 p. 43). Compliance in the twin towns requires duplication of awards, payroll tax, workers' compensation (Table 6.3), superannuation and long service leave which absorbs time, requires training or expert advice and adds to costs. In short 'Anomalies act like a tax on the border business by increasing its costs without any offsetting productivity' (Shaw et al 1997 p. 8) and are a burden on the economy (see Table 6.1) and residents (see Table 6.2).

¹⁹⁰ Drummond M.L. in BCA Appendix 3 page 38.

Table 6.3**Payroll and workers' compensation in New South Wales and Victoria.**

Payroll	Percent	Workers' Compensation	Percent
New South Wales	6	New South Wales	7.8
Victoria	5.25	Victoria	3.8

Source Weekly Times¹⁹¹.

The widespread divergence in occupational licensing occurring across the New South Wales and Victorian border implies that firms must either limit the areas in which they operate or employ sufficient staff to be able to comply with the requirements of both states. The latter option entails an unwarranted labor cost impost (Australian Business Limited 2006). For example, Zauner Constructions which operates in New South Wales and Victoria with a large skilled workforce finds that 'if it needs electricians to work on a site in New South Wales, it cannot access its Victorian employees because their license is not recognized in New South Wales' (Australian Business Limited 2006 p. 7).

6. 2 Responses to anomalies.

Most anomalies are the product of State government laws and regulations which conflict with those of neighbouring States. State governments are in a key position therefore to ameliorate anomalies. However where the law or regulation provides an advantage for commerce and industry in the State, the State is unlikely to ameliorate the anomaly. State governments can resolve anomalies by changing the laws and regulations, cooperating, collaborating, or through an agreement. Local government uses the same techniques to ameliorate anomalies. However, because they occur at a smaller scale in local government it also makes use of informal agreements¹⁹².

The Federal government functions at a higher and larger scale but may also pass laws and regulations which create anomalies¹⁹³. Some Federal governments have adopted a centrist approach to government seeking national laws which at the same time have ameliorated some

¹⁹¹ Weekly Times 17. 3. 2004.

¹⁹² Colleagues at a sport function could resolve anomalies informally. These arrangements are not reliable or permanent.

¹⁹³ The Federal Solar Water Heating grant was based on postcodes. Albury and Wodonga have different postcodes and were given different grants yet both towns experience the same climatic conditions.

anomalies. The Whitlam government attempted to bypass the States, directly fund regional and local governments and through use of SPP grants established a national road network. The Hawke-Keating government used the Accord process to 'accelerate the pace of industrial relations reform' (O'Neill, Fagan 2006 p. 221) to established enterprise bargaining 'orchestrated centrally through the Australian Industrial Relations Commission' (O'Neill, Fagan 2006 p. 221). The Keating government passed the Mutual Recognition Act to free labour movements between the States and established national benchmarks for the assessment of qualifications. While the Howard government pushed to build a 'unified national industrial relations system by using its corporation powers' (O'Neill, Fagan 2006 p. 225). and later passed the Work Choices Act to establish a national award for pay and work conditions. The latter was poorly received and the government fell.

6. 2. 1 Federal government responses

All three tiers of government have in varying degrees and at different times responded to the impacts of anomalies. Government responses will be examined over the three historic periods which the thesis covers, that is the Long Boom, the lead up to and the restructuring of the Australian economy, and the return to prosperity.

Towards the end of the Long Boom

The Constitution created the separation of powers between the States and the Commonwealth. Since Federation the workforce had become more mobile but expecting the same services in all States. Metropolitan areas expanded despite the uncoordinated policies of three levels of government, while business technology and practice had evolved. Businesses became beset with increasing red tape, part of which originated from anomalies. In response because the Commonwealth Government did not have the power to change these conditions for businesses it established a national corporation regulation scheme to address the issues.

The Menzies government encouraged decentralization of power yet it continued to control the purse strings. Because it practiced separate State and Federal governance, its response to anomalies was minimalist as anomalies were regarded as being State issues. Despite its generally Centralist approach to governance in Australia and selection of border towns as one of its policy Growth Centres, the Whitlam Government's (1972-1975) various incursions into State legislative spheres and some direction of Federal funding directly to local government,

did little to reduce the number or impact of anomalies affecting border towns. Nevertheless in 1975 the Whitlam government established an Interstate Commission to examine interstate transport on roads as it relates to Section 104 of the Constitution and although little was achieved, as the government was dismissed, it was resurrected by the Hawke government in 1985. Whitlam argued

‘that national governments should be responsible for the state of the nation’s economy, yet in Australia, a country effectively now a single unit due to improvements in communications, the national government could not properly assume its proper economic responsibilities’ (Bennett 2006). In fact most Labor

Federal governments have attempted to reduce the power of the States particularly when State governments have been led by opposition parties (Bennett 2006).

During the Growth Centre period (1972-1975) the Federal government bypassed the States and attempted to resolve a problem about the different trade and business practices which existed between the States. The Federal Department of Housing and Construction and members of the AWDC committee, worked to produce a uniform building code (AWDC Report 1975; first AWDC Economist¹⁹⁴) to facilitate a smoother processes in the building industry in Albury and Wodonga. The Advisory Committee on Business, Allied Trade and Labour, voiced concerns about the different trade and business practices which existed between the States. The first Economist of the AWDC reminisced about the difficulties experienced when the Growth Centre began due to the different plumbing and building sizes in equipment in Albury and Wodonga.

The lead up to and the restructuring of the Australian economy.

The Fraser government was initially in caretaker mode. Nevertheless it slashed the Whitlam initiatives but involved Local government in intergovernmental forums and a mild form of tax-sharing. None of these measures had any impact on anomalies. In the 1980s the Federal Hawke government using Cooperative Federalism resurrected the Interstate Commission to examine inter-state trucking and in 1984 passed the Interstate Road Transport Act 1985 which removed anomalies of road freight and passenger vehicles registered for interstate travel avoiding the payment of reasonable cost recovery charges. Hawke attempted to get local government securely positioned in the Constitution but with little success. Since the

¹⁹⁴ Interviewed in Albury 21/7/08 discussed building industry problems e.g. different nut and bolt sizes, different toilet flushing systems, disparity between tools and equipment across the border.

Constitution places some hurdles for cooperation between Federal and State governments, in 1984 the Hawke government introduced a Referendum which ‘sought to introduce more flexibility in to the constitutional provisions relating to Commonwealth–State relations’ (Bennett 2006). The Referendum for Constitution Alteration (Interchange of Powers) passed. In 1988 the Hawke government introduced a fourth Referendum on the Constitutional recognition of local government which also passed.

Prime Minister Hawke used COAG to attempt to obtain consensus between the States and Federal governments in a ‘New Federalism which identified the roles and responsibilities which each level (of government) would play in the shared functions’ (Wiltshire 2008 Ch. 11). The focus on a national perspective for regulation and deregulation would in turn ameliorate anomalies.

Prime Minister Keating and COAG commissioned the Hilmer Report in 1992 and in 1994 endorsed the National Competition Policy which sponsored a level playing field between public and private sectors. The Mutual Recognition Bill in July 1992 indicated a centralist approach. It reduced the impact of anomalies to cross-border anomalies and developed a national policy for the advancement of Australian society, economy and technology. ‘The mutual recognition principle is that goods sold in one State or Territory may be sold in another State or Territory and that individuals who are registered to practice in one State or territory are entitled to practice that occupation in another State or Territory’¹⁹⁵. The Bill exempted firearms, fireworks and gaming machines from being moved across State borders. Among the concerns raised by the States was the fear that product standards would drop to the lowest denominator. As a result of the Bill, a greater variety of goods become available throughout Australia and the labour force was able to move more freely throughout Australia in search of employment. Since there was a move towards removing different laws and regulations between the different States the Bill also held the promise that some anomalies would be resolved. The Mutual Recognition Legislation was passed by all States on 1st July 1993. The States did not have much confidence in the new Bill and proposed it be reviewed at the end of five years. This was subsequently done and the Bill was renewed.

¹⁹⁵ Vic Hansard 6/10/98 page 281.

The Mutual Recognition Bill appeared to simplify a number of cross-border issues. The Act permitted

- real estate agents to be ‘licensed in both States enabling them to operate trust funds in the State where the transaction takes place’.
- amendments to the NSW Maritime Services Act permitted police to ‘breath-test’ boat operators on waterways.
- dual payment of payroll tax on both sides of the border was reviewed and treated more sympathetically.
- an avenue for ‘regulating authorities to develop uniformity in registration or regulation of particular organizations or professions’. These include the medical and dental professions, and real estate agents¹⁹⁶.

Table 6. 4

Reciprocal cross-border anomaly categories.

motor vehicle and motor bicycle licenses
fishing licenses
learner vehicle licenses
free ambulance transport for pensioners
transporting of mobile homes
long service leave in the construction industry
shooters licenses

Source Information from Victorian Parliamentary Hansard 6/10/98 page 277.

Upon addressing Victorian parliament during the reading of the Mutual Recognition (Victoria) Bill on the 6/10/98, Ken Jasper MP for Murray Valley stated that the Joint Cross Border Anomalies Committee (JCBAC) in the Premiers departments had between 1979 and 1992, resolved 131 border anomalies in the categories shown in Table 6.4.

The Federal Labor government under Paul Keating continued to push for micro-economic reform and used the One Nation program (see Chapter 4) to establish a standard rail gauge system which removed the impediments between the States and unifying rail transport

¹⁹⁶ Vic Hansard 6/10/98 page 278.

throughout Australia¹⁹⁷. This encouraged the development of a national market and facilitated greater exports¹⁹⁸.

By the end of 1996 the Keating government legislation had assured:

‘mutual recognition of professional and trade qualifications; the establishment of the eastern seaboard electricity grid, national standards in food labeling; a national freight performance monitoring of government trading enterprises, accompanied by national accounting standard including standards for asset valuation, as well asborrowing arrangements for financial institutions; an intergovernmental agreement setting out roles and responsibilities of governments across a range of environmental management issues and ongoing review of duplication of services in government functions with an emphasis on health, welfare and vocational education and training’ (Wiltshire 2008 Ch. 11).

The Return to Prosperity

Bennett suggests that ‘Labor’s opponents often describe themselves as the protectors of the Federal system’ (Bennett 2006) yet Prime Minister Howard stated that ‘if Australia’s government had been established at the start of the 21st century, it is unlikely a Federal structure would have been the outcome’ (Bennett 2006). He encouraged his ministers to seek uniform practices where possible, was critical of state parochialism and was not ‘enamored with the Federal system’ (Bennett 2006). Howard was supported in his views by a number of ministers including the former Minister for Employment, Workplace Relations and Small Business, Peter Reith who sought centralized industrial relations, Attorney General Phillip Ruddock who sought greater efficiency through more Commonwealth policy, Julie Bishop who stated Federal policy making was dysfunctional and Treasurer Peter Costello who argued the need for greater economic power because of globalisation (Bennett 2006).

In 1996 John Howard proposed that the Federal government adopt a more centralist approach to policy formation. As a nationalist, his approach was based on the necessity to establish national unity and a national market for goods and labour. To some extent this approach to policy would lead to a reduction of anomalies. The Howard Government at times functioned in a similar way to the Whitlam Labor Government. It linked funding proposals to policy objectives e.g. funding of TAFEs in Queensland and Western Australia for 3 years if staff

¹⁹⁷ The rail gauge between Victoria and New South Wales had been standardised in 1962.

¹⁹⁸ Vic Hansard 6/10/08 page 279.

accepted workplace agreements, and grants were made bypassing State governments e.g. providing tool boxes for apprentices (see Chapter 4).

In 1996 the Howard Federal government's Working Overtime Survey, highlighted the difficulties faced by small businesses in general. They included:-

- the complexity of taxation and employment regulations,
- administrative and compliance costs of dealing with regulations,
- lack of coordination between government agencies,
- poor scrutiny of regulation and review process,
- lack of effective monitoring mechanisms.

In the Working Overtime Survey¹⁹⁹ it was estimated that

‘on average small business spends 16 hours a week on administrative costs. Of this twelve hours are taken up with accounts, bookkeeping and paying wages, four hours are spent doing paperwork and three hours on taxation mattersTotal compliance costs for small business are estimated to average \$7 000 a year. Of this \$3000 is spent on external advice. These figures do not capture the lost opportunities and disincentive effects created by the compliance burdens.’ (Chittenden, Keuser, Poutziouris 2002 p. 48).

As well in April 1996 the Federal Small Business Deregulation Task Force was asked to reduce the compliance burden for small business by 50% without the government incurring costs. The report of the Taskforce²⁰⁰ provided the Federal government with 60 recommendations to reduce the compliance burdens for small businesses. It included:-

- Regulation Efficiency Programs such as the Legislative Instruments Bill to increase parliamentary scrutiny of regulations, the Legislative Review Programs and the Removal of Redundant Regulations.
- National Competition Principles Agreement to review all existing legislation that restricts competition.

¹⁹⁹ Working Overtime Survey Australian Federal Government 1996.

²⁰⁰ Report of the Taskforce called Time for Business.

- Commonwealth Reviews that could lower the regulatory burdens for small businesses. These include for example tourist visas, rural sector reviews, superannuation, intellectual property provisions, review of Agricultural Chemicals Act 1994.
- State and territory reviews concerning health legislation, business licensing, agriculture, occupational health and safety and product standards' (Chittenden et al 2002 p. 64). It is likely that the National Competition Principles Agreement, the Regulatory Efficiency Program, and reviews of Health legislation, business licensing, Occupational Health and Safety, would reduce the number of cross-border anomalies in the future.

Building on the reforms introduced by the previous Labor Government, the Workplace Relations Act 1996 limited the centralized awards to twenty provisions²⁰¹. It also introduced individual contracts to replace Australian Workplace Agreements (AWAs); the expansion of Enterprise Bargaining agreements; reduced 'allowable provisions' in Federal awards; restricted union activity and outlawed closed shops. By 2005 when the Howard Coalition government achieved a Senate majority, the neo-liberalist economic change agenda moved forward with determination. O'Neill and Fagan (2006) argue that the 1996 Act was

'the first phase of fundamental reforms to Australian industrial relations systems which , by 1996, were still based on tribunals, collective bargaining and safety nets. Greater flexibility in the labor market was essential, in their view, to combat high rates of unemployment' (O'Neill, Fagan 206 p.18). In 1988 disputes broke out in the Australian waterfronts and in 1999 the government attempted to reduce union influence to bargain collectively.

Meanwhile the Howard government rewrote the Workplace Relations Act 1996 to create the workplace Relations Amendment (Work Choices) Act 2005 and by incorporating corporations created a single national industrial relations system. The Federal government encouraged the States governments to surrender their industrial relations powers to the Federal government but only the Liberal Victorian government complied. The act envisaged allowing employers greater flexibility in setting the terms and conditions of employment. Agreements were valid for three to five years. Employers with a staff of less than 101 workers

²⁰¹ Provisions include hours of work, rates of pay, annual & long service leave, public holidays, allowances, penalty rates, redundancy pay, notice of termination, dispute settling procedures, stand-down provisions, jury service and classification of employees.

were provided with ‘unfair dismissal’ protection, as were all firms that could show just cause. The role of the Australian Industrial Relations Commission (AIRC) was minimized and confined to hearing unfair dismissal and unlawful termination cases. It hindered trade union activity at work places and mandated secret ballots, restricted industrial action and outlawed industry-wide action. Collective bargaining was prohibited but it retained five minimum entitlements including maximum working hours, annual leave, parental leave, personal/carer’s leave and minimum pay scales which became known as the Australian Fair Pay and Conditions Standard. In addition the Australian Fair Pay Commission was established to supersede the AIRC on National Wage Case determinations. As a result, a single national system of regulation was achieved by expanding the Federal system to include all trading, financial and foreign corporations and their employees, who made up 85% of the workforce in a separate Federal Award system. Work Choices was passed by the Senate on 2 December 2005 and was enforced on the 27 March 2006.

Opposition to the new Act drew support from trade unions, welfare organizations, Third Sector Organisations²⁰² (TSOs) and church leaders concerned about the absence of safety nets, leave entitlements, penalty rates, overtime and holiday pay awards. Despite High Court challenges and an expensive national advertising campaign²⁰³ to promote Work Choices, as it became known, antipathy to it was so great that it was a key factor in bringing down the government in 2007. As O’Neill and Fagan assert: ‘Work Choice represents a major attack on the social justice aspirations embedded in the Australia industrial relations systems since the Harvester Judgment of 1907’ (O’Neill Fagan 2006 p. 20). The reforms contributed to trade union membership falling to 25% of the workforce. In 2006 Kevin Rudd campaigned against Work Choices and reaffirmed his opposition to Work Choices nevertheless the incoming Labor government maintained the Federal rather than State based system and phased out AWAs to encourage collective agreements and awards. Union restriction to workplaces and secret ballots for strike action remained intact, and ‘Fair Work Australia’ replaced the AIRC. In December 2007 the Liberal Leader, now in Opposition, declared Work Choices ‘dead’,²⁰⁴.

During this time the Howard Government also attempted to ‘create work-ready citizens with government assistance’ (O’Neill, Fagan 2006 p. 7)) by encouraging mutual obligations pacts

²⁰² Third Sector Organisation is a not-for-profit organization.

²⁰³ ABC News 18/3/2008 Gillard attacks Opposition over Spending Criticism. The Federal Industrial Relations Minister Julia Gillard revealed the campaign cost \$121 million.

²⁰⁴ ABC News Nelson Declares Work Choices Dead 19/12/ 2007.

and expecting 'the impetus for economic activity to come from individual or firm-level initiatives, rather than from' (O'Neill, Fagan 2006 p. 7) State or Federal schemes.

In 2006 the Howard Federal government also set up a task force to Reduce Regulatory Burden on Businesses. The task force highlighted the following issues facing businesses:-

- 1500 Commonwealth Acts of parliament plus 1000 statutory rules plus an unknown number of subordinate legislation,
- each State & Territory has its own legislation and regulation e. g. Victoria has 69 regulators of business administering 26000 pages of legislation and regulation,
- millions of pages of rulings, explanatory memoranda and explanatory notes,
- three levels of government administer 24000 different types of licenses for businesses and occupations making it complex and compliance difficult to administer.

One of the major examples which reflect inconsistent government policy is the different workers' compensation acts in the States. Australian Business Limited (ABL) states the average business spent up to 400 hours or \$10 000 per annum to comply with regulations or laws. The ABL sees this as a silent tax and lost productivity for businesses. Small businesses are affected more than larger businesses as the former do not employ the personnel (accountants, lawyers) to meet the regulatory requirements. ABL proposes that to overcome duplication issues, governments and organizations, where appropriate, should share information and so reduce compliance time. Some academics and members of the community have proposed that three tiers of governments be reduced to two levels and that State governments be removed or replaced by regional governments²⁰⁵ (Cameron 1992). Some Federal governments have attempted to sideline State governments. During the Whitlam Labor government, State governments were by-passed and local government and other organizations were used by Federal government to carryout policy changes. The Hawke–Keating government also by-passed the States and used ROCs. O'Neill and Fagan (2006) describe the Howard years, after 2005 once the Senate majority was achieved, as the 'rollout' phase of neoliberal reform, permitting the move towards TSOs for service delivery (O'Neill, Fagan 2006 p. 7). Outsourcing Government services to these organizations has been crucial and resulted in the breakup of the Commonwealth Employment Service. The Federal Howard Coalition government used church and community groups to organize employment services and welfare delivery.

²⁰⁵ The Australian Stekete M. Rising Support to Abolish State governments 10/4/2010.

Howard proposed to establish a national market and national regulations and laws for trade to override conflicts between State governments which emanated from individual State laws and regulations. By reducing compliance costs this ought to reduce anomalies. From a global perspective investors would be less confused by the different State regulations and laws and would find it easier to invest in Australia.

At the COAG meeting in February 2006 it was agreed that State governments and trade unions would put in place mutual recognitions across the States and territories for trades²⁰⁶ with skill shortages. The ABL, in a submission²⁰⁷ to the Pricing and Regulatory Tribunal in 2006, proposed that the New South Wales Government adopt its recommendation to ‘establish a national set of Occupation Health and Safety (OH & S) standards to be uniformly administered on a State by State basis’ (ABL 2006 p. 7) since it had been ‘agreed at COAG in February 2006 that NSW lead the development of a national recognition of occupational licenses’ (ABL 2006 p. 9). In the same submission to Review Red Tape the ABL states ‘many cross border anomalies existand business operating across State borders face significant additional costs which are both unnecessary and overly burdensome’ (ABL 2006 p. 9). The ABL suggests the New South Wales Government ameliorate cross border anomalies with the ‘alignment of standards or, the development and implementation of a National standard or, the deferment to the Federal Government of any powers which result in multiple systems across the country’ (ABL 2006 p. 9).

The Rudd government adopted a centralist approach. Ministerial Councils were established to seek national approaches for Ageing and Trade. However COAG stated:

‘that the achievements of such national approaches might occur in different ways in different areas, including template legislation, cooperative pledges of some kind, complimentary legislation with some opting out allowed, and occasionally transfers of power to the national government’. This applied in such fields as industrial relations, occupational health and safety, workers’ compensation, uranium mining and the diffuse and confusing methods which were outlined for achieving a national school curriculum’ (Wiltshire K. 2008 Ch. 11).

²⁰⁶ Trades with skill shortages include electricians, plumbers, motor mechanics, refrigeration & Air conditioning mechanics, carpenters, joiners, bricklayers.

²⁰⁷ ABL submission to the Pricing & Regulatory Tribunal is named Review of Red Tape 2006.

Since the Labor government replaced the Coalition Howard government in late 2007, further policies from Federal government have added to the list of anomalies. In Wodonga residents have been ‘jibbed of hundreds’²⁰⁸ when they purchased solar water heaters. The Federal government had differentiated regions on the basis of postcodes. By doing this Wodonga with a similar climate to Albury (3km away) was offered a lower grant by Federal government to install solar water heating.

6. 2. 2 State government responses

The impact of anomalies is experienced by residents, commerce and industry throughout the States but especially in cross-border communities. Since anomalies involve different regulations and laws created by the States the amelioration of anomalies is more likely to result from State government action than the Federal Government. Anomalies are not always seen to act negatively on business. States have from time to time deliberately fostered an anomaly as a tactic to ensure that their businesses have an advantage over businesses and organizational rivals in other States.

During this period State governments did little to bring about change in anomalies. Prior to 1962 Albury was the link between two different railway gauges, one heading north to Sydney²⁰⁹ the other heading south to Melbourne²¹⁰. Two clocks on the Albury station indicated a 25 minutes difference in time between Albury and Wodonga. To avoid a similar anomaly, in 1994-95 the New South Wales and Victorian government reached an agreement on ‘Daylight Saving’ in summer, so both sides of the border encounter the same time. During this period New South Wales and Victorian governments resolved two anomalies and established a committee to ameliorate the impact of anomalies.

In 1979 Premiers Wran and Hamer established the Joint Cross-Border Anomalies Committee (JCBAC) to ameliorate or eliminate ‘inconsistencies in the laws, practices and policies’ (JCBAC 5th Annual Report) as a response to complaints from border communities. It consisted of a member of each Premiers Department and representatives from the AWDC.

²⁰⁸ Border Mail 5/7/10.

²⁰⁹ Rail Gauge four foot eight inches.

²¹⁰ Rail Gauge of five foot three inches.

The committee allowed State governments to remind border residents they were being heard and not forgotten. Anomalies were aired and referred to pre-existing committees for resolution in order to ensure that new legislation would not generate any new anomalies (JCBAC 10th Annual Report). The committee met as required but did not ‘deal with anomalies which arise directly from specific policies deliberately adopted by the two governments’ (Victorian Local Government Board 1996 p. 31). As it happened the JCBAC was however ‘entirely reactive’ (Victorian Local Government Board 1996 p. 52).

The JCBAC arranged for working parties to explore issues of concern raised through State governments and their organizations, the AWDC, as well as local governments and organisations. By negotiating and accepting advice from administrators in both New South Wales and Victorian governments, solutions were found and acceptable outcomes resulted so both State Governments could ameliorate the impacts of anomalies. The JCBAC submitted an annual report to the Premier of each State²¹¹.

Between 1979 and 1992 the JCBAC resolved some 131 anomalies²¹² (JCBAC 10th Report; Victorian Parliamentary Hansard 6/10/98 p. 277) which Ken Jasper MP for Murray Valley, when addressing the Victorian parliament categorized as:

- reciprocal motor vehicle and motor bicycle licenses,
- reciprocal learner vehicle licenses,
- reciprocal fishing licenses,
- free ambulance transport for pensioners,
- reciprocal transporting of mobile homes,
- reciprocal long service leave in the construction industry,
- reciprocal shooters licenses²¹³ ((see Appendix 3).

Between 1993 and 1996 the JCBAC had considered workers compensation levies, health services for pensioners, permits for over-dimensional vehicles, cross-border meat sales and establishing a pilot taxi zone covering Echuca and Moama. It referred back to government for further advice: workers’ compensation rebates for apprentices, financial institution duties, commercial passenger bus licensing, reciprocity of seniors’ cards, highway speed limits, taxi

²¹¹ Vic Hansard 6/10/98 page 277.

²¹² See Appendix for list of anomalies that had been resolved between 1979 and 1992.

²¹³ Vic Hansard 6/10/98 page 27.

concessions, shooting in State forests, rural school buses and solicitors' trust accounts. Other issues before the JCBAC included uniform boating regulations, registering interstate legal judgments, long service leave provisions and cross-border access to health services (Victorian Local Government Board 1996 p. 32).

On the Victorian side of the border the gauntlet had been taken up by the National Party through Ken Jasper MP for Murray Valley amongst others²¹⁴. During the Adjournment in February 2005 Mr. Jasper responded to a letter from Premier Bracks which indicated the JCBAC had undergone a review and was to be abolished and replaced by 'other mechanisms at agency level'. Mr. Jasper sought more information about the review and proposed the JCBAC be re-instated to deal with the issues facing border residents.

During this period the New South Wales and Victorian State governments attempted to find different ways to ameliorate cross border anomalies. Seven examples of State actions are included.

Creating the Perfect Border.

In 1997 a major study of anomalies was commissioned by the Murray Regional Development Board and undertaken by Shaw and Associates Consulting²¹⁵. The Murray Regional Board was funded by the New South Wales Department of State and Regional Development. The objective of the study was to determine the 'significance of border anomalies to border regions with particular emphasis on the dollar cost of anomalies..... and to identify the legislation, agencies and services between Victoria and New South Wales that are an impediment to business and the community'²¹⁶.

Some 981 industries and organizations which were likely to be impacted by anomalies were surveyed along the border²¹⁷. 26% responded. Manufacturing, property and business services, and government were over represented as respondents while construction, retail, personal and

²¹⁴ Across the NSW and Queensland borders similar anomalies occur. Added to these are the two significant issues of Daylight Saving and truck loadings. In Queensland trucks are loaded on volumetric principle while in NSW they are loaded by weight causing time & money to be lost weighing stock individually.

²¹⁵ Shaw and Associates Consulting, Jindera, New South Wales the report was titled 'Creating the Perfect Border'.

²¹⁶ Shaw and Associates Consulting.

²¹⁷ 500 surveys went to members of the Albury-Wodonga Chamber of Commerce and Industry via the monthly newsletter.

other services were under represented. Some 81% of businesses provided goods /services to both sides of the border and 70% of businesses were located in more than one area. The respondents identified 70 anomalies which affected daily life along the border (Shaw et al 1997 p. 5).

The study defined an anomaly as ‘a situation that is contrary to what would be expected in the absence of the border’ and more specifically ‘a border anomaly is a difference between NSW and Victoria in legislation, agencies or services which act as an impediment to business and the community. Thus anomalies are created by differences in laws, practices and policies of State governments and their agencies’ (Shaw et al 1997 p. 7).

The study argued that ‘border anomalies act like a tariff on border businesses by increasing an organization’s costs without any offsetting increase in productivity’ (Shaw et al 1997 p. 9). As such they are regarded as ‘Bad’ regulation. The study showed compliance costs were significant burdens for small business. On average small business had to spend 330 hours per annum (at a cost of \$1 340 per annum) to meet the compliance requirements of functioning along the Murray border. Thus border businesses experienced a 74% greater cost of compliance than other businesses elsewhere. These costs arose from:-

- different laws and regulations in each state,
- licenses required in each state,
- duplicating regulatory bodies in each state,
- duplicating professional bodies in each state,
- duplicating Workers’ Compensation in each state,
- extra administrative time to meet these requirements,
- professional training costs to achieve compliance (Shaw et al 1997 p. 6).

The cost of anomalies varied per business 55% of businesses acknowledged that anomalies increased their total business costs but there was no conclusive evidence about the size of this extra cost burden. 25% of businesses stated that the cost was less than one percent of their total costs. Only one percent stated that anomalies increased costs by 10-20%, while two percent stated anomalies increased costs by more than 20% of their total (Shaw and Associates Consulting 1997 p. 5). In the survey, 94 businesses estimated that the cost to their business was in the order of \$5 000 per annum. By contrast, 21 businesses estimated

that the anomalies cost their businesses in excess of \$20 000 per annum. Despite these findings, only 12% of businesses inferred that anomalies prevented them from taking full advantage of opportunities in the region. The majority of businesses did not see anomalies as a complete obstacle in functioning along the border. Rather they regarded them as a hindrance that could, at some cost to them, be overcome. Only eight percent of businesses wanted anomalies addressed so they could function more efficiently and effectively (Shaw et al 1997 p. 6).

Each State passed legislation to ensure their businesses have an advantage over business and organizational rivals in other States. This is called Competitive Federalism and is used by the State governments to develop the greatest advantages for business and organizations within their own State (Shaw et al 1997 p. 10). Shaw and Associates Consulting (1997) held that the anomalies fell into eleven categories shown in Table 6.5.

Table 6. 5

Categories of anomalies in business

Category	Description
Funding laws	Health and TAFE funding
Hard Infrastructure Authorities	Roads, irrigation providers
Licensing of activities & occupations	Nurses, doctors, teachers, lawyers, estate agents, builders,
Taxation	Fuel Bank, FID, Mortgage, Stamp duty
Membership of professional bodies	Lawyers, estate agents, doctors, builders, teachers etc.,
Employee related laws	Payroll tax, workers' compensation, superannuation, awards
Corporate and business laws	Business names, compliance, incorporation
Local government planning & building permits	
Quality control	Road authorities, health inspection
Highly regulated industries	Taxis, dairy industry
Other	Mortuary regulations

Source Shaw & Associates Consulting pages 10, 11.

Since labour moves freely across the border from one town to the other compliance requirements for both States is a significant cost for businesses. To illustrate these costs, Shaw & Associates Consulting examined a building industry business, of less than 20 employees, with an annual turnover of \$0.5million.

The compliance requirements for this business were state specific and at that time included:-

1. different awards or enterprise bargaining, determined by State specific unions that control different State awards. Awards in each state cover hourly rates, supplementary pay, over award pay, tool allowance, industry allowance, license allowance, disability allowance, site allowance, travel allowance, fare allowance and redundancy pay.
2. payroll tax which is State specific for employees working in both States. To comply with this tax the employer needs to determine the State location of the employee's bank account, the hours worked in each State and the remuneration required by each State and finally the gross wage of the employee in each State. It is estimated this task consumes 3.5 hours per month to complete.
3. workers' compensation which is obligatory in Victoria if the employee spends more than 50% of work time in that State. Thus the employer needs to determine the time worked in each State, calculate the remuneration for each State. This task takes 0.5 hours per month.
4. long service leave which is State specific based on the number of hours worked in each state excluding overtime.
5. superannuation which in 1997 was calculated at 6% of the gross wage for each employee in each State. Thus the employer had to identify the hours worked in each state, the gross wage for each employee in each state and the 6% levy of each gross wage. This cumbersome task took 2-5 hours per month to complete.

Other compliance costs which are State specific include audits, time spent with experts such as accountants, lawyers and consultants, the training of personnel to deal with payroll tax and implementing computer generated payroll systems. Although the use of computers have reduced the time required to complete these tasks it has also encouraged time to be spent on the extrapolation of data for reports. Today the Goods and Services Tax (GST) and quarterly BAS statements would also add to the compliance requirements.

Shaw and Associates Consulting estimated the businesses they investigated spent an extra 246 hours or \$13,404 per year i.e. (0.6%) of annual payroll to meet compliance requirements.

They concluded that border businesses spent more time and experienced higher costs in meeting state specific compliance requirements. Shaw and Associates Consulting also investigated the impact of cross-border anomalies on the petroleum industry, banks and

building societies, dairy processing, real estate agencies, taxi industry, car dealerships and law firms.

Fuel tax on petrol and diesel in Victoria was higher than in New South Wales resulting in higher prices in Victoria. Despite this, Victorian outlets matched New South Wales prices but with higher costs and reduced profit margins were lessened.

Table 6. 6

Comparison of fuel taxes in New South Wales and Victoria

Type of fuel	New South Wales	Victoria
	Cents per litre	Cents per litre
Diesel	7.93	11.29
Petrol unleaded & super	7.88	9.28

Source Shaw and Associates Consulting 1997 page 36.

In the banking industry the first anomaly occurred when money was deposited in a New South Wales branch of a bank for an account in the Victorian branch of the same bank. The bank branch in each State exacted a tax on the transaction resulting in double taxation. Second, if a loan was required for a Victorian property and the security was a property in New South Wales then mortgage stamp duty was required in each State. This was exacerbated by New South Wales solicitors outsourcing documentation and charging higher fees than the in-house services of Victorian solicitors. As a result of the recession, bank closures in country towns caused local councils to utilize the closest bank branch, often located across the border. Victorian banks would charge local councils from New South Wales Financial Institute Duty (FID) tax and an interstate deposit tax. On the other hand New South Wales banks omitted the FID tax as they classified local councils from Victorian towns as non-profit organizations.

The dairy industry experienced four anomalies according to Shaw et al (1997). The first anomaly related to variations in milk prices. In New South Wales milk was bought from the farm for \$1.15 per litre while in Victorian it was \$1.25 per litre. Second, to meet the Victorian Dairy Act, only Victorian dairy farmers could sell manufacturing milk to factories within the State of Victoria. A New South Wales milk manufacturer²¹⁸ overcame this anomaly by building a receival factory in Victoria in order to sell New South Wales milk to Victorian

²¹⁸ Haberfield Dairy later taken over by Parmalat and was later sold to Pauls.

Dairy Producers. Third New South Wales manufacturers paid farmers for milk using a 4-7 day pay period while Victorian manufacturers paid farmers using a 3-10 day pay period. Thus factories had to establish different accounting systems to cope with the different pay periods in each State. Finally the dairying industry was also faced with duplication of quality control systems in each State which also added to the compliance costs in the industry.

In branch offices real estate agencies were required to have duplication of licenses, separate registered offices, separate trust accounts, trust audits, duplication of professional organizations and stationery duplicated for each State. The cost incurred was between \$3 000 and \$30 000 per annum per business.

Taxis were required to have licenses in both States if they wished to operate in New South Wales and Victoria. A taxi licensed only in New South Wales could transport passengers to Victoria but could not pick up fares on the return trip²¹⁹. Costs for taxis were higher in New South Wales than in Victoria. Similarly hire car licenses were required for New South Wales and Victoria required temporary licenses. In Victoria the license fee is \$120 p.a. while in New South Wales it is \$1 400 per annum. As well car dealers required State specific roadworthy licenses, vehicle inspection, and testing certificates and registration fees. Renewals and changeovers of registration from one State to the other differed. There are different registration fees and structures, and New South Wales and Victoria function under different operational Acts and Licenses.

Lawyers also face cross-border anomalies which made practice difficult. Since laws are State specific, lawyers along the border often have to be cognoscente of the laws, procedures and practices, in each State. All of this is time consuming and adds to the cost of their professional indemnity insurance. One of the benefits of cross-border anomalies is the increased demand for legal work created from businesses and organizations functioning in both States.

Shaw et al (1997) found that cross-border anomalies also occur in payroll tax, superannuation, long service leave, workers compensation and industrial awards in each State. Apart from studies like that undertaken by Shaw and Associates Consulting (1997), the State governments of Victoria and New South Wales have been slow to amend laws or enter into

²¹⁹ This anomaly has been ameliorated to permit New South Wales taxis to pick up pre-booked fares in Victoria and vice versa.

agreements that would simplify rules and regulations along the border to improve commerce and services.

New South Wales Parliament: Communication and Cross-Border Commission Bills

In a communication in 2006, the MP for Albury, raised three anomalies. First, the anomaly facing people seeking New South Wales accreditation for earth moving equipment courses²²⁰ completed at Wodonga TAFE. They were obliged to complete final assessments at Albury TAFE, but because of a lack of classrooms at Albury TAFE they were assessed outdoors. Second, when a child drowned in Lake Hume, despite Albury Police offering to retrieve the body, deemed to be in Victoria, they deferred to a diving team from Melbourne. The dead child's body, in full view to its grieving parents, remained in 1.6m deep water, 10 metres from the bank for over 20 hours. Third, New South Wales Health insurance would not permit an individual to buy a wheelchair in Bendigo Victoria costing \$1 000 but insisted the same wheelchair costing \$1 800 be bought in New South Wales.

There is no consensus about the number of anomalies. In 2008 Ken Jasper²²¹ claimed 1500 anomalies existed to 'torment the residents'²²². Various members of the New South Wales parliament have provided a different total figure for cross-border anomalies. Ian Glachan²²³ and George Souris²²⁴ stated that there were 1200 cross-border anomalies. Almost four years later George Souris²²⁵ spoke about 1600 cross-border anomalies. To add to the confusion, the ABC News on the 19/8/02 stated that there were 1300 cross-border anomalies and a letter²²⁶ to the *Border Mail* referred to 1900 anomalies. Despite a request from parliamentarians for a comprehensive list of cross-border anomalies none has been forthcoming.

In October 2001 the New South Wales parliament heard the Second Reading of the Cross Border Commission Bill proposed by Don Page²²⁷ to find solutions for the anomalies across the New South Wales and Victorian border. Andrew Stoner²²⁸ spoke to the bill identifying cross-border anomalies such as the construction of roads, environmental legislation, car

²²⁰ Courses for earthmoving equipment, forklift drivers, operators of excavators, backhoes and skid steer.

²²¹ MP for Murray Valley Victoria (National Party).

²²² Vic Hansard 15/4/08page 2010.

²²³ MP for Albury (Liberal Party)NSW Hansard 25/10/01.

²²⁴ MP for Upper Hunter (National Party) NSW Hansard 18/10/01.

²²⁵ NSW Hansard 24/3/05.

²²⁶ Howard Jones reporter on Border Mail letter 8/3/01.

²²⁷ MP for Ballina (National Party).

²²⁸ MP for Oxley (National Party).

registration, workers' compensation, payroll tax, traffic infringements, bus accreditation, public health issues, educational standards and curricula, daylight saving and gaming laws.

Mr Carr²²⁹, Premier of New South Wales responded:

'I believe that current arrangements and structures for dealing with border problems are more likely to achieve seamless borders than a Cross-border Commission.

Consequently I can advise that the Government members, will not be supporting the Cross-border Commission bill 2000 in Parliament'²³⁰.

The discussion in the parliamentary debate highlighted that while the Carr Government had been in power for six years, it had failed to resolve most of the 1200 cross border anomalies experienced along the New South Wales-Victorian border. Part of the problem was that the Premiers Department was focused on metropolitan areas rather than border issues.

The National Party had raised the Commission Bills in parliament. Other speakers included Adrian Piccoli²³¹ who raised the Johne's Disease (OJD) levy anomaly, whereby payments were made at the farm in New South Wales but at the point of sale in Victoria. New South Wales farmers who sold sheep were forced to pay the levy twice if they sold sheep in Victoria. Piccoli was concerned that New South Wales border people could not use their Senior Citizen cards in Victoria and people with 03 and 07 area codes could not access New South Wales government offices with 1800 phone numbers. As well he drew attention to fishing, insurance, vehicle registration, building licenses and education anomalies and called on the two Labor State governments to resolve these issues.

Ian Glachan²³² highlighted the difficulties faced by border people regarding day light saving times. He drew attention to the fact that cheaper car registration and third party insurance in Victoria encouraged people to break the law to reduce living costs. People who live in one State and register their car in that State but drive to work in the other State are breaking the law. Other issues included, fishing license anomalies and 1200 anomalies which affected daily life along the border. One positive outcome identified was the use of the 02 area code for telephones in Wodonga to avoid people in Wodonga having to make trunk calls when phoning Albury.

²²⁹ Premier of NSW (Labor Party).

²³⁰ NSW Hansard Report 2001.

²³¹ MP for Murrumbidgee (National Party).

²³² MP for Albury (Liberal Party).

Don Page²³³ concluded the debate by suggesting that the Premier Department's bureaucracy was sapping State finances without resolving anomalies. He concluded that the Labor government would not support the Bill given that they believed that there were adequate arrangements in place and that there was the danger of the Commission giving rise to another bureaucratic layer. Surprisingly the two Labor government MPs representing the Tweed and Murray-Darling constituencies did not participate in the debate even though their constituencies occur along borders.

The issue of anomalies experienced along the New South Wales-Victorian borders has not altered much in the first decade of the 21st century. By the 24 February 2005 the Cross-Border Commission Bill had its second reading in the New South Wales Legislature. Katrina Hodgkinson²³⁴ suggested anomalies did not support small business development in New South Wales. She listed different Payroll taxes (Table 6.7) and different charges for workers' compensation (Table 6.8) to illustrate the higher running costs and disadvantages businesses faced in New South Wales.

Table 6. 7

Payroll taxes in selected Australian States

States	% charged	Base figure
New South Wales	6%	Over \$600 000
Victoria	5.25%	Over \$550 000
Queensland	4.75%	Over \$850 000
Australian Capital Territory	6.85%	Over \$1.25 million

Source NSW Parliament Hansard.

Table 6. 8

Workers' compensation

State	Workers' compensation
New South Wales	8.36%
Victoria	3.96%
Queensland	4.3%

Source NSW Parliament Hansard.

²³³ MP Ballina NSW (National Party).

²³⁴ MP for Burrinjuck and Shadow Minister for Small Business (Liberal Party).

Among the other anomalies described were the differences between New South Wales and Queensland regarding Responsible Service of Alcohol (RSA); differences of stamp duty on cars between New South Wales and Queensland with NSW charging 3% for cars under \$45 000 and 5% for cars over \$45 000 while Queensland charged a flat rate of \$2 000. In general Hodgkinson felt that the removal of anomalies would resolve issues relating to health, education, small business, payroll tax, builder's licenses, motor vehicle licenses, Road & Traffic Authority issues, disabled services and licenses for trades people such as bricklayers, carpenters, tillers, plasterers²³⁵.

The change of government in New South Wales in 2011 brought a change of attitude to anomalies. On the 12th May 2011 Richard Torbay²³⁶ re-introduced the Cross Border Commission Bill after the previous two attempts failed. He asserted that

‘at stake are the cost burdens that run into millions of dollars a year, plus the massive inconvenience experienced by thousands of businesses and residents in these communities..... This is a deliberate move to avoid politicization of the issues and to promote solutions²³⁷.

Mr. Torbay went on to list anomalies which would continue to plague residents, commerce and industry:- payroll tax which varies in each border State., duties that exist in some state and not others, daylight saving, workers' compensation premiums, licensing agreements, education courses, weight limits relating to transportation, variations in electricity prices, occupational health and safety standards, licensing and the registration of trades people.

On the 31st May 2011 Melinda Hayter reported on the Local ABC (Riverina) radio that the New South Wales Government was to appoint a Cross-Border Commissioner to smooth out anomalies²³⁸. On 16 February 2012, Andrew Stoner, the Deputy Premier of New South Wales²³⁹ announced Steve Toms the Mayor of Glen Innes, had been appointed for a two year term, as the Commissioner of Cross-Border Anomalies.

²³⁵ The trades people listed above did not require licenses in the ACT.

²³⁶ Independent Member for Northern Tablelands.

²³⁷ NSW Hansard Transcript 12/5/11

²³⁸ Torbay Media Release 31/5/11

²³⁹ On the ABC AM Radio program 16/2/2012.

Victorian Parliamentary debates about anomalies.

In 1998 the Opposition Leader, John Brumby, in a speech to support the extension of the Mutual Recognition Act 1993 and the re-adoption of the Commonwealth Mutual Recognition Act 1992, drew attention to the Federal Labor Government's legislation in the late 1980s and early 1990s to permit freer movement of goods, services and energy across Australia. He stated that Prime Minister Robert Hawke wanted to establish a national market and move away from the idea of seven different states or countries within Australia²⁴⁰. The Mutual Recognition Bill was expected to remove many of the cross-border anomalies affecting border towns. However, he berated the Federal Labor government for applying the lowest common denominator with the introduction of the national competition policy for uniform standards i.e. labeling of goods.

Between 2000 and 2008 the issue of cross-border anomalies was frequently raised in the Victorian parliament. On the 15th March 2000 Candy Broad Labor MLC, Minister for Energy and Resources, responded to a 'Question Without Notice' to state that an agreement had been reached with the New South Wales Minister for Fisheries relating to fishing in lakes Hume and Mulwala²⁴¹. On the 1st March 2001 Noel Maughan²⁴² congratulated the cabinets of New South Wales and Victoria parliaments for celebrating the 150th anniversary of the State border by meeting in Albury. He drew attention to the growing list of cross-border anomalies and requested assistance from the Premiers Department to reduce the list²⁴³. During the second reading of the Albury-Wodonga Agreement (Repeal) Bill, John Brumby, Labor Minister for State and Regional Development Victoria, suggested that, as part of the review of the One City (see Chapter 8) initiative, it was proposed that a different approach to cross-border anomalies would be explored²⁴⁴.

When the debate resumed on 17 September 2003 Wendy Ann Lovell²⁴⁵ asked the Victorian parliament to address the cross-border anomalies along the Murray River. She thought anomalies could be resolved, if and when, governments were willing to find solutions to ameliorate or remove anomalies. Speaking of the intention to integrate Albury Base Hospital and Wodonga Regional Health Services in 2003 she suggested that even though

²⁴⁰ Vic Hansard 6/10/98 page 275.

²⁴¹ Vic Hansard 15/3/00 page 190.

²⁴² MP for Rodney Victoria (National Party).

²⁴³ Vic Hansard 1/3/01 page 190.

²⁴⁴ Vic Hansard 9/5/02 page 1336.

²⁴⁵ MP for North Eastern Victoria, (Liberal Party).

‘the Federal and two State governments worked together.....in the development of the city, they missed an opportunity to solve some significant problems. They should have used this cross-border experiment to address some of the cross border anomalies that towns along the Murray River face every day’²⁴⁶.

In her assessment there were 48 cross-border anomalies which impacted on daily life.

In March 2004 Ken Jasper²⁴⁷ raised the issue of anomalies in the Victorian parliament. He highlighted anomalies such as the minimum speed limit of 100km per hour on Victorian roads compared to the 80km speed limit on New South Wales roads; the different legal driving ages and colours of P-Plates in New South Wales and Victoria, discrepancies in long service leave, pensioner travel arrangements and the movement of mobile homes. He lauded the positive action of the JCBAC in removing anomalies in health, transport, building, education and recreation and requested that the JCBAC be reactivated considering that few changes had materialised following the commission of an intergovernmental taskforce.

In March 2004 Tony Plowman²⁴⁸ addressing the Federal Standing Committee on Agriculture, Fishing and Forestry which examined the ‘Impact on Agriculture of Pest Animals’²⁴⁹ drew attention to the different ways the States dealt with pest animals such as wild dogs, and foxes, which were becoming a problem to people on the perimeter of pastoral land. In particular, he complained of the anomaly that faced a kangaroo abattoir in Victoria. It could only process kangaroo killed outside of Victoria and not those killed in Victoria.

On 14 September 2005, Noel Maughan²⁵⁰, during the reading of Grievances, raised the issue of building industry border anomalies which had created difficulties for tradesmen working on both sides of the border, as well as the compliance issues of workers’ compensation and insurance. In September 2006 Ken Jasper in Members Statements, reported that despite the Federal government’s offer of \$47 million over four years to develop an universal Seniors Cards to operate in all States, the States had failed to agree and the funding had been withdrawn²⁵¹.

²⁴⁶ Vic Hansard 17/9/03 page 140.

²⁴⁷ MP for Murray Valley Victoria (National Party).

²⁴⁸ MP for Benambra Victoria Shadow Minister for Water (Liberal Party).

²⁴⁹ Federal Standing Committee on the impact of pest animals on Agriculture 18/6/04.

²⁵⁰ MP for Rodney Victoria (National Party).

²⁵¹ Vic Hansard Members Statements 14/8/06 Book 12 page 3335.

During the adjournment on 17 July 2007 in the Legislative Council, Damian Drum²⁵², drew attention to the conference on Cross-Border Anomalies to take place in Albury in August 2007 which excluded members of parliament from participating. He wanted members of parliament to replace bureaucrats on the committee because he believed they would achieve more. In light of anomalies becoming more frequent and more destructive he complained that 'There is only a half-hearted effort to try and fix the problem'²⁵³. As he saw things there were six anomalies affecting Victorians along the Murray River. They included retrieving bodies out of the Murray River, stamp duty to be paid on both sides of the river, conflicting regulations about load limits on vehicles, requirements for professional registration, requirements for real estate registration and regulations in relation to firearms.

By September 2007 Candy Broad²⁵⁴ reported that members of the Victorian and New South Wales Parliament had met twice for briefings by the Premier's Department about cross-border anomalies. The Department Secretaries had resolved reciprocal arrangements for school enrolments, joint tourism promotions and created a border bridge strategy. She drew attention to the Cross Border Commission Forum (CBCF) acknowledgment of the Council for the Australian Federation, COAG and the Mutual Recognition Bill in reducing cross-border anomalies²⁵⁵.

In July 2008 Mr. Ken Jasper²⁵⁶ thought that there were at least 1500 anomalies still 'tormenting residents'²⁵⁷ and requested that the Victorian Premier seek reciprocal rights, mutual recognition and introduce legislation to reduce anomalies. This was in response to difficulties faced by plant machinery operators in obtaining licenses and competency in both States.

One City

A solution to the border difficulties facing Albury and Wodonga had been proposed in 1996. Jeff Kennett, Liberal Premier of Victoria during a period of tight budgetary constraint had re-organized local government in Victoria and amalgamated councils to govern larger areas, with

²⁵² MP for Northern Victoria (National Party), Upper House, Secretary for Regional Development.

²⁵³ Vic Hansard Border Anomalies Conference 17/7/07 page 2035.

²⁵⁴ MLC for Northern Victoria (Labor Party) Shadow Cabinet Secretary.

²⁵⁵ Vic Hansard 20/9/07 page 2352.

²⁵⁶ MP for Murray Valley Victoria (National Party).

²⁵⁷ Vic Hansard 20/9/07 page 2852.

the intention of reducing costs, improving service delivery and efficiency. Writing to Bob Carr²⁵⁸ on the 18 June 1996 Jeff Kennett²⁵⁹ stated:

‘I therefore propose a further reform which would need the agreement of our governments, as well as that of the local community, to form a single administration for Albury-Wodonga. This would be a unique development within Australia, but there are examples overseas’²⁶⁰.

On the 8 July Kennett instructed his Minister of Local Government to set the plan into action to notify Local Councils and appropriate Ministers in New South Wales. The *Border Mail* on the 20th June reported the Kennett proposal did not require the border to be changed²⁶¹. However the Bob Carr the Labor Premier of New South Wales did not respond.

The year 2001 was the Centenary of Australian Federation, and also the 150th anniversary of the declaration of the New South Wales-Victorian border. The latter was celebrated on 26 March 2001 with joint cabinet meetings of the New South Wales and Victorian governments in Albury and Wodonga. The State governments agreed to unite Albury and Wodonga to form a National City. The matter was first raised at the Centenary of Federation celebration meeting in Sydney in January 2001. Proponents of the National City also endorsed the Federal government’s policy to establish national guidelines for education, transport and commerce to facilitate Australia’s participation in global trade. With very little advanced notice given to Albury and Wodonga local government officials, Labor Premier Bracks of Victoria and Labor Premier Carr of New South Wales were photographed on Bethanga Bridge across the Murray River. Their joint statement reverberated in State and local newspaper headlines.

The Federal Department of Transport and Regional Services reported the ‘Albury-Wodonga-Single City Proposal’ in a National Office of Local Government (NOLG) publication (2001). It expected that the merger of the two cities would remove cross-border anomalies and provide for new opportunities for creating investments. In accordance with the proposal, the

²⁵⁸ Labor Premier NSW.

²⁵⁹ Liberal Premier Victoria.

²⁶⁰ Vic Hansard 18/6/96 page 767. In Canada the city of Lloyd Minster was divided by the Alberta-Saskatchewan border. The original charter to the Lloyd Minster Act was started in 1930. ‘A single structure to administer the new city of Albury-Wodonga would incorporate the existing councils and the Albury-Wodonga Development Corporation. It would provide a single planning authority, eliminate duplication and waste and foster and co-ordinate the development of industry, business and tourism growth’. (Hansard NSW Legislative Assembly Mr I Glachan Albury and Wodonga Councils Amalgamation 4/9/01).

²⁶¹ *Border Mail Give AWDC Land Back Kennett* 20/6/1996.

Federal government set up an intergovernmental working party led by Ian Sinclair²⁶² to consider Constitutional issues, State government service delivery and community opinion.

Premiers Bracks and Carr anticipated community support for the merger. As Bracks put it:

‘It makes sense really, its rational, it’s sensible. You’ve got potential around 100 000 in population, one of the biggest inland cities in Australia, a vibrant city between Sydney and Melbourne. One which I believe can go further by having streamlined governments, easier governments and less bureaucracy, which is what we’re aiming to do. We are doing it because the councils want it. We’re doing it because employers and local community have had a push for this for some time, We’ve got to work out some details and of course we will spend the next 6 months doing that’²⁶³.

In an interview the First Chairman of the AWDC²⁶⁴ expressed the view that it was preferable not to create ‘One City’ but to work within the existing systems to seek change. He believed that if the towns united into one town, it would have ‘created a precedent outside the realm of the existing processes and grant systems’, which would have impeded access to finance and support for change. If the towns remained separate entities the rivalry which exists between the States in the present system was an effective mechanism which could help to stimulate growth. Being outside of the present system would mean that ‘One City’ would have little support.

By contrast, Jeff Kennett former Victorian Premier supported the amalgamation stating ‘It is a good area, a natural area divided by a river and a State but the people are one.....It will put a sense of vibrancy into their communities that will drive them into the 21st century’²⁶⁵. Kennett thought that a referendum should be held to gauge the opinions of the local communities before the towns were united. The local member for Benambra (Victoria) Tony Plowman also supported the idea of amalgamating the towns. According to his estimates the amalgamation of Albury and Wodonga would create a saving of \$24million or 10% of the

²⁶² Mr Ian Sinclair .retired member of Federal parliament and former leader of the Country Party.

²⁶³ Border Mail One Council Sensible 28/3/2001.

²⁶⁴ 1st Chairman of the Albury Wodonga Development Corporation was interviewed on 24/7/08 at his home in Baranduda.

²⁶⁵ Interview with Howard Jones, Border Mail 28/3/2001.

budget of the two towns and would remove wasteful duplication of services²⁶⁶. He proposed that the AWDC should consider winding down the two councils and the council of the new town should take over the land bank acquired by the AWDC to avoid a land grab or possible State border changes. By July 2001 an issues paper was tabled dealing with the advantages and disadvantages of a single city; the administration and functioning of a local council, Federal and State funding issues, and the changes required to overcome cross-border anomalies. Carr and Bracks agreed to set up a taskforce that would function from the Premier's Department in each State²⁶⁷. The local mayors of each town supported the idea of a city merger and the community could express their opinions through the One City Alliance, (OCA) with Bert Eastoe as Convenor or with the opposing group the Citizens Against Forced Amalgamation (CAFA).

Support for the merger came from three Chambers of Commerce²⁶⁸ in Albury and Wodonga, the mayor of Wodonga, Councillor J Watson and R. Lucas of AiG²⁶⁹. There also appeared to be bi-partisan support in both State parliaments. Tony Plowman²⁷⁰ supported the notion²⁷¹ as did the respective Ministers for Local Government Mr. Cameron Minister for Victoria, and Mr. Wood for New South Wales²⁷². Lou Lieberman Liberal Member for Indi hesitated and called for a referendum and the need for more information for the community²⁷³. Ian Glachan²⁷⁴ was concerned about the lack of prior knowledge about the merger, lack of community consultation and concern about how anomalies would be resolved²⁷⁵.

Members of the public aired their views on radio and in the *Border Mail*. Professor Charles Mott wrote an impassioned article supporting the merger. He argued that if local leaders did not encourage the merger it would be due to a lack of vision and parochialism. His only reservation was that the merger should not be imposed from above and that the local community ought to be become involved in and ultimately own the plan. By July 2001 the

²⁶⁶ Border Mail 20/6/96.

²⁶⁷ Reported on the 31/7/2001 by Edwina Farley on the Goulburn Murray local ABC Radio .

²⁶⁸ There are three Chambers of Commerce in Albury-Wodonga viz Wodonga Chamber of Commerce, Albury Chamber of Commerce and North Albury Chamber of Commerce.

²⁶⁹ AiG Australian Industry Group.

²⁷⁰ MP for Benambra Victoria (Liberal Party).

²⁷¹ Border Mail 26/3/01

²⁷² Vic Hansard November 2001 Assembly Whole Speech Responses; Joint Media Release Victoria New South Wales 8/5/01.

²⁷³ Border Mail June 2001.

²⁷⁴ MP for Albury (Liberal Party).

²⁷⁵ New South Wales Hansard Legislative Assembly 6/6/01.

Wodonga Council had prepared an Issues Paper noting that 81% of their residents wanted a referendum. Amongst the issues Wodonga Council wished to resolve were:

- fears that Wodonga would become a becoming a dormitory town, as Albury became the dominant city,
- the new council might simply become divided along town lines,
- total Federal and State government funding to Albury-Wodonga might diminish.

Yet the attitude of Wodonga council vacillated. The Mayor Mel Read initially supported the One City Proposal but was concerned about the slow-down in population growth of Albury-Wodonga. He concluded:

‘We are coming under increasing competition from the other newly vitalized regions of similar size such as Geelong, Ballarat and Bendigo. The cities all had about 80 000 to 100 000 people but contained them in a single city that had one vision’. He was concerned about the Council proposing a 10 year moratorium on the merger²⁷⁶. The following year, however Mayor Read voted together with Claire Douglas, Heather Dearing, Stuart Baker and Bruce Gardner to have the project postponed for 10 years²⁷⁷ as Wodonga already had their own 10 year development plan.

A small but vocal Wodonga group headed by Ross Koyle and Bill Buckpit worried about the impending merger formed CAFA, raising their concerns at a number of public meetings. As recounted by a former committee member²⁷⁸ of CAFA during fieldwork in 2009, CAFA was concerned about the lack of consultation, of being a poor cousin to Albury, the possible loss of 800 council jobs, Wodonga becoming a dormitory suburb of Albury and Wodonga not being represented in the Victorian parliament. To cap it all, there would not be a resolution of the existing 1500 anomalies. CAFA was instrumental in organising a petition against the amalgamation which they claim was signed by 95-98% of Wodonga’s population.

Brian Harris the New South Wales General Secretary of the Municipal Employees Union, representing 380 council employees in Albury and 340 council employees in Wodonga, was concerned that some members might be affected by the merger. Given that Wodonga

²⁷⁶ Border Mail 21/8/01

²⁷⁷ Border Mail Albury Moves to Allay Fears of One City 16/2/02.

²⁷⁸ Interviewed at Bonegilla 8/9/09.

employees under the Federal award were paid less than those in Albury under the New South Wales State award, he was concerned about the New South Wales employees²⁷⁹.

In September 2001, ignoring all negative responses, Premier Carr stated at the 20th anniversary celebration of the newsprint firm's establishment in Albury that the proposal ' sends a powerful message that Australia can think in truly national terms. It would be an asset for Albury-Wodonga in winning investment against other parts of Australia and indeed other parts of the world'²⁸⁰.

Against the trend in local opinion in Wodonga, the Albury Council, produced a Memorandum of Understanding in February 2002 supporting amalgamating the two towns and contending that:-

- the towns were socially and economically united,
- 80% of the 45 000 vehicles that crossed the Lincoln Causeway each day was local traffic,
- the Murray River binds the cities, the way of life, the people and the history,
- Albury-Wodonga is a brand name for external marketing, tourism and events,
- the increased size of the towns population will provide political clout and create a strong regional city,
- duplication and waste will be avoided and more substantial fixtures with regional and national status could be built. e.g. swimming centre,
- quality of life would be enhanced with improved service delivery and improved amenities,
- Tourism could be developed on a regional basis for both cities,
- Wodonga's debt would be carried by Albury so that the one council would have \$0.5billion in assets, a \$80million budget 700 staff and 76 000population.
- anomalies would be reduced,
- business would flourish with one set of building regulations, one set of government laws and better service delivery avoiding time wastage , duplication and extra costs,
- economies of scale, a streamlined management and effective competition would result in better career opportunities for staff who would be easily retained.

²⁷⁹ Border Mail 28/3/01.

²⁸⁰ Border Mail Stop Avoiding the Inevitable :Carr 1/9/01

The newly elected mayor of Wodonga John Watson²⁸¹ now argued that it was the wrong time for a merger. A survey in Wodonga indicated 51% of 355 businesses surveyed were opposed to the merger while just under a quarter of businesses supported amalgamation and three quarters of the Wodonga community requested a referendum.

In January 2002, Ratcliffe Partners produced a survey for the Wodonga Council, which was reported in *Newslink*²⁸². It stated that 402 people had been interviewed in Wodonga and despite the small number interviewed, the firm had a 95% confidence level in the poll. The poll showed

- 12% supported amalgamation.
- 63% opposed amalgamation (as opposed to only 48% in 2001).
- 74% wanted a referendum.

The OCA spokesperson responded in the *Border Mail*²⁸³ that consultation had replaced the need for a referendum. He predicted that if Albury-Wodonga did not merge the towns could possibly be marginalized by the respective State governments. Supporting his argument was an Industry Albury-Wodonga's (IAW) survey of 520 member firms employing 8000 people and contributing \$250 000 p.a. in the region²⁸⁴, which gave a strong positive support for the merger. Similarly the Albury Mayor, Patricia Gould also supported the merger and proposed a compulsory poll be conducted and organized by the NSW Electoral Commission at the State's expense which would ensure a 100% response from residents. Premier Carr ignored the request. The Albury Council conducted its own poll costing between \$65 000 to \$70 000 that generated a very small turn out and produced an indecisive result.

Consultation meetings held by Ian Sinclair to gauge community sentiment were very poorly attended as the community was 'disengaged from the issue'²⁸⁵. The Sinclair survey did not auger well. Rather than ascertaining if people wanted the merger it was accused of seeking to establish which model of the merger was preferred²⁸⁶. Holding the view that One City 'would

²⁸¹ Mayor Mel Read had resigned.

²⁸² Newslink Wodonga Council publication.

²⁸³ Border Mail Bert Eastoe One City Alliance February 2002.

²⁸⁴ Border Mail Bert Eastoe One City Alliance February 2002.

²⁸⁵ Border Mail Bert Eastoe 12/10/2002.

²⁸⁶ Borer Mail Survey Avoids the Main Issues 26/2/2001

be a regional powerhouse'²⁸⁷ Sinclair proposed a 'floating border' to reduce the number of anomalies impacting on the community²⁸⁸. The Sinclair Report on the One City merger was eagerly anticipated in 2001 but it has not been published and all attempts to obtain a copy during the thesis research proved fruitless.

Eventually both public opinion and a majority in Wodonga Council proposed to delay the merger for 10 years although the Albury Council remained committed to the project. Thus the proposal was shelved. Those in support of the merger believe that lack of local leadership and parochial fears caused the project to be delayed. The Chairman of the One City Alliance concluded that the project was 'hijacked by issues of border anomalies and a community disengaged from the issue'²⁸⁹. Skeptics²⁹⁰ argued that the two Premiers had been poorly advised about community feelings, while others suggested success for this project would have been an historical achievement for both Premiers and would have coincided with the Centenary of Federation and the 150th anniversary of the New South Wales-Victorian border declaration.

Marine safety and clarifying the border

Both State governments reached an agreement in 2001 to share enforcement powers in the boating areas, rationalize marine safety (Alert Digest no 11 2000) and clarify the border in Lakes Hume and Mulwala. All of Lake Mulwala and part of the Ovens River north of the Murray Valley Highway Bridge, known as Parlos, and Lake Hume upstream from Bethanga Bridge would be subject to New South Wales boating law. While the remainder of the Ovens River and Lake Hume downstream from Bethanga Bridge would be subject to Victorian law. This example of change indicated anomalies could be ameliorated and did not require the two towns to merge to do so.

States' Agreement of Intent to merge hospitals .

On the 25th July 2003 the Minister of Health in New South Wales, Morris Iemma and the Victorian Health Minister, Bronwyn Pike, signed an 'agreement of intent' to create an Albury Wodonga Integrated Health Service by 2009²⁹¹. This health agreement permitted residents of

²⁸⁷ Border Mail One City Will Create Regional Powerhouse 14/7/2001.

²⁸⁸ Border Mail Flexibility key to Anomalies 14/7/2001

²⁸⁹ Border Mail Bert Eastoe 12/10/2002.

²⁹⁰ Including Former Victorian State MP and Victorian Federal MP interviewed in 2009.

²⁹¹ Department of Health Victoria 2003.

the twin towns to be serviced by either hospital. The agreement 'recognized the close ties which transcend borders in the Albury-Wodonga region' (Department of Health Victoria 2003). The integration of hospital services was designed to benefit the community. Minister Iemma noted

'Another benefit will be to reduce duplication of services, and provide more equitable access to the full range of services across both hospitals regardless of where the people live Greater integration will better link clinical services across both hospitals, such as emergency care, operating theatre, day surgery, intensive care and patient records'²⁹².

Both hospitals were to be combined and be part of Greater Murray Area Health Service. Albury Base hospital was to specialize in complex long stay hospital services, rehabilitation care, emergency trauma services, coronary care services and pediatrics. Wodonga Hospital was to specialize in elective day surgery, short stay surgery and medical procedures, obstetric, neo-natal and gynecology services, primary care and non-trauma emergency services. Mothers from New South Wales giving birth to children in the obstetric unit at Wodonga Hospital Victoria would still have the right to register their child as having been born in New South Wales²⁹³. The merger was to be completed by 2009.

In January 2006 a review was held by the Department of Health, Victoria, to examine cross-border anomalies which had arisen from the hospital amalgamation. Amongst the issues raised was the need to rewrite drug orders for patients transferred between the hospitals and to obtain additional consents for transferred patients. There are also legislative and policy requirements which have generated additional paperwork. The Review stated 'It is unclear ...whether the anomalies have a policy or legislative base, or are myths, the product of history and perceptions of legislative requirements'²⁹⁴. The Department of Health Review 2006 stated that a plan was required to address the barriers and frictional border anomalies which had resulted.

The Review highlighted industrial issues. New South Wales nurses were paid at a higher rate than those in Victoria. The Industrial Award for Victorian nurses also stipulated the staff-patient ratio, which was not part of the New South Wales nurses award. The two nursing

²⁹² Department of Health Victoria 2003.

²⁹³ Department of Health Victoria 2003.

²⁹⁴ Department of Health Victoria 2006 page 15.

groups had different conditions of work and nurses feared that if they were integrated, their conditions and pay scale would be based on the lowest common denominator.

The Murray Regional Plan 2010-2015 stating that Regional Development Murray and Regional Development Loddon and Hume should work together collaboratively to ensure border communities 'are able to overcome barriers to State regulations, services and other anomalies'²⁹⁵. The plan provides collaborative efforts to resolve the anomaly which requires ambulances in Wodonga to transfer mentally ill patients to Wangaratta, 45 minutes away rather than transport them to Nolan House in Albury, 10 minutes away. The ambulance going to Wangaratta would be out of service for two hours and patients taken to Wangaratta would be distant from family support²⁹⁶.

In 2011 Graeme Welsh former Chairman of Wodonga Regional Health Service was appointed to the Board of Albury-Wodonga Health. He reported that the cultures at the two hospitals were different and it would take five years more to merge them²⁹⁷. Funding was an issue as equipment needed to be replaced incurring great expense. The merged hospital service agreement between New South Wales and Victoria was a three year agreement, subject to a review at the end of the 2011-12 financial year pending, the signing of a new agreement.

Cross-Border Consultation Forum

In 2005 the Cross-Border Consultation Forum (CBCF) was established under the aegis of the Premiers Department of both State governments, replacing the JCBAC, after pressure from members of Parliament representing border constituencies. On 30 June 2006 the Secretary of the Victorian Premier's Department Terry Moran, and the Director General of the New South Wales Premier's Office Col Gellatly, chaired the first meeting. It was attended by 4-5 mayors, members of parliament and representatives of government departments. The CBCF agreed to meet annually at different towns along the border, to address anomalies and to encourage heads of government departments to address border anomalies in their annual reports²⁹⁸. At this meeting the following anomalies were resolved:

- reciprocal school enrolments,
- joint tourism launch,

²⁹⁵ Murray Regional Plan 2010-2015 page 20.

²⁹⁶ Border Mail 30/6/10.

²⁹⁷ Border Mail 6/7/11.

²⁹⁸ Border Mail Jasper upbeat over anomalies 30/6/2006.

- memorandum of Understanding on the Management of Cross-Border Pest and Disease Control,
- matters relating to drug detention,
- streamlining the recognition of legal professional practice (Growing Victoria, Cross-Border Issues Meeting 2007).

In 2008 the Chief Executives of the CBCF issued a communiqué to identify the anomalies which had been resolved through direct collaboration of the New South Wales and Victorian governments. They included:

1. 'Integration of the Albury Base Hospital & the Wodonga Hospital to create a new integrated Victorian health service, with full operational and financial responsibility for providing hospital services to Albury and Wodonga residents , during 2009'.
2. 'A Memorandum of Understanding (MOU) governing interstate access to delivery of specialist disability services across the border'.
3. 'The implementation of a child protection alert system to enable child protection workers to track families who relocate across the border'.
4. 'A Memorandum of Understanding between the Rural Ambulance Victoria and the New South Wales Ambulance service to respond to an emergency occurring in either New South Wales or Victoria'.
5. 'Harmonisation of regulations relating to heavy non complying plant vehicles'.
6. 'The establishment of the National Heavy Vehicle Accreditation Scheme Business rules to allow accreditation in one jurisdiction to be applicable in another'.
7. 'Joint policing initiatives to include:
 - a framework for police when working together in border areas,
 - a formal agreement for the use of Victoria Police divers in the Murray River to recover a deceased person,
 - progress on an agreement on cross-border police patrols'.
8. 'A comprehensive scheme for regulating controlled criminal investigation operations cross border'.
9. 'Agree for governments to move forward with separate complimentary regional strategies for the Murray Region'.

During the meeting at Mildura the committee agreed to consider the following anomalies in the future:

1. To set up joint taxi ranks in Albury and Wodonga during peak hours to take people to the town across the border and pick up passengers and return across the border.
2. To seek consistent transport regulations. A website had been set up to state transport rules and arrangements for people crossing the border regularly, and for people buying electric scooters in each area. New South Wales would review the Victorian government's assessment of the National Transport Council's standards for the transportation of hay bales.
3. To note the Australian Logistics Council Report 'The Cost of regulation Disparity in Cross-Border Regions' which aimed to improve transport & costs for the transport and logistics industry.
4. To have better coordination of Policing and Justice issues including joint policing, custody, sharing information, extradition processes etc.,
5. To have closer collaboration on Indigenous issues.
6. To have better coordination on primary industry issues such as fishing licenses,²⁹⁹ a fruit fly awareness campaign in the Albury-Wodonga area.
7. To ensure better communication and greater feedback to stakeholders. The meeting also acknowledged the work of Council of Australian Governments and the Council of Australian Federation.

On the 30th August 2010 Paul Weller³⁰⁰ addressed the CBCF at Swan Hill to raise the issue of waste being moved across the Murray River from Victoria, where landfill levies were increasing, to Moama New South Wales, where there were no levies. He was concerned that this would create a loss of jobs and revenue for the Victorian government and pollution in the Murray River from seepage. The loss of Victorian government revenue could restrict repairs of boat ramps along the river (Weller P. Media Release 30/8/10; 6/9/10).

6. 2. 3 Local Government responses

The Victorian Local Government Review of Albury-Wodonga in 1996 stated since Federation groups and locals in the towns had resolved anomalies through 'informal negotiations and agreements.....based on goodwill of individual officials and organizations. Since these

²⁹⁹ Attempts to achieve reciprocal fishing licenses were attempted since 1980 and as yet have not been resolved as the NSW government wanted recompense for lost revenue when it was proposed.

³⁰⁰ Victorian MP for Rodney.

tend to change over time, there is constant uncertainty and insecurity,³⁰¹ so formal agreements were necessary to ameliorate anomalies.

Since 1996 the Victorian Local Government Board reported that the Albury Wodonga Regional Organisation of Councils (AWROC) called for the demise of the JCBAC. AWROC believed that it would be a more effective organization to resolve anomalies, as it stated it had access to government agencies and the Premiers of the States. This offer went no further and did not eventuate.

In 1996 Albury and Wodonga Councils agreed it was to their benefit to speak with one voice, yet neither council followed this doctrine in practice. Albury Council believed Albury-Wodonga would become a regional city if there was closer cooperation and collaboration between the two councils. Wodonga Council believed Albury-Wodonga required a single council to develop its full potential, and have a stronger position to 'lobby other spheres of government and address the many cross border anomalies that bedevil the region'.³⁰² Despite Wodonga Council's views in 1996, five years later when the One City Plan was proposed, Wodonga Council would not condone the One City proposal of a single council for Albury-Wodonga.

There are numerous examples of cross-border cooperation between the Councils. Albury and Wodonga Councils run the Albury-Wodonga Ford Festival of Sport, the Albury-Wodonga Equestrian Centre and the Regional Arts Board, which undertake joint action to encourage development and promote arts and entertainment ventures of regional significance³⁰³.

While populations in the twin towns share many common interests and Albury and Wodonga Council collaborate on a variety of committees, the committees have lacked the statutory authority to enforce their decisions. Such inter-Council committees are shown in Table 6. 9.

³⁰¹ Victorian Local Government Board 1996 page 31.

³⁰² Victorian Local Government Board 1996 page 31.

³⁰³ Victorian Local Government Board 1996 page 47.

Table 6.9**Inter-Council committees**

Committee	Function
Tourism Albury-Wodonga	To market and foster tourism
Development Albury-Wodonga 2000	Marketing and foster industry
Regional Waste Management Forum	Innovative responses and sustainable solutions for waste management and resource recovery
Albury-Wodonga Regional Organisation of Councils	Liaise with Federal & State governments,
Gateway Island Working Party	Market and develop music, theatre performances, tourism in old Cheese Factory
Upper Murray Library Service	Provide a regional library service.
Albury-Wodonga Rail Infrastructure Study Team	Planning the removal of the railway lines from Wodonga CBD
Hume Highway Bypass Working Group	Planning the route of the Albury bypass

Source Local Government Board Report 1996 page 47.

As shown in Chapter 5, Albury and Wodonga residents share a large number of cross-border commercial, social educational, recreational and medical activities, and residents would benefit if both councils adopted an integrated approach to local government issues to prevent overlap, duplication excessive cost and anomalies. Important shared interests include festivals, marketing tourism, and the regional library.

6.3 Conclusion

This research into the growth and development of Albury-Wodonga has been underpinned by concepts of sovereignty, territory and the impacts of cross-border location. The border along the Murray River is a visible border following the river to its source and then as a straight line to the coast with few signs or posts to mark the border except for the river. The border has for most of its history been an open border allowing passage of goods, people and ideas. During short periods the border has been closed to control disease infestations, collect taxes or control the movement of people. People have used ingenious methods to overcome tax collection at the border posts. For example when tax was collected at Victorian border posts on flour moving from New South Wales to Victoria, so the flour was turned into dough in New South Wales and then moved across the border.

Since its declaration, the New South Wales-Victorian border along the Murray River has been subject to question. Some organizations based in Victoria have from time to time proposed the border should be moved north to the Murrumbidgee River in NSW, as they were of the opinion the whole Murray Valley should be part of Victoria, people living on both sides of the River having the same historical origins. The border has remained fixed, however, in its initial colonial position.

In 1901 the Colonies of Britain in Australia were united as States in a Federation under a Constitution which granted the States the right to maintain their colonial laws and continue to promulgate new ones. Historically, States have often passed laws which are at odds with neighbouring States, for example attempting to gain economic advantage for industry in their State. Anomalies are the result of differences in laws and regulations between neighbouring States although they are difficult to define as they occur over a wide area and impact on residents, commerce and industry. Clearly, their impact is more pronounced in towns astride a border. Today cross-border anomalies and flaws in the Australian Federal system are responsible for overlap, duplication and compliance costs for businesses and have been estimated to cost the Australian population between \$9 and \$20 billion per annum. Since it is unlikely that the Constitutional change provides a realistic solution, collaborative approaches between three tiers of government appear the obvious way forward.

The Australian Constitution also underpins the development of the Albury-Wodonga Growth Centre. Since the Constitution does not permit the Federal government to intrude directly in State affairs the Growth Centre could only be achieved with agreement from New South Wales and Victoria. However the Federal government may intervene in State affairs indirectly using Section 51³⁰⁴, Section 92³⁰⁵ and Section 96³⁰⁶ of the Constitution.

Federal governments have attempted to ameliorate cross-border anomalies by controlling finance to the States and by further centralizing powers through legislative changes. Little has been achieved and the Constitution provides quite stringent limits to such centralization as well as the political difficulties in breaching 'State's rights'. During a period of more

³⁰⁴ Section 51to make laws for the good government of the Commonwealth with respect to:- 1) Trade and commerce with other countries, and among the States.

³⁰⁵ Section 92 On the imposition of uniform duties of customs trade , commerce

³⁰⁶ Section 96 The Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

Cooperative Federalism under the Keating Government, the Mutual Recognition Act 1992 was passed which provided greater flexibility and movement for labour between the States. The Howard government pushed for greater centralizing powers in terms of workplace relations, and corporatisation of companies in the name of establishing national practice, although its industrial relations reforms were one of the areas widely-regarded to have brought down the government in 2007.

The greatest response to anomalies has come from the States themselves, not surprising since this is essentially a State issue. During the Hawke-Keating government era, there were seven different State responses in an attempt to ameliorate anomalies but this chapter shows limited success. The 'Creating the Perfect Border' study (1997) concluded cross-border anomalies would only be removed if a State thought it was to its own benefit. The JCBAC (1997-2004) was largely reactive, resolved few of the 1600 identified anomalies while the CBCF which replaced it, was also reactive and has been shown to be inefficient and slow. The One City project attempted to amalgamate the twin towns, now a major inland urban centre, but was stymied by parochialism, lack of leadership and community support, especially from Wodonga the smaller member. Members of the National Party have continued to raise the issue of anomalies in both the New South Wales and Victorian Parliaments with little success. In 2012 the New South Wales government appointed a Commissioner of Anomalies to report annually to parliament about the resolution of anomalies. Some headway has been made as the States have shown initiative and signed an agreement to merge the hospitals of Albury and Wodonga to provide a better service to the community. In addition the anomaly about marine safety and border clarification in lakes Hume and Mulwalla have been resolved.

At the Local government level anomalies have frequently been resolved informally as there is little alternative. However these solutions are insecure and uncertain so formal arrangements are sometimes sought, organized through cooperation (for example in organising festivals) and collaboration as in committees although such cross-border committees lack statutory authority to enforce their decisions.

It is difficult to see how many of the border anomalies can be resolved or even ameliorated. Solutions are difficult to achieve as the functions of Federal and State governments ultimately reflect the Constitution which can be changed only by national referenda which have a poor record of success. Anomalies will be resolved through collaboration only if it is perceived to

be in the political or economic interest of the State to do so. State governments are not easily moved by the problems of people remote from the capital city living along a border. Of the 1200 to 1900 anomalies, the JCBAC resolved 131 anomalies between 1979 and 1992. The CBCF which replaced it in 2004, like its predecessor, can only make recommendations for change to State government departments. It falls to the first Chairman of the AWDC³⁰⁷ to remind us that anomalies result from laws of the State in which people reside, all governments expect their citizens to accept its laws and live by them unless or until, such laws are changed politically.

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³⁰⁷ Interviewed in Baranduda 24/7/08.

Chapter 7

Business on the Border

Fieldwork in this chapter will examine private sector businesses to generate information which cannot be inferred from census data or other people's accounts of Albury-Wodonga. As well there has been little written to date that has not originated with institutions involved in the growth of Albury-Wodonga such as the AWDC.

Fieldwork was carried out in Albury-Wodonga to validate the information about the growth of Albury-Wodonga from the Long Boom through national economic restructuring and de-industrialisation, to the recent national prosperity. Being astride a State border, being located in the transport corridor from Sydney to Melbourne and having been selected as a National Growth Centre has highlighted Albury-Wodonga's locational advantage for manufacturing as well as its ability to serve two of Australia's largest markets in Sydney and Melbourne. However the border location also impinges on economic development hindering development with numerous anomalies and the necessity for compliance by businesses.

In private sector businesses manufacturing has remained the largest single employment sector in both towns almost continuously since the 1970s, notwithstanding the continued importance of Albury as a regional service centre. Manufacturing has also benefited from access to a skilled workforce and a good living environment.

This chapter will discuss manufacturing and service firms in Albury-Wodonga which participated in a postal questionnaire in 2007. More detailed information was derived in 2008 from fieldwork in Albury-Wodonga. During the 2008 fieldwork I interviewed senior management of seven large manufacturing companies and one large transport firm (see Appendix 6).

The chapter is divided into two sections. The first explores manufacturing firms while the second examines businesses in other sectors. Each section explores ownership, status, size of workforce, products produced, markets serviced, the number gender, age skills and residence of employees, and finally the future outlook of the firms. The questions posed to the firms

flow from the theories of spatial concentration and locational advantage as well as the information gathered in chapter five.

The questions posed to the firms were:

1. State the name and address of the company; the name of contact person in the company
2. When did the firm establish in Albury-Wodonga?
3. Is it a head office or branch firm?
4. Describe the product being produced.
5. If the firm subcontracts please provide details.
6. Why did the company establish in Albury-Wodonga as opposed to Sydney or Melbourne?
7. List the reasons for the firm selecting either Albury or Wodonga as the location of the firm.
8. Companies established in border towns deal with two State legal systems which result in Anomalies. Which anomalies have impacted on your firm?
9. Would you consider re-locating in the other State? Please explain.
10. Identify the market area served by your firm.
11. Please provide employment figures for male, female employees for full-time, part-time, casual employment. How many people are employed today, in 1990 and in 2000?
12. List the proportion of the male and female workforce, skilled, unskilled, use a computer for work, use internet for work.
13. Please provide proportion of employees (male and female) with trade certification, professional qualifications, office training.
14. What proportion of male and female employees are under 18 years, 19-49 years, 50-65 years?
15. Estimate the proportion of employees who live in Albury or Wodonga.
16. Which Federal or State government issues would your firm benefit from?
17. In the next 5 years will your firm introduce new products/services/establish new markets/invest more money in the firm?

7. 1 The questionnaire and interviews

In 2007 a postal questionnaire (see Appendix 6) was addressed to 150 firms across all categories of industries, selected randomly from the Yellow Pages of the Albury-Wodonga Telephone Directory. Self addressed, postpaid, return envelopes were included to encourage recipients to complete the questionnaire. The firms were chosen at random.

The 27 responses to the survey were categorized in to economic sectors and are shown in Table 7.1

Table 7.1

Responses to the Questionnaire in 2007.

Category	Number posted	Number returned
Agriculture, forestry fishing.	3	0
Mining.	1	0
Manufacturing.	35	7
Electricity, gas, water.	2	0
Construction.	11	1
Wholesale.	5	0
Retail.	14	0
Accommodation, Cafés, Restaurants.	8	1
Storage and Transport.	4	1
Communication Services.	2	0
Finance and Insurance Services.	3	0
Property and business Services..	21	8
Public administration and Safety	10	2
Education.	4	2
Health and Community Services.	10	4
Cultural and Recreational Services.	10	0
Personal and Other.	7	0
Total	150	27

Source Author's survey.

Table 7.2 lists the eight large manufacturing firms in Albury and Wodonga whose managers were interviewed during field work research in 2008. To establish an overall view of the manufacturing and service firms which responded to the survey in 2007, the responses from

the firms have been listed in Table 7.3 as either manufacturing firms or service firms, and their location is shown as either Albury or Wodonga.

Twenty seven manufacturing and service firms responded to the 2007 survey and eight large manufacturing firms were interviewed in 2008 making a total of 35 firms. Of the 35 firms, 14 were manufacturing firms and 21 service industry firms.

Table 7. 2

Eight firms interviewed in 2008

ALBURY			WODONGA		
Manufacturing firms.	Date established.	Head office.	Manufacturing firms.	Date Established	Head office.
Heating air conditioning & ventilation.	1984	Albury.	Motion control units.	1991	Sydney.
Non-woven textiles.	1987	Sydney.	Transformers.	1981	Melbourne.
Newsprint.	1981	Norway.	Pet foods.	1968	UK.
Nil			Mining, rail, transport, steel castings.	1953	Newcastle.
Transport & Storage.			Transport & Storage.		
National transport carrier.	1981	Albury.	Nil		

Source Author's survey and interviews.

Table 7. 3

27 Firms which Responded to the Questionnaire in 2007

ALBURY			WODONGA		
Manufacturing.	Date established.	Head office.	Manufacturing.	Date established.	Head office.
Automatic transmission.	1972	Sydney.	Concrete.	1980	Melbourne.
Wood cabinets.	1984	Albury.	Nil		
Textiles & uniforms.	1957	Albury.	Nil		
Woollen textiles.	1923	Albury.	Nil		
Fencing and mesh.	1948	Albury.	Nil		

Steel products.	1970	Melbourne.			
Health and Community Service.			Health and Community Service.		
In patient services.	1979	Sydney.	Nursing services.	1980	Wodonga.
Physiotherapy.	1980	Albury.	Disabled training & employment.	1982	Wodonga.
Pharmacy.	1983	Sydney.	Nil		
Business services.			Business services.		
Accounting & tax service.	1987	Albury.	Cleaning services.	1975	Wodonga.
Labour Hire.	1997	Albury.			
Government			Government.		
Local council.		Albury.	Nil		
Construction			Construction.		
Plumbing.	1986	Albury.	Electrical design & construction.	1999	Wodonga.
Nil			Engineering.	1996	Wodonga.
Agricultural service.			Agricultural Service.		
Total agricultural services.	1900	Adelaide.	Irrigation service.	1978	Wodonga.
Property & Business.			Property & Business.		
Real estate valuations.	1987	Albury.	Nil		
Retail.			Retail.		
Jeweller.	2001	Sydney.	Nil		
Education.			Education.		
Tertiary educational institute.	1895	Sydney.	Tertiary Educational Institute.	1986d	Melbourne.
Accommodation Café & Restaurant.			Accommodation Café & Restaurant.		
Nil			Café & bakery.	1995	Wodonga.
Communication Services			Communication Services.		
Post office shop.	Not stated	Sydney.	Nil		

Source

Author's survey and interviews.

Interview with the first Chairma n and the first Econom ist of the AWDC

The first Chairma n of the AWDC³⁰⁸

explained why manufacturing rather than service industries were

³⁰⁸ First Chairman of AWDC interviewed in Baranduda, 24/7/08.

promoted by the AWDC. He stated that :

‘In the early 1970s manufacturing employment accounted for 430% of total employment (today it’s about 20%). Service industries would not be suitable for the towns as they required a much bigger threshold of population to be viable. The AWDC employed economists from Deloitte Haskins to prepare an industry classification to determine which industries would be profitable in Albury-Wodonga and which industries were on the decline and needed to reorganize and reinvest. Firms were then identified and invited to meetings with Premiers and politicians to encourage them to relocate in Albury-Wodonga’.

He went of to highlight the advantages which Albury-Wodonga offered prospective firms.

‘Albury-Wodonga was close to the capital cities and could access 80% of Australia’s population between Adelaide and Sydney. Albury-Wodonga was far enough away from the capital cities to be independent. The impact of unions was weaker here. There is a ready, educated, workforce and little turnover of labour. Water electricity and gas are available as is flat land for building factories. Firms are offered subsidies for factory relocation and housing relocation’. As well ‘The AWDC set up a computer program model to show firms the advantages of locating in Albury-Wodonga. The Department of Defence used this model to decide on setting up Latchford barracks and Tenex Industries in Bandiana’.

The first Economist³⁰⁹ added that when Albury-Wodonga was chosen as a Federal Growth Centre it already had a diverse manufacturing base. He stated

: ‘manufacturing in Albury had always been bigger than in Wodonga but now far more people are employed in manufacturing in Wodonga than in Albury so manufacturing is now more important to Wodonga than Albury’.

Today 19% of employment in Wodonga is in manufacturing while Albury has 14% in manufacturing.

7. 2 Reasons why manufacturing firms established in Albury-Wodonga

³⁰⁹ AWDC first Economist AWDC interviewed in Albury, 23/7/08.

The Manufacturing firms in Albury-Wodonga have been classified in to three groups. Those which established in Albury-Wodonga: 1) prior to and during the Long Boom, 2) during the lead up to and during restructuring of the Australian economy and 3) during the return to prosperity.

1. Prior to and during the Long Boom.

The textile firm which established in Albury can trace its origins to a company which established in 1868 in Albury and was dependent on the local raw wool for production, from the extensive sheep stations in this region of New South Wales. The firm was established in Albury the furthest upstream port along the Murray River, because the river provided transport to the ocean port for export of the wool. The company representative who completed the survey suggested that the original textile mill established in Albury because of access to raw materials, the large pool of female labour, and good transport links to a coastal port. The original owners were a group of wool growers who wished to establish a chain of woollen mills throughout Australia each specialising in a particular process of wool production. The firm today employs 147 people.

Since its establishment the original company has been acquired by a larger company which changed the original name and also gradually bought and absorbed a number of smaller mills. Over time the corporation diversified into investments overseas and into real estate and acquired textile mills in Scotland and the U.K. In 1984 it had established a joint venture mill in Zhuangzhou, China and in 1986 a second joint venture in Beijing, China. In 1993 the firm announced a \$60million expansion in Albury and updated the plant with modern machinery and technology. In 1996 the textile mill section was de-grouped from the large corporation of which it was a part, so that it could claim payroll tax in its own right³¹⁰. The textile company began to develop new products including industrial yarn and fabric for the mining industry. By 2002 it had commissioned a non woven fabric using wool which was 40 times faster to produce than conventional fabric and could be used for floor underlay and theatre curtains.

Table 7. 4

³¹⁰ Information from Contractors Information Booklet 2006.

Manufacturing firms established prior to and towards the end of the Long Boom

Date established.	Products.	Reasons for establishing in Albury-Wodonga.	Location in Albury or Wodonga.
1923	Woollen textiles employs (147).	Survey. Local raw materials. Available female labour. River transport.	Albury.
1948	Fencing & mesh employs (19).	Survey Family lives here. Serve local market. Transport available.	Albury.
1953	Mining, rail, transport, steel castings (210).	Interviewed 23/7/08. Close to Sydney and Melbourne as markets. Transport available. Pool of labour.	Wodonga.
1957	Uniforms employs (16).	Survey. Originally female labour supply. Close to major markets of Sydney & Melbourne. Present owner lives in Albury & bought existing business.	Albury.
1968	Pet foods employs(700).	Interviewed 23/7/08. Access to 75% of Australia's markets. State Government incentives .Local raw materials, packaging and transport	Wodonga.
1970	Steel products employs (8).	Survey. Serve local market as towns growing. Access to 75% of Australia's population. Transport available.	Albury.
1972	Automatic transmissions employs (453).	Survey. Outgrowing Sydney factory. State Government incentives. Access to car production in Sydney, Melbourne & Adelaide.& for export.	Albury.

Source Author's survey and interview of Manufacturing firms in Albury-Wodonga.

Note number in bracket represents number of employees in firm.

Having lived in Albury and wishing to serve the local community a local family established a fencing and mesh firm in Albury in 1948 and today employs 19 people. The business has gradually grown and remains in the hands of the family. Three other firms were established in the 1950s. The first was established in 1953 by a Newcastle steel foundry which set up a branch firm in Wodonga to manufacture railway rails. The location in Wodonga provided

good access to the markets of Sydney and Melbourne aided by good rail transport. The new foundry utilized both skilled and unskilled male labour in the town. The second firm which established in Albury in 1957 produced uniforms. It utilized the woollen textiles which were also being produced in Albury and the large pool of female labour to sew the uniforms. After 1955 State taxes on trucks were abolished and road transport became cheaper and provided a 24 hour delivery service to Sydney and Melbourne the major markets for uniforms. The present owner of the uniform firm lives in Albury and bought this well established business in 1991.

The USA Pet Food manufacturer in Wodonga employs 700 people and is part of a multinational, privately owned company that was drawn to Wodonga through personal contact with the Mayor of the town who had offered Local Government incentives and organized Victorian State Government incentives (discussed in Chapter 5; see Appendix 1) to encourage the firm to establish in Wodonga, where local raw materials could feed the production lines. The headquarters of the Pet Food Branch of the USA company is in Melton Mowbray Lincolnshire UK. Company policy had ensured that all manufacturing plants set up by this company were located away from major cities yet within easy reach of the major markets and so the location in Wodonga matched company policy. The factory was built on a greenfield site of 20 ha. and the proprietor lived in Wodonga to oversee the construction and plant development which contains a continuous pressure cooker system along a conveyor belt called a 'Hydro'. Location factors which were of significance included the ability to build the factory on flat land to accommodate the ³¹¹conveyor belt systems of production, easy access of the major markets in Sydney and Melbourne and a good road and rail transport network to the capital cities. A spur railway line was built some '7m from the back door' to allow direct loading onto flat-bed rail transport. Containers were sent to Melbourne for export. This was instituted as part of a 'Just-in-time' (JIT)³¹² production process. In 2008 the rail spur was closed down and products had to be warehoused and required contract packing and loading for transport to the ports. The production process of JIT had to be abandoned. A national road transport company which was larger and more efficient at dealing with the increased volume of work, replaced the local transport company to pack and transport the goods to Melbourne.

³¹¹ Information provided at interview 23/7/08.

³¹² JIT means the factory does not store large supplies of parts/products but brings them in on a needs basis by having good communications with suppliers. In this way it saves on warehousing, labour and investment in supplies until it is ready for manufacturing.

About \$150million of pet food is shipped annually to Japan and Asia, however the major share of production is for the local markets.

One of the advantages of the Wodonga site is the secure supply of clean water. The firm has an environmental policy to save water and to treat water on site at a water treatment plant. Other incentives for establishing in Wodonga included access to local raw materials including meat, fish, wheat and corn, and chemicals including vitamins. The close location of an abattoir (Donga Meats) which opened at the same time as the Pet Food firm meant that the JIT production system could access supplies of meat and offal, reducing the storage and refrigeration requirements for those products. Furthermore access to a local packaging firm which was well established and access to local transport companies were assets. In 2007 the plant was enlarged and a new factory unit with room to expand further was built to meet the market demands of people living in units in the cities. The market demanded smaller serves of pet food in tray unit size to avoid waste and 'left-overs' and provide an alternative to disposing of cans when living in units. 13 people run the highly automated plant and labour is only required at the packing end of the conveyor belt. The older plants were also highly automated.

During the 1970s there were two firms which established in Albury-Wodonga. The first firm, a steel products firm, was attracted by the twin towns' locational advantage and aimed to serve the growing local market. The firm provided steel products for plumbers, agricultural irrigators and households. It was encouraged to establish in Albury because the population was growing quickly. It hoped to expand as the population increased and new technology became available. With its head quarters in Sydney it was aided by New South Wales State Government incentives to establish in Albury as a branch firm.

The second firm researched, produces automatic transmissions in Albury and in 2007 employed 453 people. It had been an Australian firm located in Sydney however in 1957 it was taken over by a USA firm. Some twenty years later the firm had outgrown its Fairfield, Sydney premises and it relocated in Albury, transferring much of the equipment and skilled staff from Sydney. It was aided by New South Wales State Government incentives for relocation discussed in Chapter 5 (see Appendix 1).

The award wage system operating in the plant until very recently meant wages as such had the same structure as those in metropolitan plants. Nevertheless savings because of a low turnover of labour, would have been greater compared with the automotive industry in the cities. It was suggested³¹³ that access to a pool of labour which had a low turnover rate, a location providing easy access to the Sydney and Melbourne automotive markets, a good transport network which could deliver goods overnight to the automotive factories in the capital cities and cheap establishment costs were some of the reasons why the firm established in Albury.

The firm changed hands in 1987 and 2002. By 2004 the firm was seeking redundancies from its workforce and was placed under administration. Despite positive predictions by management, in 2006 it was sold to a Japanese corporation for \$48 million with the prospect of supplying 'Asia's expanding car market'³¹⁴. It was noted in the *Border Mail* that "Premier Morris Iemma omitted to mention the figure publicly yesterday, but New South Wales Government sources said, the waving of property transfer tax would probably save (the firm) \$1.4 million"³¹⁵. In February 2009 the firm once again faced difficulties and called for a large number of redundancies. The following year the *Border Mail*³¹⁶ drew attention to the fact the factory workers who had been made redundant in 2009 were still owed large sums of money³¹⁷. The firm entered bankruptcy protection as an overseas subsidiary became bankrupt. Some 230 jobs were lost and as a result unemployment rose in Albury. However 165 jobs are still intact as the firm was bought by a Chinese company for \$47.4 million. In 2011 the company exported five-speed, rear-drive automatic transmissions to China and front-drive transmissions to Korea and India in addition to supplying Australian companies.

2. The lead up to and the restructuring of the Australian Economy

After the dismissal of the Whitlam government in 1976. Tight fiscal restraints were imposed however unemployment continued to rise and the Fraser government was replaced in 1983 by the Hawke Keating Labor government.

³¹³ Human Resources Manager 2007.

³¹⁴ *Border Mail* 23/2/06.

³¹⁵ *Border Mail* 28/2/06.

³¹⁶ *Border Mail* 24/6/10.

³¹⁷ Creditors from 2004 & 2006 are still owed money as are those made redundant in 2009. "a high court case has determined that shareholders who allege they were misled (by the firm) can be ranked equally with workers and unsecured creditors" (*border Mail* 21/12/10) Despite \$10m being distributed for the firm that collapsed in 2004 (*Border Mail* 1/10/11) many workers and creditors remain financially impoverished.

Three of the firms surveyed or interviewed were established in Albury-Wodonga between 1976 and 1983. The first was a firm producing concrete which employs 27 people and established in Wodonga in 1980 and whose headquarters are in Melbourne. As the population of Albury-Wodonga and the construction industry grew it provided a growing market for concrete. Local raw materials and a good road network were also factors which encouraged the firm to locate in Wodonga.

The second firm researched, which manufactures transformers employs 240 people and established in Wodonga in 1981 with its headquarters in Melbourne. It was aided by Victorian State Government incentives and the AWDC (see Appendix 1). The firm is able to sub-contract 20% of its products and services to local firms. Access to the large markets of Sydney and Melbourne and the good road transport network were factors which drew the firm to Wodonga. The goods produced are fragile and door to door specialized road transport is essential. The firm does not export its products as they are too fragile, instead it sets up plants overseas to meet the foreign market. In 2008 the firm was awaiting council approval for a \$14m expansion. In the 1980s the firm earned \$2.5million per month however, in the past 5 years, earnings rose to \$2.5 million per week. The firm has a positive approach to working mothers and offers employment in four hour shifts to permit mothers to cope with family commitments.

The third firm researched which manufactures newsprint established in Albury in 1981 but came under its present owners in 2000. It employs 260 people and is a branch of a Norwegian company. Despite the Newsprint Bounty Act 1938 which imposed a four pound sterling per ton levy on imported newsprint, no newsprint plant was established on mainland Australia until 1981.

After a feasibility study in 1977 two towns, Tumut and Albury were identified as possible sites for the newsprint mill. The member for Albury Mr. Harold Mair, was recorded as 'vowing and passionately declaring that no-one would be building a newsprint mill in New South Wales unless it was in Albury'³¹⁸ (Hicks D. W. 2008 p. 19).

³¹⁸ Mr Mair (Labor) encouraged Premier Wran (Labor) to contribute \$1million to the Fraser Federal government to help establish the newsprint Mill in Albury.

Table 7. 5

Manufacturing firms established in the lead up to and the restructuring of the Australian economy

Date established.	Product.	Reasons for establishing in Albury-Wodonga.	Location.
1980	Concrete employs (27).	Survey. Growing local market. Local raw materials.	Wodonga.
1981	Transformers employs (240).	Interviewed 22/7/08. State government incentives. Access to Australian markets. Good transport	Wodonga.
1981	Newsprint employs (260).	Interviewed 22/7/08. Bought established business. Local raw materials. Access to markets on mainland Australia. Transport.	Albury.
1984	Heating air conditioning & ventilation employs (145).	Interviewed 23/7/08. Bought established business. Access to major Australian markets. Lives locally.	Albury.
1984	Cabinets employs (6).	Survey. Infrastructure in towns. Recreational Environment. Government Incentives. Growing Local market.	Albury.
1987	Non woven textiles employs (62).	Interviewed 22/7/08. Access to major Australian markets. State government incentives. Transport available.	Albury.
1991	Motion and Control units employs (104).	Interviewed 22/7/08. Access to market in Sydney and Melbourne. Large pool labour. Good transport network.	Wodonga.

Source Author's surveys and interviews of manufacturing firms in Albury-Wodonga.

Note Figures in brackets show number employed in firm.

Albury won government support for the newsprint mill. This was because Albury had access to raw materials (*Pinus Radiata*), ample supplies of fresh water, an energy source assured by the New South Wales government³¹⁹, a good transport network, a large pool of labour and was close to the major markets of Sydney and Melbourne.

³¹⁹ Snowy Mountain HEP.

The original plant in Albury was a branch of a newsprint plant in Hobart³²⁰, and was established at a cost of \$160 million on a 190 hectare site which was originally part of Maryvale sheep Station 13 km north of Albury³²¹. The firm received support from the AWDC and incentives from the New South Wales Government which had been keen to find a market for large quantities of softwood supplied by the NSW Forestry Commission's extensive *Pinus Radiata*, plantations in the Tumut area of New South Wales (see Ch 4 and Appendix 1).

Although the original firm had long term contracts for *Pinus Radiata*³²² from Victorian and New South Wales State forests, it set up a Joint Venture Scheme with local farmers in 1984 to plant *Pinus Radiata* on marginal land to ensure the supply of raw material. In 1989 it investigated the possibility of using recycled paper in the production line. There was strong opposition from communities along the Murray River, who feared that the Murray River would become polluted. After a protracted period of discussions and communities engaging in an education program, an understanding was reached where by the mill agreed to total off-river treatment of effluent disposal to be commissioned by 1996³²³. An uneasy relationship followed and the communities accepted that there would be no pollution in the Murray River. A \$135 million recycling plant was constructed in Albury with the assurance that the major newspaper companies had contracted to use newspaper with a 20% recycled fiber content. Trucks carrying paper to the capital cities could now backhaul newspaper for recycling. Between 1991 and 1995 two voluntary redundancy schemes had reduced employees from 385 to 300 employees³²⁴. Over the past twenty years the use of recycled paper has increased from 20% to 75%.

In 1997 the newsprint firm was sold to a New Zealand company and in 2000 the firm was bought by the present owners who embarked on the biggest upgrade ever undertaken on the site. It enlarged the plant capacity by 20% but caused the plant to shut down for 28 days for the first time in its production. When the paper mill works at full strength it functions on a

³²⁰ Hicks D.W. 2006 page 1 'At the Annual General Meeting in Hobart on Thursday 2 November 1978 he (Chairman R.A. Henderson) announced that the Albury Mill will be built'.

³²¹ Hicks D.W. 2008 page 20.

³²² The plant uses 10 year old *Pinus Radiata*. Older trees are used for furniture.

³²³ Hicks D.W. 2008 page 47.

³²⁴ Hicks. D.W. 2008 page 52.

cycle of 24/7 production and 4 week paper mill shut down.³²⁵ In 2003 the newsprint mill sought redundancies and by 2005 employee numbers had fallen to 250³²⁶.

As energy accounts for approximately 20% of the newsprint's production costs, a new scheme is being jointly investigated by the firm, Albury City Council and State Government. It entails the production of energy from biomass which may lead to both lower costs and a reduction in carbon.

During the Hawke–Keating era the following four firms were established in Albury-Wodonga (see Ch 5).

The first firm researched was an heating, air conditioning and cooling firm which was established in 1984 employing 145 people. It was bought by the present owner in 1997 as an already established company in Albury. The location on the border was the prime reason for this firm establishing on its 2.1ha. site in Albury. Being on the State border provided easy access to the population of Sydney and Melbourne and the population within the two states of Victoria and New South Wales, which were its major market areas. Being situated on the transport corridor from Sydney to Melbourne ensured good transport connections with the market and access to ports of Sydney or Melbourne for exports. The company sells a variety of air conditioning products including grills, diffusers, plenums, ducting and architectural louvers. It has an integrated computer based business which integrates manufacturing with sales, inventory and finance and in so doing aims to develop high quality customer service. In 2004 it became a sole distributor of a specialized air diffusion product and in 2007 acquired a firm in Queensland increasing its tropical environment market for buildings, mining concerns and industry in Northern Queensland.

The second firm researched (a single owner firm) established in Albury during 1984 by a cabinet manufacturer who employs 6 people and who selected this town as his home base because of its access to a good recreational environment. The firm was aided by New South Wales Government incentives for industry. Albury provided a large pool of skilled labour. The growth of population in Albury Wodonga and the growth of construction have meant that the local area constitutes its major market. Should its market extend beyond Albury-Wodonga as a result of advertising on the internet, a good transport network would be available to

³²⁵ Hicks D.W. 2008 page 71 Mill was shut down for servicing.

³²⁶ Hicks D. W. 2008 page 65.

deliver goods to the capital cities. The firm at present supplies some finished products Australia wide and a small amount for export.

The third of the firms researched, which established in Albury in 1987 is part of an USA company whose Australian headquarters is in Sydney. The firm established in Surry Hills, Sydney in 1939 before moving to Lane Cove in 1958. Since then it has set up six branches throughout the country. The branch in Albury is a manufacturing facility which initially employed 48 people and today employs 62 people. The Albury factory is the sole producer of Spinbond-Meltdown-Spinbond (SMS), a barrier fabric³²⁷, made from polypropylene pellets. To reduce the high cost of the raw material, which contributes more than 50% of the cost of manufacturing the product, the plant in Albury pelletizes some of the polypropylene waste it generates for re-use and is responsible for the sales and marketing of the finished products.

The Albury factory was built on a greenfield site and was aided by New South Wales and Local Government incentives as well as receiving support from the AWDC (see Appendix 1). The firm selected the border site at Albury as it provided a locational advantage to SE Australia. Added to this were cheap establishment costs, competitive operating costs, good road transport networks and local nation-wide road transport firms. Products from this plant are sold Australia wide and are exported via Melbourne or Sydney to Asia. The plant is due to undergo a \$6.5 million upgrade to expand the meltdown extrusion line of SMS and provide greater capacity for production. The plant is also changing from a coal fired electricity plant to a gas powered plant to reduce its carbon print.

The fourth firm researched established in Wodonga in 1991 as a branch of a New Zealand company whose Australian headquarters are in Sydney. It employs 104 people and is a precision engineering firm which produces motion and control technology units for commercial, mobile and industrial markets. The firm describes itself as being 'vital to everything that moves or requires control'. The products that are produced at this plant include brass and stainless fittings, and hydraulic hoses which are used in motion and control technologies. The firm has the philosophy of locating manufacturing plants within easy reach of capital cities so Wodonga was an ideal location. In fact the factory lies between its two major branch firms in Sydney and Melbourne. The firm was aided by Victorian State

³²⁷ Non-woven textiles used as barrier fabric for clothing (caps and shoe covers, gowns, hydro-knit wipes and face masks or as nappies, incontinence products, wipes and sterile wraps).

Government incentives and was initially provided with a factory by the AWDC, although it has since relocated. Other benefits of the location include a pool of labour to meet growth requirements and excellent transport by road, rail or air to major markets in SE Australia and overseas.

7. 2. 1 Networking in Manufacturing in Albury-Wodonga

None of the nine large firms interviewed in Albury-Wodonga compete for markets. Between them they employ about 2 500 people and produce about \$500 million³²⁸ per annum.

The managers and CEOs meet regularly each month as the Hume Lean Network to discuss the Lean Production System³²⁹ as it applies to their individual firms. The aim of the network is two-fold. The first aim has been to improve production and safety, improve profitability and create greater customer satisfaction thus promoting continued growth. This increases the demand for local labour, encourages in-migration, which in turn will expand local markets supporting either further factory growth or the establishment of new firms to provide jobs for the enlarged population. The second aim has been to promote population growth in Albury-Wodonga. With that in mind, the network lobbies the local councils to improve the quality of life in the twin towns so as to make them more appealing to those wishing to relocate from the capital cities.

The network is also concerned about the shortage of skilled labour and searches for ideas and techniques to improve the training of staff and local school leavers. Almost all the large factories offer work related, in-house training apart from the training to familiarize the employee with the distinctive culture and techniques of the large corporation which employs them. As indicated in Table 7.5 below, only one factory employs an apprentice under the age of eighteen.

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7. 2. 2 Characteristics of the Manufacturing workforce in Albury-Wodonga

³²⁸ Information for this section has been collated from manager responses at factory interviews.

³²⁹ Lean Production system was invented after World War II by Taiichi Ohno for Toyota. It is also known as Just-in time (JIT) production or Toyota Production. The Lean Production System has the following ten rules:-1. Eliminate waste. 2. Minimize inventory. 3. Maximize flow. 4. Pull production from customer demands. 5. Meet customer requirements. 6. Do it right the first time. 7. Empower workers. 8. Design for rapid changeover. 9. Partner with suppliers. 10. Create a culture of continuous improvement (Kaizen) System.

The following study is based on the data acquired from surveys and interviews of manufacturing firms carried out during fieldwork in Albury-Wodonga between 2007 and 2009. It entailed collecting data on the size, products and markets of firms, the types of employment, age, skills, training and residence of employees, and future developments of the firms. The data has been collated, synthesized and analysed and has thrown some light on the nature of employment and economic development in Albury-Wodonga from the end of the Long Boom to the lead up to and the restructuring of, the Australian economy. The fieldwork did not include any firms which established during the New Prosperity under the Howard government.

Size of Manufacturing firms in Albury-Wodonga.

Research indicates that by the end of the Long Boom, the surveys and interviews of firms highlight that Albury-Wodonga's employment included 1 453 people who were employed in seven factories which varied in size from three factories with less than 10 employees, two factories with between 101 and 200 employees, a factory with between 401 and 500 employees and one factory with between 601 and 700 employees.

Research has found that at the end of the Boom period there were a diverse range of industries which had established in Albury-Wodonga. Most of which had been established long before the formation of the National Growth Centre. The firms producing railway rails, automatic transmissions and Pet Foods are examples of direct investment by UK and USA companies establishing Australian subsidiaries in manufacturing in the Long Boom. The large subsidiaries were established in both Albury and Wodonga. Should the four industries employing more than 100 workers each, ever be in a situation that requires staff redundancies, which would have a palpable and negative impact on the Albury-Wodonga economy.

Under the Fraser government when Australia was experiencing fiscal restraint and increasing unemployment three firms established in Albury-Wodonga. Research indicates that the concrete firm with a small number of employees (26) served the local market while the transformer and newsprint firms which each employed over 200 people, were examples of local industrial investment servicing the national market. Between 1978 and 1983 the AWDC identified 12 large firms which employed more than 100 people each which had established in Albury-Wodonga.

The heating air conditioning and ventilation firm bought in to an established firm in 1984, after the Hawke-Keating Labor government came to power, has 120 employees in the factory and 25 sales and marketing staff. It initially served the SE Australia markets before recently expanding to Queensland. During the same year a cabinet making firm employing 6 people established to supply the local market. Global companies continued to invest in Australia as the economic restructuring progressed. The non-woven textile branch firm established in Albury employing 62 people and the motion and control company in Wodonga which employs 145 people are branches of such global companies. Both serve the national and overseas markets.

Table 7. 6

Size of firms established prior to and towards the end of the Long Boom

Size of firm.	Albury-Wodonga number of firms.	Type of firm in Albury-Wodonga.	Number of employees.	Location in Albury or Wodonga.
<20people	3	Steel products (1970). Uniforms (1957.) Fencing and mesh (1948).	8 16 19	Albury. Albury. Albury.
21-100	0	Nil		
101-200	2	Textiles(1923). Mining, rail, transport, steel castings(1953).	147 210	Albury. Wodonga.
201-300	0	Nil		
301-400	0	Nil		
401-500	1	Automatic transmissions(1972).	453	Albury.
501-600	0	Nil		
601-700	1	Pet Foods(1968).	700	Wodonga.
TOTAL	7		1 453	

Source Authors surveys and interviews.

The research has indicated that the manufacturing firms in Albury-Wodonga were spread over a range of manufacturing products which would be likely to stimulated further economic development.

The total workforce in the firms which established at the end of the Long Boom and which were surveyed and interviewed, amounted to 1 153 people, of whom 1 069 were males and 426 were females employed fulltime. The number of part time and casual labour was low. One male and 13 females were employed part-time and 30 males and 14 females were employed casually. It is interesting to note that the number employed casually for both males and females was greater than the number employed in part-time work. The number of males employed casually is more than twice the number of females employed casually. Between 1988 and 2003 in the Australian workforce the male casual employment rate has grown by 151% while female casual employment rate has grown by 62% (Kryger T 2004).

Table 7. 7

Size of firms established at the lead up to and the restructuring of the Australian economy

Size of firm.	Albury-Wodonga number of firms.	Type of firm in Albury-Wodonga.	Number of employees.	Location in Albury or Wodonga.
<20people	1	Cabinets (1984).	6	Albury.
21-100	2	Concrete(1980). Non Woven Textiles(1987).	27 62	Wodonga. Albury.
101-200	2	Heating air conditioning, ventilation (1984). Motion & control units(1991.	145 104	Albury. Wodonga.
201-300	2	Transformers(1981). Newsprint(1981).	240 260	Wodonga. Albury.
301-400	0	Nil		Nil
401-500	0	Nil		Nil
501-600	0	Nil		Nil
601-700	0	Nil		Nil
TOTAL	7		844	

Source Authors surveys and interviews.

Table 7. 8

Employment status of workforce as a percentage in firms which established prior to and towards the end of the Long Boom

Firm.	Number in Firm.	Full-time M.	Full-time F.	Part-time M.	Part-time F.	Casual M.	Casual F.
Textiles.	147	83	57	0	3	3	1
Fencing & mesh.	19	18	0	0	1	0	0
Mining, rail, transport, steel castings.	210	179	5	0	3	20	3
Uniforms.	16	0	2	0	6	0	8
Pet Food.	700	420	280	0	0	0	0
Steel products.	8	6	1	1	0	0	0
Automotive transmissions.	453	363	81	0	0	7	2
Total	1 153	1 069	426	1	13	30	14

Source Authors surveys and interviews.

The total workforce in firms which established at the lead up to and the restructuring of the Australian economy, which were surveyed and interviewed, amounted to 843 people, of whom 663 were males and 95 were females employed fulltime. 12 males and 30 females were employed part-time and 44 males and no females were employed casually. Once again the number of casual male employees far exceeds the number of female casual employment of whom there are none.

The pattern depicted during both historical periods described in Table 7.8 and Table 7.9 follows the overall pattern for Albury-Wodonga and Australia in 2006 (see Chapter 5). In both Albury-Wodonga and Australia in 2006 the number of males employed in manufacturing was far greater than females. The number of casual male workers in manufacturing is also greater than for females. However the number of females in manufacturing in part time employment is greater for females than for males. There is a gender imbalance in the workforce in manufacturing with males constituting the majority.

Table 7. 9

Employment status of workforce as a percentage in firms which established at the lead up to and the restructuring of the Australian economy

Firm.	Number in firm.	Full-time M.	Full-time F.	Part-time M.	Part-time F.	Casual M.	Casual F.
Concrete.	27	21	1	0	0	4	0
Transformers.	240	120	60	0	25	35	0
Newsprint.	260	245	15	0	0	0	0
Heating air conditioning & ventilation.	145	120	5	10	5	5	0
Cabinets.	6	3	1	2	0	0	0
Non woven textiles.	62	53	9	0	0	0	0
Motion & control units.	104	100	4	0	0	0	0
	844	662	95	12	30	44	0

Source Authors surveys and interviews.

Age structure of employees in Manufacturing in Albury-Wodonga.

Research into the firms surveyed and interviewed which were established at the end of the Long Boom, indicates that none of the firms employed males under the age of 18 years, suggesting that none of the firms in Table 7.10 were training apprentices. This seems at odds with the demand for skilled labour in Albury-Wodonga. The *Border Mail*³³⁰ highlighted the difficulty of getting youth employed as apprentices stating that many young people seeking apprenticeships had poor literacy and numeracy skills. The 19-49 year age group has the largest proportion of male employees which vary from 62% of the total labour force to 95% of the total labour force. The proportion of males employed in the 50-65 year age group varies from 5%-38% of the total labour force. The only manufacturer which does not employ male labour is the Uniform Manufacturer.

Only two firms, the transformer manufacturer and the heating air conditioning and ventilation manufacturer, have hired male employees younger than 18 years of age (Table 7.10). This may suggest that these firms would be training a few apprentices. The majority of firms employ a larger proportion of males than females and the largest proportion of male

³³⁰ Border Mail 11/6/10.

employees, between 40%-96%, are in the 19-49 year age group. The older age group in the 50-65 year old males, are generally a smaller proportion of the males employed, however the newsprint firm has a higher proportion of male employees in this age bracket. In this firm³³¹ because work conditions and work experience is satisfying the male employees refrain from seeking alternative jobs, given that their skills are highly specialized and not easily transferable resulting in many male employees remaining with the firm until they retire. Another factor impeding inter-firm mobility was the difficulty of transferring superannuation contributions from the company to another³³².

Table 7. 10

Age of employees in firms which established prior to and towards the end of the Long Boom.

	Male	Male	Male	Female	Female	Female
Firm.	<18yrs percent.	19-49yrs percent.	50-65yrs percent.	<18yrs percent.	19-49yrs percent.	50-65yrs percent.
Textiles.	0	62	38	0	62	38
Fencing & mesh.	0	88	12	0	0	100
Mining, rail, transport, steel castings.	0	70	30	0	100	0
Uniforms.	0	0	0	0	60	40
Pet Food.	0	95	5	0	100	0
Steel products.	0	85	15	0	100	0
Automotive transmissions.	0	70	30	0	80	20

Source Author's survey and interviews.

In the manufacturing firms that were surveyed and interviewed for Table 7.11, no females younger than 18 years of age were employed. In almost all of the manufacturing firms listed almost all the females employed were in the 19-49 year age group. There were only two firms, the cabinet maker firm and the heating air conditioning and ventilation firm, which

³³¹ Human Resources Manager pers comm 22/7/08 Albury.

³³² Since the interview the Federal Government has legislated to make it easier to transfer superannuation contributions when changing jobs..

employed females in the 50-65 year age group and then as office workers. The cabinet maker firm employed one female while the heating air conditioning and ventilation firm employed four.

Table 7. 11

Age of employees in firms which established at the lead up to and the restructuring of the Australian economy

	Male	Male	Male	Female	Female	Female
Firm.	<18 yrs percent.	19-49yrs percent.	50-65 percent.	<18yrs percent.	19-49yrs percent.	50-65yrs percent.
Concrete.	0	65	35	0	100	0
Transformer.	10	70	20	0	100	0
Newsprint.	0	40	60	0	100	0
Heating air conditioning & ventilation.	2	96	2	0	96	4
Cabinets.	0	90	10	0	0	100
Non-woven textiles.	0	70	30	0	100	0
Motion & control units.	0	85	15	0	100	0

Source Author's survey and interviews.

Skills and Training in Manufacturing firms in Albury-Wodonga.

Male employees in firms established at the end of the Long Boom appear to have more trade certificates and professional training than the females (Table 7.12). As anticipated there is a gender bias in office training and more females have office training than males. The textile firm which employs 86 males and 61 females, at its inception was dependent on a large amount of female labour but today, as a result of new technology and machinery is run by professionally trained personnel who are predominantly male. Over 90% of the staff are computer literate and use computers in their daily work. The internet is used as part of the work function by about 45% of the office staff.

The fencing and mesh firm employs 19 people of whom only one, a female, who has had office training is employed part time in the office. 67% of the employees are regarded as

unskilled. The female office worker and two male employees use computers in their daily work while the internet is used for contact with suppliers and customers.

The railway rails firm employs 199 males and seven female workers. Approximately 65% of staff are unskilled and are involved in the production process. There are only three women who work on the machine floor which reflects the strong gender bias in this industry. The uniform firm does not employ any male labour but is dependent on 16 females of whom only a small proportion, are professionally trained. To communicate with customers and suppliers, the small number of females in the office use the internet.

In the Pet Food firm there are almost double the number of male employees (480) than female employees (240) all of whom work full time. There was no indication that any employees worked part-time or casually. 65% of the male employees and 45% of the female employees have professional training. All employees are expected to be computer literate and computers are readily available. The firm provides in-house training for all staff. The steel products firm does not have any employees with trade certificates. Of the eight employees 80% are regarded as unskilled and only 12% have professional training. The sole female employed in the office has had office training and uses the computer and internet as routine office activity. The automotive transmission firm employs 370 males and 83 females. 75% of males and 70% of females are regarded as being skilled. 35% of males have a trade certificate and 25% of males have had professional training. Only 5% of females had a trade certificate and 6% of females had professional training. It was estimated that 40% of the male employees used computers in daily work. The proportion of female employees using computers was higher than the males, as most office workers were female and 15% of them had office training.

Table 7.12

Skills of employees in firms which established prior to and towards the end of the Long Boom shown as percentages

	Male	Male	Male	Female	Female	Female
Firm.	Trade Certificate.%	Profess. training. %	Office training.%	Trade Certificate.%	Profess. training. %	Office training. %
Textiles(147.)	9%	28%	6%	0	8%	15%
Fencing and mesh(19).	25%	12%	3%	0	9%	100%
Mining, rail, transport, steel castings(210)	25%	20%	0	2%	10%	60%
Uniform(16).	0	0	0	0	10%	10%
Pet Food(700).	10%	65%	2%	0	45%	90%
Steel products (8).	0	12%	2%	0	0	100%
Automotive transmissions	35%	25%	2%	5%	6%	15%

Source Author's surveys and interviews.

Note __The number in the bracket represents the number of people employed in the firm
Profess. the abbreviation of Professional.

The larger firms appear to be more technologically advanced and make greater use of computers and internet in the work process.

There were seven firms that were researched which established at the end of the lead up to and the restructuring of the Australian economy (Table 7.13). The first, the concrete firm, employed 27 people, 26 males and one female, of the males 30% had trade certificates and 5% had professional training. The office which is located at the quarry employs one female who has had professional and office training and uses the computer and internet in the office. The firm has stated that 82% of its employees are unskilled.

The second firm produces transformers and employs 240 people of whom 155 are male and 85 female. The firm regards most of its employees as skilled since all employees are expected to use computers, (there are 60 on the factory floor), in their daily work. 13 % of male employees hold trade certificates and seven male employees have professional training. 20%

of females have professional training and 80% of female employees have office training. The firm also offers in-house professional training.

The newsprint firm is the third firm and employs 260 people of whom 245 are male and 15 are female. Of all the females employed in the offices, 80% have office training and 20% have professional training. Male employees are employed in the manufacture of newsprint. 40% of male employees have trade certificates and 50% have professional training. A large number of employees are required to use computers during the work process. The company offers in-house professional training as well as courses at TAFE in papermaking. This is a male dominated industry.

Table 7.13

Skills of employees in firms which established at the lead up to and restructuring of the Australian economy shown as percentages

	Male	Male	Male	Female	Female	Female
Firm.	Trade Certificate %	Profess. training %	Office training %	Trade Certificate %	Profess. training %	Office training %
Concrete(27).	30	5	0	0	100	100
Transformers(240).	13	7	0	0	0	80
Newsprint (260).	40	50	10	0	20	60
Heating air conditioning & ventilation (145).	10	20	5	0	0	100
Cabinets (6).	100	0	0	0	0	100
Non woven textiles (62).	50	15	0	0	10	5
Motion & control units(104).	60	30	5	0	0	80

Source Author's surveys and interviews

Note The number in the bracket represents the number of people employed in the firm.

The fourth firm is the heating air conditioning and ventilation firm which employs 145 employees of whom 135 are male and 10 are female. In this firm 10% of male employees

have trade certificates and 20% have professional training. 80% of male employees are unskilled. The 10 females have office training.

The fifth firm is a small firm producing cabinets. It employs five males and one female who had office training and uses the computer and internet daily. All five males are skilled cabinet makers and hold trade certificates. Almost all male employees use computers and the internet for work. The sixth firm is a non- woven textile firm which employs 62 people of whom 53 are male and nine are females. 50% of males hold trade certificates and while 79% are regarded as skilled , 90% use a computer for work. Of the office employees 10% have professional training and 5% have office training which includes computer and internet use.

The seventh firm is a motion and control firm which has a workforce of 104 people of whom 100 are male and 4 are female working in the office. All male employees are regarded as skilled with 60 % having trade qualifications and 30% having professional qualifications. 80% of male employees use a computer as part of the work process. There is one computer on each desk and one computer on each machine on the factory floor. The firm offers in-house training. The firm has acquired seven apprentices for training.

7. 2. 3 Residence of Manufacturing employees in Albury-Wodonga

The twin towns of Albury-Wodonga effectively form one labour market as well as one market for goods and services. The 17.5 kilometer Hume Highway Bypass between Albury and Wodonga, opened to traffic in March 2007, permits car travel at 100km per hour, and with the absence of traffic lights on the highway, has reduced traveling time between the towns by as much as 15 minutes. This has increased the distance workers are prepared to travel from home to work and brought the two towns closer psychologically. Peak hour traffic, twice daily has become heavy along the Bypass between Albury and Wodonga.

The first Economist of the AWDC³³³ estimated that in the 1970s approximately 25% of the labour force crossed the border in either direction to find work. He estimated that ‘3,000 vehicles crossed the border each day each way’. During interviews with managers of manufacturing firms it was suggested that by 2008 on average 30% of workers crossed the

³³³ First Economist AWDC interviewed in Albury 21/7/08.

border in either direction during peak hour to travel from home to work. Among the firms surveyed and interviewed however the proportion of workforce crossing the border is slightly more varied as shown in Tables 7.14 to Tables 7.17.

There were 643 people working in Albury firms which were surveyed and which were established towards the end of the Long Boom. Of these workers 479 or 74.4% lived in Albury and 156 or 24.4% lived in Wodonga and 1.2% in other towns. This suggests that 24.4% of the workforce crossed the border from Wodonga to find employment in Albury.

Table 7.14

Residence of workers in Albury firms established prior to and towards the end of the Long Boom

Firm.	Number employed.	Live in Albury. %	Live in Wodonga. %	Other. %	Albury number.	Wodonga number.	Other number.
Textiles.	147	90	5	5	132	8	7
Fencing and mesh.	19	90	5	5	17	1	1
Uniforms.	16	70	30	0	11	5	0
Steel products.	8	30	70	0	2	6	0
Automotive transmissions.	453	70	30	0	317	136	0
Total number.	643				479	156	8

Source Author's surveys and interviews.

Of the 415 workers in Albury firms (Table 7.15) established in the lead up to and the restructuring of the Australian economy, 279 or 67% of workers lived in Albury and 136 or 33% of workers lived in Wodonga. Thus 33% of the workforce crossed the border from Wodonga to find employment in Albury.

If the two groups of workers in Albury factories are combined³³⁴ then, of the 1058 people in their total workforce, 758 or 71.6% of workers lived in Albury and 292 or 27.5% of workers lived in Wodonga. Thus for all the manufacturing factories, surveyed and interviewed in Albury, 27.5% of workers from Wodonga crossed the border to find employment in Albury.

³³⁴ Combine 643 employees (Table 7.13) and 415 employees (Table 7.14).

Table 7.15**Residence of workers in Albury firms established in the lead up to and restructuring of the Australian economy**

Firm.	Number employed.	Live in Albury. %	Live in Wodonga. %	Other %	Albury employees.	Wodonga employees.	Other employees.
Newsprint.	260	70	30	0	182	78	0
Heating air conditioning & ventilation.	145	60	40	0	87	58	0
Cabinets.	6	100	0	0	6	0	0
Total Number.	415				279	136	0

Source Author's surveys and interviews.

Similarly by examining the number of workers in Wodonga factories one can deduce the proportion of the workforce which crossed the border to Albury for employment. There were 910 people working in firms which were surveyed and interviewed, and which were established in Wodonga towards the end of the long boom. Of these 322 or 35% of workers lived in Albury and 588 or 65% of workers lived in Wodonga. Thus 35% of the workforce crossed the border from Albury to find employment in Wodonga.

Of the 429 workers in firms established in Wodonga (Table 7.17) in the lead up to and the restructuring of the Australian economy, 132 or 31% lived in Albury and 297 or 69% lived in Wodonga. Thus 31% of the workforce crossed the border from Albury to find employment in Wodonga.

Table 7.16**Residence of workers in Wodonga firms established prior to and towards the end of the Long Boom**

Firm.	Number Employed.	Live in Albury. %	Live in Wodonga. %	Other. %	Albury Number.	Wodonga Number.	Other Number.
Mining, rail, transport, steel castings.	210	20	80	0	42	168	0
Pet Foods.	700	40	60	0	280	420	0
Total Number.	910				322	588	0

Source Author's surveys and interviews.

If the two groups of workers in Wodonga firms are combined³³⁵ then, of the 1339 people in the total workforce, 454 or 34% of workers lived in Albury and 885 or 66% of workers lived in Wodonga. Thus for all of the manufacturing factories, surveyed and interviewed in Wodonga, 34% of workers from Albury crossed the border to find employment in Wodonga.

The General Manager of the Wodonga Chamber of Commerce³³⁶ in an interview in 2009 stated that the Albury-Wodonga Bypass which had opened in 2007 had encouraged faster more efficient movement between the towns. He suggested that there was an expectation by residents of both towns that they would not travel longer than 15 minutes by car between home and work. He estimated that 25% of people in each town traveled across the border to work (see Ch 5 ABS unpublished data).

The first Economist of the AWDC³³⁷ also stated that before the advent of the Bypass 80% of the 4 500 vehicles that crossed Lincoln Causeway were local traffic. He added that prior to the Albury-Wodonga Bypass '3 000 trucks traveled through Albury Streets day and night , creating air pollution, noise pollution and traffic congestion' to the detriment of the residents. It was essential that the bypass be built and that the trucks were removed from Albury streets.

³³⁵ combine 910 employees (from Table 7.15) and 429 employees (from Table 7.16).

³³⁶ Manager Wodonga Chamber of Commerce interviewed Wodonga 9/9/09.

³³⁷ AWDC first Economist interviewed in Albury 21/7/08.

Like the Manager of the Wodonga Chamber of Commerce, he too estimated that since the 1970s about 25% of people in each town traveled across the border for work

Table 7.17

Residence of workers in Wodonga firms established in the lead up to and restructuring of the Australian economy

Firm.	Number Employed.	Live in Albury. %	Live in Wodonga. %	Other. %	Albury Number.	Wodonga Number.	Other Number.
Concrete.	27	40	60	0	11	16	0
Transformers.	240	20	80	0	48	192	0
Non woven textiles.	62	70	30	0	43	19	0
Motion and control units.	100	30	70	0	30	70	0
Total number.	429				182	144	

Source Author's surveys and interviews.

7. 2. 4 Markets for manufacturing firms in Albury-Wodonga

Of the 14 manufacturing firms surveyed and interviewed in Albury-Wodonga nine firms are branch firms of larger, (often transnational) companies, while the remaining five are smaller firms with head offices in Albury and Wodonga. The latter have local markets which encompass Albury-Wodonga and towns within a 50 km radius or the national market (Table 7.18 and 7.19). The firms which interact in these markets are the fencing and mesh manufacturer, the uniform manufacturer and the cabinet manufacturer. The heating, air conditioning and ventilation firm which has its head office in Albury-Wodonga is an exception to the rule as it sells products³³⁸ not only throughout Australia but also exports goods to New Zealand and Papua New Guinea. The latter country provides 5 to 10% of the company's business.

The large firms mainly export to the Asia-Pacific Region of which Australia is a part. The textile firm is not a multi-national firm and has its head office in Albury-Wodonga. It is Australia's largest textile manufacturer and produces yarn and high quality woollen materials

³³⁸ Products include grills, louvers, plenums, diffusers and ducts.

for apparel, textiles for home furnishings, industry and transport . It controls the manufacture of the wool from the raw wool state to the finished product and can supply goods to any specification. At present it sells woollen products to 40 countries on five continents. The pet food manufacturer is a branch of an USA corporation and exports to 30 countries in the Asia-Pacific region to the value of \$150 million per annum. The motion and control unit firm imports and exports products to New Zealand (from where it originated) and also exports to other Asia-Pacific countries. The automotive transmission manufacturer, once a USA subsidiary and now owned by a Chinese company, supports the car industry in Sydney, Melbourne and Adelaide, as well as exporting five wheel rear-drive transmissions to plants in China and Korea, and front wheel transmissions to India and South Korea.

Table 7.18

Market of firms established prior to and towards the end of the Long Boom

Firm.	Branch or head office.	Market Albury-Wodonga.	Market 50km radius from Albury-Wodonga.	National market.	Overseas market.
Textiles.	Head Office	x	X	x	Exports to 40 countries over 5 continents including China, Italy, France, South Korea.
Fencing & mesh.	Head Office	x	X	x	
Mining ,rail, transport, steel castings.	Branch	x	X	x	Exports occasionally.
Uniforms.	Head Office	x	X	x	
Pet Food.	Branch	x	x	x	30 countries in Asia & Pacific earns \$150m p.a.
Steel products.	Branch	x	x		
Automotive Transmissions.	Branch			x	China , India.

Source Author's survey and interviews.

The newsprint manufacturer is a branch of a Norwegian firm and occasionally exports newsprint to India yet its major market is Australia. The non-woven textile manufacturer is a branch of an USA corporation and exports its products, which consists of facing material³³⁹ as well as heavy weight fabric³⁴⁰ to Asian and Pacific nations. The transformer manufacturer although a branch firm of a larger company does not export its products because they are far too fragile. Instead the company prefers to set up plants overseas to meet foreign demand³⁴¹.

Table 7.19

Markets of firms established in the lead up to and restructuring of the Australian economy

Firm.	Branch or Head Office.	Market Albury-Wodonga.	Market 50km radius from Albury-Wodonga.	National market.	Overseas market.
Concrete.	Branch.	x	x		
Transformers.	Branch.	x	x	x	
Newsprint.	Branch.	x		x	Occasionally to India.
Heating, air conditioning & ventilation.	Head Office.	x	x	x	PNG forms 5-10% of business. Also NZ.
Cabinets.	Head Office.	x	x		
Non woven textiles.	Branch.	x	x	x	Asia & Pacific.
Motion and control units.	Branch.	x	x	x	Asia & Pacific nations. Imports & exports to NZ.

Source Author's survey and interviews.

³³⁹ Facing material for nappies, incontinence pads, and feminine hygiene.

³⁴⁰ Heavy weight fabric for industrial wipes, healthcare and medical applications.

³⁴¹ A plant was set up in Iraq to introduce electricity across the country.

7. 2. 5 Future developments for Manufacturing firms in Albury-Wodonga

Almost all manufacturing firms³⁴² in Albury and Wodonga presented an optimistic attitude to future developments. Almost all aspired to become more innovative, develop websites, seek more markets, invest more capital to upgrade machinery and increase capacity. As an example, in 2007 the pet food company in Wodonga established a new factory unit to meet the market demand for a new tray-unit size which employed 13 more people.

Even the automotive transmission firm, which has been placed under receivership two years after completing the questionnaire, expressed a positive approach to the future. In the firm's response the Human Resources Manager stated that the firm proposed to 'expand our market in Asia' and introduce new products such as 'hybrid transmissions and front wheel transmissions' in the next five years. As Australia's economy continued to flourish the firm was bought by a Chinese firm and 230 people lost their jobs through redundancies. To date many have not received their full entitlements but about 165 workers have continued in the factory under the old management, but now under new ownership.

Only two firms stated that they did not expect to invest more money in the company, nor produce new products or seek new markets. Nevertheless, the two firms still remained optimistic about future developments.

Table 7.20

Manufacturing firms in Albury-Wodonga seeking government action on issues.

Number of firms seeking change.	Issues which Governments should address.
6	Increasing export incentives.
6	Reducing state anomalies.
8	Improving employees training /re-training.
8	Reducing taxes & charges.
7	Reducing freight charges.
5	Improving passenger air services to Albury-Wodonga.

Source Author's survey and interview

The newsprint firm in conjunction with the New South Wales Government and the Albury-Wodonga City Council is in the process of planning a new plant to reduce plant emissions and

³⁴² 7 interviewed and 7 returned questionnaire.

the Albury City Council Carbon emission, by one third. The proposed plant will burn biomass and bark stripped from pulp logs at the newsprint plant (Albury City Council Report 17/3/10).

One issue which a number of managers in manufacturing firms commented on was the shortage of skilled labour in the towns. The *Border Mail* has drawn attention to this with articles such as ‘Skill shortages high priority for new AIG chief’³⁴³, ‘Skills will build a better future’³⁴⁴ and ‘Course aimed at filling dire need’³⁴⁵. The Chairman of the Wodonga Chamber of Commerce³⁴⁶ stated the biggest issue facing manufacturing development in Albury-Wodonga was the skills shortage which was at least ten years old and little had been done to overcome it although:

‘back filling was employed to solve the problem. This meant that despite this problem the food factory had expanded and had created more jobs. However these jobs were filled by skilled workers seeking better pay and as a result, they created a gap for skilled workers in the posts which they had vacated, and which could not be filled. Workers were given overtime for which they were grateful but it did not overcome the skills shortage. Despite the record number of apprenticeships offered, the shortage persisted’.

He added the AWDC had marketed Albury-Wodonga with vigour and since its demise the councils had not adopted the same attitude nor marketed both towns as a unit. He proposed that the councils should do more to encourage firms to relocate from the inner suburbs of Sydney and Melbourne to expand and redevelop in Albury-Wodonga. The inner suburbs of Sydney and Melbourne had high rents and land costs and no room to expand. He suggested that it would be sensible to show those firms that it would be cost effective to move to Albury-Wodonga. Workers facing congestion costs and high living expenses in the capital cities could be drawn to better quality of life in the twin towns once industry relocated to Albury-Wodonga. The councils need to ensure that the towns had both white and blue collar workers to ensure a balanced normal population structure. He added that the AWDC had attempted to put such a plan in to practice when it was a going concern.

Manufacturing firms are seeking government support to resolve the issues listed in Table 7.20.

³⁴³ Border Mail 11/6/10.

³⁴⁴ Border Mail 4/7/09.

³⁴⁵ Border Mail 17/5/10.

³⁴⁶ Interviewed in Wodonga 9/9/09.

7. 3 Service Firms

Twenty one firms in Albury-Wodonga, eleven in Albury and nine in Wodonga, returned the questionnaire which was sent to them in 2007. A national transport and logistics firm in Albury was interviewed in 2008.

7. 3. 1 Reasons why manufacturing firms established in Albury-Wodonga

The Service firms in Albury-Wodonga have been classified in to three groups Those which established in Albury-Wodonga:- 1) prior to and during the Long Boom, 2) during the lead up to and during restructuring of the Australian economy and 3) during the return to prosperity.

Prior to and towards the end of the Long Boom

Seven firms were established in Albury-Wodonga prior to and during the Long Boom. The industry sectors into which the service firms are classified are shown in Table 7.21

The first mayor of Albury, James Fallon³⁴⁷, provides the date of the formation of the first town Council as 1859. Today the city council owns three businesses including the airport, the crematorium and cemetery, and landfill sites which have made it both asset and capital rich³⁴⁸. It is also a partner³⁴⁹ in the establishment of Nexus industrial development, on 187ha. north of the town. In 2004 the boundary of Albury was enlarged and it absorbed a small portion of Hume Shire. In the same year the AWDC made an ex gratia payment of \$0.9 million in lieu of rates to the council (see Chapter 4). The council's vision for the future (2030) is 'concentrating on making (the city) a livable city with a healthy lifestyle, a clean environment, well managed growth and good transport links³⁵⁰'.

³⁴⁷ James Fallon First Mayor of Albury 1859-1862, store-keeper in Kiewa Street.

³⁴⁸ Interview Mayor of Wodonga 8/9/09.

³⁴⁹ The council has 5 large private investors as partners.

³⁵⁰ Review Today 2006 page 2.

Table 7. 21**Service firms established prior to and towards the end of the Long Boom**

Date established.	Services.	Reasons for establishing in Albury-Wodonga.	Number employed.	Location in Albury or Wodonga.
1859	Local Council governance.	Serves the growing community.	493	Albury.
1899	Tertiary Education & training.	Serves the growing population.	400	Albury.
1900s	Agribusiness.	Access to a large market; good road networks; good infrastructure.	80	Albury.
1975	Cleaning service.	Access to a large market; good road network; large pool of labour.	25	Wodonga.

Source Author's surveys and interview.

The tertiary education institute originated in 1899 and provides vocational training and education to the community. It is funded by the New South Wales State Government in Sydney. It has reciprocal relations with the Tertiary Institute in Wodonga. The agribusiness originated in 1839 in Adelaide, as a public company. It offers Rural³⁵¹, Finance and Real Estate Services and was established in Albury at the turn of the twentieth century. Although the contract Cleaning Service established in Wodonga in 1975, the present owners bought the business in 1992 when they moved to the area for family reasons.

The lead up to and the restructuring of the Australian economy

In Albury one service firm was interviewed and six service firms responded to the questionnaire and in Wodonga three service firms responded to the survey (Table 7.22). As the population grew the demand for more services encouraged more firms to establish in Albury-Wodonga. Most of these service firms were established in the 1980s when population growth in the twin towns led the demand for more services.

³⁵¹ These services include cropping inputs such as agricultural chemicals and fertilizer; livestock and wool inputs, including meat sales, brokering greasy wool and exporting dairy cattle, obtaining machinery, horticultural inputs, as well as insurance, rural banking and real estate ventures.

In 1978 the Irrigation Contractor who lived in Wodonga established his firm to serve markets on both sides of the Murray River. His establishment costs were low; and he was aided by a large pool of labour, developed infrastructure and a good network of roads.

Table 7.22

Service firms established in the lead up to and the restructuring of the Australian economy.

Date established.	Services.	Reasons for establishing in Albury-Wodonga.	Number employed.	Location in Albury or Wodonga.
1978	Irrigation contractor.	Access to a large market; cheap establishment costs; large labour force available; well developed infrastructure; good road transport links.	14	Wodonga.
1979	In-patient hospital services.	Cheap establishment costs: access to a large pool of labour; access to a large market; competitive operating costs.	303	<u>Albury.</u>
1980s	Service provider of nurses.	Access to a large market; town has a large labour force; town has well developed infrastructure; good road transport network.	271	Wodonga.
1980s	Physiotherapy.	Live in the town; access to a large market; well developed infrastructure in the town; good road transport links.	<u>20</u>	<u>Wodonga.</u>
1980s	Post Office retail store.	Live in town; large market; provides a service	<u>16</u>	<u>Albury.</u>
1981	National transport.	Lived in the town; Town has a large labour force; Good road transport links. The town provides a large market.	647	Albury.
1982	Disability training & employment.	Flat land for factory; well developed infrastructure in town; cheap establishment costs; competitive operating costs; good road transport network, Government & Council grants & subsidies.	125	Wodonga.

1983	Pharmacy.	Live in the town; it has a growing market with great potential ; good road transport links from the shop.	16	Albury.
1986	Plumbing.	Live in the town; low establishment costs; large market and growing; good road transport links.	23	Albury.
1986	Tertiary education institute.	Serves the growing population in the town and surrounding area extending across the border.	360	Wodonga.
1987	Real estate valuations.	Town has a large labour force; town has a well developed infrastructure. Good road transport links.	14	Albury.
1987	Accounting & tax services.	Live in the town; low establishment costs; good labour source; large market.	7	Albury.
1995	Bakery and café.	Live in town; low establishment costs; large market.	16	Wodonga.

Source Author's surveys and interview.

A trans-national health³⁵² company established in Sydney in 1964 provides services for 117 hospitals and day surgeries in Australia. In 1979, a franchise of that company was established in Albury in recognition of the market opportunity provided by the hospitals of the twin towns. The franchise owners lived in Albury. Establishment costs were low as the twin towns provided a readily available labour force and good road infrastructure. For the same reasons, in the 1980s the Service Provider of Nurses established a head office in Wodonga where the owners lived. The firm serves both sides of the border and utilizes labour from the twin towns.

The 1980s saw the establishment of nine new service firms in Albury-Wodonga.. Between 1978 and 1995 inroads were made in the fields of medical care, communication, education, transport, and a café/bakery.

The physiotherapy firm opened in Wodonga in 1972³⁵³ and established a branch in Albury to access the large market north of the border and provide services to people in southern New

³⁵² The TNC has branches in France, Indonesia, and the United Kingdom.

³⁵³ It has now has four branches in the Murray Valley including Wodonga, Albury, Lavington and Corowa.

South Wales who live within a 50 km radius of Albury. It is targeted to meet the needs of the aging population apart from providing general physiotherapy services³⁵⁴.

The post office and retail store was established by Australia Post as a Federal agency in the 1980s to meet the needs of a growing community in Northern Albury. In addition to general post office services it also sells office stationary.

In 1981, with six flat top trailers, a local resident and his four sons established a family company in Albury to run a national transport and logistics company³⁵⁵. The proprietor who had prior knowledge of the transport industry recognized the potential and established an international transport and logistics firm³⁵⁶. Routes include daily transport to Sydney, Melbourne, Adelaide and Canberra and in addition Brisbane is accessed three times a week. There are offices in each capital city and an on-forwarding network in each state, as well as GPS tracking of all goods picked up and the delivery fleet. Its office staff includes 14 specialist IT staff³⁵⁷. Because of the high cost of warehousing space in the capital cities the firm has invested \$7million in warehousing at Logic Wodonga, where the costs are lower than in Sydney or Melbourne. Goods from the Melbourne port are stored at Logic³⁵⁸ where running costs are cheaper before being on-delivered.

In 1982 a Training and Employment for People with Disabilities service was established in Wodonga, the home town of the owner, who is motivated by a desire to provide a community service. The firm benefits from competitive operating costs and incentives.

The pharmacy which established in 1981 has become a branch of a pharmacy in Albury City Plaza. The partner lives on the outskirts of town and runs the established pharmacy in the

³⁵⁴ Physiotherapy for medical conditions, sports injuries, prenatal classes for mothers, and fitness and well-being classes.

³⁵⁵ 20 years earlier he had owned a transport firm which was reputed to have been earning \$500 000 p.a. however he sold it to a national company. He waited 20 years to start this new company.

³⁵⁶ After a short period the firm bought shares in a transport firm in Wagga Wagga and thereafter bought the firm.

³⁵⁷ The company has in-house training for personnel and promotes a culture of self-care amongst its employees. It has introduced a program called "Stretch for work" to reduce injuries on the job and will cover three bookings per year with a physiotherapist or masseur or chiropractor regardless of whether the injuries were caused at work or not.

³⁵⁸ The firm has acquired 12 930 pallet spaces in Logic and also has covered loading bays allowing easy loading and unloading of freight. As well, the storage space at Logic is flexible and can be altered to meet the demands of the day.

suburbs. ‘Pharmacies can not easily relocate because of a whole series of regulations and constraints on relocation’³⁵⁹.

The plumbing company proprietor lived in Albury and established the firm in 1981. The town and surrounding hinterland provided such a large market that the firm sub-contracts about eight percent of its work in the hinterland.

The Tertiary Education Institution established in 1986 in Wodonga, provides educational and vocational training and is funded by the Victorian State Government. The institution has reciprocal arrangements with the Albury Institute.

The Real Estate & Valuation firm’s owner lives in Albury. He stressed that Albury was the heart of the region’s finance, business and services and has a history of commerce and industry. He had established a large business network during his lifetime in the twin towns as had the owner of the accounting firm. Both enjoy living in the country towns with easy access to Melbourne.

Living in Wodonga the owners of the café and bakery chose to establish their business close to family and where they lived, were known and the opportunity presented itself.

The Return to Prosperity

Only four service firms which were established when the Howard government was in office responded to the questionnaire (Table 7.23). The population of Albury and Wodonga continued to grow during this period and new service firms continued to be established in Albury-Wodonga.

The proprietor of the Engineering Consultancy and Drafting firm had lived in the region in the past and chose Wodonga as the town to live and work in. About 20% of the total value of the service provided was derived by sub-contracting work when overloaded.

³⁵⁹ quoted from Survey response.

The proprietor of the Labour Hire firm lives in Albury and has acquired an industry network which supports his firm. Low establishment costs and good road networks have been beneficial for the firm.

Table 7.23

Service firms established during the return to prosperity

Date established..	Services.	Reasons for establishing in Albury-Wodonga.	Number employed..	Location in Albury or Wodonga.
1996	Engineering consultancy & drafting.	Proprietor lives in Wodonga; cheap establishment costs; access to a large market; well developed infrastructure in the town.	13	Wodonga.
1997	Labour hire.	Proprietor lives in Albury; Had developed industry networks, Cheap establishment costs, Access to a large market & labour pool.	300	Albury.
1999	Electrical contracting.	Access to a large market and labour pool. Well developed infrastructure in town.	50	Wodonga.
2001	Retail Jeweller.	Access to a large market; town offers cheap establishment costs; town has a large labour pool; town has a well developed infrastructure.	12	Albury.

Source Author's surveys.

In 1999 the Electrical Contracting firm established a branch in Wodonga employing 50 people. The town offers a large market and has a large pool of educated labour. Good road transport links and a well developed infrastructure aid the firm. In 2001 a New Zealand jewellery firm established a branch retail outlet in Albury, which provided access to a large market from both towns and the surrounding hinterland. The towns have a large educated labor force, a well developed infrastructure and good road transport links for customers to access the shop.

7. 3. 2 Characteristics of the Service Industry workforce in Albury-Wodonga

This study is based on the data acquired from the surveys and an interview, of service sector firms carried out during fieldwork in Albury-Wodonga between 2007 and 2008. It entailed collecting data on the size, products and markets of firms, the types of employment, age, skills, training and residence of employees, and future developments of the firms. The data has thrown some light on the nature of employment and economic development in Albury-Wodonga from the end of the Long Boom, to the lead up to and the restructuring of the Australian economy.

Size of service industry firms in Albury-Wodonga

The Cleaning Service established in 1975, was the only firm established before the Labor government was dismissed (See Chapter 4). Table 7.24 shows this firm employed 25 people and had been established for 18 years before the present proprietors bought the business. The Agribusiness was established in 1900, employs 80 people and although larger than the Cleaning firm is still regarded as small. By contrast, the education and government sector businesses employing larger numbers of people were regarded as large.

Table 7. 24

Size of service firms established prior to and towards the end of the Long Boom

Size of firm.	Albury-Wodonga number of firms.	Type of firm in Albury-Wodonga.	Date established.	Number of employees.	Location in Albury or Wodonga.
<20 people.					
21-100	2	Agribusiness. Cleaning services.	1900 1975	80 25	Albury. Albury.
101-200					
201-300					
301-400	1	Tertiary education institute.	1899	400	Albury.
401-500	1	Local council.	1859	493	Albury.
501-600					
Total	4			998	

Source Author' surveys.

Almost all of the surveys which were returned represent firms which were established between 1978 and 1995 the period leading up to and during the restructuring of the Australian economy (Table 7.25). Seven of the firms fall into the small category of less than 20 people and include the Irrigation Contractor, Physiotherapy firm, the Post Office retail store the Pharmacy, the Real Estate Valuator, the Accounting & Tax firm and the Bakery & Café. The Plumbing firm employing 23 people would also be classified as a small firm. These eight firms are self owned and represent a wide variety of services. Four of the firms are branch firms.

Two of the self-owned firms employ between 101 and 300 people. Three firms which employ between 301 and 700 people include two self-owned firms and one owned by a State government. A negative change in any firm, which employs more than 101 people, would impact greatly on the unemployment rate in Albury and Wodonga.

Table 7.25

Size of service firms in the lead up to and restructuring of the Australian. economy.

Size of firm.	Albury-Wodonga number of firms.	Type of firm in Albury-Wodonga.	Date Established.	Size of firm.	Location in Albury or Wodonga.
<20people	7	Irrigation contractor. Physiotherapy. Post Office retail shop. Pharmacy. Real estate valuations. Accounting & tax. Bakery & café.	1978 1980 1980 1983 1987 1987 1995	14 20 16 16 14 7 16	Wodonga. Albury. Albury. Albury. Albury. Albury. Wodonga.
21-100	1	Plumbing.	1986	23	Albury.
101-200	1	Disability training & employment.	1982	125	Wodonga.
201-300	1	Service provider of nurses.	1980	271	Wodonga.
301-400	1	Tertiary educational institute.	1986	360	Wodonga.
401-500					
501-600					
601-700	1	National transport & logistics.	1981	647	Albury.
Total	12			1 529	

Source Author's surveys and interview.

Despite the difficult economic times in the lead up to and during the restructuring of the Australian economy (See Ch. 5), many new firms established in Albury-Wodonga enlarging the variety of services and improving the quality of life of residents. Table 7.26 indicates only four firms established during the return to prosperity period. Two of these firms were small, employing less than 20 people while a third firm employed 50 people. One larger firm employed 300 people. The Engineering and Electrical firm were self-owned while the Jewellery store is a branch of an international chain of jewellery stores and the Labour Hire firm is self-owned.

Table 7. 26

Size of service firms during the return to prosperity

Size of firm.	Albury-Wodonga number of firms.	Type of firm in Albury-Wodonga.	Size of firm.	Location in Albury or Wodonga.
<20 people.	2	Engineering consultancy & drafting. Retail Jeweller.	13 12	Albury-Wodonga. Albury.
21-100	1	Electrical contractor.	50	Wodonga.
101-200				
201-300	1	Labour Hire.	300	Albury.
301-400				
401-500				
501-600				
Total	4		385	

Source Author's surveys.

The surveys and interview suggest that the employment in Albury-Wodonga over the three historic periods amounted to 2 902 people employed in 20 Service firms of varying size (Table 7.27). 2 471 people or 85% of the total number employed, are employed in large service firms with a staff in excess of 201 employees. Negative change in any of the large service firms employing more than 201 people would impact on a large number of employees as well as the economy of the twin towns.

Tables 7. 27**Size of service firms**

Range of employees in firms	Number of firms	Total number employed
<10	9	128
21-100	4	178
101-200	1	125
201-300	2	571
301-400	2	760
401-500	1	493
501-600	0	0
601-700	1	647
Total		2902

Source Author's surveys and interview.

Employment status in Service industry firms in Albury-Wodonga

The Tertiary Education Institute has failed to account for the status of 80 people when answering this question in the survey so its figures have not been included in Table 7.27.

Table 7. 28**Employment status of workforce as a percentage, in firms which established prior to and towards the end of the Long Boom**

Firm.	Number in Firm.	Full-time M.	Full-time F.	Part-time M.	Part-time F.	Casual M.	Casual F.
Local Council.	493	235	188	36	34	Na	Na
Tertiary education institute*.	400	70	50	100	100	Na	Na
Agribusiness.	80	38	25	0	5	10	2
Cleaning service.	25	1	1	2	16	1	4
Total	598	274	214	36	55	11	6

Source Author's surveys.

* Note Information from the Tertiary Education Institute has failed to account for the employment status of 80 people therefore it's information has not been included in any calculations.

Table 7.29

Employment status of workforce as a percentage, in the lead up to and restructuring of the Australian economy.

Firm.	Number in Firm.	Full-time M.	Full-time F.	Part- time M.	Part- time F.	Casual M.	Casual F.
Irrigation contractor.	14	11	1	0	1	2	0
Inpatient hospital service.	303	4	10	11	160	16	102
Service provider of nurses.	271	1	6	0	3	10	250
Physiotherapy.	20	7	10	1	1	0	1
Post office retail.	16	3	4	0	8	0	1
Transport & logistics.	647	492	99	3	13	30	10
Disability training and employment.	125	11	7	63	44	0	0
Pharmacy.	16	0	5	1	3	2	5
Plumbing.	23	19	1	0	1	1	1
Tert. Ed. Inst.*	360	na	na	na	na	na	na
Real est. val.	14	6	4	2	2	0	0
Accounts & tax.	7	3	2	0	2	0	0
Bakery & café.	16	2	6	4	4	0	0
Total.	1472	559	155	85	242	60	370

Source Author's surveys and interview.

* Note Detailed information from the Tertiary Education Institute was not forthcoming. The number employed, 360, has not been included in the total.

Thus the survey indicates that 598 people were employed in firms that established prior to and during the Long Boom. From the information supplied 274 male workers and 214 female workers were working full-time as well 36 males and 55 females worked part-time. The first

Economist³⁶⁰ suggested that the proportion of women who worked in Albury-Wodonga during this period was high. There are almost twice as many males employed casually than females.

Information from the Tertiary Education Institute was not forthcoming and has not been included in Table 7.29. From the surveys of the firms established in the lead up to and restructuring of the Australian economy, it appears that 1472 people were employed in service industry firms in Albury-Wodonga. Of these 559 males and 156 females worked full-time and 85 males and 242 females worked part-time. Women frequently record a higher level of part-time employment as they often take on work to comply with home commitments. In the firms surveyed above female participation in casual labour work is six times greater than for male labour. This may be accounted for by the large numbers of females employed as casual labour in the Health and Community Services sector³⁶¹.

Table 7. 30

Employment status of workforce as a percentage, during the return to prosperity

Firm	Number in Firm	Full-time M	Full-time F	Part-time M	Part-time F	Casual M	Casual F
Engineering consultancy & drafting.	13	11	2	0	0	0	0
Labour hire.	300	260	30	5	5	0	0
Electrical contracting.	50	40	0	6	4	0	0
Retail jeweler.	12	2	7	0	3	0	0
Total	375	313	39	11	12	0	0

Source Author's Surveys.

The surveys and interview of the firms established, during the return to prosperity in Table 7.30 indicated that 375 people were employed in Service industry firms in Albury-Wodonga, of whom 313 males and 39 females were employed full-time and 11 males and 12 females were employed part-time. Males formed the dominant group in full-time employment and there was no casual employment for males and females.

³⁶⁰ AWDC first Economist interviewed in Albury 21/7/08.

³⁶¹ Women were employed by Cleaning firms, In-patient Hospital services and Service Provider for Nursing.

For all of the surveyed and interviewed service industry firms over the entire three periods in Albury-Wodonga there were about twice as many males working full-time than females. Over this period 1216 males and 458 females worked full-time. However in part-time work there were almost twice as many females working than males. There were 409 females working part-time as opposed to 232 males. There were 71 males working in casual employment³⁶² as opposed to 376 females.

The large Labour Hire firms in the Health care industry and the Cleaning industry employing more than 200 people each reported that most of their employees were employed as contract labour and casual labour. However the Albury Labour Hire firm acknowledged 'all 300 employees are engaged as casual but worked full time hours'. Permanent casuals have ongoing stable jobs but as casuals do not receive other entitlements of employment³⁶³.

Age structure of employees in service firms in Albury-Wodonga.

Table 7.31 shows three out of the four service firms, that responded to the survey, were established prior to and towards the end of the Long Boom, did not employ people less than 18 years of age. The exception to the rule was the Local council in Albury, which employed some male and female staff less than 18 years of age. The majority of the male and female workforce which the Local council employed was in the 19-49 year age group.

Table 7. 31

Age of employees in firms established prior to and at the end of the Long Boom

	Male	Male	Male	Female	Female	Female
Firm	<18 yrs percent	19-49yrs percent	50-65 percent	<18yrs percent	19-49yrs percent	50-65yrs percent
Local Council.	1	55	44	1	55	44
Tertiary education institute.	0	50	50	0	50	50
Agribusiness.	0	80	20	0	80	20
Cleaning services.	0	80	20	0	80	20

Source Author's surveys.

³⁶². Kryger T. 2004 page 3 Kryger notes that two thirds of casual work in Australia occurs in low skilled intermediate, clerical and service workers; elementary clerical, sales and service workers; and labourers. In Australia casual employment 'reflects a lack of ongoing jobs more than it reflects a preference for casual work'.

³⁶³ Casual workers do not receive care leave, long service leave, sick leave, holiday pay.

By contrast, Table 7.32 indicates that of the firms surveyed that were established in the lead up to and the restructuring of the Australian economy, five out of 13 firms employed males less than 18 years of age, while 4 out of 13 firms employed females less than 18 years of age.

Table 7. 32

Age of employees in service firms established in the lead up to and restructuring of the Australian economy

	Male	Male	Male	Female	Female	Female
Firm	<18 yrs percent	19-49yrs percent	50-65 percent	<18yrs percent	19-49yrs percent	50-65yrs percent
Irrigation contractor	0	80	20	0	100	0
Inpatient hospital services.	1	98	1	1	72	27
Service provider of nurses.	0	95	5	0	80	20
Physiotherapy.	0	75	25	0	100	0
Post Office retail	0	34	66	0	36	64
Transport & logistics.	2	58	30	6	74	20
Disability Training & employment.	0	76	24	0	92	8
Pharmacy.	33	66	0	13	74	13
Plumbing.	10	75	15	0	100	0
Ter.Ed. Inst..	na	Na	na	na	na	na
Real est. val.	0	50	50	0	100	0
Accounts & tax.	0	67	33	0	100	0
Bakery & café.	10	60	30	10	60	30

Source Author's surveys and interview.

The majority of the male workforce was in the 19-49 year age group. The exception being the Post Office retail store, where most of the male staff was in the 50-65 year age group. In five out of the 13 firms almost all females who were employed were in the 19-49 years age group.

In Table 7.33 in the return to prosperity period, the surveys indicate only one out of four service firms employed males and females less than 18 years of age. The majority of male and female staff employed were in the 19-49 year age group.

Thus of the twenty one service firms in Albury-Wodonga surveyed and interviewed, only seven employed staff less than 18 years of age. These service firms were in Public Administration & Safety, Health care & Community services, Transport, Construction, and Accommodation café and restaurant sectors of the Service Industries.

Table 7. 33

Age of employees in service firms established during the return to prosperity

	Male	Male	Male	Female	Female	Female
Firm	<18 yrs percent	19-49yrs percent	50-65 percent	<18yrs percent	19-49yrs percent	50-65yrs percent
Engineering consultancy & drafting.	0	85	15	0	100	0
Labour Hire.	3	94	3	5	87	8
Electrical contracting.	0	90	10	0	100	0
Retail Jeweller.	0	50	50	0	70	30

Source Author's surveys.

Skills and training in Service Industry firms in Albury-Wodonga.

This section of the questionnaire was often not completed or insufficient in detail, thus ruling out a comprehensive comparison. In fact, only nine firms (Table 7.34), provided an appropriate response.

The first six service industries shown in Table 7.34 were established in the lead up to and during the restructuring of the Australian economy while the final three were established during the return to prosperity. In Service industries which involved skilled trades, all male workers have Trade Certification including the Irrigation Contractor, Plumbing firm, Café & bakery, Engineering Consultancy and Drafting firm, Electrical Contractor and Jewellery firm. The only firm employing females with Trade Certification was the Café & bakery.

Table 7. 34**Skills and training in service firms in Albury-Wodonga**

	Male	Male	Male	Female	Female	Female
Firm	Trade Certificate%	Profess. training%	Office training%	Trade Certificate%	Profess. training%	Office training%
Irrigation contractor.	20	10	0	0	0	100
Physio-therapy.	0	100	0	0	50	50
Transport & logistics.	1	10	40	0	10	85
Plumbing.	4	0	0	0	0	100
Real estate & valuation .	0	0	100	0	10	90
Café & bakery.	50	0	0	30	10	10
Engineering consultancy & drafting.	31	31	0	0	0	100
Electrical contractor.	100	0	0	0	0	75
Retail Jeweller.	50	50	0	0	0	0

Source Author's surveys and interview.

Seven of these firms employed males with Professional training including the Irrigation Contractor, Physiotherapists, Transport & Logistics firm, Real Estate and Valuation firm, Engineering Consultancy and Jewellery firm. The four firms which employed females with Professional training were the Physiotherapists, Transport & Logistics firm, Real Estate & Valuation firm and the Café & bakery. Almost all office workers had some office training.

7. 3. 3 Residence of Service Industry employees in Albury-Wodonga

There were 973 people working in service industry firms surveyed, which were established in Albury prior to and towards the end of the Long Boom. Of these workers 693 or 71% lived in

Albury and 280 or 29% lived in Wodonga. Thus 29% of workforce living in Wodonga crossed the border to find employment in Albury.

Table 7. 35

Residence of employees in Albury service firms established prior to and towards the end of the Long Boom

Firm	Total workers	Live in Albury%	Live in Wodonga%	Other %	Albury workers	Wodonga workers	Other workers
Local council.	493	74	26	0	365	128	0
Tertiary education institute.	400	70	30	0	280	120	0
Agribusiness.	80	60	40		48	32	0
Total	973			0	693	280	0

Source Author's survey.

Table 7.36 examines the same historical period, for the Cleaning Service firm which was established in Wodonga, employing 25 people. Of these employees two or 8% lived in Albury, while 13 or 52% lived in Wodonga and 10 or 40% lived in other towns. Thus two or 8% of workers from Albury crossed the border to find work in Wodonga. Because no information is available to indicate whether the 'Other' towns are located in Victoria or New South Wales they are excluded from further discussion.

Table 7. 36

Residence of employees in Wodonga service firms established prior to and towards the end of the Long Boom

Firm	Total workers	Live in Albury%	Live in Wodonga%	Other %	Albury workers	Wodonga workers	Other workers
Cleaning service.	25	8	52	40	2	13	10
Total	25				2	13	10

Source Author's survey.

Table 7.37 shows of the 1 046 people working in service firms which were surveyed and interviewed, which were established in Albury in the lead up to and during the restructuring of the Australian economy, 784 or 75%% of workers lived in Albury; 255 or 24% of workers

lived in Wodonga and six or 1% of workers lived in 'Other' towns. Thus 24% of the workforce from Wodonga crossed the border to work in Albury. Because no information is available to indicate whether the 'Other' towns are located in Victoria or New South Wales they are excluded from further discussion.

Table 7. 37

Residence of employees in service firms established in Albury in the lead up to and restructuring of the Australian economy

Firm	Total worker.	Live in Albury.%	Live in Wodonga.%	Other %	Albury workers.	Wodonga workers.	Other workers
In-patient hospital services.	303	60	30		182	121	0
Physio-therapy.	20	50	50	0	10	10	0
Post Office retail shop.	16	81	19		13	3	0
Transport & logistics.	647	82	18		531	116	0
Pharmacy.	16	94	6		15	1	0
Plumber.	23	84	8	8	19	2	2
Real estate valuation.	14	50	14	36	7	2	4
Accounts & tax.	7	100	0	0	7	0	0
Total	1046				784	255	6

Source Author's surveys and interview.

The total in Table 7.38 excludes the Service Provider of Nurses and Tertiary Education Institute as they did not provide sufficient information in the surveys. Table 7.37 shows 155 people working in service firms in Wodonga which were surveyed and which were established in the lead up to and during the restructuring of the Australian economy. Of these workers 70 or 45% lived in Albury and 85 or 55% lived in Wodonga (none were recorded in 'Other' towns). Thus 70 workers or 45% of the workforce crossed the border from Albury to find employment in Wodonga during this period. Because no information is available to

locate whether ‘Other’ towns are in Victoria or New South Wales they are excluded from further discussion.

Table 7. 38

Residence of employees in service firms established in Wodonga in the lead up to and restructuring of the Australian economy.

Firm.	Total worker	Live in Albury%	Live in Wodonga%	Other %	Albury workers	Wodonga workers	Other workers
Irrigation contractor.	14	50	50		7	7	0
*Service provider of nurses.	271	na	Na	na	na	na	na
Disability training & employment.	125	50	50		63	62	0
*Tertiary education institute.	360	na	Na	na	na	na	na
Cafe & bakery.	16	0	0	0	0	16	0
Total *	155				70	85	0

Source Author’s surveys.

*Note The total excludes Service Provider of Nurses and Tertiary Education Institute

Table 7. 39

Residence of employees in service firms in Albury established during the return to prosperity

Firm	Total workers	Albury%	Wodonga%	Other %	Albury worker	Wodonga workers	‘Other’ worker
Labour Hire	300	37	51	12	111	153	36
Retail Jeweller	12	25	75	0	3	9	0
Total*	312				114	162	36

Source Author’s surveys.

In Table 7.39, 312 employees worked in Service industry firms in Albury during the return to prosperity. Of these 114 or 36.5% or lived in Albury; 162 or 51.9% lived in Wodonga and 36 or 11.5% lived in other centres. Thus 51.9% who lived in Wodonga crossed the border to

work in Albury. Because no information is available to locate whether ‘Other’ towns are in Victoria or New South Wales they are excluded from further discussion

From the survey shown in Table 7.40 there were 63 people who worked in service firms in Wodonga during the return to prosperity. Of these workers 14 or 22% lived in Albury; 14 or 22% lived in Wodonga and 22% lived in ‘other’ centres. Thus 22% from Albury crossed the border to work in Wodonga. Because no information is available to locate whether ‘Other’ towns are in Victoria or New South Wales they are excluded from further discussion.

Table 7. 40

Residence of employees in service firms in Wodonga established during the return to prosperity

Firm	Total workers	Albury%	Wodonga%	Other %	Albury workers	Wodonga workers	Other workers
Engineering consultancy & drafting.	13	31	38	31	4	5	4
Electrical contracting.	50	20	60	20	10	30	10
Total	63				14	35	14

Source Author’s surveys.

It is difficult to determine an accurate pattern of movement of workers in the service industries in Albury-Wodonga. There is a lack of balance in the number of service firms represented in each town and there is a wide discrepancy in the size of firms in each town. The AWDC suggests that that ‘60% of workers reside in Albury, 30% in Wodonga and 10% outside these two cities’,³⁶⁴ (see Ch. 5 ABS unpublished data Journey to Work).

7. 3. 4 Markets of Service Industry firms in Albury-Wodonga

The firms in Table 7.41 established during the Long Boom have identified their markets as Albury-Wodonga and its hinterland which stretches in a 50 km radius from Union Bridge³⁶⁵.

³⁶⁴ AWDC Planning Paper 1971-86 no10 page 19.

³⁶⁵ Union Bridge is on the Lincoln Causeway on the floodplain between Albury and Wodonga.

In Table 7.41 nine out of thirteen service industry firms identified Albury-Wodonga and its hinterland extending in 50km radius from Union Bridge as their market area. These firms are in the Health Care and Community Services, Education, Construction and Business Services sectors. The exception is the Pharmacy which relies on personal contact with its clients who tend to live within three to five km from the store and so restricts its market size.

Table 7. 41

Markets of service firms established prior to and towards the end of the Long Boom

Firm	Branch or Head office	Albury-Wodonga	50km radius from Albury-Wodonga	Australia wide	Overseas
Local Council*	Head office.	X	x		
Tertiary education institute	Branch.	X	x		
Agribusiness	Branch.	X	x		
Cleaning service.	Head Office.	X	x		

Source Author's surveys.

*The Local Government Area is similar in size to the Local council area.

The Irrigation Contractor and the Real Estate Valuations firm have Australia wide markets because of internet advertising and the ability to travel by car or plane from the head office to the client for briefings. The only firm which accesses international markets is the Transport and Logistics firm. The firm advertises widely and is easily contacted by phone or internet from Offices in each State. The firm's skilled IT staff facilitate communication, information and money transfers instantly and with efficiency to Australian and international clients. With the aid of GPS tracking systems goods and trucks can be tracked to their final destination. Use of the local warehouse at Logic Wodonga provides cheaper more handling of goods received to or for Melbourne docks.

Two of the four firms in Table 7.43 have markets which include Albury-Wodonga and its hinterland extending in a 50 km radius from Union Bridge. The Electrical Contractor services the entire region and when the firm is over booked it sub-contracts work to other local firms.

The retail Jeweller provides its own brand of speciality designed jewellery.. Advertising in the media it attracts customers both from the hinterland and the twin towns. The Engineering Consultancy and Drafting firm makes use of the internet for advertising and hopes to widen its market by establishing a fabrication plant. The Labour Hire firm proprietor has built up a business network within the twin cities which now constitutes its market.

Table 7. 42

Markets of service firms established in the lead up to and restructuring of the Australian economy

Firm	Branch or Head office	Albury-Wodonga	50km radius from Albury-Wodonga	Australia wide	Overseas
Irrigation contractor.	Head Office.	X	x	x	
In-patient hospital services.	Branch.	X	x		
Service provider of nurses.	Head office.	X	x		
Physiotherapy.	Branch.	X	x		
Post Office retail shop.	Branch.	X			
Transport & logistics.	Head Office.	x	x	x	x
Disability training & employment.	Head office.	x	x		
Pharmacy .	Branch.	x			
Plumbing.	Head office.	x	x		
Tertiary education institute.	Branch.	x	x		
Real estate valuation.	Head office.	x	x	x	
Accounting & tax.	Head office.	x	x		
Cafe & bakery.	Head office.	x	x		

Source Author's surveys and interview.

Albury-Wodonga and its hinterland extend in a radius of 50km from Union Bridge and form the markets for 86% of the Service industry firms. The firms dependent on this market maintain close links with customers by delivering personal service and through repeated direct contact. The Labour Hire firm, including the In-Patient Hospital Services firm and the Service Provider of Nurses firm, have markets restricted to the private and public hospitals within Albury-Wodonga. Specialist services such as the Irrigation Contractor, the Engineering Consultancy and Drafting firm and the Real Estate Valuations firm benefit from internet

communications and fax machines. The Transport and Logistics firm is the only interviewed, service industry firm which has Australia wide and international markets.

Table 7. 43

Markets of service firms established during the return to prosperity

Firm	Branch or Head office	Albury-Wodonga	50km radius from Albury-Wodonga	Australia wide	Overseas
Engineering consultancy & drafting.	Head office.	x	x	x	
Labour Hire	Head Office.	x			
Electrical contractors.	Head office.	x	x		
Retail jeweler.	Branch.	x	x		

Source Author's surveys.

7.3. 5 Future developments for Service Industry firms in Albury-Wodonga

Almost all the firms surveyed and interviewed expressed a positive outlook for the future. Two-thirds of the firms stated that they were likely to invest more money in the next five years to expand their businesses and offer greater volumes or new services. The Engineering Consultancy and Drafting firm proposed to construct a fabrication plant alongside the service industry and market Australia wide. Of the 21 service industry firms that were surveyed and interviewed in Albury-Wodonga, 12 firms stated that the firms needed to keep abreast of new technology in transport and communications as well as in machinery to train and employ people with disabilities. Many firms saw the need to enlarge their markets by widening the scope of their firm's service by seeking new types of consultancy work or establishing a fabrication plant alongside the service industry or by advertising on the internet and widening the range of the market served. About 50% of firms would appreciate improvements in Vocational training to improve the quality of service which the firms aim to provide. In-house training also occurs in many firms. 80% of all service firms would like to see a reduction in regulations, compliance and red tape and believe that their businesses would benefit from Federal and State Governments providing greater attention to the issues identified in Table 7.43.

As the population of the two towns increase, so the market threshold will be exceeded for new services. An example of a higher order service was identified in 2011 by the Federal Labor Minister for Regional Australia, who announced Albury-Wodonga would receive a Cancer Treatment Centre to serve the two towns and its hinterland³⁶⁶. Future investments in the pipeline in Albury-Wodonga relate to commercial and entertainment development in Wodonga's CBD which is being rebuilt as a greenfield site once the railway line is relocated. Wodonga City Council hopes that the leakage of retail sales to Albury will slow after the re-development of its CBD³⁶⁷. Both Albury and Wodonga propose to build new aquatic centres.

Table 7. 44

Service industry firms in Albury-Wodonga seeking government action on issues

Number of firms seeking change	Issues which Governments should address
4	Reducing freight charges.
4	Increasing export incentives.
10	Improving passenger air services to Albury-Wodonga.
14	Improving employees training /re-training.
19	Reducing state anomalies.
21	Reducing taxes & charges.

Source Author's survey and interviews.

7. 4.Conclusion.

Manufacturing has always played a significant role in the growth and development of Albury-Wodonga. Initially manufacturing industries relied on the local raw materials to establish industries. Throughout the Long Boom manufacturing continued to expand and diversify drawing international companies to Albury-Wodonga and expanding markets Australia wide and internationally. Throughout this period the population also increased enlarging the local market and pool of labour, from Albury-Wodonga to encompass its hinterland. Even though manufacturing declined in importance in Australia during the restructuring of the Australian economy, manufacturing has remained a strong and significant element of the Albury-Wodonga economy and workforce.

³⁶⁶ Media Release from The Federal Minister for Regional Australia 2011.

³⁶⁷ Interview with Mayor of Wodonga pers comm. Wodonga 8/9/09.

The reasons for locating industry in Albury-Wodonga prior to the Long Boom remain the same today. Its strategic location on the major transport and communication corridor between Sydney and Melbourne continues to draw industries. Towards the end of the Long Boom decentralisation policies of Federal and State governments provided industries with incentives to establish in Albury-Wodonga. The towns have ample supplies of clean water from the Murray River, power (be it electricity supplies supported by power from the Snowy HEP station at peak hours or gas at Melbourne prices), local raw materials³⁶⁸ for processing and manufacturing as well as good road, rail and air connections.

The large pool of educated labour is characterized by a low turnover rate and low absenteeism. Workers are prepared to travel up to fifteen minutes between home and work and move easily on the Bypass between the twin towns to access jobs in either town. There are ample supplies of inexpensive serviced industrial sites for rental and housing for workers. The quality of life of residents is enhanced by the sense of community which the towns impart and by the wide selection of cultural amenities and services more common to larger towns, which they enjoy. The physical environment encourages an outdoor lifestyle and access to IT has removed Albury-Wodonga's sense of isolation from the capital cities, the nation and internationally.

The border location has utilized the rivalry between the State governments to gain two universities, two TAFE colleges and two aquatic centres for the twin towns thus increasing the number of facilities for the residents. The open border has created one enlarged market and one labour pool for the twin towns. People move freely across the border for work, leisure, shopping, recreation and socializing. However the border presents a closed border in terms of State laws and regulations that have created a large number of anomalies which impact on individuals, commerce and industry. Commerce and industry functioning on both sides of the border lose time and money satisfying the compliance requirements of the State governments.

³⁶⁸ Fruit, vegetables, cereals, fish, meat and wool

The demise of the AWDC has had an impact on the twin towns. Each town now functions independently and as rivals once again. The planning, development and marketing by the AWDC has gone a long way into formulating what the twin towns are today.

The number and variety of Service industries have grown as the population in the towns has increased. The Health care and Community services sector, has grown markedly and provides in-patient hospital care, carers and nurses as well as training and employment for the disabled. As well in 2011 the Labor Minister for Regional Australia has announced a new Cancer Treatment Centre, to be located in Albury, to serve the region. As well there has been an increase in the diversity of services available to the residents. Almost all the service industries, apart from those owned by corporations, have been developed by individual entrepreneurs who have recognized an opportunity to provide a service for the Albury-Wodonga market.

Manufacturing requires skilled and semi-skilled labour while the service industry employs less skilled staff. A large proportion of female office workers have had some office training. Few Manufacturing firms appear to employ people who are less than 18 years of age while service industry firms appear more likely to do so. Manufacturing industries employ a higher proportion of male workers while the Service industries employ a higher proportion of female workers.

All industries have a positive attitude to the future and propose to either increase investment or seek to produce new products or gain new markets. All sectors of industry agree that State improved Vocational training would go some way to reduce the shortage of skilled labour and improve the quality of service provided in the twin towns. Although all industry sectors seek government support to reduce the number of anomalies which have impacted on industries and on individuals, small firms are more concerned about cross-border anomalies than large firms for they lack the expertise and staff to cope with compliance.

Theories of spatial location underpin much of the research and fieldwork in Albury-Wodonga. The surveys which were posted to 150 firms in Albury-Wodonga and the questionnaire used during interviews with Managers of large firms focused on location theory, agglomeration and uncertainty theories (see Appendix 6). Reasons were sought to determine why firms had located in Albury as opposed to Wodonga and to explore impacts of the ownership of the

firm, the source of raw materials, nature of the finished product, the size and type of the labour force, the gender breakdown of labour supply, the markets for finished products, lines of inquiry suggested by the locational and regional development theories reviewed in chapter 2.

The plant Managers provided a great deal in-depth information as they were keen to elaborate on issues other than those raised in the survey, which they felt were significant to their firm and the twin-towns. For example they explained that Managers meet as a group to compare notes on how best to achieve Total Quality Management and improve safety within each firm. The Managers were also keen to improve living standards and conditions in the twin-towns and encourage further immigration of skilled labour which was in short supply. The managerial group lobbied local government to take steps to improve the environment and enhance the quality of life for residents in the twin-towns.

Interviews were also held with stakeholders in local, State and federal governments to discuss future business developments, labour issues, future training schemes and transport issues in the twin-towns.

Chapter 8.

Living on the border: Reflections from stakeholders.

This chapter covers four themes which were explored during fieldwork in Albury-Wodonga in July 2008 and September 2009. The first theme deals with the growth of population of the twin towns, covered as a major theme in Chapters 5 and 6. The second theme reflects in more detail on the selection of the Federal government's selection of a National Growth Centre in 1972, the creation of the AWDC and the impacts on the towns after its demise. A number of stakeholders in businesses, the professions, government, institutions and Third Sector Organisations³⁶⁹ (TSO) were interviewed in 2009 in Albury-Wodonga to gather their reflections on these Growth Centre issues. The third theme provides examples of community action to influence economic and social change in Albury-Wodonga relating to the work of the Border Medical Recruitment Taskforce (BMRT), community attitudes to the One City proposal (reviewed in Ch. 6) and community action under the umbrella of Save Our City (SOC) to alter the route of a freeway connecting the twin towns, to avoid the built up area of Albury. The final theme in this chapter explores anomalies in Albury and Wodonga and their impact on residents, commerce and industry reviewed in Chapter 6.

8. 1 The changing demographic profile in Albury-Wodonga

The character of the present population in Albury-Wodonga is distinctly Anglo-Saxon to which have been added, small minority groups of Germans, Yugoslavs, New Zealanders and Dutch migrants. The towns lacked the cosmopolitan mix of population found in the capital cities. The first Economist³⁷⁰ of the AWDC drew attention to the small number of Chinese people in the towns in contrast to most other towns of similar size. He suggested that this may have been due to the harsh treatment meted out to the Chinese settlers during the gold rush period. Recent Chinese migrants to Australia have settled mainly in the capital cities. The first Economist had used this example to suggest there was a lack of cosmopolitan mix in the two towns. Nevertheless Albury-Wodonga has a large proportion of people 'born elsewhere' than

³⁶⁹ Third Sector Organisations are not for profit organization like community organizations and charities.

³⁷⁰ AWDC First Economist interviewed 21/7/08.

other towns of similar size such as Ballarat and Bendigo. In 2006 the proportion of people ‘born elsewhere,’ in Ballarat was 9%, in Bendigo 6% and in Albury-Wodonga 10%³⁷¹.

The Manager of Investments Attractions Wodonga³⁷² (IAW) noted that the population in Albury-Wodonga in the 21st century was changing. Attempts had been made recently to attract young families from the capital cities and encourage them to embrace the lifestyle offered by Albury-Wodonga. In September 2010, seven rural New South Wales towns including Albury,³⁷³ with Australian Federal funding and funding from the New South Wales government, campaigned to raise the awareness of EVOCITIES (EVO³⁷⁴) The term ‘EVO’ is drawn from Energy, Vision, Opportunity which is the campaign focus of the lifestyles, jobs, and opportunities in the rural towns. The campaign seeks to encourage young people and families from Sydney, to migrate to one of the seven rural towns as part of a tree change. The New South Wales government is offering a \$7 000 incentive to families to migrate to any one of the seven towns in the scheme. Albury hopes to benefit from this change.

A former Manager of ‘Murray Now’ Regional Development Australia³⁷⁵ claimed there was evidence of a tree change occurring in Albury. Some younger people living in the metropolitan cities have re-assessed city living and have moved back to the towns to afford their children the advantages of small town living. This group of mainly professionally trained people, tended to live on small acreages and within a ten minute walk to work. The Manager of IAW³⁷⁶ reported that the number of para-professional and professional groups had increased as Albury-Wodonga’s total population increased. As a result there has been an enhancement of the range of Albury-Wodonga’s cultural and artistic activities, which in turn have made the twin towns more desirable.

In addition, use has been made recently of the Federal system of ‘Special Visas’ which allows Asian skilled migrants to be employed temporarily in jobs for which there had been a shortage of skilled labour. For example, welders from China have been brought to work in

³⁷¹ ABS Census 2006 Community Profile Time Series Table T01 Ballarat 72902 Australian born 6643 born elsewhere; Bendigo 72 254 Australian born 4657 born elsewhere; Albury-Wodonga 82 532 Australian born 8526 born elsewhere.

³⁷² Manager IAW Interviewed Wodonga 9/9/09.

³⁷³ Other towns include Armidale, Bathurst, Dubbo, Tamworth, Wagga Wagga.

³⁷⁴ RDA Murray Regional Plan 2010-2015 and advertisement on railway hoarding at Gordon Sydney early February 2012.

³⁷⁵ Manager of Murray Now interviewed in Albury 8/9/09.

³⁷⁶ Manager of IAW interviewed in Wodonga 8/9/09.

Wodonga and in 2000 Wodonga accepted a number of Africans on Humanitarian 202 visas. To assist the new migrants and refugees settling in to the community, the Wodonga Council has appointed a special officer. Needless to say, the influx of migrants during the 21st century has tended to lessen the Anglo-Saxon cultural domination of the town.

Similarly, the Regional Manager of a TSO³⁷⁷ reported that since early 2000 small groups of Sudanese refugees have been brought to settle in Albury while both Sudanese and Middle Eastern Refugees have settled in Wodonga. He highlighted the numerous difficulties encountered by these new comers. They have a lack of proficiency in English or accents which the locals find difficult to understand. Slotting into the lower end of the socio-economic ladder, they have largely been employed in low skilled, low-wage occupations in manufacturing. According to the above respondent, refugees are frequently dependent on support groups, religious organizations, TSOs and the State. He added that in Albury the TSO supported refugees from Somalia, the Congo, and Bhutan through the Murray Valley Sanctuary Group³⁷⁸ in Lavington. This TSO which is linked to a local Albury church provides assistance for those on 202 Humanitarian Visas³⁷⁹ offering information, support funds for unexpected costs and assistance for integration. The recipients have been encouraged to attend cooking classes to learn about new foods, different kitchen equipment and gas and electricity available in Australia. At least 25 people have availed themselves of this facility. The TSO also offers access to driving lessons and swimming lessons as part of the integration program and has organized an African Union³⁸⁰. The African Union is a meeting place for Africans, offering friendship and unity which proposes to lobby for the needs of its members. The two dominant needs at present are the establishment of a hair salon to cater for people with African curly hair and the expectation that supermarkets would stock African food such as yams and cassava. The change to the demographic profile of Albury-Wodonga becomes clear as one walks through the towns.

By March 2010 Albury's population reached 51,122³⁸¹ while Wodonga's population was 36,432³⁸². As a response to the population growth the mayor of Albury, Alice Glachan, stated

³⁷⁷ Manager of a TSO interviewed in Albury 8/9/09.

³⁷⁸ The Murray Valley Sanctuary Group is part of a larger organization with headquarters in Coffs Harbour.

³⁷⁹ Not classified as refugees but people who are subjected to extensive human rights and physical abuse in their country of origin.

³⁸⁰ Border Mail 17/7/09.

³⁸¹ Wodonga Economic Indicators 2011 p 18.

³⁸² Wodonga Economic Indicators 2011 p 18.

‘we are big enough to have lots of small city benefits but small enough to those wonderful ‘country feel’ things too’³⁸³. It has been estimated that by 2031, Albury’s population will reach 71 120³⁸⁴ and Wodonga’s population will reach 54 777³⁸⁵. The population gap which existed between the cities in 1961 has narrowed but there will still be a sizeable difference between Albury and Wodonga in 2031.

A former Chairman of the AWACC³⁸⁶ added that public and private retirement facilities have been made available in both towns. Some of these are locally owned, others are religious institutions and still others are owned by large companies based in the capital cities. The Manager of IAW³⁸⁷ suggested that more planning was needed as this was a growing market requiring a larger infrastructure.

Both the Regional Manager of the TSO³⁸⁸ in Albury and a prominent lawyer³⁸⁹ in the town drew attention to the fact that as in Australia, the population of Albury-Wodonga is aging. Wodonga has derived some of its population from the smaller towns and farms of North east Victoria such that the average age of farmers in the region was 55 years of age³⁹⁰. The elderly have settled in retirement homes in the town. Wodonga has organized a volunteer food delivery service to maintain elderly people in their homes for as long as possible. Like other towns it receives State funding based on movements in the Consumer Price Index (CPI). The lawyer is concerned that too many schemes in Albury-Wodonga are dependent on support from volunteers.

The lawyer added that Aged Care providers in Albury had helped to establish retirement services such as gated communities in the town. He suggested that as people aged they moved into Albury from the surrounding region to access medical and paramedical services. He believed that other aged retirees returned to the twin cities if they once lived there, or had children in the towns, or had had contact with the towns during their lifespan. Albury-Wodonga was well equipped with services which the elderly required.

³⁸³ Border Mail 31/3/09.

³⁸⁴ Wodonga Economic Indicators 2011 p19.

³⁸⁵ Wodonga Economic indicators 2011 p 19.

³⁸⁶ Former Chairman of AWACC interviewed in Albury 7/9/09.

³⁸⁷ interviewed in Wodonga 8/9/09.

³⁸⁸ Regional Manager TSO interviewed in Albury 9/9/09.

³⁸⁹ Prominent lawyer interviewed in Albury 9/9/09.

³⁹⁰ Department of Education Energy and Workplace Relations Skills Information February 2010.

The lawyer also thought that older people come to Albury-Wodonga from the metropolitan areas seeking lower costs of living in towns which can still supply access to medical care³⁹¹. He believed that poverty and a lack of family support are becoming issues for some of the elderly people in both towns. He went on to identify the lack of sufficient community support networks for the elderly, many of whom relied on volunteers for social, emotional and financial support. Both the lawyer and the Regional Manager of the TSO raised the issues of the elderly being a vulnerable group subject to abuse, violence and crime in the town. They were saddened by these events and added that this reflected a marked change in the way people related to the elderly.

8. 2 The Growth Centre and the AWDC

Although the Growth Centre was only strongly supported by Federal funds between 1972 and 1975, the Growth Centre has played a major role in the planning and development of Albury-Wodonga, even to the extent of marketing the name 'Albury-Wodonga' as the twin towns became known Australia wide and internationally. Most of the professional people interviewed expressed contemporary views about the Growth Centre, in terms of a Federal policy and were able to evaluate its effectiveness. The discussion on the Growth Centre is divided into two sections. The first section relates to discussions with the former Federal Minister of DURD in the Whitlam government, who was interviewed in 2005 in Sydney and stakeholders who were interviewed in 2008 and 2009 in Albury-Wodonga. Their contemporary views have been formed in hindsight and look back at the Growth Centre as a Federal policy. The second section relates to discussions with stakeholders about the significance and impact of the AWDC on Albury-Wodonga during its active period and after its demise.

8. 2. 1 Contemporary perception of the Growth Centre Policy

³⁹¹ He was concerned that in other instances parents are forced onto community support as children refused to sell family homes because they wanted to keep them, and the community was forced to carry the burden of the older parents.

In 2005 the former Minister of DURD³⁹² in the Whitlam government was interviewed. He recalled that the Albury-Wodonga Growth Centre was mainly established to alleviate the problems in Sydney and Melbourne. Whitlam 'was not a pins and needles man but a visionary'. He added that Whitlam saw the Albury-Wodonga Growth Centre as being part of 'the national picture' which would impact on 'national seats in Federal parliament' as the Growth Centre would add to the national infrastructure. The former Minister added that 'Albury-Wodonga was chosen in an unscientific manner'³⁹³. The border towns were selected by Whitlam 'from a legal perspective', as it provided the opportunity for Federal government to 'utilise the powers of the States' in that the location along a border would allow for State rivalries to be played out in full. He added that the Federal government made much use of Section 96 (of the Constitution) to aid the Growth Centre. The twin towns already had a manufacturing base and the first Chairman of the AWDC encouraged industry to establish in Albury-Wodonga. The Growth Centre would foster national economic growth as industry grew. The presence of Federal public servants would encourage commerce in Albury-Wodonga and some years later Treasurer Keating directed a branch of the Australian Tax Department to relocate to Albury for this purpose. Since the state governments were Liberal governments it was necessary to 'push gentle lines and establish trust with them. It was important to build personal relationships with Ministers in State governments'. The former Minister of DURD had travelled to the UK and USA to investigate the new towns which had been developed since the Second World War in the UK and USA.

The first Chairman³⁹⁴ of the AWDC commented about the proposed site of the 'new city' to be created from the Federal Growth Centre proposed for Albury-Wodonga in 1972. He stated that the population of 300 000 which Labor Prime Minister Gough Whitlam had stated as the population target for Albury-Wodonga was a 'magical figure'. He added 'I am sure the Prime Minister thought of it in the middle of a speech somewhere. There was no logic to the figure. It was a political figure'. Nevertheless the AWDC acquired sufficient land to build houses for 300 000 people. What ever remained in the land bank after 1989 when the AWDC was shut down was sold on instructions from the Federal government. In addition a former Manager of IAW³⁹⁵ was of the opinion that the Growth Centre and the work of the AWDC were both significant. He stated that the Federal government through the AWDC had insured that a good

³⁹² Former Minister of DURD interviewed in Sydney 27/7/05.

³⁹³ Uren T. 1994 page 212.

³⁹⁴ AWDC first Chairman interviewed in Baranduda 24/7/08.

³⁹⁵ Former Manager IAW interviewed Wodonga 8/9/09.

mix of socio-economic groups would emerge in Albury-Wodonga to help establish a viable community. The location of an Australian Taxation Office branch in Albury and the presence of the Army³⁹⁶ base in Wodonga).contained people earning regular incomes which helped the twin towns reach threshold populations for the development of the retail trade, service industries, education services, cultural and recreational services in the towns (see Chapter 4).

Albury today is a service centre not only for the population of the two towns, but a service centre 'consistent with the market demands in the Albury-Wodonga catchment' (Cummins C. 2005). It has also become the centre for financial, retail, medical, legal, educational, entertainment, and State and Federal institutions. The Regional Manager of a TSO³⁹⁷ stated that the Federal government office for Centrelink is located in Albury New South Wales but there is not one in Wodonga Victoria and similarly the TSO also has an office in Albury and not one in Wodonga.

The manager of IAW³⁹⁸ added that the AWDC's role of planning and development placed them in confrontational roles with the local councils. Councils complained that they had not been adequately consulted and they believed the councils were regarded as junior members of the team. Loss of rate revenue which the AWDC did not pay also caused ill feeling in the councils (see Ch 4). The AWDC effectively promoted the name 'Albury-Wodonga' both nationally and internationally lifting the profile of the two towns. He stated that the role of the AWDC changed after 1989 when it was instructed to sell off all assets and return funds to the Federal and Victorian governments. This had brought about a change in its relationship with the councils which resumed their planning powers and once more felt they functioned in their traditional roles (see Ch. 4).

The manager of the Wodonga Chamber of Commerce³⁹⁹ believed that the Albury-Wodonga Growth Centre was

'an imaginative, innovative, and forward looking scheme. There was a sense of romance about Growth Centres. It was an experiment and an era of change that pushed Albury-Wodonga to grow and develop and encouraged tourism in the region. The

³⁹⁶ 21 Municipal Strategic Statement: Planning for the Future: Wodonga Planning Scheme 21.03-1 11/12/2008 C57 page 1. In 2008 approximately 10% of the nation's army personnel live in Albury-Wodonga.

³⁹⁷ Regional Manager TSO interviewed in Albury 9/9/09.

³⁹⁸ Manager of IAW interviewed in Albury 7/9/09.

³⁹⁹ Manager of Wodonga Chamber of Commerce interviewed in Wodonga 9/9/09.

AWDC took control of land development and barnstormed its way into developing the two towns across the State border’.

His positive description echoes that of a former Chairman of the Albury Chamber of Commerce⁴⁰⁰.

An alternative view was presented by a former Chairman of Tourism Albury-Wodonga⁴⁰¹ who viewed the Growth Centre in a harsher light stating that it was an orchestrated scheme which was thrust upon the community, creating the worst of responses from local government, who objected to their loss of planning powers. He added that local councils viewed the AWDC officers as outsiders, who lacked local knowledge, and had come to impose their views on the region. He stated that the councils were themselves capable and effective in drawing international industry to the region, as evidenced by the large automotive transmission plant having been established in Albury in 1970 with the help of Mayor Tom Purnell and James Bruxner, the Minister of Decentralisation in New South Wales⁴⁰². As far as the Chairman of Tourism Albury-Wodonga was concerned the two towns did not need help to establish industries.

He also drew attention to the fact that in the early days, international firms had had to pay high salaries to CEOs to prevent a high staff turnover, as wives found living in Albury-Wodonga difficult, due to its isolation, lack of cultural opportunities and poor retail outlets. To overcome the high divorce rate among CEOs, firms encouraged wives to accompany their husbands on interstate and overseas trips as part of their perks. A similar account was given by a prominent lawyer⁴⁰³.

Despite the different political views of all those interviewed it was unanimously concluded that the AWDC had been effective and without doubt had stimulated growth and development in the region and specifically in the two towns. The AWDC promoted the name ‘Albury-Wodonga’ far more than the councils so that today it is still a name recognized well beyond the region. Most interviewees expressed the opinion that Wodonga had grown faster than Albury to some extent because of the growth Centre Policy and the AWDC. Wodonga had a

⁴⁰⁰ Former Manager Albury Chamber of Commerce interviewed in Albury 7/9/09.

⁴⁰¹ Former Chairman of Tourism Albury-Wodonga interviewed in Albury 8/9/09.

⁴⁰² The firm had been an Australian firm established in 1928 first in Camperdown, moving to larger premises in Alexandria in 1936 and then to Fairfield in the late 1940s. It was taken over in 1957 by an USA firm and in 1971 the entire plant relocated from Fairfield to Albury.

⁴⁰³ Prominent lawyer interviewed in Albury 9/9/09.

council which was more accepting of AWDC strategy, had more flat land available for development than Albury and as such Wodonga appeared to have benefited the most from the AWDC's program.

The first Economist of the AWDC⁴⁰⁴ and a Member of the AWDC Social Committee⁴⁰⁵ were of the opinion that Albury represented a more staid society less likely to accept change offered by the AWDC. On the other hand, Wodonga had experienced change through the influx of migrants in the Bonegilla Migrant Centre before the advent of the Growth Centre. During the Long Boom Wodonga was more of a 'migrant town' so was more accepting of changes promoted by the AWDC. The former Chairman of Tourism Albury-Wodonga⁴⁰⁶ stated that it was generally believed that Wodonga received a greater share of AWDC land development than Albury because Wodonga council adopted a more positive response to the AWDC than the Albury Council. The Wodonga Council took advantage of the opportunity to develop its urban area.

The Principal of an accounting firm⁴⁰⁷ saw it more pragmatically. Wodonga had the advantage of a larger area of vacant flat land to develop than Albury, which encouraged large population growth in Wodonga. He believed that even if Wodonga's population surpassed that of Albury, Albury would remain the dominant city as it continued to offer more facilities and amenities. The Manager of IAW⁴⁰⁸ believed Wodonga was aided by rural depopulation of the Victorian hinterland as a result of push-pull factors. That is the pull by Wodonga of secure jobs, regular wages and a better life style and the push off the land, due to farm mechanization, farms forced to sell because of difficult economic circumstances and drought.

8. 2. 2 Impacts of the AWDC and its demise

A number of business people who were interviewed reflected on the past portrayal of Wodonga as the 'poor cousin' of Albury or 'Struggle Town' (see Ch. 4). In their view, Wodonga no longer fits this description. An opinion borne out by evidence reviewed in Chapter 5 and 7. According to these views the superior attitude some Albury people had

⁴⁰⁴ AWDC first Economist interviewed in Albury 21/7/08.

⁴⁰⁵ Member of AWDC Social Committee interviewed in Sydney 8/11/05.

⁴⁰⁶ Former Chairman of Tourism Albury-Wodonga interviewed in Wodonga 9/9/09

⁴⁰⁷ Principal of an accounting firm interviewed in Albury 7/9/09.

⁴⁰⁸ Manager of IAW interviewed in Wodonga 8/9/09.

displayed had run its course. There was anecdotal evidence that people now lived where they were happiest in either town.

A Senior Executive of the AWC⁴⁰⁹ explained that land prices peaked in Albury prior to the 2004 local government boundary change. The market reflected a shortage of building blocks because private developers and speculators had withheld building blocks to maintain high prices. While some people blamed the AWDC for the shortfall of land, the AWDC had continued to sell 15%-16% of all blocks as it usually did. After the boundary change more flat land became available for development in Albury. He added that land in the land bank which was difficult to sell, had been 'gifted' to the local councils for public ownership as parks or natural environments. He said

'There are two key blocks of land in Albury and one in Wodonga, which are key environments for flora and fauna which have been handed to the local councils for safe keeping. The AWC has agreed to look after the 'gifted' land and maintain it and finance it for 10 years, before it becomes the responsibility of local government'.

There has been no discussion about who would be responsible for future issues such as fire management and maintenance costs.

A member of the AWC Land Committee⁴¹⁰ added that by 2009 blocks were selling for prices at least \$20 000 cheaper in Albury than in Wodonga. Blocks in Wodonga were no longer as flat and were smaller in size. The Manager of IAW⁴¹¹ presented a different view and stated

'although prices had risen from \$49 000 to \$120 000 when land appeared to be in short supply, this was no longer the case as supplies of building blocks were back to normal. The Wodonga council had a 50 year supply of land available for growth and development. For every block that Albury had there were seven available in Wodonga'.

A number of the business people who were interviewed raised the issue that since the demise of the AWDC both councils worked independently and often competed against each other. They added that councils lacked consistency in how to attract business and their marketing strategies appeared to lack coordination. Neither town tended to act in the best interest of the

⁴⁰⁹ A Senior Executive of the AWC interviewed in Albury 9/9/09.

⁴¹⁰ A member of the AWC Land bank Committee interviewed in Albury 7/9/09.

⁴¹¹ Manager IAW interviewed in Wodonga 9/9/09.

wider urban area or the cross border region as they were consumed with their own growth and development. Wodonga Council's strategy was to attempt to make the town as large and effective as Albury, while both towns wanted to preserve their separate status.

The parochialism and competitiveness between the towns continues to create issues between them. In 2009, for example they involved two symbolic issues. First the hyphen in the brand name 'Albury-Wodonga' has been removed⁴¹². The sign at the airport now reads 'Albury gateway to Albury Wodonga'. The mayor of each town accuses the other of wanting the hyphen removed. The Mayor of Wodonga has lobbied the airlines to encourage them to identify the airport as Albury-Wodonga rather than Albury. Second Wodonga Council has objected to the News and Weather reports on TV and Radio identifying Albury during the broadcasts but not naming Wodonga. The issues was brought to a head in early 2011 when the *Border Mail*⁴¹³ reported the hyphen in the name 'Albury-Wodonga' had been officially removed from note paper at both councils. The senior reporter⁴¹⁴ expressed his concern that it would be to the detriment of the joint communities.

Almost all of the factory managers and the professionals who were interviewed in 2008 and 2009 agreed that Albury-Wodonga would have achieved a better economic development outcome if the councils pooled their financial resources and jointly built and shared facilities of world class standard in place of individual town ones. They specifically referred to the lack of agreement between the town councils to build a regional or national swimming pool to draw international and national competitions and the persistence of each council to function alone.

A similar argument was expressed about the TAFE institutes and Charles Sturt University in Albury and LaTrobe University in Wodonga. The professional people interviewed felt strongly that tertiary education and research would have been better served had the governments decided to develop one large, combined, cross border educational institution as an independent university of world class standard, to draw international researchers. They expressed the view that an institution of that caliber would have enhanced the standing of

⁴¹² Mayor of Wodonga interviewed in Wodonga 8/9/09.

⁴¹³ *Border Mail* 24/8/07.

⁴¹⁴ the Senior reporter *Border Mail* interviewed in Albury 10/9/09.

Albury-Wodonga nationally and internationally. In turn this would have been of benefit to the cultural and economic wealth of the towns.

These issues occurred because a State border has separated and divided the two towns. Rivalry between the States has resulted in each town having its own university, TAFE, swimming pool, hospital, road grader etc.

8. 3 Community Action

Albury-Wodonga had experienced continuous population growth since its inception. Over time the population integrated and united and formed a community in that they ‘lived in the same locality, shared a government and began to share a cultural and historical heritage’⁴¹⁵. The community action to issues which impacted on the towns indicates the depth of involvement of residents in the development and running of their towns.

The first Chairman of the AWDC⁴¹⁶ stated that the major part of his brief had been to ‘build a town and create a momentum in the community to take over and run the town when the AWDC had left’. He did not believe that a town could function merely because it had required buildings and houses. To create a community and fully functioning towns, people had to take the initiative and become involved in the town and its development (see Ch 4).

Case studies were developed from three issues which have drawn community responses. First a shortage of doctors in Albury-Wodonga which rallied medical practitioners to action; second responses to the ‘One City’ plan; and third SOC proposed restructuring of an external bypass to Albury which galvanized people to try to improve the environmental conditions in the towns. These are considered in turn.

8. 3. 1 The Border Medical Recruitment Taskforce

Because the medical profession had found it difficult to attract staff to meet the needs of the growing population of Albury-Wodonga, a Border Medical Recruitment Taskforce (BMRT) was established in 2007 to use innovative methods to recruit doctors. The BMRT brought

⁴¹⁵ Macquarie Dictionary definition of ‘community’.

⁴¹⁶ AWDC first Chairman interviewed in Branduda 24/7/08.

together stakeholders to share information and coordinate a uniform approach to the problem which involved organizing private accommodation, social activities and transport for visiting physicians, and regional promotion at selected medical career events.

The Executive Officer⁴¹⁷ of the BRMT explained that the Taskforce is funded by both Albury and Wodonga Council and some local general practitioners (GPs) and have been instrumental in recruiting GPs for Wodonga where they were in short supply and a wider selection of medical specialists for both towns. A new medical centre was opened in Wodonga which integrates private and public health. The Manager of IAW⁴¹⁸ stated that in 2006 GPs in Wodonga, who were all overburdened, no longer accepted new patients. This was confirmed by the Executive Officer of BMRT who added however that by 2009 the BMRT had recruited three more GPs for Wodonga, who were able to take up the slack.

The Executive Officer of the BMRT explained that to recruit new doctors to Albury-Wodonga the BMRT had initially focused its attention on doctors in the capital cities and drawn attention to the good quality of life that Albury-Wodonga provides. Advertisements were placed in appropriate metropolitan newspapers and professional journals offering doctors and their families the opportunity of a free week end in Albury-Wodonga, to familiarize themselves with opportunities in the towns. They were hosted by members of the medical fraternity with whom they could raise issues of concern. The Executive Officer was of the opinion doctors could be drawn to the lifestyle and community feeling of Albury-Wodonga where they could enjoy living on large blocks with a tennis court and swimming pool, or on small holdings where they could run hobby farms or grow olives or grapes.

The Executive Officer explained the threshold size of Albury-Wodonga had already been reached for a variety of visiting cultural performances from Melbourne. These have included jazz, the Melbourne philharmonic orchestra, opera, and visiting theatre groups. In addition, easy access to Melbourne by train or road provided access to the city's cultural and entertainment opportunities for a special night out. These facilities made it easier to 'sell the towns'.

⁴¹⁷ Executive Officer of the BMRT interviewed in Albury 10/9/09.

⁴¹⁸ Manager of IAW interviewed in Wodonga 8/9/09.

The Executive Officer of the BMRT also mentioned that incomes in the medical profession were very similar, if not the same, in Albury-Wodonga as in the large cities and some larger country towns. But there was a discrepancy between salaries in Victorian and New South Wales hospitals. She added that the towns provided people with the opportunity to belong to, and participate in a community where children could safely ride their bikes and wander freely in a secure community environment. She recounted that shop keepers around the town, colleagues and friends, would often report to her they had seen her children bicycling near their homes or shops. She felt comfortable that the community kept an eye on the activities of the children and she was frequently informed by members of the community about the antics which her children were involved in. Of no less importance, the towns have facilities to provide a choice of private or government, primary and secondary schooling and even tertiary education. The Executive Officer added that BMRT had widened its approach and cast its net to overseas doctors having been successful in recruiting some 20 South Africa GPs to settle in Albury and Wodonga.

8. 3. 2 One City

As shown in Chapter 6, the One City proposal in 2001 did not eventuate. The former Federal Member for Indi⁴¹⁹ suggested the State Premiers had been poorly advised and had misread local opinion and in particular local government. In fact progress and consultation floundered from the date the One City announcement was first announced. The former politician thought that the idea may have gained more acceptance had it been presented in a different manner. In his view, it needed to come from the town people through the local councils, and possibly via a referendum to gauge popular support. A prominent lawyer⁴²⁰ interviewed believed that the proposal did not go ahead because it appeared as a change to be imposed by State Governments on the residents of Albury-Wodonga. It did not have popular support, was not a popular idea, and businesses did not need One City to functioned effectively as the history of economic development suggested. The Manager of the Wodonga Chamber of Commerce⁴²¹ stated the proposal for One City did not even suggest it would remove the border anomalies which plagued businesses and residents.

⁴¹⁹ Former Member for Indi interviewed in Wodonga 17/8/09.

⁴²⁰ A prominent Lawyer in interviewed in Albury 9/9/09.

⁴²¹ Manager Wodonga Chamber of Commerce interviewed in Wodonga 9/9/09.

A Principal in an accounting firm⁴²² stated the One City proposal lacked a sophisticated supporting argument, meaning it had been easy for its opponents to whip up a negative response. In his view, it made economic sense to unite Albury and Wodonga, as it would encourage economies of scale, cut costs, create better regional facilities and provide the towns and region with the opportunity to wield a stronger and more effective political response to government. He added, the response from the councils about One City was polarized. Most people in Albury expressed the view that Wodonga Council rejected the proposal while Albury Council supported it. They felt Wodonga Council's response sometimes described as 'hysterical' was based on fear, conjuring up the notion that Albury, as the dominant city, would take over Wodonga. In addition a clash of personalities between Councillors had not encouraged the amalgamation of the two towns.

People in Wodonga rallied to form Citizens Against Forced Amalgamation⁴²³ (CAFA) which although initially a small group, soon had a loud community voice. Using the print media and radio to reach Wodonga residents, they soon had sufficient support to change Wodonga Council's opinion which effectively stopped the proposal from moving forward. The arguments for and against the One City proposal, were debated by the local paper the *Border Mail*. Editorials in the *Border Mail* were strongly in support of amalgamation throughout the entire campaign. They decried the lack of community leadership which had not encouraged residents of the towns to embrace the prospect of forming One City. The plan floundered and has effectively disappeared from the political agenda.

In July 2008, 22 individuals⁴²⁴ from both sides of the border were asked in a 'straw poll' whether they perceived Albury-Wodonga as one town or as two towns. The group was evenly divided about the issue. 50% responded that Albury-Wodonga was one town while the other 50% stated that the two towns had different characteristics and were two distinct entities. All people interviewed were very proud of both the town and State in which they lived and generally had firm opinions about amalgamation. Half the people said they would not like Wodonga to be linked formally with Albury, seeing Wodonga as having the characteristics of a small rural town where everyone knew everyone else. Albury was thought to be more formal and more like a large city. One person stated there was a sense of snobbery from

⁴²² A Principal of an accounting firm interviewed in Albury 8/9/09.

⁴²³ Secretary of CAFA interviewed at Bonegilla 8/9/09.

⁴²⁴ working in accommodation cafes & restaurants.

people in Albury about Wodonga, tending to regard Wodonga as the ‘poor sister’. This was reminiscent of recollections about Wodonga being called Struggle town,⁴²⁵ in the past.

On the other hand the other half of respondents felt both towns were so close that traveling between Albury and Wodonga was like traveling through the suburbs of a city. For this group Albury-Wodonga clearly functioned as one urban unit. After all, many people resided in one town while working in the other. Junior sports teams played in the same league and people socialized with friends and family in other towns. They reflected that the telephone network combines the two towns giving both an 02 prefix to their numbers much to the chagrin of people in Wodonga, Victoria. When dialing a government office on an 1800 prefix, Wodonga people were connected with a New South Wales government office in Sydney instead of to the appropriate office in Melbourne, Victoria. As far as they were concerned social, economic, communication and sporting links had created one unit.

Table 8.1

Straw poll opinions about One City

Reasons for One Town	Reasons for Two Towns
Close proximity of the two towns	Only one airport, located in Albury
Social contacts in both towns	Albury has all the entertainment
New freeway linking the towns	Albury is community focused and has more services, facilities
Festivals supported by the total population,	Albury is bigger
Live in one town, work in the other	Albury has better shopping facilities
02 telephone code used by both towns	Wodonga is regarded as the poor cousin
The same lifestyle in both towns	Albury has a better infrastructure
Dependency of one town on the other	Albury looks as if it has had town planning while Wodonga is haphazard
Its geography and location, only 4km apart	

Source Author’s straw poll.

Despite the view already expressed, when asked if Albury-Wodonga should have one council to oversee development just under half (10/22) did not wish to have a single council

⁴²⁵ Vic Hansard 17/9/03 page 143 Baxter W.R. Albury-Wodonga Repeal Bill ‘It is time to say that Wodonga has developed from a dusty country town, colloquially known as Struggle Town, up against the city of Albury based on wool, when wool was king and Wodonga almost a collection of second rate buildings and homes. Wodonga now is one of the most attractive and progressive cities in Australia’.

overseeing the two towns, while just over half (12/22) wanted council amalgamation. Those that preferred a single council suggested there would be greater efficiency and delivery of services leading to a reduction in costs to residents. Those who did not want one council were unsure of how it would function, where it would be located and whether it would cause an increase in their living costs. Respondents from Wodonga believed it was more expensive to live in Albury and were worried Albury Council would dominate the new entity. Table 8.1 summarises the opinions of the respondents to this straw poll.

In short few of the people interviewed in this straw poll agreed with the ‘One City’ proposal. One of the more forceful arguments presented against the ‘One City’ proposal was that it should not be imposed on the two towns by ‘outsiders’, that is State governments. It could succeed only if the residents themselves chose to follow this path and owned the plan.

8. 3. 3 Save Our City

This case study traces the SOC campaign between 1999 and 2004. When first proposed in 1964, the route to link Ettamogah north of Albury with Wodonga in the south was expected to cost \$5million (1970)⁴²⁶ and would pass through Albury. By 1997 the cost of the road had escalated dramatically necessitating the Howard Federal government to pledge \$200 million for the project which included a second crossing of the Murray River. Between 1997 and 2004 the Federal and State governments continued to haggle as to who would finance the road. In 2001 the Federal Minister of Transport, John Anderson, announced that two roads would be built. An external route for passing traffic and an internal route the Boulevard, paid for by the States. Within a year this decisions was reversed and the route was to pass through Albury as a four lane highway with traffic lights eliminated. Shortly afterwards Prime Minister John Howard overturned this decision and in 2005 the external route, which was 5-7 km shorter than the route through Albury was initiated and completed in 2007. Throughout all of this period State and local governments supported the route through Albury which they believed to be the cheaper option. Nevertheless the New South Wales government had acquired 400 ha. in anticipation of an external route being built. At a cost of \$524 million⁴²⁷, the bypass is part of the Hume Highway and the Federal government has contributed most of

⁴²⁶ The Federal Road and Transport Authority.

⁴²⁷ Federal Road and Traffic Authority.

the costs with the Victorian government contributing for the link to Bandiana (\$12million)⁴²⁸ (see Map 2).

The first chairman of the AWDC⁴²⁹ supported the exterior 17.4 km bypass of Albury. He believed it would 'open up' the towns and remove the noise and air pollution from Albury. Similarly the first Economist of the AWDC⁴³⁰ stated Albury-Wodonga's border location had not encouraged immediate action from State government to improve traffic flow. It had taken a long time and much vacillating to come up with the plan. The bypass would 'open up job opportunities' and 'cut journey time between the towns' which would also 'open up access to restaurants, clubs and cinemas in Albury'.

In 2005 the former Minister for DURD⁴³¹ in the Whitlam government, interviewed at his home in Sydney, discussed his role in the SOC campaign. He stated he was pleased to support residents and the SOC organization in Albury, who believed the health and welfare of the community was at risk. What surprised him was that the Federal and State governments had not taken their views into account and suggested they should respond more positively to the campaign. A media release by the SOC organization identified the former Minister for DURD as the 'architect of the decentralization plan that established Albury-Wodonga as a regional growth centre in the early 1970s'⁴³². In the same media release the former Minister stated,

'Albury is a charming city that will be destroyed by having a freeway through it. The vision and the agreement was always for an external bypass of Albury-Wodongathey (the Federal government) should allocate funds for another river crossing, but not by putting the National Highway through the town'.

The former Minister added in June 1999, 5,000 people had blockaded the Hume Highway and a year later the Federal government had been lobbied with a petition of 12,500 signatures, to find an external route. The Federal and State governments did not waver from their decision to build a freeway through the urban area. In 2004 however it seemed as if the Howard government changed the plan following a broadcast by the ABC's 7.30 Report on 'Diesel

⁴²⁸ Federal Road and Traffic Authority.

⁴²⁹ AWDC first Chairman interviewed in Baranduda 24/7/08.

⁴³⁰ AWDC first Economist interviewed in Albury 21/7/08.

⁴³¹ Former Minister of DURD interviewed in Sydney (Balmain) 27/7/05.

⁴³² Save Our City Media Release 13.6.99.

Fumes Causing Cancer'⁴³³. During the program Tom Jensen, the vice president of the SOC and Dr M. Norton, raised the issue that Albury had a higher cancer mortality rate than Wodonga. In fact the cancer mortality rate of Albury at 20.7% was higher than the New South Wales average⁴³⁴.

The Hume Highway was completed as an external bypass in 2007 and as predicted cut the traveling time between the towns by at least fifteen minutes. During peak hours this section of the Hume Highway time is extremely busy (see Ch 7). The Manager of the newsprint plant⁴³⁵ interviewed in 2008 in Albury, stated that the bypass encouraged people who lived further away to apply for jobs as the traveling time had been reduced enhancing the operation of Albury-Wodonga as a single labour market. The statement by the Manager of the Wodonga Chamber of Commerce⁴³⁶ that workers do not like to travel more than fifteen minutes between home and work could now hold true. The Manager of the Albury Chamber of Commerce⁴³⁷ however, stated that the retail strip shops along the old Hume Highway on the northern outskirts of Albury, which depended on passing traffic, had experienced a decline in trade as a result of the bypass. The Chamber of Commerce had completed a study of the affected area, to access this economic problem and suggest means to improve the issue. She stated shopkeepers would be forced to upgrade and improve their shops and facilities as they had been neglected and run down, before the bypass was built. This in itself would be a positive outcome for the town. Some of the shopkeepers had already upgraded their shop fronts and reported that trade was improving as locals began to frequent their stores again.

8. 4 Anomalies

Chapter 6 deals with anomalies in Albury-Wodonga. This section arises out of Chapter 6 and focuses on perceptions and reflections of stakeholders, about the impacts of anomalies on residents, commerce and industry in Albury-Wodonga.

The National Party in New South Wales has been instrumental in raising anomalies in the media and in government, since it represents a constituency which is on a State border. The

⁴³³ ABC 7.30 Report 18/8/2004. Participants included Professor M. Abramson, Dr. M Norder, Tom Jensen Vice President SOC.

⁴³⁴ ABC TV 7.30 18/8/04 Diesel Fumes linked to Cancer Deaths.

⁴³⁵ Manager of Newsprint plant interviewed in Albury 22/7/08.

⁴³⁶ Manager of Wodonga Chamber of Commerce interviewed in Wodonga 9/9/09.

⁴³⁷ Manager of Albury Chamber of Commerce interviewed Albury 10/9/09.

two Cross Border Commission Bills were introduced by National Party MP for Ballina, Don Page in 2000 and 2005 in New South Wales Parliament. In an interview at Parliament House Sydney, with a former head of the National Party, the Member for Upper Hunter⁴³⁸ stated it had been estimated, there were between 1200 and 1900 different anomalies. They arose from the division of responsibilities and the duplication between Federal, State and Local tiers of governments and that these have particular impacts on residents, commerce and industry in the contiguous towns astride the State borders ⁴³⁹ (see Ch. 4, 6).

8. 4. 1 Positive attitudes to anomalies

Not all the people who were interviewed regarded anomalies in a negative light. The first Chairman of the AWDC⁴⁴⁰ asserted there were really no border anomalies, only inter-State differences. He said:

‘It’s not the fault of the border. It’s due to the State Governments having different sets of laws and regulations. We are not big enough to get those laws and regulations changed so they continue to exist because it’s an Australian problem. I only fight where I can have an impact. I can’t sort out Sydney and Melbourne’.

He added:

‘There is an advantage to working within the system which already exists, rather than to try and get a new organization, if you want State Governments to provide grants. By working within this system there is the advantage that there is a bit of rivalry between the States which may bring about change or deliver the grant which you requested’.

The first Chairman drew attention to the two universities, two TAFE colleges, two hospitals and other facilities which existed in the towns. He suggested that towns of the size of Albury and Wodonga, located so near to one another, would not be able to boast of having so many facilities in each town. He suggested most people accepted they had to abide by the State legislation of the State in which they lived. This was one of the reasons why he believed there had not been a grass roots organization or campaigns to challenge the border anomalies. His point of view was not supported by many of the managers of factories but a former Chairman

⁴³⁸ Former Head of National Party interviewed in Sydney 7/6/06.

⁴³⁹ Anomalies are defined as “*the difference between New South Wales and Victorian legislation, agencies or services which act as an impediment to business and the community.*”⁴³⁹ AWACC Submission May 1999). (See Chapter 6 and Chapter 4.

⁴⁴⁰ AWDC first Chairman interviewed in Baranduda 24/7/08.

of the Chamber of Commerce in Albury⁴⁴¹ who thought a single university would have been preferable in providing a bigger critical mass for research and enhancing the reputation of the towns.

The Chairman of Tourism Albury-Wodonga⁴⁴², also viewed anomalies from a positive viewpoint. He suggested for example, that having different school holidays provided a longer period in which commerce could maximize returns and provide a longer period in which tourism operators, hoteliers and employees in the accommodation restaurants and clubs in particular, could be fully employed. The extended period of employment would in turn create a snowball effect through the rest of the local economy.

Those positive views were viewed on reflection, with resignation rather than support, by a former Mayor of the nearby Victorian town of Rutherglen⁴⁴³. He stated he was concerned about the impact of border anomalies on the wider regional community. He advertised widely in the local media and set up a web page on the internet asking people to inform him about how the anomalies impacted on them. He had hoped to raise these matters with the Victorian State MP for Murray Valley. Four weeks later, having received no responses, he withdrew the web page. He concluded that although anomalies clearly had significant impacts on people's daily lives, people accepted the burden either without question or because they felt there was no hope of change. He added 'It's like the weather, people talk about it a lot, but can do little about it'.

8. 4. 2 Negative attitudes to anomalies

Nevertheless each day the wide scope of the 1200 to 1600 anomalies discussed in Chapter 6 (see also Appendix 3) in Albury-Wodonga continues to impact negatively on the residents and on commerce and industry in the towns. With the scope of the anomalies being so wide, a large number of people in different ways and at different times are affected. This has made it difficult to foster a consensus of opinion about anomalies and the need for social action to remedy them. Nevertheless the field interviews explored perceptions of the cross-border anomalies for both residents and businesses.

⁴⁴¹ Former Chairman of Albury Chamber of Commerce interviewed in Albury 7/9/09.

⁴⁴² Chairman of Tourism Albury-Wodonga interviewed in Albury 9/9/09.

⁴⁴³ Former Mayor of Rutherglen interviewed in Albury 23/7/08.

Impact of anomalies on individuals

To ascertain if anomalies were an issue for individuals living in contiguous towns of Albury and Wodonga, I conducted 22 brief interviews in Albury and Wodonga from 21-24 July 2008.

Table 8.2

Albury-Wodonga interviews about anomalies

	Albury	Wodonga	Albury-Wodonga total
males	4	4	8
females	5	9	14
total	9	13	22

Source Author's interviews

The 22 individuals, 8 men and 14 women who were residents of Albury-Wodonga, were selected at random. The majority of interviewees were between 18 to 49 years of age, married and with children. Only 4 people were over 50 years of age. The occupations of the people included Clerical workers, Secretaries, and workers in Accommodation Cafes and Restaurant industry. In an informal setting, people were asked to respond to a list of anomalies and in an open-ended chat to identify anomalies which had not been mentioned and which impacted on them.

Because anomalies impact over such a wide range of issues (see Ch. 6; Appendix 3) people mostly react to anomalies that currently produce the greatest impact on them. That implies that attitudes could vary over time. What emerged was that the issue of greatest concern to them was that public holidays occur at different times in each State (see Table 8.4). This concern arises as a result of being employed in One State while living in the other and were affected by the different Public Holiday dates in each State. Since few of the interviewees indulged in recreational fishing, the need to obtain a fishing licence in both States did not appear high on the list. In practice, as that anomaly affects a large number of male residents it has been examined by the Joint Cross Border Anomaly Committee.

Table 8.3.**Anomalies which interviewees identified as impacting on their lives.**

Anomaly	Percentage concerned
Different public holidays in each State	73%
Different cost of car registration	64%
Different school holidays	60%
Different school term dates	60%
Different laws in each State	55%
Different education syllabi in each State	50%
Different road rules	50%
Different stamp duty on cars in each State	50%
Different living costs in each State	45%
The use of 02 prefix on Wodonga phones	45%
Different speed limits on roads	32%
Different taxi fares	32%
Different wage scales in each State	32%
Different fishing license for each State	27%
Different qualifications in each State	27%
Different training of apprentices in each State	18%
Different building codes in each State	14%
Business licenses required in each State	14%
Different immunization of children in each State	9%

Source Author's interviews.

Public Holidays anomalies, (See Table 8.3) impose disruptions on people's daily life. The public holiday can not be enjoyed by the entire family considering that some members may still have to report to work while having to rely on others to take care of their children so there is little cohesion in recreational activities and family life (see Table 8.4).

As is shown in Table 8.4 in 2011 there were four days in which public holidays in Victoria and New South Wales were on different days⁴⁴⁴ so that families required extra help to cope with the break in family routine. Even though this disruption is infrequent, its impact is heightened because a public holiday is expected to provide a rest, family time and reduced tension.

⁴⁴⁴ In 2011 Labour Day Monday 14th March, & Melbourne Cup Day Tuesday 1st November occur in Victoria only. In 2011 Bank Holiday Monday 1st August, Labour Day Monday 3rd October, & Christmas Day Sunday 25th December occur in NSW only.

Additionally, schools in each State function according to different school term dates and thus have different holiday periods. Parents living in one State but working in the other State have to resort to child minding when they are at work and children are on school holidays⁴⁴⁵. This creates added tension and frequently added costs for mothers who work across the State border. Some businesses are accommodating. A former Chairman of the Albury Chamber of Commerce⁴⁴⁶ indicated that to reduce the amount of stress on employees, some service firms often permit Victorian residents to work according to Victorian school term dates and school hours and New South Wales employees to similarly work according to New South Wales school term dates and school hours. The business would thus extend the opening hours of the business to accommodate this anomaly. This practice engendered a work friendly environment which ensured a higher output per employee.

About three quarters of the women interviewed complained they had found the different school term dates quite irksome. On a secondary issue they were pleased with the Federal Labour Government for proclaiming in 2008 that it would try to establish a national education system ensuring similar educational syllabi were followed in each State. Approximately 10% of the national army personnel live in Wodonga⁴⁴⁷ and these people together with their families are frequently moved interstate. Different school term dates and the different curriculum complicates their daily lives. The former mayor of Rutherglen⁴⁴⁸ stated ‘there are six States in Australia but seven education boards creating different curriculum, entry ages to school and different class names. As a result many military families are forced to send their children to boarding school’.

⁴⁴⁵ Prior to the introduction of the 10 week term when schools functioned with 3 terms per year the difference in school term dates was greater. In 2011 school term dates for NSW and Vic were almost identical. In 2010 and 2012 school term dates for Vic & NSW differed.

⁴⁴⁶ Former Chairman Albury Chamber of Commerce interviewed in Albury 7/9/09.

⁴⁴⁷ Wodonga Council Municipal Strategic Statement 2010 Planning Scheme 23.03-1 About 10% of the national army personnel live in Wodonga.

⁴⁴⁸ former Mayor of Rutherglen interviewed in Albury 23/7/08.

Table 8. 4**Public holidays in Victoria and New South Wales for 2011**

Victorian Public Holidays		New South Wales Public Holidays	
New Year's Day	Sat. 1 st January	New Year's Day	Sat. 1 st January
Australia Day	Wed 26 th January	Additional Day	Mon. 3 rd January
Labour Day	Mon 14 th March	Australia Day	Mon 26 th January
Good Friday	Fri 22 nd April	Good Friday	Fri 22 nd April
Before Easter	Sat 23 rd April	Before Easter	Sat 23 rd April
Easter Monday	Mon 25 th April	Easter Sunday	Sun 24 th April
Anzac Day#	Tue 26 th April	Anzac Day	Mon 25 th April
Queen's Birthday	Mon 13 th June	Easter Monday	Tue 26 th April
Melbourne Cup Day	Tue 1 st November	Queen's Birthday	Mon. 13 th June
Christmas Day*	Tue 27 th December	Bank Holiday	Mon. 1 st August
Boxing Day	Mon 26 th December	Labour Day	Mon. 3 rd October
		Christmas Day	Sun. 25 th December
		Substitute +	Mon. 26 th December
		Boxing Day	Tue 27 th December

Source Education Department Melbourne Victoria

Education Department Sydney New South Wales

Note:-VictoriaNew South WalesAddition Mon 3rd January+ Substitute for Sunday 25th December

.# Substitute for Easter Monday

- Sunday 25th December

Most of the adults in the two towns depend on independent motor transport for mobility. Two thirds of the interviewees were concerned about the cheaper motor vehicle registration available to Wodonga residents and suggested that there was anecdotal information some people in Albury illegally claimed to be Wodonga residents, to obtain the cheaper registration. (Two people interviewed admitted to doing so and a larger number said they wished they had the nerve to do so). The MP for Upper Hunter interviewed at parliament in Sydney⁴⁴⁹ at an earlier date, suggested that the illegal car registration had resulted in 'significant leakage to Victoria of New South Wales GDP'. Despite these views, a Police

⁴⁴⁹ MP for Upper Hunter Interviewed at Parliament House Sydney 7/6/06.

Constable at the Albury Police Station⁴⁵⁰ stated that there was little evidence to support the notion that people were registering cars in Victoria while living in New South Wales.

The Constable at the Police Station explained another anomaly dealing with the protocol required to apprehend a suspect fleeing across the border. He stated that an Albury police car involved in a chase which crossed the border would need to notify Victorian police of the chase approaching the border and request permission to follow the car across the border. As soon as it was feasible the Wodonga police would take over the chase on the Victorian side of the border and the Albury police would have to return to New South Wales. After being apprehended by Victorian police, the detainees would then need to be extradited from Victoria to New South Wales. In 2008 the *Border Mail*⁴⁵¹ highlighted the need for more New South Wales police to be trained in this protocol.

45 percent of respondents resented the fact that phone numbers in Wodonga Victoria, had an 02 prefix, while for the rest of the State the prefix is 03. The 02 prefix was instituted so that residents could call people in Albury and vice versa, without having to make a trunk call between the States of Victoria and New South Wales. However if a subscriber in Wodonga calls a government office they are connected with a government office in Sydney rather than one in Melbourne which is in the State in which they live. Furthermore, when calling a 1300 number or 1800 number the Wodonga subscriber is connected with offices in Sydney. The former Mayor of Rutherglen⁴⁵² who also holds a senior position in the Returned Soldiers League (RSL) has had great difficulty accessing government Veteran Affairs Offices in Melbourne. To access Melbourne he is required to make a trunk call using the 03 prefix for Victoria as the 1800 prefix which is free⁴⁵³ will not permit a connection with the correct State capital.

The difference in speed limits in New South Wales and Victoria was of interest to only 32% of respondents. The maximum speed on highways in New South Wales was 110 km per hour while in Victoria it was 100 km per hour. The *Border Mail*⁴⁵⁴ states at least one driver per hour coming from Wodonga was booked in Albury doing a 'u-turn' at traffic lights, which is

⁴⁵⁰Police Constable interviewed at the Albury Police Station 9/9/09.

⁴⁵¹Border Mail 5/5/08.

⁴⁵²Mayor of Rutherglen interviewed in Albury 23/7/08.

⁴⁵³Border Mail 13/12/06.

⁴⁵⁴Border Mail 16/8/10.

permitted in Victoria but not permitted in New South Wales, unless specifically stated. The *Border Mail* also raised the anomaly that New South Wales learner drivers 'are restricted to a maximum of 80 km per hour, while there is no speed limit for Victorian learner drivers.

Sergeant Dean Miller⁴⁵⁵ is quoted as saying

'if you drive a certain way in your home State and you abide by those conditions and rules when visiting another State, it used to be enough. But now with the complexities and discrepancies in different laws you can't do that.You've got to be aware of what you can do there.'

Since the respondents are aware of these anomalies and drive with caution they do not rate these anomalies as being significant.

The coach and bus industry provides another example of the impact of anomalies. In the bus and coach industry buses and coaches must comply with the regulations of both States which differ on a variety of issues. The following anomalies make it difficult and costly for buses to operate across the border in both towns. Signage on Victorian school buses require the words 'school bus' in capital letters (100mm) or an image of two children at the front and rear of the bus. In New South Wales 'school bus' is written in capitals and the rear has a flashing light. Victorian school buses do not require a public address system but New South Wales requires one. Flashing lights on Victorian buses flash at 90 and not over 180 flashes per minute while New South Wales requires a flash rate of 60 and not over 120 cycles per minute. Flash rate on Victorian buses must operate automatically when doors open and operate for 10 to 20 seconds when doors shut. On New South Wales buses flash rate must operate automatically and activate within one second of the door opening and operate for 20 to 30 seconds when doors shut. The door safety system on New South Wales buses require a sensor system to detect an object/person caught in the door and an interlock system to prevent the bus from moving when the door is open. There are no requirements for Victorian buses. These are but a few of the anomalies in the bus and coach industry. There are many other anomalies which hinder effective reciprocal bus transport in Victoria and New South Wales along the border.

⁴⁵⁵ Quoted in *Border Mail* 16/8/10.

The MP for Murray Valley Victoria 'a strong advocate of government action to eliminate anomalies between the two States,'⁴⁵⁶ has drawn attention to anomalies affecting motor vehicles. He stated the

'computer system of VicRoads'⁴⁵⁷ does not allow the transfer of Victorian registered motor vehicles registered to the address of a licensed New South Wales car dealer and held for sale. Prior to June 30th 2005, motor vehicle dealers on both sides of the border could transfer vehicles registered in the other state to their registered address as a licensed motor vehicle dealer, for sale'⁴⁵⁸.

Several car dealers have contacted the Member of Parliament concerned about the adverse impact this was having on their businesses.

Most of women interviewed had older children beyond immunization age and were not concerned about the different immunization programs run by each State. Thus this anomaly was only cited by nine percent of interviewees with children still involved in the immunization program who lived in Wodonga. Victoria and New South Wales use different vaccines⁴⁵⁹ and immunize people at different ages for different illnesses. Since these interviews, a National Immunisation Program Schedule has been presented and adopted by Victoria. New South Wales functions on a different immunization schedules⁴⁶⁰.

Despite the low levels of interest expressed about anomalies in Table 8.3 respondents also raised their concerns about a wide variety of other anomalies which impacted on them directly, identified in Table 8.5. The issues of greatest concern appear to be those anomalies imposing social and economic stress on families and thus affecting the quality of their daily lives.

⁴⁵⁶ MP for Murray Valley media Release 8/7/04.

⁴⁵⁷ VicRoads stands for the Victorian Department of Roads.

⁴⁵⁸ Member for Murray Valley Media Release 18/8/2005.

⁴⁵⁹ NSW uses Rotarix vaccine while Vic uses RotaTeq vaccine for Rotavirus; NSW uses Meningitec vaccine while Vic uses NeisVacC vaccine for Meningococcal C. Source NSW Immunisation Schedule ; Victoria Health Immunisation Schedule.

⁴⁶⁰ NSW offers Rotavirus immunization at 4 months Vic offers Rotavirus immunization at 6 months; Vic offers Year 7 students immunisation for Hepatitis B, Chickenpox, Human Papillomavirus and Year 10 students Diptheria, Tetanus and Pertussis. In NSW at 12 years of age students are offered Human Papillomavirus, Hepatitis B, Varicella, Diptheria, Tetanus , Pertussis. and at 15 years of age Diptheria, Tetanus and Pertussis. Source NSW Immunisation Schedule ; Victoria Health Immunisation Schedule.

Table 8.5**Anomalies raised by respondents**

Fruit cannot be transported across the border.
Council house rates are higher in Albury than Wodonga
Preschool & kindergarten fees are lower in Wodonga than Albury
House rental is cheaper in Wodonga than Albury
Stamp duty on property transactions are greater in Albury than Wodonga
Water restrictions differ in Albury and Wodonga during drought periods
There are more child care facilities in Albury than Wodonga
Car registration is more expensive in Albury than Wodonga
Immunisation of children differs in Albury and Wodonga.
Membership of regional sports teams is not mutually accepted for representative teams.
Driver fatigue management for truck drivers differs for each State.

Source Author's interviews.

Because of the possibility of transporting Fruit Fly across the State border there is a ban on fruit being transported from New South Wales to Victoria. For those women living in Wodonga but working in Albury and attempting to complete household shopping in Albury, the restriction on fruit being transported across the border prevents one-stop shopping. Before the Albury bypass was opened, fruit bins were located at the border on the Causeway so that tourists could deposit fruit in the bins as the cars approached the Victorian border. Since the bypass opened no provision has been made to prevent fruit being carried across the border into Victoria, so the system relies on an honour system.

Although 45 percent of interviewees nominated the higher cost of living in Albury than Wodonga (Table 8.3), a number of other interviewees raised anomalies with specific impacts on their living costs. These related to Albury's higher rents, housing rates, council rates, preschool and kindergarten fees, car registration fees and the stamp duty on property. The respondents clearly had not identified these issues as being part of the higher cost of living in Albury. Each issue was identified individually as each one impacted personally on a particular individual. One interviewee complained 'I can't afford to live in Albury'. This was confirmed by the former Mayor of Rutherglen⁴⁶¹ who added

'Victorians see themselves as financially better off than New South Wales people under the present system. New South Wales people pay more for basic services.

⁴⁶¹ Former Mayor of Rutherglen interviewed in Albury 23/7/08.

Occasionally some people will cross the border to take advantage of a cheaper price but it's not a major issue'.

Albury and Wodonga are merely four km apart astride the Murray River and experience the same local weather and climate conditions. Yet each town Council institutes different water management schemes during drought. Wodonga's water supply is controlled by North East Water and Wodonga is now on a Permanent Water Saving Plan⁴⁶². In 2007 during a severe drought Wodonga was placed on Stage Four for water use, which banned garden watering with a hose but permitted buckets to be used for cars and window washing.

Albury on the other hand receives its water from the Murray River, treated by the local council. Initially Albury was on Stage One Restriction which stipulates voluntary restrictions and hand held hoses for garden use between 7am-9pm if the temperature reaches thirty-eight degrees Celsius. As the drought increased Stage Two Restrictions were imposed which were the same as Stage One, but did not prescribe a temperature requirement. It is not surprising that residents are dismayed by the different conditions imposed by Local government for water use, when both towns are contiguous and experience the same climatic conditions. A similar problem faces all the towns astride the Murray River border. The *Sunday Herald Sun* (10/2/2008) reported: 'Echuca and Moama twin towns on the Murray River divided by 100m of water, were being driven apart by radically different sets of water restrictions'⁴⁶³.

The impact of anomalies on large firms

In Albury and Wodonga the impact of the Regulatory Burden on Businesses differs depending on the size of the company. Large businesses with more than 100 employees are not concerned about the time lost to cope with compliance issues. These firms often employ full time personnel such as accountants and book-keepers who are familiar with the regulations and anomalies and absorb these issues into their daily work routine. Small firms lack this facility.

In the 2007 survey sent to industries in Albury-Wodonga (see Ch. 7) questions were included about anomalies. Of all the responses 15 firms employing more than 100 workers were

⁴⁶² This stipulates that gardens may not be watered between 10am and 5pm; a trigger nozzle hose must be used on a hand held hose; buckets or watering cans may be used at all times; a trigger nozzle hose must be used on hard surfaces and to wash cars.

⁴⁶³ Sunday Herald Sun 10/2/2008 Garden Water Splits Towns.

classified as large firms. Three firms stated that anomalies did not have an impact on their firms and refrained from answering this section of the questionnaire.

The firms which did not answer this section of the questionnaire regarded anomalies as conditions to be met, if they expect to function efficiently in two States. All these firms employed accountants, book-keepers and office staff with easy access to legal firms to manage the anomalies which impact on the firm. They acknowledged that the cost of compliance as estimated by the Business Council of Australia⁴⁶⁴, at 1%-5% of annual turnover, was probably accurate. This cost would be absorbed as part of the expenses which they incurred and would be passed on as part of the cost of the product.

Nevertheless Table 8.6 shows the anomalies in the list provided which managers of the fifteen firms identified as having an impact on their businesses.

Table 8.6

Anomaly as selected by managers of large firms

% selecting anomaly	Anomaly
70%	different laws in each State
41%	different public holidays in each State
35%	different school holidays in each State
35%	different health regulations in each State
29%	different business licenses required in each State
24%	different apprenticeship training requirements in each State
24%	different recognition of qualifications in each State
18%	different wage scales in each State
12%	different education systems in each State
6%	Different building codes in each State

Source Author's interviews.

The most frequently identified anomaly in the list affecting large firms appears to be the different legislation in each State. Different legislation covers workers' compensation, payroll tax, employment, health regulations, working hours, leave, occupational health and safety, as well the different daylight saving arrangements which existed in the past. Since most of the large firms had markets which stretched Australia wide, products have to comply with

⁴⁶⁴ Business Council of Australia 2006.

different rules and regulation regarding advertising, labeling of contents, weight and size of product. The firms surveyed claimed constant vigilance is required to monitor compliance requirements at the three levels of government.

Different school and public holidays were regarded by firms as an intrusion into their daily labour supply. They reported that many of their staff requested leave on school holidays and public holidays because they lived across the border. Some managers complained this often left them short of staff and production runs were affected. Some felt obliged to offer leave to staff commuting from other towns when the public holidays clashed. The response to requests for leave when school holidays clashed could not always be as generous and a number of managers indicated absenteeism increased during school holiday clashes.

Among other anomalies mentioned by managers of large companies were those relating to the training of apprentices and recognition of qualifications in each State. One company manager felt it inhibited labour mobility as an employee seeking employment in the other town would need to have his/her qualifications re-assessed in the different State. This involved time and money which may not be redeemed. Employees would also need to be familiar with the conditions of employment and pay, laws and living costs in the town (State) where they proposed to work. The training of apprentices differs between New South Wales and Victoria (see Ch. 6). Hence despite The Memorandum of Recognition signed by the Keating Federal Government in 1992 and by New South Wales and Victoria in 1993, many of the anomalies had not been overcome by the time of this field survey. Yet it was clear most anomalies discussed were not being identified as a significant hindrance to growth and development. Large companies were able to employ specialised personnel to deal with the anomalies listed in Table 8.6 and leave managers free to concentrate on maintaining production efficiencies, safety requirements and profits.

The impact of anomalies on small firm.

The 2007 survey of firms in Albury-Wodonga included twenty small businesses each employing 50 people or less. The perspective of these firms regarding anomalies and compliance requirements differ from firms employing more than 100 people. Table 8.6 and Table 8.7 indicate the different interests of the large and small firms. The responses of the small firms are typically the views of sole proprietors who manage their own affairs which differ from the views of Managers of large firms.

The main issue which most small businesses identified was the different laws in each State. The small one firm proprietor, who after a days work is obliged to handle all paperwork and who personally needs to keep abreast of changes to rules and regulations and finds himself/herself hard pressed. Compliance and red tape has been estimated to take 246 hours per annum more than a similar business not at the border and is estimated to cost between \$5 000 to \$13 400 per annum per business⁴⁶⁵. Indeed small firms put business licenses as the second highest problem at 56% while it is only 29% for large firms. In fact all anomalies involving paperwork or compliance were rated higher by small firms.

Table 8.7

Anomalies impacting on small firms employing fifty or less people.

%of firms impacted by anomalies	Anomaly
61%	different laws in each State
56%	different business licenses in each State
50%	different recognition of qualifications in each State
50%	different public holidays in each State
39%	different building codes in each State
33%	different wage scales in each State
28%	different school holidays in each State
22%	different health regulations in each State
11%	different education systems in each State
11%	different apprenticeship training in each State
6%	different living costs in each State

Source Author's survey

Since employees often reside in one State and work in the other, the issue of State acceptance of employee qualifications was also rated much higher by the small firms (50%) than the large firm (24%). The issue applies to both professional and trade qualifications. The necessity to have professional qualifications and licenses in each State creates duplication and is time consuming and costly for small business. In addition issues arise from States having different wage and salary scales, overtime, long service leave, allowances for tools and travel

⁴⁶⁵ Australian Industry Group.

to work, all of which impact on the employees relative earnings. However as can be seen by the Tables only 6% of small firms and none of the large firms raised the matter.

Public holidays and school holidays once again was a bone of contention. The small firm of less than 50 people has less leeway to permit staff to take leave on public holidays which do not coincide with the public holidays in the State where they live. Small firms rate this at 50% while large firms rate this at 41%. As stated before, the difference in public holidays in each State creates family tensions and at times extra costs for baby sitters.

Building codes differ on both sides of the border and small firms (39%) rated this much more highly than large firms (6%). Albury City Council requires four copies of plans drawn at the scale of 1:200 while Wodonga City Council requires only one copy drawn at a scale of 1:100 for building. Owner-builders in Wodonga carrying out work over \$12 000 must obtain a Certificate of Consent from the Building Practitioners Board while a similar owner-builder in Albury is required to take an education course at the Riverina Institute of TAFE.

Working on both sides of the border affects 90 percent of builders and construction workers. The Victorian MP for Rodney, quoted in parliament from a constituent's letter which stated

‘Should we as employers ban work over the border until further notice and therefore cause hardship and suffering to people on both sides of the river? I find this situation very frustrating and feel that it is very un-Australian and do we consider ourselves Australian or Victorians and New South Welshmen’⁴⁶⁶.

8. 4. 3 Suggested Solutions for Border Anomalies

In some instances individuals and organizations may find solutions to bypass anomalies. The first Economist of the AWDC⁴⁶⁷ and a prominent lawyer⁴⁶⁸ recalled the following two such events. The first happened in the late 1850s, when bakeries in Wodonga were faced with a tax on flour imported from New South Wales, the Victorian Government being protectionist.

‘A Wodonga baker earned a public eulogy by literally driving a horse and cart through the letter of the law. He took advantage of the omission of dough from the Victorian

⁴⁶⁶ Victorian Parliamentary Hansard 14/9/2005 page 869).

⁴⁶⁷ AWDC first Economist interviewed in Albury 21/7/08.

⁴⁶⁸ Prominent lawyer in Albury interviewed in Albury 9/9/09.

tariff to buy the cheaper New South Wales flour in Albury, mix it there, then bring it back to Wodonga for baking' ((Lee 2000).

This clever maneuver allowed the baker to side step Victorian legislation so that he avoided paying the tax on the flour.

The second incident occurred in the 1960s and 1970s in the dairy industry. The Haberfield Milk Company⁴⁶⁹ near Albury cleverly side stepped the Victorian legislation (see Ch. 6). Haberfield Milk Company invested in a receiving depot in Victoria. The depot in Victoria received the New South Wales milk, which was then sold to the Victorian factory near Wodonga at the higher manufacturing milk price.

A former chairman of the AWACC⁴⁷⁰ stated that every fifteen years or so, attempts had been made to establish an organisation to lobby against anomalies but little had been achieved. He added that 'a lot of effort had been wasted so people moved on'. Local government did not wish to bring about change and lacked leadership to do so. He believed that 'cooperation did exist between the States as is seen by COAG'. However he believed 'it was not in the States interest to reduce anomalies so anomalies would remain.'

The majority of the population of Albury-Wodonga accept anomalies because they believe that the issue is too large to be challenged reflecting as it does the Australian Federal system. Others believe that one is obliged to live by the rules and regulations of the State in which one lives. And still others believe people need to accept anomalies and work around them to gain an advantage whenever possible.

The former Mayor of Rutherglen⁴⁷¹ responded that the Australian Federal Government and both State Governments should provide means to resolve or at least ameliorate anomalies.

'It requires leadership from the Federal government and an assurance that both State governments will not lose financially in the process. The solution is to handle each anomaly as a one off case to resolve the problem'.

A former Manager of the IAW⁴⁷² suggested

⁴⁶⁹ Haberfield Dairy began in 1931 in Albury. In 1996 it was bought by Parmalat, which merged with Pauls Queensland in 1998.

⁴⁷⁰ Former Chairman AWACC interviewed in Albury 7/9/09.

⁴⁷¹ Mayor of Rutherglen interviewed in Albury 23/7/08.

‘anomalies only affect a small number of people living along State borders which are distant from the seats of government. State governments don’t react with vigour to complaints coming from far away, so border people can either whinge or learn to live with anomalies’.

‘Anomalies will only change where the councils see benefit for themselves’ stated a well known lawyer in Albury. This view was repeated by a former chairman of the AWACC⁴⁷² and the manager of Wodonga Chamber of Commerce⁴⁷³. On May 30 2011 The New South Wales Government announced that it was seeking to appoint a Cross-Border Commissioner armed with the job of tackling the differences between the New South Wales and surrounding States by the end of 2011 (Regional Development 2010a⁴⁷⁴). In a media communiqué Richard Torbay, New South Wales MP for Northern Tablelands reported that the Commissioner will be asked to find ‘a better deal for businesses and residents in border communities’ (Torbay, 2011). The communiqué claimed:

‘the NSW regions bordering Victoriaexperience anomalies in payroll tax; stamp duties; differing licensing agreements for the fishing industry; tax disparities; content of education courses; varying rules to establish a business; school bus schedules; differing Occupational health and Safety standards; and licensing and registration of trades people as some key issues These are some of the issues the Commission would be required to resolve’ (Torbay 2011).

In May 2011 Richard Torbay re-introduced the abandoned Cross Border Commission Bill in the New South Wales parliament ‘to seek a better deal for businesses and residents in border communities. Now the Coalition is in power there is an opportunity for members to support Don Page’s initiative and get these pressing issues on the table to be resolved’ (Torbay 2011).

On 16 February 2012 the Mayor of Glen Innes Severn Council, Steve Toms was appointed for a two year term as the First Cross-Border Commissioner whose task will be to report annually to the New South Wales parliament on the Government’s progress to deal with cross-border issues along with recommendation on how they may be resolved⁴⁷⁵.

⁴⁷² Manager IAW interviewed in Wodonga 8/9/09.

⁴⁷³ Former Chairman AWACC interviewed in Albury 7/9/09.

⁴⁷⁴ Manager of Wodonga Chamber of Commerce interviewed Wodonga 9/9/09.

⁴⁷⁵ Also reported in the Border Mail 1/6/11.

⁴⁷⁶ Reported on ABC, AM program with Tony Eastley 16/2/2012.

8. 5 Conclusion

The population of Albury-Wodonga has continued to grow and shows signs of developing more of a cosmopolitan mix with the inclusion of people from Africa and Asia. There is evidence that professional people are moving to the twin towns as part of a tree change to enjoy the small town, country style of living. In addition, there is evidence of the growth of retirement villages for an aging population which is being enlarged with people from the hinterland. The twin towns have the medical and para-medical facilities to meet the needs of the aged and volunteers to provide social support. To counterbalance the aging population, the New South Wales government is providing a grant of \$7000 to encourage young families to move from Sydney to one of seven EVO inland centres including Albury.

Almost all stakeholders in hindsight described the Growth Centre policy and the AWDC as having been a positive force for development in Albury-Wodonga. Most people agree that Wodonga seemed to have benefited the most from the growth as it was a migrant town and more accepting of change. A few stakeholders objected to the AWDC as having been imposed on the local councils which were well enough informed of local conditions and did not need help in drawing industry to the twin towns. Nevertheless most people agreed that the AWDC had aided growth and development and as a result there were two universities, two TAFE colleges etc., in Albury-Wodonga.

Part of the brief for the AWDC had been to 'build a town and create a momentum in the community to take over and run the town when the AWDC had left' (AWDC 1st Chairman). This is amply illustrated by the work of the BMRT, community involvement in the SOC campaign and the controversy to the One City proposal. The community has responded to issues in the twin towns both positively and negatively to fulfill the AWDC brief.

Despite the inconvenience caused by anomalies to individuals, commerce and industry, there is little likelihood that State and Federal governments will act to remove them. The problem seems too large to tackle and people have simply accepted their fate and move on. State governments are unlikely to act unless they obtain a benefit in removing the anomaly. However the New South Wales government has kindled some hope with the appointment of a Commissioner in 2012 and the re-introduction of the Cross Border Commission Bill in

parliament, that in the future, anomalies may be ameliorated for residents, commerce and industry along the border.

To encourage people to permanently settle in Albury-Wodonga both State governments have provided the twin-towns with facilities not often found in towns of similar size including two universities, two Technical and Further Education colleges, two swimming pools and two concert halls.

Part of the brief of the AWDC was to create the momentum for residents to assume the responsibility of running the twin-towns. The Save Our City campaign and the Border Medical Recruitment Taskforce suggest this aim has been achieved. However general opinion suggests that the top-down proposal to form One City in 2001 by the State Premiers was rejected by the residents because of a lack of leadership in the twin-towns.

Because of the Constitution each State can promulgate laws and rules which may conflict with those of neighbouring States and create anomalies. The impact of anomalies are exacerbated on residence, commerce and industry in towns located astride the State border. Anomalies have both positive and negative impacts on communities. There are few positive impacts of anomalies. However one example is the increased employment over the extended holiday period created because holidays in each State do not coincide. The majority of people however are concerned about the extra burden negative anomalies place on the daily life of residents, commerce and industry. Few people believe that all anomalies will be resolved. Nevertheless in 2012 the New South Wales governments appointed Mayor Steve Toms of Glen Innes as the first Cross-Border Commissioner to report annually to the New South Wales parliament. He will report on the government's progress to deal with anomalies and recommend how they can be resolved.

Chapter 9

Conclusion

‘United and Divided’

The thesis has attempted to account for the growth and development of the twin towns of Albury-Wodonga situated astride the border of New South Wales and Victoria. Albury-Wodonga established as a Federal government Growth Centre (1972-1975) has continued to experience growth in population and status and is now one of Australia’s largest inland urban centres. The thesis traced this growth through the Long Boom from the 1950s to the mid-1970s; the lead up to and restructuring of the Australian economy; from the mid 1970s; and finally through the return to prosperity from the mid 1990s. Throughout these three historic periods, growth and development continued even during the restructuring period when manufacturing was shedding jobs nationally.

The major aims of the thesis were to establish across the three periods outlined above:

1. Why Albury-Wodonga has continued to grow in both population and economy in its unique way as an inland centre?
2. What has been the role of its cross-border location in generating growth but also in creating anomalies which restrained growth?
3. Since Albury-Wodonga was a unique example of direct Federal involvement in regional policy to what extent has Federal and State government policy in shaped the growth and development of Albury-Wodonga?

No single theory of industrial location or regional development addressed all issues pertinent to answering these research questions about the growth of Albury-Wodonga in its cross-border location. Nevertheless some of the theories reviewed in this thesis provided important insights, especially those emphasising locational advantage and cumulative causation in regional development with Perroux’s theory of growth poles influential in shaping Federal government initiatives in 1972. Although theoretical frameworks for researching border dealt mainly with international rather than internal borders, such understandings were influential in shaping this research in Albury-Wodonga.

Research methodologies used were consistent with those common to much industrial geography and regional development research over the past two decades. A combination of extensive and intensive methods was employed, including statistical and other analyses of economic and population development trends across the three historical periods of study. In addition a postal questionnaire of local businesses and a series of in-depth field interviews with business managers and relevant community stakeholders were conducted to help address the primary research questions.

9.1 The growth and development of Albury-Wodonga 1972-2006: 'United and Divided'

In 1947 the population of Albury was 14 412 while the settlement of Wodonga had only a population of 2 800. By 1971 Albury's population had grown to 27 403 and Wodonga to 10,530 which was sufficient evidence of population growth to establish the Growth Centre. Between 1972 and 1976 the population in the twin towns was growing at a faster rate than that of Sydney and Melbourne and other smaller centres. Albury was growing at a 4.44% and Wodonga at 8.75% fed by internal migration from New South Wales and Victoria particularly, and from overseas migration aided by people moving from Bonegilla to the twin towns. The proportion of overseas born was higher than in other smaller centre, with Albury having 11% and Wodonga 14% of overseas born people.

During the restructuring of the Australian economy the population continued to grow faster in Albury-Wodonga than Australia. Between 1976 and 1981 Albury-Wodonga's population grew at 2.59% per annum while Australia's annual population growth had fallen to 1.34%. Between 1981 and 1991 the population growth rate in Albury-Wodonga increased to 4.28% of which two thirds came from Wodonga. Although Wodonga continued to grow at a faster rate than Albury, Wodonga has remained the smaller of the two towns. An Anglo-Saxon Christian culture personified the towns' makeup with a population younger than in Australia. Albury-Wodonga had 25% of its population below 15 years of age as against 11% in Australia. In addition Albury-Wodonga had 10% of its population older than 65 years of age while nationally it was 11%.

The Albury-Wodonga statistical district population reached 103 848 in 2003 with Albury and Wodonga urban areas accounting for 76% of that region's population. Both towns continued

to grow rapidly by national standards and between 1998 and 2003 Albury increased its population by 3.9% and Wodonga by 10.1%. Between 2000 and 2005 population growth slowed with Albury-Wodonga growing more slowly than many other smaller towns. Nevertheless by 2006 it was still receiving lifestyle immigration from Victoria and new comers from drought stricken farming areas and had grown from the 32nd ranked city in 1966 to become the 18th largest city in Australia and one of Australia's most significant inland cities. The following section summarises the thesis findings in answer to the principal research questions.

9. 1. 1 Why has Albury-Wodonga continued to grow?

The thesis shows that during the Long Boom Albury-Wodonga experienced significant population growth and economic development and this was influential in their being chosen as a Federal policy Growth Centre in 1972. The twin towns were located in the heart of south east Australia on the main transport and communication corridor between Sydney and Melbourne, with overnight road access to the major capital cities between Brisbane and Adelaide. The thesis also found other significant factors explaining economic development which were: a ready pool of labour, characterised by low absenteeism, low unionization, and few industrial disputes; and a fertile hinterland providing raw materials for food processing industries. The Albury-Wodonga Development Corporation established to plan and develop the Growth Centre remained influential in development long after the Federal government abandoned its direct involvement in regional policy. In addition, State and local government incentives have encouraged industry to establish in Albury-Wodonga and as a result people have continued to be drawn to these towns to find jobs and a better quality of life. The AWDC marketed the name 'Albury-Wodonga' and built the two new satellite towns of Baranduda and Thurgoona.

The Fraser government elected in 1975 cut financial and political support from the AWDC and during the lengthy period of restructuring in the Australian economy unemployment levels rose as economic conditions deteriorated. The AWDC continued to raise money by building and selling houses and in so doing was able to continue buying land for residential and industrial expansion. It continued to draw industry to the twin towns by advertising their location on the transport corridor between Sydney and Melbourne and overnight road access to the two major markets in southeastern Australia. In addition the AWDC produced a

computer program to assess which firms would benefit from relocating in Albury-Wodonga. Industry benefited from the rivalry between the States and the incentives offered would sometimes determine which town became the location of the firm. Throughout the 1980s a large number of international firms established in Albury-Wodonga attracted by its access to Sydney and Melbourne and to ports for exporting goods to the Asia-Pacific region. The firms were often large and frequently employed more than 200 people in each factory. Manufacturing in the twin towns was diverse and continuing to grow drawing more people to the twin towns.

During the period of the Hawke–Keating Labor Government regions were faced with ‘bottom-up, self-help regional policies’ while government policies focused on economic rationalism and the growth potential of the capital cities to restructure the economy. In 1989 the Hawke government instructed the AWDC to repay government investments and to return planning powers to the local councils⁴⁷⁷. This brought to an end nearly 20⁴⁷⁸ years of development and planning by the AWDC. Currently the AWC⁴⁷⁹ is in the final stages of selling off its assets and shutting down.

The thesis shows that by 2001, amidst a return to national economic prosperity, the Albury-Wodonga cross-border city reached a critical mass which provided momentum for its continued growth. Manufacturing continues to be a vital part of its economy since the location factors important when the Growth Centre was selected in 1972 remained in place especially the ability to access a major share of the Australian market. Other businesses have been attracted to the steady growth of the urban population. The business field surveys confirm these have remained the major locational factors for manufacturing in Albury-Wodonga which is still the largest employment sector and proportionally larger than it is in Australia as a whole (see Table 9.1).

⁴⁷⁷ Planning powers were returned to local councils by 1992.

⁴⁷⁸ The AWDC was established in 1974 and returned powers to local councils in 1992. The AWDC functioned for 18 years planning and developing the Growth Centre.

⁴⁷⁹ When the State governments withdrew from the AWDC, the Federal government established the Albury-Wodonga Corporation (AWC) to replace the AWDC.

Table 9.1**Employment in Albury-Wodonga and Australia.**

	<u>Albury-Wodonga</u>			<u>Australia.</u>		
	1996%	2001%	2006%	1996%	2001%	2006%
Manufacturing	14.24	16.44	14.28	12.09	11.82	10.46
Retail.	11.43	12.19	12.85	10.19	11.12	11.35
Health Care.	10.12	11.16	11.27	9.38	9.56	10.45
Education.	7.86	7.88	7.60	7.32	7.56	7.66
Public admin. & safety.	10.23	8.15	9.19	6.11	5.83	6.68

Source Extract from 1996, 2001, 2006 Census of Population and Housing

Hence this thesis has shown Albury-Wodonga has become an important inland manufacturing centre into the 21st century while in Australia as a whole manufacturing employment has continued to decline. The significance of manufacturing in Albury-Wodonga is highlighted by the rise in the location quotient (LQ) for manufacturing from 1.17 in 1996 to 1.36 in 2006 (Table 9.1). In addition, the thesis found the development of fast information technology systems has linked the twin towns with national and international economic networks significantly reducing the cost of inland location and facilitating continued growth of both population and economic activity.

Although the number of business services (Finance and Insurance) grew between 1972 and 2006 in Albury-Wodonga it recorded an LQ below 1.0 in 1996 and again in 2006 suggesting that, as in most non-metropolitan centres business services were underdeveloped. Yet as the population has continued to grow, facilities and amenities available in Albury and Wodonga have been enhanced. They include golf courses, an equestrian centre, a Cancer Treatment Centre for the region and a new concert hall in Wodonga. As Albury-Wodonga is now both a growing and maturing community, groups of people have been proactive in responding to community needs and events in the twin towns to improve social conditions. The thesis fieldwork revealed active campaigns to recruit medical personnel for the towns and successful lobbying to establish the Albury bypass on the outskirts of the town rather than impinging on the urban area. To help overcome a shortage of skilled labour, Chinese welders, on 425 visas, now form part of the community as do numerous people from Africa and Asia on

humanitarian visas. Nevertheless the population make-up of the twin towns does not yet reflect the multicultural character of the capital cities.

9. 1. 2 The cross-border location has generated growth and anomalies

The open nature of the New South Wales-Victorian -border separating Albury and Wodonga has clearly generated growth in the twin towns. At first glance Albury-Wodonga appears to operate as a single urban area, the open border permitting people to live in one town but work, socialize and find recreation in the other. Despite the border, there is effectively one market for labour as well as most goods and services. The thesis found that fast access on the new freeway between Albury and Wodonga has extended the distance people will travel to work, yet maintained 15 minute time maximum for most Albury and Wodonga residents between home and work. Further good road infrastructure in south east Australia has linked Albury-Wodonga to capital cities markets allowing overnight road delivery of goods. In addition investment in the twin towns by the New South Wales and Victorian State Governments has partly reflected State rivalries. Each town has a university campus, Technical and Further Education college and concert hall and there will soon be a new swimming pool in each town. These facilities have added to critical mass of social infrastructure and the growth of the towns. However the existence of the State border dividing the town still acts as a significant restraint on further integration of the urban area.

The thesis research focused on the nature and scope of anomalies arising in this cross-border city as a result of the different economic and social policies in each State jurisdiction. Such anomalies were shown to be very wide ranging and have operated as significant constraints in everyday life on residents businesses and community organizations. The thesis found that cross-border anomalies have created overlap, duplication, higher operating costs and complexity. Large industries employ in-house staff to deal with cross-border compliance while small firms often consult outside experts. The costs of such anomalies for small business in Albury-Wodonga were estimated at between \$5 000-\$20 000 per annum, costs which would not be faced except for the cross-border location. Residents are faced with different laws and regulations, different public holidays and sometimes experience different working conditions and pay, all of which can impose extra personal costs and burdens.

Despite significant cooperation and agreements reached at the local level over the past century, the list of between 1200 and 1900 anomalies remain an issue. The thesis found residents and businesses bear anomalies with stoicism aware that they are ultimately based on constitutional division of powers and thus difficult to remedy except with very significant levels of collaboration between the governments of New South Wales and Victoria. Some people interviewed in the field research held quite strong local opinions about anomalies. The first Chairman of the AWDC argued there were no anomalies just State laws and regulations which people needed to abide by if they lived in the State. A prominent lawyer added that anomalies were good for the tourist industry as they extended the holiday period and provided employment for tourist operators and hotels over a longer period. The majority of working women with school aged children who were interviewed, who lived in one town but worked in the other were inconvenienced by the different public and school holidays in each State. Some office based businesses had 'worked around' border anomalies. For example during daylight saving in New South Wales but not in Victoria, an accounting firm in Albury permitted Wodonga staff to work according to Victorian time and Albury staff to work according to New South Wales time although this was not an option for factories.

In 1979 the State governments set up the JCBAC to ameliorate anomalies. Yet it proved slow and reactive, resolving few anomalies before State Premiers Carr and Bracks shut it down. After lobbying from MPs with border constituencies another committee was established under the aegis of the Premiers' Department of each State to meet annually and ameliorate anomalies. In the New South Wales parliament the National Party attempted to introduce a Cross Border Commission Bill in 2000 and 2005 but both attempts failed to gain support from across the Parliament. However with a Coalition Government elected in New South Wales in 2011 the independent MP Richard Torbay with support from the government has once again introduced a Cross-Border Commission Bill. These border constituencies seem remote from the respective parliaments and change is slow in coming.

The thesis showed that while in 1996 Liberal Premier Kennett of Victoria proposed that Albury and Wodonga should unite as a single city, the proposal was ignored by Labor Premier Carr of New South Wales. But in 2001 with little warning to the Albury and Wodonga Councils, Labor Premiers Bracks and Carr declared the twin towns should unite as a National City. Former Federal National Party leader Ian Sinclair was appointed to hold meetings in the twin towns to gather community responses to the plan. Fieldwork showed the

proposal was supported by the Albury Council, Industry Albury-Wodonga, editorials in the *Border Mail*, the business community, professionals, Federal and State MPs and other stakeholders. In general, supporters appreciated that the greater integration would mean more cost-effective delivery of larger-scale and higher quality amenities and a better quality of life. Yet, Wodonga Council vacillated. A small but vocal group in Wodonga campaigned strongly against amalgamation fearing being swamped by Albury, but also job losses, uncertainty about who would represent them in parliament and anomalies remaining unresolved. The Municipal Workers Union also voiced concerns about job losses in local government. Wodonga Council voted to postpone any amalgamation scheme for 10 years stating it had already embarked on its own development plan. The thesis found general apathy, parochialism and lack of civic leadership has hindered integration despite support from the business community.

Since 2007 the two towns have decided to remove the hyphen joining the marketing name of 'Albury-Wodonga' and move forward as independent, competitive towns from two different States. This is somewhat 'anomalous' in itself given business support is for greater integration.

9. 1. 3 State and Federal involvement in Shaping Albury-Wodonga

In 1972 the Whitlam Labor government became the first and only Australian Federal government to intervene directly in regional development with a top down⁴⁸⁰ policy aimed at addressing the impacts of metropolitan primacy on State development but especially intra-urban problems which had intensified in the capital cities during the long boom. Because of Albury-Wodonga's border location, the Whitlam government considered it better able to involve itself directly in a growth centre with the cooperation of two State governments.

State governments had encouraged dispersed decentralization prior to 1972 but were encouraged to move further into selective decentralization during the Whitlam era, at least through cooperating with the Growth Centre project. Despite a common scarcity of resources invested by State governments in specific places, the Labor government in New South Wales contributed \$1million to the Fraser government to ensure the newsprint mill would be built in

⁴⁸⁰ Collits P. 2002 page 91 'top down one size fits all policy'.

Albury while State governments offered incentives to industry throughout the Growth Centre period and beyond. Local government in Australia has been too small and under-funded to develop regional policy although the Albury and Wodonga Councils continue to encourage industry to agglomerate in industrial parks in Albury-Wodonga.

After the defeat of the Whitlam government in 1975, Federal regional policy has all but disappeared. Short of funds to buy land, the AWDC turned to building and selling houses to raise funds to continue enlarging the land bank, essential to ensure a ready supply of land, at reasonable prices for in-coming residents and industry. Finally it has continued to function despite the various instructions from Federal governments to reimburse their investments. By 2012 the AWDC is still in the process of selling off its land bank and shutting down. It has completed almost all its brief and remitted \$306 983 588 to the Federal government and \$3 746 477 to the Victorian government.

The thesis shows while the twin towns experienced steady economic development and population growth prior to 1972, the AWDC provided Albury-Wodonga with an important boost especially in place marketing Albury-Wodonga nationally and internationally, seeking investment and industry from Australia and abroad, and establishing the satellite towns of Thurgoona and Baranduda. Despite withdrawal of Federal finance from 1975 and eventually cessation of targeted State government support, Albury-Wodonga has continued to grow because its location in the transport and communication corridor between Sydney and Melbourne continues to offer access to 75% of Australia's national market.

While Albury-Wodonga has fallen short of the population anticipated by the initial Federal targets for the Growth Centre, the cross-border city has continued to grow economically and in becoming one of Australia's largest and most important inland cities, has been a significant success story of regional urban development. The thesis findings support the conclusion of Troy and Anderton (1990) that Albury-Wodonga Growth Centre has been a good example of Cooperative Federalism - '....not a program based on ideology and aspirations of the Federal Labor government but a pragmatic arrangement reflecting what the States were likely to accept' (1990 p. 8). The exploration of economic development of Albury-Wodonga across all three study periods in the thesis continue to support Troy and Anderton's conclusion that this cross-border city was a good choice for a policy Growth Centre. In addition, evidence explored in the thesis suggests AWDC substantially fulfilled its brief having: first, acquired

sufficient land for the anticipated population and economic growth (still being sold off in 2012); second, built two satellite towns; and third beautified the landscape and undertaken some important environmental protection. By 2011 the AWDC had repaid \$306 983 588 to the Federal government and \$3 746 477 to Victoria from asset sales.

9.2 Reflections on theories of spatial concentration, regional development and borders

The empirical work in this thesis demonstrates there is no single theory which can explain satisfactorily the growth and development of Albury-Wodonga. Theories of spatial concentration, however, provide a reasonable basic conceptual framework since initial locational advantages of Albury and Wodonga, and particularly their location astride the NSW-Victorian state border, underpin the establishment of the towns and their initial industrial activities. Contemporary approaches to locational and transaction costs, including information transmission and transportation, have enhanced understanding of the significance of both border location and the advantageous location of the towns to serve a high proportion of the southeastern Australian market in the contemporary era.

Yet the theories of locational advantage and cumulative causation need supplementation by more dynamic theories of the political economy of regional development particularly those which relate national, and increasingly global, economic changes to detailed processes of change at local and regional scale. The empirical research for the thesis considered the changing nature of development in Albury-Wodonga from the 1947-1970 long boom, when population and manufacturing grew in both Albury and Wodonga based on initial locational advantages, to the long period of national economic restructuring from the mid 1970s to the mid 1990s. Manufacturing continued to grow in the twin towns during this period despite national de-industrialisation of the labour force and the growth of the regional service industries reflected both this continued industrial growth and the steady growth of population and the local market.

In addition, the widespread use of information technology since the 1980s has reduced the cost, time and distance between Albury-Wodonga and its metropolitan markets and manufacturing plants with their headquarters overseas or in capital cities. The JIT technique of shipping goods has provided a fast, efficient, reduced cost delivery system for raw materials and finished products, which in turn has been aided by new information technology.

There is poor evidence of industrial clusters in Australia which was also found to be the case during fieldwork in Albury-Wodonga. Specialised industrial clustering as identified in new regionalism theories is not present in Albury-Wodonga although fieldwork identified that local industrial networking is embryonic at best.

While the focus on knowledge transfer, innovation and entrepreneurial cultures in new regionalism has been appealing to Australian policy-makers, few resources have been invested in business incubation, workforce skilling or networking between business especially outside the metropolitan centres (see p. 45). The literature review suggested institutional influences and the role of the state remain underdeveloped in theories of new regionalism yet these have been very significant in the development of Albury-Wodonga, especially the positive and negative impacts of border location through both locational advantages and border anomalies. Hence, theories of New Regionalism have not applied significantly to Australia as yet and shed limited light on processes underpinning the development of Albury-Wodonga as cross-border towns.

Conceptual frameworks for understanding the impact of internal (State) borders are thus of major significance for understanding the development of Albury-Wodonga. Chapter 3 showed that much of the literature about borders has related to international borders highlighting political and trade issues, population movements, border changes and relevant treaties and agreements. Little has been published about the borders of States within a country especially in Australia. Yet concepts of cross-border location, territoriality and sovereignty, and development of cross-border towns helped throw light on both the development of the twin-towns of Albury and Wodonga astride the border between New South Wales and Victoria and the anomalies which affect the daily lives of their businesses and residents. Issues about the border's location have persisted since its inception in the 19th century. Despite various campaigns and enquiries to re-locate the border north to the Murrumbidgee River the border has remained on the Murray River.

The State border evoked State loyalties expressed in the Colony's history, culture rules and regulations, holidays, and in narratives in stories, songs and music. After Federation the States evoked similar loyalties based on historical criteria and State criteria expressed through stories, songs, holidays, music, as well as through radio TV and print media. This in turn created State parochialism and has remained one of the reasons why the two towns did not

unite as One City in 2001 despite significant local business support for the One City campaign.

Field research examined the positive and negative impacts of the border on the economic, social, cultural and political character of Albury-Wodonga. The open border continues to divide the States into two jurisdictional, sovereign territories resulting in different rules and regulations for each State.

The State border, the Australian Federal system of government and the Australian Constitution have helped to shape the research about the Albury-Wodonga Growth Centre. Although Federation in 1901 sought to unite the States into a federation and so build a base to resolve national issues the Constitution assured the States that Colonial laws would remain unchanged and that new laws passed subsequently by each State would be acknowledged. These rules and regulation have become more complex and are the source of the 1300-1900 cross-border anomalies.

Because the States have always been rivals, the Albury-Wodonga Growth Centre benefitted from being located astride the New South Wales and Victorian border. Rivalry between the States resulted in more resources being allocated to Albury and Wodonga, than would normally be found in towns of similar size. Albury-Wodonga has two universities, two Technical and Further Education colleges and two hospitals, and was recently allocated a Cancer Treatment Centre for the region. However because of the closeness of Melbourne and its stronger cultural impact on Albury than Sydney, almost all male residents in Albury follow or play Australian Rules football (AFL) which originated in Victoria in the 1850s and is the premier sport of Victoria. In this case Victoria's culture has spread beyond the border.

9. 3 Reflections on research

A number of issues arose during the thesis research. First, there were difficulties in exploring change over time in Albury-Wodonga because of the well known limitations inherent in using ABS data outside of capital cities. Some of the reasons relate to confidentiality in smaller towns compared with spatial data available for example in the U.K. or USA. As a means of compensating for this, reliance was placed on fieldwork interviews and surveys.

Second, as summarized above almost all the business managers and professionals, interviewed during the research in 2008 and 2009, saw advantages, on balance, in Albury-Wodonga functioning as a single combined council. They were of the opinion that further integration would save considerable costs while improving the quality of life in Albury-Wodonga, encouraging more people to settle and increase both market size and the labour pool. It was surprising to find therefore that the Councils of the twin towns had recently (2007) chosen to function as independent, competitive towns rather than remaining as an integrated place economy as encouraged and marketed by the AWDC. The likely future seems to involve continued duplication of small-scale facilities, such as the proposed construction of a swimming pool in each city. Whitlam predicted 'the greatest enemy of regional development in Australia has been rivalry between the States and jealousy between centres within the States'⁴⁸¹.

Third, it was initially gratifying and surprising that stakeholders and business managers interviewed in Albury and Wodonga gave freely and generously of their time, often assisting with identifying further contacts. On reflection, however, this seems to suggest the importance of face-to-face contact in communities of this size. Many people interviewed were involved in voluntary work in the community or served on State or local government committees aiming to improve everyday life in Albury-Wodonga. Yet if time and resources permitted, the research would have been strengthened considerably by interview surveys with a broader cross-section of the community to obtain a wider more representative consensus from people in the twin towns.

⁴⁸¹ Whitlam G. Policy Speech 1972.

Appendix 1

Industry Incentives for the Albury-Wodonga Growth Centre

1. State Incentives for Industry in Albury-Wodonga

Source AWDC. Employment in Albury-Wodonga Planning Paper no. 6 1971-1982

Appendix 11

1a New South Wales Government incentives for industry

Apply to the Department of Industrial Development & Decentralization.

For manufacturing and processing firms:-

Finance

Up to 90% of finance needed for approved land and factory premises at concessional interest rates for up to 15 years

(60% of finance comes from the Department 30% from local government).

The department will also build and lease factory premises and finance plant and machinery.

Loan guarantees up to 90% of loans to \$60, 000 from non government sources may be offered by the Department. The treasurer may guarantee larger loans. Guarantees likewise cover building or alteration/additions and purchase of plant, machinery and equipment.

Small business loans guarantees up to \$100,000 for up to 10 years ranging from 50% of the capital to 90% for land and buildings.

Payroll tax rebate full refund of the 6% levied.

A preference margin of 2½% to 5% for eligible producers with tendering against metropolitan based competitors, whilst preference against overseas and interstate manufacturers could be up to 15%.

Within Albury-Wodonga area a reciprocal arrangement applies so that a 5% preference is available to firms from either state quoting for tenders in either state (NSW/VIC).

Housing assistance to aid recruitment and retention of key factory staff:-

Loans of up to \$35 000 to build or buy housing.

Provision of rented Housing Commission accommodation.

Transport – freight subsidies to offset any cost disadvantage may be given and new industries could apply for a special rate for up to 5 years.

Removal expenses up to 90% of the cost of moving machinery, equipment or personal effects of key personnel may be met.

Feasibility study subsidies A subsidy of up to \$10 000 may be paid for consultants to carry out feasibility studies. 75% on completion of the study and the balance if the industry establishes.

Productivity, profitability or operational studies by external consultants. 75% subsidy may be given.

A subsidy of up to \$3000 per consultancy may be given to meet costs of approved industrial design consultancy.

Labour training subsidy up to \$200 per employee may be paid to train unskilled or inexperienced labour.

Other General Assistance Both States have resident officers in Albury-Wodonga, both offer full-scale support services & small business counseling & both are prepared to further discuss aspects of each application individually.

Both states offer tourism incentives at less favourable rates than those applying to manufacturing.

New South Wales also offers assistance to wholesale distribution enterprises.

1.b. Victorian Government incentives for industry

Ministry of Economic Development

Approval will be granted to most manufacturing and processing secondary industries including sawmilling.

Finance Direct loans in the medium to long term category at interest rates approximating long term semi-government rate.

Local government Guarantees may be provided.

Local government legislation allows non metropolitan municipalities to assist manufacturing or processing activities to buy land and /or buildings.

Pay roll tax rebate full refund of the 6% levied.

State reference system of up to 5% preference for decentralize industry quoting for state or semi-government contractors.

A further 10% preference may apply

Within the Albury-Wodonga area a reciprocal arrangement applies so that the 55 preference is available to firms from either State quoting for tenders in either state (NSW VIC).

Housing assistance Decentralized industry Authority provides housing finance for key employees.

Transport grants. Approved industry automatically receives 10% reduction in rail freight. Further reductions are possible but a net freight line disability compared with a metropolitan counterpart must be shown.

Removal expenses Grants of up to \$1 000 may be paid for personal removal expenses. Grants apply for all or part of the total costs incurred in transporting plant and equipment to a decentralized area.

Employee incentives A grant of \$160 per employee provided. An opportunity is created for up to \$15 000 for resettlement for significant personnel.

Land Tax rebate A full refund is made for land tax on relevant land.

Energy The State Electricity Commission of Victoria requires an extension deposit to extend supply to a site. The Department may pay the refundable portion of the deposit.

Other General Assistance Both States have resident officers in Albury-Wodonga to offer full-scale support services & small business counseling & both are prepared to further discuss aspects of each application individually.

Both states offer tourism incentives at less favourable rates than those applying to manufacturing.

New South Wales also offers assistance to wholesale distribution enterprises.

2 Albury-Wodonga Development Corporation incentives for industry

The corporation provides a range of incentives including:-

Rental factory units.

Rental housing for key personnel.

Industrial land at reasonable prices with a tenure arrangement to suit your needs

Freehold,

Leasehold or

Leasehold with purchase option.

Special land/servicing arrangements for industries with large requirements

Distribution/location analysis facilities.

A full range of professional and technical help and information.

A helping hand in your negotiations with government from an organization which knows the system.

Appendix 2

Industries in Albury-Wodonga.

1. New industries in Albury-Wodonga 1977.

Sanyo Guthrie
Milos & Sons
Alford Hydraulics
BA & SA Light Engineering
Ensign Services industrial laundry
Sundowner Products fly screens, shower screens
Branco boilers and Engineering Pty Ltd
Butko Engineering

Source 4th AWDC Annual Report.

2. After the demise of the Whitlam government

The 5th and 6th AWDC Annual Report indicated strong support for the Growth Centre. Private investment continued to flow into Albury-Wodonga despite the change of government and the difficult financial conditions facing the nation.

Private capital investment into Albury-Wodonga in million dollars.

Year	Million dollars
1973-74	\$30.2
1974-75	\$38
1975-76	\$35
1976-77	\$48.7
1977-78	\$58.4
1978-79	\$81.7
1979-80	\$169.6

Source:- 5th AWDC Annual Report.

6th AWDC Annual Report.

3. New industries in Albury-Wodonga 1978.

AWOL meats
HD Lee
RW & PP Gibbs
Alford Hydraulics
Guys Concrete Tanks
Twin City Fiber Glass
Battenfields Engineering
Butko Engineering
Branco Boilers Engineering
Serdzeff & Sparks
Tolsons

Source AWDC 5th Annual Report.

Industry continued to expand in the Growth Centre aided by concession from State governments. The Australian Newprint Mills (ANM) established in Albury after the New South Wales and Victorian government provide access to forests for raw materials and hoped to be in production in mid 1981. Moore Paragon Australia invested \$4m and set up a printing plant in Wodonga. Borg Warner in Albury completed an expansion to their factory and numerous other industries were established.

4. Industries in Albury-Wodonga.1978 -83.

1 Basic Industries. .

Between 1978 and 1983, the AWDC Employment in Albury-Wodonga 1978-1983, identified 'new manufacturing industries' which employed 3 358 people. 3 300 of these jobs could be classified as basic suggesting that the regions industries were diversified and would have a multiplier effect. The AWDC identified 12 large firms employing more than 100 people each and predicted that a change to any of these large firms would impact greatly on Albury-Wodonga. The new firms are listed below.

5. Firms in Albury-Wodonga in 1982.

12 firms in Albury-Wodonga in 1982 employed more than 100 people.

Industries employing more than 201 people

Firm	Number Employed
Leyland	500
Nicholas	400
ANM	350
Nally	250

Industries employing 100-200 people

Firm	Number Employed
<u>Chrysler</u>	<u>200</u>
<u>Moore Paragon</u>	<u>200</u>
<u>Husqvarna</u>	<u>200</u>
<u>Selleys</u>	<u>200</u>
<u>White Wings</u>	<u>200</u>
<u>Acnil</u>	<u>150</u>
<u>Bendix</u>	<u>100</u>
<u>Hung Oosthuizen & Associates</u>	<u>100</u>

Industries employing 0-99 people

Firm	Number employed
Conf A Sporting	<u>80</u>
Gem Engines	<u>60</u>
Haden	<u>60</u>
Atco	<u>40</u>
Hosiery Co	<u>35</u>
Arjay Inc	<u>25</u>
Conf Mills	<u>25</u>
Sporting Goods	<u>25</u>
Australian Forest	<u>20</u>
E.C. Engineering	<u>20</u>
Norman & Heath	<u>20</u>
Gem Engines	<u>20</u>
Pak Pacific	<u>12</u>

Lumberjack	<u>11</u>
Viscount Caravans	<u>10</u>
G.T.Publishers	<u>10</u>
A.P.G.Displays	<u>8</u>
Canron	<u>8</u>
Australian Gypsum	<u>5</u>
A. G. Coombs	<u>5</u>
Solahart	<u>2</u>
Bob Smart	<u>2</u>

Source AWDC Employment in Albury-Wodonga 1978-1983_Planning Paper;

6. Firms in Albury-Wodonga in 1988;

In the 1988 Albury-Wodonga Industrial and Commercial Register, the following manufacturing firms were identified in Albury-Wodonga;

Food & beverages.

300+employees.

<u>Albury</u>	<u>Wodonga</u>
	Associated Meat Processors Pty Ltd
	Uncle Ben's of Australia

100-299 employees.

<u>Albury</u>	<u>Wodonga</u>
	Murray Goulburn Cooperative Kiewa

50-99 employees.

<u>Albury</u>	<u>Wodonga</u>
Haberfields Milk Pty Ltd	Sunicrust Bakeries
Bunge Albury Mills	

20-49 employees.

<u>Albury</u>	<u>Wodonga</u>
Dairy Farmers Cooperative Ltd	Home Pride Bakeries
Southern Border bakeries Pty Ltd	C & G Harding

10-19 employees

<u>Albury</u>	<u>Wodonga</u>
Victoria Star Hot Bread	Victoria Star Hot Bread

Textiles and Clothing300+ employees

<u>Albury</u>	<u>Wodonga</u>
Macquarie Worsteds Pty Ltd	H.D. Lee Pty Ltd

100-299 employees

<u>Albury</u>	<u>Wodonga</u>
Crestnit-Aywon Consolidated Pty Ltd <u>Lavington</u>	

50-99 employees

<u>Albury</u>	<u>Wodonga</u>
Florgale Uniforms	
Attack Sports Pty ltd	

20-49 employees

<u>Albury</u>	<u>Wodonga</u>
Superior Fit Uniforms Lavington	
Winterburn Pty Ltd Lavington	

Wood Products100-299 employees

<u>Albury</u>	<u>Wodonga</u>
	Dunstan Building Supplies

10-19 employees

<u>Albury</u>	<u>Wodonga</u>
<u>L</u>	Optimax Timbers Pty Ltd
	Kiewa Valley Timbers Baranduda
	Wodonga Joine

Paper & Printing.300+ employees.

<u>Albury</u>	<u>Wodonga</u>
Australian Newsprint Ettamogah	Moore Business Systems

100-299 employees.

<u>Albury</u>	<u>Wodonga</u>
Border Morning Mail Pty Ltd	

20-49 employees.

<u>Albury</u>	<u>Wodonga</u>
Wilkinson Printers	

10-19 employees

<u>Albury</u>	<u>Wodonga</u>
Speciality Press Pty Ltd	Pac Pacific Corporation Pty Ltd
Flexi Print Pty Ltd	Border Morning Mail (Vic) Pty Ltd
Thomson Printing Pty Ltd	

Non Metallic Mineral Processing.50-99 employees

<u>Albury</u>	<u>Wodonga</u>
Albury Brickworks Jinderra	

20-49 employees.

<u>Albury</u>	<u>Wodonga</u>
	Monier Ltd

10-19 employees.

<u>Albury</u>	<u>Wodonga</u>
Albury Pre-cast Concrete Pty Ltd	
Permacrete Tanks Pty Ltd Lavington	
Economy Concrete Tanks Lavington	
Border Fibrous Plaster Pty Ltd	

Equipment & Metal Processing.300+ employees.

<u>Albury</u>	<u>Wodonga</u>
Borg Warner Australia Ltd	

100-299 employees.

<u>Albury</u>	<u>Wodonga</u>
Romet Products CSR Ltd	Bradford Kendall Foundries Pty Ltd
Dart Defence Industries Pty Ltd	

50-99 employees.

<u>Albury</u>	<u>Wodonga</u>
Cooper Tools Pty Ltd	Gadsdens Australia Pty Ltd
Alfarm Australia Ltd	
Batten Manufacturing Co Pty Ltd	

20-49 employees.

<u>Albury</u>	<u>Wodonga</u>
Milos Metro Pty Ltd	Senlos Pty Ltd
Seasonmakers Aust. Pty Ltd Lavington	Wilson Electric Transformer Co Pty Ltd
	J.C.Butko Engineering Pty Ltd
	Ratcliffe Simson Pty Ltd

10-19 employees.

<u>Albury</u>	<u>Wodonga</u>
Monier Metal Building Products	Harrow Engineering Pty Ltd
Chapple Bro Engineering Pty Ltd Lavington	Dowell Aluminium Windows (Vic
Albury Door Centre Pty Ltd	P.T.M. Engineering
Clemson Industries	Kostep Enterprises Pty Ltd
K.G.Sheetmetal Products Pty Ltd	Filtabuild Australasian Filter
Lysaght Building Industries Lavington	
Albury Electroplaters	
Phil's Custom Steel Lavington	
Spitwater Australia Pty Ltd	
Electric Motor Rewinding Co,	
Lehmann Australia Pty Ltd	
Beaurepaire Tyre service Pty Ltd	

Plastic Products.50-99 employees.

<u>Albury</u>	<u>Wodonga</u>
	Shorko Products Pty Ltd

20-49 employees.

<u>Albury</u>	<u>Wodonga</u>
Geofabrics Australia Pty Ltd Lavington	
Kimberley Clark Aust. Pty Ltd	

Other Processing.100-299 employees.

<u>Albury</u>	<u>Wodonga</u>
	Aware Industries Wodonga & Albury

20-49 employees

<u>Albury</u>	<u>Wodonga</u>
	Norman & Heath (Vic).

Source

AWDC Albury-Wodonga Industrial and Commercial Register 1988 pages 14-16.

7 Manufacturing firms in Albury-Wodonga exporting 1992.

Firm	Number employed	% of production exported
Wodonga Meats	350	87
Haberfield Milk	67	10
Murray-Goulburn Cooperative	131	56
Uncle Ben's	925	20
Macquarie Worstead	300	8
ACI Petalite	26	30
Cooper Tools	200	12
Spitwater Australia	17	9
Australian Defence Industries	31	90
Shorko Australia	97	40
Kimberley- Clark	53	15
Geofabrics Australasia	28	20

Source AWDC Albury-Wodonga Industrial and Commercial Register 1992.

8. Other Major Firms in Albury-Wodonga 1992.

Firm	Number employed
Yakka Australia	200
Australian Newsprint Mills	330
Moore Paragon Australia	316
Boral Rural Fencing	62
Bradken Steel Foundary	135
Bradford Air	100
Cenicourt	50
BTR Engineering	600
Wilson Transformers	50

Source AWDC Albury-Wodonga Industrial and Commercial Register 1992.

9. Firms in Albury-Wodonga in 2007.

In 2007 the Albury Council identified the following as major players in the economy

a) Largest manufacturers in each town 2007

Albury Firms	Number employed	Wodonga Firms	Number employed
Drivetrain systems	500	Visy Pak & Visy Board	250
Macquarie Textiles	130	Parker Hannifin	94
Cooper Tools	113	Mars Petcare	700
Kimberley-Clark	50	Wilson Transformers	210
Geofabrics	50	Shorko	94
Stramit	25	National Foods	
Malibu Boats	50	Norvic Foods	
Norske Skog	200	ANI Bradken	
Overall Forge	90	Smorgon Steel	19
Bradflo	80		

Source Albury Council Economics Department 2007

b) Other big players

Albury Firm	Number employed	Wodonga Firm	Number employed
Border Express		Woolworths Distribution	300
BF Panels	35	Tenix (Defence)	440
Surdex Steel	20	Moore Business Services	200

		Incitec Pivot	
		Brambles Record Storage	
		Rice Graphic Images	
		Twin City Trucks	
		ACI Petalite	
		Kiewa Engineering	
		Kooka Brothers	

Source Albury Council Economics Department 2007.

10. Manufacturing in Albury-Wodonga 2011

a) Key strategic advantages of Manufacturing in Albury-Wodonga include:

- 1) Proximity between Australia's two largest cities Sydney and Melbourne.
- 2) 75% of Australia's population can be reached by overnight road transport.
- 3) Access to efficient transport network by road, rail and air.
- 4) High quality affordable industrial land.
- 5) Excellent education and health facilities.
- 6) Support from more than 7 000 businesses.
- 7) Significant operational economies including lower labour costs.
- 8) Highly skilled and productive workforce consisting of 40 000 people in Albury-Wodonga and 78 000 in the Albury-Wodonga region.

Source Albury-Wodonga Manufacturing and Industrial Register 2011.

b) Facts about manufacturing in Albury-Wodonga.

- 1) Manufacturing generates more than \$3.9 billion of gross revenue annually in Albury-Wodonga.
- 2) Manufacturing generates \$85 million in value added activity per annum.
- 3) Manufacturing sector is the largest sector in Albury-Wodonga with 14.8% of the workforce.

Source: Albury-Wodonga Manufacturing and Industrial Register 2011.

c) Albury-Wodonga 2011 significant large industries.

BAE Systems
Mars Petcare
Norske Skog
Visyboard
Parker Hannifin
Milspec
Wilson Transformers
DSI
Kimberley Clarke
DTD Engineering
The Border Mail
Vitasoy
Geofabrics
Bradken
Wodonga Rendering
Shorko
DSI Holdings

Source: Albury-Wodonga Manufacturing and Industrial Register 2011.

d) The top manufacturing sectors in 2011 in Albury-Wodonga in terms of output

1.	Food product manufacturing.
2.	Metal and metal product manufacturing.
3.	Transport equipment and appliance manufacturing.
4.	Technical equipment and appliance manufacturing.
5.	Apparel manufacturing.
6.	Saw mill, wood and paper product.
7.	Basic chemical, cleaning and polymer manufacturing.
8.	Non-metallic mineral product manufacturing.
9..	Petroleum and coal product manufacturing.
10..	Printing.

Source: Albury-Wodonga Manufacturing and Industrial Register 2011.

Appendix 3

List of Cross-Border Anomalies

Other anomalies include:-

- Education employment conditions differ.
- Education curriculum differs.
- Education school holidays differ.
- Education salaries differ.
- Educational standards differ.
- Educational procedures for difficult children differ.
- Educational school fees differ.
- Educational different services to access differ.
- Need for Wodonga TAFE to organize NSW testing for NSW accreditation for forklift and heavy vehicle device licences.
- Bus travel for school students differs. Victorian government cap payments of bus travel to the closest school at \$800 p.a. provided the bus travels only in Victoria. Some routes may be shorter through NSW.
- Who funds bridge repairs /maintenance along the border.
- Police and regulatory bodies include speed limits, road rules, law enforcement, salaries conditions of work differ.
- Car registration differs.
- Car insurance differs.
- Different car inspection and roadworthy test.
- Licensing of rebuilt cars in VIC but not NSW.
- Department of Transport in NSW while Department of Infrastructure in Vic. deal with car licensing..
- Access to driving licenses at different ages.
- Conditions on P- plate licences and L-Plate licences differ.
- U-turns at traffic lights accepted in Vic not in NSW usually.
- Taxi pick up not allowed in other State without a licence of that State.
- Coaches and Buses in Victoria and NSW require different and also duplicate light mechanisms, door opening arrangements, registration etc.,
- Load limits & weight limits relating to transport vehicles differs.

Fishing licenses need duplication.

Fishing fines and penalties differ.

Cheaper health funds in NS.W. Medibank Private is cheaper in NSW.

NSW health insurance will not permit the purchase of a wheel chair in Bendigo Vic. at \$1000 but insists on purchase in NSW at \$1800.

Nurses pay and conditions of work differ.

Health and safety standards differ.

Ambulance treatment for heart attacks victims differs due to access to medication.

Mental health patients in Wodonga can not access Nolan House Albury (10 minutes away) by ambulance but are taken to Wangaratta 45 minutes away. The ambulance is out of service for two hours each time (journey there and back) and patients are far from family support. They can access Nolan House if they present themselves.

Different laws for accessing pharmaceuticals.

Emergency services access differs.

.Recovery of drowning victims from Victoria, in Murray River/Lake Hume, refrain from using NSW Emergency support, but wait for help from Melbourne.

Welfare services not transferable interstate i.e. accommodation, public housing, entitlements from Centrelink.

Seniors Cards not transferable interstate or for use on public transport.

Building permit systems different, different planning systems.

.Owner builder registration in NSW but not in Vic.

Swimming pool safety rules, levels of enforcement differ.

Waterway management differs.

Waterway licensing for works near waterways differ.

Restriction on cattle movements between States.

Trade person duplication of qualification & registration differs.

Trade person different wages, superannuation.

Real estate agencies require duplication of registration.

Real estate commission levels differ.

Real Estate tenancy laws, commercial, retail, residential laws differ.

Property stamp duty higher in Victoria.

Bank loans & housing fees differ.

Mortgage rates and conditions differ.

Financial Institutions Duty (FID) differs.

Pay roll tax rates differ per State.

Workers' Compensation premiums differ per State.

Work cover and insurance differs per State.

Red card costs \$150 in Victoria, compliance demand green card costs \$150 in NSW.

Law procedures and practices differ. More in-house work in Victoria than NSW, different costs to clients.

Court procedure differs per State.

Law enforcement differs per State.

Law differs e.g. wife (passenger) sues driver of car (husband) who is killed in the car accident in Vic but cannot do so under NSW law.

Commercial law differs.

Residential law differs.

Reporting in the media about juveniles offenders differs.

Trust accounts held by lawyers differ.

Professional people experience duplication of licences, insurance, professional organizations.

Different planning systems and authorities per State.

Major differences in insurance per State.

Utility costs differ.

Public holidays & school holidays differ.

Railway guard on bridges in NSW but not in Vic results in train derailment. (*Border Mail* 20/10/11 Wodonga Derailment Exposes NSW-VIC difference.)

In-action on fishing licenses (*Border Mail* 2/1/10).

Rebate on solar water heating panels higher in Albury than in Wodonga. Federal Government set rebates based on post codes. (*Border Mail* 5/7/10 Wodonga solar buyers Jibbed Hundreds).

Buying of solar energy from consumer differs in NSW and Vic (*Radio ABC* Lauren Fitzgerald, Chris Hartcher 29/5/11).

Hospitality laws regarding the Responsible Service of Alcohol differ.

Gaming laws differ.

Albury and Wodonga use 02 code to avoid trunk calls (only 4 km apart) however Wodonga has difficulties reaching Victorian Government 1800 and 1300 prefix numbers as not accessible for 02 code (they are connected with NSW Government offices).

Mortuary services differ.

OJD levy at farm NSW but at sales in Vic.

Appendix 4

Federal and State functions showing government expenses by purpose.

Nationally provided functions.

	States Share %	Commonwealth Share %	% of total general government expenses
Defence	O	100	5
Universities	O	100	4
Pharmaceutical	O	100	2
Social Security	O	100	23
Broadcasting & film production	O	100	0.4
Air transport	O	100	0.05

Source Access Economics 2006 Table 3.1 page41.

Jurisdiction specific functions

	States Share %	Commonwealth Share %	% of total general government expenses
General public services	42	58	7
Public debt transactions	36	64	2
Nominal interest on superannuation	40	60	3

Source Access Economics 2006 page 41 Table 3.2.

State dominated Functions

	States Share %	Commonwealth Share %	% of total general government expenses
Recreational facilities & services	90.1	9.9	1
Rail transport	95	5	1
Other tertiary education	100	0	0.02
Other community amenities	100	0	0.6
Other health institutions	100	0	0.2

Source Access Economics 2006 page 42 Table 3.3

General Government Expenses by Purpose 2004-2005.

Shared functions.

	States Share %	Commonwealth Share %	% of total general government expenses
Primary & secondary schooling	71	29	8
Acute care institutions	69	41	7
Community health service	28	72	6
Public order & safety	84	16	5
Welfare services	49	51	4
Road transport	83	17	3
Other economic affairs	41	59	3
Other health	27	73	2
Fuel & energy	18	82	2
Housing & community development	65	35	1.5
Technical & further education	70	30	1.5
Other education	84	16	1.2
Agriculture forestry & fishing	49	51	1.1
Other social security & welfare	22	78	0.9
Environment protection	83	17	0.9
Cultural facilities a& services	75	27	0.9
Mining, manufacturing & construction	31	69	0.8
Communications & other transport	75	25	0.8
Water supply	47	53	0.4
Other functions n.e.i.	64	36	0.4
Water transport	53	47	0.1
Other recreation & culture	81	19	0.02

Source Access Economics 2006 page 43 Table 3.4.

‘Annual expenses in these functional areas totaled %162 billion in 2004-05’.

Source Access Economics 2006 page 43.

Appendix 5.

AWDC Wind Down.

Source AWC Report 2009.

A Corporate Profile AWC 2011.

1.Total Federal government outlay to 30/6/11.

Total outlay was \$139 320 000.

2. Government funding of the Growth Centre 1974-1977.

<u>Year</u>	<u>Amount</u>
1974-75	\$41.67 million
1975-76	\$33.63 million
1976-77	\$19.93 million
Total	\$95.23 million

Source AWC Corporate Profile AWC 2011.

3. AWC Corporate Assets 30/6/11.

Corporate assets at 30/6/11 were \$115 397 000

4. Returns to Government.

a) By the 30/6/11 the AWDC had returned \$ 306 983 588 to Federal government

b) By 2004 the AWDC returned \$3 746 477 to the Victorian government.

c) AWDC returns to Federal government from 1988-2009

AWDC returns to Federal government since 1988-89.

Year	Amount \$
1988-89 to 2001-02	106 237 111
2001-02	12 500 000
2003-04	22 236 477
2004-05	20 000 000
2005-06	30 000 000
2006-07	30 000 000
2007-08	30 000 000
2008-09	20 000 000
TOTAL	270 983 588

Source AWC Report 2008 May.

5. Land acquired by the AWDC.

The AWDC acquired a total of 24 079 ha. for the land bank.

8 842 ha were located in Victoria.

15 237 ha. were located in New South Wales.

6. Land remaining in 2011.

In 2011 the AWC had 1 712 ha in the land bank of which,

597 ha. were in Albury and

1 115 ha. were in Wodonga.

7. Cultural Heritage.

a) Regional parklands.

The AWDC managed the Albury-Wodonga parklands project (PAW)

It is a 1 720 ha. project worth \$4.4 million.

1 379 ha was given to the Victorian Government

341 ha of hilltop land was given to Wodonga Council

It is being developed with walking trails including the Hume and Hovell Walking Trail and a Koori interpretive walk.

In 2007 a further 1 190ha. (650 ha. was given to NSW and 540 ha. was given to Vic.) was transferred to the NSW Department of Lands and the Victorian Department of Sustainability and Environment. The AWDC provided maintenance and capital funding to \$12 million with the land transfer.

The land is in the Albury Ranges & Thurgoona Threatened Species Conservation Strategies, and the Wodonga Retained Environment Network Conservation Strategy.

b) Albury-Wodonga recreational lakes scheme.

A twenty year contract with a gravel extraction company has created the lakes on the floodplain. The first banks which hid the extraction process have been removed. They lie west of Union Bridge. Ownership of the site went to Wodonga Council.

c) Albury-Wodonga Equestrian Centre.

Albury-Wodonga Equestrian Centre is on a 96 ha. site in Thurgoona. The corporation contributed \$1 600 000 over ten years to 2005 for its establishment. It was transferred to Albury Council.

d) Land information, mapping and aerial photography.

Detailed cadastral, topographic, and orthophoto mapping has occurred. In addition aerial photos and satellite images have been organised. The Corporation produced and sells a comprehensive book of street maps of Albury-Wodonga.

8. Discontinued Activities.

a) Residential Site Development

Between 1975 and 2006 6 108 residential sites were sold from the land bank.

Some 18 500 people are living in houses built by the AWDC in Albury, Lavington, Thurgoona, Baranduda and Wodonga.

Small-lot home sites were developed at Albury-Wodonga. Energy-efficient small lots at Thurgoona were established for energy efficient houses on AWDC estates.

The AWDC also displayed and participated in 'Display Houses' which were later built by Master Builders Association builders.

b) Industrial site development

Seven industrial parks, three in Albury and four in Wodonga, were developed by the AWDC.

Albury industrial estates were built at:-

Estate	Number of lots developed
Dallinger Industrial Park	36
Catherine Industrial Estate	25
Thurgoona Industrial Park	11
Greenfield	Norske Skog, Overall Forge, Thurgoona Training Academy

Source AWC Corporate Profile 2011.

,

Wodonga industrial estates were built at:-

Industrial Estates	Number of lots
Melrose Industrial Park	41
Kendall Industrial Park	26
Baranduda Industrial Park	10
Enterprise Park	17

Source AWC Corporate Profile 2011.

c) Commercial sites developed by the AWDC.

The AWDC developed commercial precincts in Albury-Wodonga at:

- i) Wodonga Business Park (36 sites developed and sold).
- ii) Thurgoona Centre. The AWDC developed the Thurgoona Plaza shopping and service centre the largest commercial site development in NSW.

d) Land for education, community purposes, utilities.

The AWDC sold or provided land for community, educational, services and sporting use. Land was provided for hospitals, universities, TAFEs, public & private schools, child care facilities, sporting associations, sports fields, pedestrian & bicycle paths, open spaces, cemeteries, refuse sites, sewerage treatment works, highway and rail relocations.

e) Housing built by the AWDC.

The AWDC sold 524 short-term urban rental houses built on estates in Albury-Wodonga. These houses were used during the 20 years of the scheme to house newcomers.

f) Working with others.

Joint ventures were undertaken by the AWDC and Albury and Wodonga Councils.

In Albury they developed and sold 450 residential blocks at Norris Park. A further 90 residential blocks at Hume Gardens were also developed and sold.

25 lots of industrial land were developed by the AWDC and the NSW government at Catherine Park Albury.

g) Economic, community development.

The role of the AWDC as a planner and developer, ceased in 1992 and its reduced economic role ended in 1995.

Between 1975 and 1995 the AWDC spent \$5 800 000 on economic development and promotion programs.

The AWDC contributed to the following organisations

Organisation	Amount	Staff	Date
Tourism Albury-Wodonga	\$1 517 000		1991-97
Development Albury-Wodonga 2000 (DAW 2000)	\$ 130 000	4 staff	1996,1997
Hume Province Regional Economic Development Organisation (REDO)	\$ 500 000	4 staff	1996,1997

Source AWC Corporate Profile 2011

DAW 2000, Tourism Albury-Wodonga and Albury-Wodonga Chamber of Commerce merged to form Investment Albury-Wodonga (IAW). Hume REDO evolved into Hume Riverina Business Connect Inc (HRBC) which received \$380 000 in 1999 (authorised by the Albury-Wodonga Ministerial Council).

Over the 28 years \$8.6 million, plus resources, were allocated to all these programs.

Community Development

a). Community Centres.

The AWDC contributed \$609 000 and Wodonga Council \$110 000 to the joint development of Baranduda Community Centre, sporting oval and tennis courts.

In Albury in the 1980s the AWDC provided the community hall, oval, swimming pool, & tennis courts at Thurgoona. Similar facilities were provided at Willow Park, Wodonga, Springdale Heights, Albury and Corry's Wood, Lavington.

All these projects cost \$1 708 000.

b) Community planning and liaison.

A liaison officer and planners cost the AWDC \$450 000.

c) Flying Fruit Fly Circus.

The AWDC provided rent-free premises for the circus, underwrote the cost of capital city performances and paid for a skills trainer from China to come and train performers.

This all cost \$100 000.

d) Baranduda facilities.

THE AWDC contributed \$150 000 to relocate Baranduda primary school,

\$100 000 towards a retail service facility

\$1 750 000 towards Baranduda Boulevard the road between
Baranduda and Wodonga.

The total cost was \$2 million.

e) Albury-Wodonga Regional Arts Board.

The AWDC contributed \$50 000 over five years to running costs.

Total costs to the Arts Board amounted to \$250 000

f) Albury-Wodonga rail study.

\$150 000 was contributed to research the viability of removing the railway line from the Wodonga CBD.

g) Environmental care

One of the early initiatives of the AWDC was to establish a laboratory for environmental research. The Peter Till environmental laboratory as it was named, was transferred to the Federal government and became the Murray–Darling Freshwater Research Centre. The cost of this centre to the AWDC was \$3 272 369.

h) Greening Albury-Wodonga

The AWDC planted about three million trees and shrubs in and around Albury-Wodonga as part of the largest tree planting programs in Australia. It has received numerous awards for this program. Residential, commercial and industrial land, roads, recreational areas and degraded rural areas were all landscaped. The AWDC paid \$3.3 million to complete this program.

i) Bicycle paths

The AWDC has built bicycle paths through residential area, and are linking Albury and Wodonga.

j) Restore homesteads

The AWDC has restored historical rural homes on the outskirts of Albury and Wodonga at Ettamogah, on the Old Sydney Road, in Wodonga, at Bonegilla etc.,

k) Committee initiatives.

The AWDC supports numerous committees such as the Border Anomaly Committee, Industrial Information Committee, Regional and Social Steering Committee, Murray-Darling Interpretative Centre Committee etc.,

l) Cooperation with others.

The AWDC has worked in cooperation with other organizations e.g. Albury-Wodonga Chambers of Commerce, Industry Australia Chamber of manufacturers, Ettamogah Sanctuary Management Committee, Airport land use Committee etc.,

Appendix 6**Fieldwork Research.****Fieldwork Research between 2005 and 2007.**People Interviewed about Albury-Wodonga in Sydney

Former Federal Minister of DURD in the Whitlam Labor Government interviewed in Balmain Sydney.

Member of the Social Committee of AWDC interviewed in Double Bay Sydney.

Member of Parliament for Albury NSW interviewed in NSW Parliament Sydney

Leader of the National Party in New South Wales interviewed in NSW Parliament Sydney.

Newly elected Leader of the Opposition (Liberal Party) in New South Wales interviewed by mail Sydney.

2005 to 2007**PARTICIPANT CONSENT FORM****PH.D RESEARCH****THE GROWTH OF THE ALBURY-WODONGA REGION**

My name is Clara Stein. I am a doctoral student in Human Geography at Macquarie University, North Ryde, Sydney. The supervisor of my doctoral thesis is Prof .R.Fagan who can be contacted on (02) 9850-8392 or by email at d.fagan@mq.edu.au. My study aims to explore the economic, political, social and cultural development of Albury-Wodonga between 1972 and the present.

You have been identified as having a presence in this area and are of interest to us in our analysis. In order for us to obtain up to date information we are hoping that you will assist us by participating in an interview. I would like to contact you to discuss your role and the development of the region during the given period. I will of course, contact you in advance to make a suitable appointment.

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Thank you for your assistance with this research. Please do not hesitate to contact me on (02) 9498-5300 with any queries regarding the above.

I _____ have read and understood the information above and any questions I have asked have been answered to my satisfaction. I agree to participate in this research, knowing that I can withdraw from further participation in the research at any time without consequence. I have been asked to keep a copy of this form.

I do/do not wish to be contacted to take part in an interview at a later stage.

Participant's name _____

Participant's signature _____ Date _____

Investigator's Name _Clara Stein_____

Investigator's Signature_____Date_____

The ethical aspects of this study have been approved by the Macquarie University Ethics Review Committee (Human Research). If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Ethics Review Committee through its Secretary (telephone 9850-7854;email ethics@mq.edu.au). Any complaint you make will be treated in confidence and investigated and you will be informed of the outcome.



Department of Human Geography
 Ph: 9850 8382 Fax: 9850 6052

THE GROWTH OF THE ALBURY-WODONGA REGION 1972 TO THE PRESENT

Name of company_____

Address_____

Contact person_____ Position in company_____

Phone number_____ Email address_____

COMPANY PROFILE

1. State the date when the company first established in the Albury-Wodonga region_____

2. Is this your head office or is it a branch?_____

3. Please circle the most appropriate response :-

The decision to establish the company in Albury-Wodonga was made in:-

- a) Sydney
- b) Melbourne
- c) Albury-Wodonga.
- d) in another city in Australia
- e) overseas

PRODUCT/SERVICE

4. Describe the product /service produced by your organisation.

5. If this company sub-contracts work please indicate:-

in which town/s % of total value of product derived from sub-contracting

--	--

LOCATION OF THE FIRM

6. Please number in order of significance with 1 being the most significant

The reasons why the company established in the Albury-Wodonga Region as opposed to Sydney or Melbourne are:-

- ☐ a) Access to 75% of Australia's population
- ☐ b) Access to transport network
- ☐ c) Access to cheaper labour supply
- ☐ d) Access to infrastructure
- ☐ e) Government incentives e.g. subsidies, grants, loans
- ☐ f) Access to educated labour supply
- ☐ g) Access to recreational environment
- ☐ h) Access to cheaper housing for staff
- ☐ i) Better living conditions
- j) Please specify other reasons. _____

7. Please number in order of significance with 1 being the most important.

The reasons for locating the company in the town of Albury OR Wodonga are

	Albury	Wodonga
The town has a history of commerce and industry		
The town has a large labour force		
The town has a well developed infrastructure		
The town has large areas of flat land to build factories		
The town provides access to a large market		
The town has access to raw materials		
The town has good road transport links to markets		
The town offers cheap establishment costs		
The town offers more competitive operating costs e.g. lower state taxes, utilities, license fees etc		

j). Please specify other reasons. _____

8. Please number in order of importance with 1 being the most significant.

Companies established in border towns deal with two State legal systems which result in anomalies. Which anomalies have had an impact on your company?

- ☐ a) the different laws in each State
- ☐ b) the different building codes in each State
- ☐ c) the different health regulations in each State
- ☐ d) the different wage scales in each State
- ☐ e) the different education systems in each State
- ☐ f) the different business licenses in each State
- ☐ g) the different recognition of qualifications in each State
- ☐ h) the different training for apprentices in each State
- ☐ i) the different public holidays in each State
- ☐ j) the different school holidays in each State
- ☐ k) the different living costs in each State.

l) please specify other anomalies_____

9. Please circle the most appropriate response

If your company is located in Albury would the company considering re-locating to Wodonga, Victoria?

Yes

/ No

a) If the answer is 'Yes', please explain why it would consider re-locating.

b) If the answer is 'No', please explain why it would not consider re-locating.

10. Please circle the most appropriate response.

If your company is located in Wodonga would the company consider re-locating to Albury, New South Wales?

Yes

/ No

a) If the answer is 'Yes', please explain why it would consider re-locating.

b) If the answer is 'No', please explain why it would not consider re-locating.

MARKETS

11. Please circle the most appropriate response :-

Which of the following areas does your company service?

- a) Albury-Wodonga
- b) Within 50 km of Albury-Wodonga
- c) Other markets in Australia
- d) Overseas

12. Please complete the table to show estimated employment figures.

Employees in the company	Number today	Estimate 1990	Estimate 2000
Total number employed			
Number of males full time			
Number of males part time			
Number of males casual			
Number of females full time			
Number of females part time			
Number of females casual			

13. Please estimate the proportion of employees in the company who are

% male % female

Skilled		
Unskilled		
Use a computer for work		
Use the internet for work		

14. Please estimate the proportion of employees in the company who have

% male % female

Trade certification		
Professional qualifications		
Office training		

15. Please estimate the age groups of employees

% male

% female

Under 18 years		
19 – 49 years		
50 – 65 years		

16. Please estimate the proportion of employees who live in

%

Albury	
Wodonga	

GOVERNMENT POLICIES**17. Would your company benefit from Federal & State governments attention to**

Please tick the appropriate responses.

- ☐ a) increasing export incentives
- ☐ b) reducing State anomalies
- ☐ c) improving employee training/re-training

☐ d) reducing taxes and charges

☐ f) reducing rail freight costs

☐ g) improving passenger air services to and from Albury-Wodonga

h) please specify other forms of aid. _____

THE FUTURE

18. In the next 5 years is your company likely to introduce new products/services, establish new markets or invest more in the company.

Circle the correct response

Yes / No

19. If you answered yes, please explain in more detail._____

THANK YOU FOR YOUR COOPERATION IN COMPLETING THIS QUESTIONNAIRE.

2007**PARTICIPANT CONSENT FORM****PH.D RESEARCH****THE GROWTH OF THE ALBURY-WODONGA REGION**

Enclosed please find a questionnaire on the Albury-Wodonga Region which I invite you to complete

My name is Clara Stein and I am a doctoral student in Human Geography at Macquarie University, North Ryde, Sydney. The supervisor of my doctoral thesis is Professor Robert Fagan who can be contacted on (02) 9850-8392. My study aims to explore the economic, political, social and cultural development of Albury-Wodonga between 1972 and the present.

Your company has been identified as having a presence in this area and is of much interest to us in our analysis. In order for us to obtain up to date information, we are hoping that you will assist us with the completion and return of the attached questionnaire and the Copy of the Consent Form. A stamped self-addressed envelope is enclosed. It is estimated that the questionnaire will require 10 minutes of your time.

We will also be visiting Albury-Wodonga in the next few months and may also contact you to discuss the historical development of your organization in the region during the given period. We will of course, contact you in advance to make a suitable appointment should the need arise. Please indicate at the bottom of this page whether you will be willing to be contacted to take part in an interview at a later stage.

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Participant's name_____

Participant's signature_____Date_____

Investigator's Name _Clara Stein_____

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2007 Questionnaire - List of 150 businesses contacted.

Name	Title	Company Name	Address 1	Address 2
Ron Bedford	Office Manager	Neil's Parts	PO Box40	Corowa NSW 2646
Lachlan Boyd	Office Manager	Elders VP	PO Box 322	Albury NSW 2640
Shane Cole	Manager	Albury Tractors Pty Ltd	PO Box 442	Lavington NSW 2641
Paul Curtis	Manager	Readymix	PO Box 312	Albury NSW 2640
Colin Campbell	Winemaker	Campbells Wines	PO Box 442	Rutherglen NSW 3685
Chris Pfeiffer	Proprietor	Pfeiffer Wines	PO Box 35	Wahgunyah NSW 3687
Phil Chamberlain	Chief Executive Officer	Rutherglen Estates	PO Box 291	Rutherglen NSW 3685
John Lewis	Managing Director	Macquarie Textiles	PO Box 319	Albury NSW 2640
Wes Taylor	Managing Director	Geofabrics Australia Pty Ltd	PO Box 644	Lavington NSW 2641
		Kimberly-Clark Australia Pty Ltd	PO Box 337	Albury NSW 2640
		Yakka Pty Ltd	PO Box 571	Wodonga VIC 3689
Brent van de Stadt	Managing Director	Wilkinson Printers	PO Box 773	Lavington NSW 2641
David Baxter	Director	Baxters Concrete	PO Box 524	Wodonga VIC 3689
Brendan Bergin	Manager	Boral Concrete	PO Box 140	Wodonga VIC 3689
Phil Walther	Director	Phil's Custom Steel Pty Ltd	PO Box 31	Jinderra NSW 2642
R Atkinson	General Manager	Steel & Stuff Pty Ltd	PO Box 5064	Murray Region Mail Centre NSW 2708
Michelle Clarke	Director	Macfab Engineering	Lot 2 Ariel Dr, Airport Estate	Albury NSW 2640
Leanne Luhrs	Director	DLG Engineering & Glazing	869 Mate St	North Albury NSW 2640

Greg Lang	Operations Manager	Visypak	1 Melrose Dr	Wodonga VIC 3690
Tilo Schmidt	Manager	Albury Galvanizing Pty Ltd	PO Box 421	Jindera NSW 2642
		Ion Automotive Systems	PO Box 245	Lavington NSW 2641
		Parker Hannifan (Australia) Pty Ltd	Chapple St	Wodonga VIC 3690
Gary Knight	Director	Signs By Knight	PO Box 368	Wodonga VIC 3689
Wayne Bajenoff	Manager-Finance & Administration	Cooper Tools Pty Ltd	PO Box 366	Albury NSW 2640
Peter Foster	Operations Manager	Lucas Mill Pty Ltd	Wardens Lane	Wooragee VIC 3747
Raymond Judd	General Manager	Bradflo Pty Ltd	PO Box 5005	Murray Region Mail Centre NSW 2708
Julie Sage	Director	Kardex VCA Pty Ltd	PO Box 1082	Wodonga VIC 3689
Brad Girvan	Regional Manager	Elgas Ltd	PO Box 788	Wodonga VIC 3689
John Morris	Executive Manager-Business Services	North East Region Water Authority	PO Box 863	Wodonga VIC 3689
		CIC Maintenance Services	220 Borella Rd	Albury NSW 2640
Richard Fraser	Director	Tallangatta Construction & Maintenance	PO Box 93	Tallangatta VIC 3700
Paul Fletcher	Partner	Fletcher Plumbing & Co	PO Box 717	Lavington NSW 2641
Ron Piergrosse	Manager	Wodonga Powder Coating	12 Kane Rd	Wodonga VIC 3690
David Allen	Director	Torney & Allen Pty Ltd	PO Box 784	Albury NSW 2640
Ian Oberin	Managing Director	Electrical Design & Construction	PO Box 5006	Wodonga VIC 3690
David Hanckel	Director	David Hanckel Cabinets	898 Metry St	Lavington NSW 2641

Michael Abbott	Director	Rainworld Wodonga	PO Box 342	Wodonga VIC 3690
Geert Mensinga	Managing Director	Howlong Nursery Pty Ltd	181 Hawkins St	Howlong NSW 2643
Les Stankiewicz	Branch Manager	Smorgon Steel	PO Box 696	Lavington NSW 2641
Greg McAdie	Managing Director	Transpower Industrial Pty Ltd	PO Box 723	Wodonga VIC 3690
Richard Telfer	Branch Manager	Cummins Engine Co Pty Ltd	PO Box 174	Wodonga VIC 3689
Geoff McDonald	Director	Kennedy's Wholesale Meat, Seafood & Game	10 Osburn St	Wodonga VIC 3690
Amanda Crispin	Partner	MJ's Bakery	39 Towong St	Tallangatta VIC 3700
Teresa Kadri	Proprietor	Federation Part Store	Shop 1/2 Barton St	Wodonga VIC 3690
Rhonda Ronald	Director	Fantasy Donuts	Shop 7/Lavington Shopping Centre	Lavington NSW 2641
Eileen Frauenfelder	Manager	Eileen's of Albury	520 Olive St	Albury NSW 2640
John Peters	Director	Sunjan	PO Box 46	Albury NSW 2640
Ian Peterson	General Manager	Tru Floor Service Pty Ltd	PO Box 41	Albury NSW 2640
David Mayo	Pharmacist	Mayo's Pharmacy	3/330 Urana Rd	Lavington NSW 2641
Pam Carter	Proprietor	Central Pharmacy Wodonga	127 High St	Wodonga VIC 3690
Ross Jensen	Proprietor	Nu-Pump Supplies The Rock Yard	PO Box 837 251 Fallon St	Albury NSW 2640 Albury NSW 2640
Peter Boyle	Director	Wodonga Plant Farm	5 Huon Creek Rd	Wodonga VIC 3690
Ian Henderson	Store Manager	Michael Hill Jeweller	PO Box 56	Albury NSW 2640
Paul Forsyth	General Manager	Country Comfort Albury	PO Box 554	Albury NSW 2640

Mac Steele	Manager	Paddlesteamer Sundowner Motor Inn	324 Wodonga Place	Albury NSW 2640
Don Armstrong	Proprietor	Astor Hotel Motel	cnr Young & Guinea St	Albury NSW 2640
Graeme Bosse	Proprietor	Springdale Heights Tavern	330 Kaitlers Rd	Lavington NSW 2641
Gisella Henry	Proprietor	Taco Bill's Cantina Restaurant	443 Dean ST	Albury NSW 2640
Wayne Booth	Manager	Choice's Bar & Restaurant	PO Box 833	Albury NSW 2640
Keith Lewis	Partner	The Bank Restaurant	PO Box 324	Beechworth VIC 3747
Fiona Best	Managing Director	MT Beauty Bakery	PO Box 89	Mt Beauty VIC 3699
Steve Wright	Business Project Manager	Lavington Panthers	PO Box 134	Lavington NSW 2641
Paul Bailey	Director	Bailey's Removals & Storage	939 Metry ST	Albury NSW 2640
Grant Luff	Administration Director	Border Express	PO Box 482	Albury NSW 2640
Bruce Greene	Managing Director	Borderline Removals & Storage	PO Box 712	Albury NSW 2640
Glynn Warry	Postal Manager	Australia Post	570 Dean St	Albury NSW 2640
Phillip Mogg	Manager Retails	Australia Post	196 High St	Wodonga VIC 3690
Leanne Cleeland	Branch Manager	Bank Of Melbourne	141 High St	Wodonga VIC 3690
Brian Stewart	Group Manager	Farmers Mutual Group	PO Box 828	Albury NSW 2640
Andrew Dixon	Principal	Dixon's First National Real Estate	PO Box 1163	Wodonga VIC 3689
Geoff Stean	Director	Stean Nicholls Pty Ltd	6218 Dean St	Albury NSW 2640

Bert Eastoe	Director	Cosgrave & Eastoe	PO Box 110	Albury NSW 2640
Peter Drummond	Managing Director	Peter Drumond First National Real Estate	PO Box 979	Albury NSW 2640
Chris Hood	Partner	Stockdale & Leggo Real Estate	PO Box 154	Wodonga VIC 3689
Douglas Gow	Managing Director	Douglas Gow & Associates	609 Olive St	Albury NSW 2640
Patrick Elser	Director	Elser & Associates	PO Box 3055	Albury NSW 2640
Allyson Jernskau	Branch Manager	Drake Australia	Level 1/490 David St	Albury NSW 2640
Vance Wheeler	Managing Director	WV Management Ltd	PO Box 49	Lavington NSW 2641
Ian Davis	Director	Border Cleaning Services Pty Ltd	PO Box 310	Wodonga VIC 3689
Les Tomich	Director City Development	AlburyCity	PO Box 323	Albury NSW 2640
Rob Mullavey	Head Partner	Johnsons MME	PO Box 375	Albury NSW 2640
Kevin Tracy	Partner	Stewart Tracy & Mylon	PO Box 133	Wodonga VIC 3689
		Aware Industries Ltd	PO Box 471	Wodonga VIC 3689
Christine Sanger	Manager	Personnel Employment	440 Wilson St	Albury NSW 2640
Robert Pears	Business and Finance Manager	CWES Pty Ltd	PO Box 1549	Wodonga VIC 3689
Mark Ilott	Managing Director	Aspirence Pty Ltd	PO Box 3029	Albury NSW 2640
David Iverson	Partner	Harris Lieberman Boyd	PO Box 143	Wodonga VIC 3689
David Skinner	Associate	DG Skinner & Associates	PO Box 105	Albury NSW 2640
Patience Harrington	Director of Community Development	City Of Wodonga	PO Box 923	Wodonga VIC 3689
Malcolm Scott	Principal	Holy Spirit	PO Box 299	Lavington NSW

		Primary School		2641
Sharon Kotzur	Principal	St John's Primary School	154 Adams St	Jindera NSW 2642
Ann Cassidy	Chief Executive Officer	Albury Wodonga Private Hospital	PO Box 728	Albury NSW 2640
Belinda Adams	Chief Executive Officer	Chiltern & District Health Service	11 Main St	Chiltern VIC 3683
Sue Hickman	Director of Residential Aged Care Services	Albury & District Private Nursing Home	PO Box 1025	Albury NSW 2640
Marion Curtis	Business Manager	Border Medical Oncology	Murray Valley Private Hospital, Nordsvan Dr	Wodonga VIC 3689
Kathy Petzke	Principal	Yackandandah Primary School	PO Box 73	Yakandandah VIC 3749
Barry Fish	Business Manager	Scotts School Albury	Perry St, PMB 6006 AMDC	Albury NSW 2640
Adrian Marron	Chief Executive Officer	Wodonga Institute of TAFE	PO Box 963	Wodonga VIC 3689
Robert Logan	Head of Campus	Riverina Institute of TAFE NSW (Albury Campus)		
Di Pritchard	Executive Officer	Friends of Woodstock Auxiliary Inc	PO Box 294	Lavington NSW 2641
Barney Beatty	Operations Manager	P N R Home Nursing & Health Care Services	PO Box 1600	Wodonga VIC 3689
Doug Henderson	General Manager	Cinema Centre	PO Box 3	Albury NSW 2640
Brendan Masters	Venue Manager	Albury Convention & Performing Arts Centre	PO Box 1144	Albury NSW 2640

Clare Roennfeldt	Director	Yarrunga Learning Centre	371 Woodstock Ct	Albury NSW 2640
		Riverwood Retirement Village	990 Padman Dr	Albury NSW 2640
Nicki Melville	Chief Executive Officer	Upper Hume Community Health Service	12 Stanley St	Wodonga VIC 3690
		Lavington Healthfoods Physiotherapy	340 Griffith Rd	Lavington NSW 2641
Rod Farr	Director	Wodonga Healthfocus Physiotherapy	PO Box 176	Wodonga VIC 3689
Sue Thomas	Manager Allied Health	Community Rehabilitation Centre	PO Box 156	Wodonga VIC 3689
		Foto Supplies	494 Dean St	Albury NSW 2640
Bree Wilcox	Proprietor	Lola Wigg Hair Care	PO Box 80	Albury NSW 2640
Gary Buckland	Manager	JJ Richard & Sons	5 Reid St	Wodonga VIC 3690
Matt Burke	Centre Manager	Wodonga Sports & Leisure Centre	PO Box 923	Wodonga VIC 3689
Rod Maclean	Chief Executive Officer	North Albury Sports Club	PO Box 87	Albury NSW 2640
Paul Gooding	Manager	Albury Sports Stadium	229 North St	Albury NSW 2640
Dr A. Frauenfelder	Mdirector	Hume Animal Hosp	PO Box50	Lavington NSW2641 general@hmah.com
Cathy Norman	Coordinator	AlburyFamilyDayCare	1132 Burrows Rd	Lavington 2641 melanda@dragnet.com.au
Tom Potter	CEO	Eagle Boys Pizza	339 Wagga Road	Albury 2642
John Schmidt	Manager	Frauenfelder Gates	109 Boronia St.	Albury 2641
	manager	Kellys Wodonga	7-11 Hovell Street	Wodonga 3690
Dave Rogers	Manager	Jacobs Body & Paint	3 Melrose Drive	Wodonga 3690
Peter Pinto	CEO	Economic Pest Control	PO Box 5163	Wodonga 3689

Simon Manager Monitoring and Control Services 444 Aldes Ave Lavington
 Harders 2640
 Manager

Kerry Watson Manager Riverina Sporting Services 901 Doland Street Albury 2640
 manager Mouse's Shower & toilet Hire 553 Whinney Crescent Albury
 2640

John & Carolyn Butko CEO Butko Engineering Pty Ltd 7 Moloney Drive 3690

Brian Stackpoole CEO Pool Services 5 Down Court Wodonga 3690

Brian Crichton Manager Hi-Tech Antennas 383 Fallon Street North Albury 2640
 Graham Fuller & Associates CHARTERED Accountants 685 David
 Street Albury 2640
 Manager Keating Plasterers 77 Wigg street Wodonga 3690
 Manager Steel & Skill 14 Moloney Drive Wodonga 3690
 Manager R& A Godde Engineering Pty Ltd 792 Carcoola Street
 Albury 2640
 Manager One Steel Metaland 242 Kiewa Street Albury 2640
 manager Abalcon Steel 777 Union Road Lavington 2641
 Manager Golding's Car Cleaning & Polishing 16 Mint Street
 Wodonga 3690
 Manager Hagan's Auto electrical Service Pty Ltd 531 Young Street
 Albury 2640
 Manager Gordon Gibson Nominees Pty Ltd 119 Hume Street
 Wodonga 3690
 Manager W. J. Jackson's Pty Ltd 10 Bourke Crescent Wodonga 3690
 Manager Get Framed 483 Dean Street Albury 2630
 Manager Albion Steel Fabrications 28 Prospero Court Albury 2640
 Manager Albury Wool & Uniforms 575 Olive Street Albury 2640
 Manager Allied Mills Australia 570 Young Street Albury 2640
 Manager Cement Australia Pty Ltd 6 Michael Drive Wodonga 3690
 Manager DLG Aluminium & Glaze 869 Mate Street North Albury
 2640
 Secretary Vice Chancellor La Trobe University University Drive
 Wodonga 3690
 Secretary Vice Chancellor Charles Sturt University Albury 2640
 Manager Fastener specialists Australia Industrial Products &
 Safety 274 Townsend Street Albury 2640
 Manager Geosynthetics Testing Services Pty Ltd 79 Boronia Street
 Albury North 2640
 Manager Rainbuild Sheds 46 Wigg Street Wodonga 3690
 Manager Rehe & Sons Express Haulage 8-10 Kane Street

Wodonga 3690

Manager Wodonga Switchboard Manufacturers 12 Kane Street

Wodonga 3690

Source Author's list from Yellow Pages Albury-Wodonga

Fieldwork interviews in Albury and Wodonga 20 -25 July 2008

1. AWDC 1st Chairman in Baranduda .
2. AWDC 1st Economist in Albury.
3. Former Mayor of Rutherglen in Albury.
4. Managers of large firms in Albury and Wodonga including:-
 - pet food production
 - newsprint
 - non-woven textiles
 - steel rail foundry
 - heating, air conditioning and ventilation
 - motion control units
 - transformers
 - national transport carrier.

Interviewed randomly and briefly

22 people including secretaries, clerks, and workers in the Accommodation Café and Restaurant sector'

2008**PARTICIPANT CONSENT FORM****PH.D RESEARCH****COMPANY STUDY****THE GROWTH OF THE ALBURY-WODONGA REGION**

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Participant's name _____

Participant's signature_____Date_____

Investigator's Name _Clara Stein_____

Investigator's Signature_____Date_____

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Views stated briefly (in passing) about anomalies 2008

Information was obtained regarding

1 . under 19years 18-49 years 50 years plus

2. male female

3. post code where you live

4 education completed secondary tertiary

6. Which of the following cross-border anomalies impact on you?

a) different building codes in each State

b) different immunization regulations in each State

c) different wage scales in each State

d) different education syllabi in each State

e). different recognition of qualifications in each State

f) different training for apprentices in each State

g) different costs for car registration in each State

h) different cost of taxi fares in each State

i) different public holidays in each State

j) different school term dates in each State

k) different school holidays in each State.

l) different living costs in each State

m) different road rules in Each State

p) different speed limits in each State

r) different laws in each State

s) different qualifications in each State

t) differences in fishing licenses in each State

u) the use of 02 prefix on Wodonga phones instead of 03

y) the different costs of stamp duty on a new car differs in each State.

.

7. Can you identify any other anomalies which concern you?

Interviews with stakeholders in Albury Wodonga from 6 -11 September 2009

Interviewed in Albury and Wodonga on 2009 Fieldtrip

Initial questions were similar to those of the 2007 questionnaire but often led to other areas.

1. A former Chairman of the Albury-Wodonga Area Consultative Committee (AWACC) 2. The Mayor of Wodonga.
3. The Mayor of Albury
4. Executive Officer of the Albury-Wodonga Corporation.
5. The Chair of Tourism Albury-Wodonga.
6. The Economic Development Officer Albury Council.
7. The Economic Development Officer Wodonga Council.
8. Manager of Investment Attractions Wodonga Council.
9. The CEO of the Wodonga Chamber of Commerce.
10. The CEO of the Albury Chamber of Commerce.
11. The Senior Reporter of the Border Mail.
12. A Principal in an accounting firm.
13. A prominent senior lawyer .
14. Executive Officer, Murray Valley Regional Development Board.
15. Executive Officer, Border Medical Recruitment Taskforce.
16. A CEO in a Third Sector Organisation.
17. A former Executive Officer of a defunct grass roots organization.
18. A senior partner in a Real Estate Agency.
19. A former Chairman of Tourism Albury-Wodonga.
20. Recent migrant to Albury from South Africa, now working at Charles Sturt University.
21. Former Federal member of parliament for Indi.
22. Police Constable at Albury Police Station.

11 Do you follow Australian Rules /Rugby?

12 If you needed special medical/legal or business services would you go to Sydney or Melbourne ?

13 What divides the twin towns?

14.Can you explain why Albury and Wodonga didn't unite as One City in 2001?

2009**PARTICIPANT CONSENT FORM****PH.D RESEARCH****COMPANY STUDY****THE GROWTH OF THE ALBURY-WODONGA REGION**

My name is Clara Stein. I am a doctoral student in Human Geography at Macquarie University, North Ryde, Sydney. The supervisor of my doctoral thesis is Dr. Kate Lloyd who can be contacted on (02) 9850-8392 or by email at klloyd@els.mq.edu.au. My study aims to explore the economic, political, social and cultural development of Albury-Wodonga between 1972 and the present.

Your organisation has been identified as having a presence in this area and is of much interest to us in our analysis. In order for us to obtain up to date information we are hoping that you will assist us by participating in an interview.

I will be visiting Albury-Wodonga in the next few months and would like to contact you to discuss the development of your organization in the region during the given period. I will of course, contact you in advance to make a suitable appointment.

Confidentiality of individuals and organisations will be respected. Most participants will be referred to by their title of Public Office. The participant's name will be used only when permission has been granted and where the person has a public profile. Should there be a need within the thesis to quote from the recorded interview, permission would be sought from you. As is customary, all quotes would be acknowledged and participants will be furnished with the relevant selection of work in progress as it is completed. If you decide to participate, you are free to withdraw from further participation in the research at any time without having to give a reason and without consequences.

Thank you for your assistance with this research. Your contribution is much appreciated. Please do not hesitate to contact me on (02 9498-5300) with any queries regarding the above.

I _____ have read and understood the information above and any questions I have asked have been answered to my satisfaction. I agree to participate in this research, knowing that I can withdraw from further participation in the research at any time without consequence. I have been asked to keep a copy of this form.

I do/do not wish to be contacted to take part in an interview.

Participant's name_____

Participant's signature_____Date_____

Investigator's Name _Clara Stein_____

Investigator's Signature_____Date_____

The ethical aspects of this study have been approved by the Macquarie University Ethics Review Committee (Human Research). If you have any complaints or reservations about any ethical aspect of your participation in this research, you may contact the Ethics Review Committee through its Secretary (telephone 9850-6848;email ethics.secretariat@vc.mq.edu.au). Any complaint you make will be treated in confidence and investigated and you will be informed of the outcom

OR**PARTICIPANT CONSENT FORM****PH.D RESEARCH****THE GROWTH OF THE ALBURY-WODONGA REGION**

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Appendix 7

Final Ethics Approval.



17 August 2007

Mrs Clara Stein
49 Kendall Street
West Pymble NSW 2073

Reference: HE25MAY2007-D05228

Dear Mrs Stein

FINAL APPROVAL

Title of project: *Regional development of Albury-Wodonga 1972-2003*

Thank you for your recent correspondence. Your responses have satisfactorily addressed the outstanding issues raised by the Committee. You may now proceed with your research.

Please note the following standard requirements of approval:

1. Approval will be for a period of twelve months. At the end of this period, if the project has been completed, abandoned, discontinued or not commenced for any reason, you are required to submit a Final Report on the project. If you complete the work earlier than you had planned you must submit a Final Report as soon as the work is completed. The Final Report is available at <http://www.ro.mq.edu.au/ethics/human/forms>
2. However, at the end of the 12 month period if the project is still current you should instead submit an application for renewal of the approval if the project has run for less than five (5) years. This form is available at <http://www.ro.mq.edu.au/ethics/human/forms>. If the project has run for more than five (5) years you cannot renew approval for the project. You will need to complete and submit a Final Report (see Point 1 above) and submit a new application for the project. (The five year limit on renewal of approvals allows the Committee to fully re-review research in an environment where legislation, guidelines and requirements are continually changing, for example, new child protection and privacy laws).
3. Please remember the Committee must be notified of any alteration to the project.
4. You must notify the Committee immediately in the event of any adverse effects on participants or of any unforeseen events that might affect continued ethical acceptability of the project.
5. At all times you are responsible for the ethical conduct of your research in accordance with the guidelines established by the University (<http://www.ro.mq.edu.au/ethics/human>).

If you will be applying for or have applied for internal or external funding for the above project **it is your responsibility** to provide Macquarie University's Research Grants Officer with a copy of this letter as soon as possible. The Research Grants Officer will not inform external funding agencies that you have final approval for your project and funds will not be released until the Research Grants Officer has received a copy of this final approval letter.

Yours sincerely

PP Dr Margaret Stuart
Director of Research Ethics
Chair, Ethics Review Committee [Human Research]
cc. Professor Robert Fagan

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