

## **Business Research: engaging regional and national communities.**

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### **Abstract**

This paper argues that regional research has been and remains undervalued by academic scholars, universities and government research funding bodies. These attitudes persist despite the obvious benefits that flow to the regional communities in which the research is conducted. However, the paper also asserts a utility to regional research which arises from the fact it can directly inform national debates on a variety of issues. This is demonstrated by briefly examining the nature and findings of four regional small business research projects conducted by staff at Charles Sturt University, Albury. These projects investigated the impact on small business of the GST, Australian Workplace Agreements, Unfair Dismissal Law and an investigation of the Business Challenges facing small business. The paper argues that the low esteem in which regional research is held is the consequence of a number of factors: academic scepticism as to the extrapolation of regional findings, government and university research funding biases and the international ambitions of universities. The paper also argues that scepticism of regional studies arises from a poor understanding of how to define the dimensions and meaning of regional and urban. The paper concludes that for regional universities to have a positive and sustainable impact on their regional communities they must engage more enthusiastically with regional research. Ironically, the regional communities within which this research is conducted often value community research activities more highly than academe. Regional universities must, therefore, actively enhance regional research by expanding their research profile to include and value it and this engagement commitment will be best demonstrated through the rewards and recognition that it offers its research staff.

### **Introduction**

The need for, and importance of, quality research aimed at informing governments and policy makers on issues of rural and regional importance is widely recognised. Within the regional engagement literature there is recognition that universities can and should make a direct contribution to the capacity and capabilities of the regional centres and small towns in their

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areas of operation. However, this paper argues that capacity of regional universities to generate research and knowledge contextual to their spatial areas of operation and vital to the improved capacity and viability of regional centres and rural small towns is at risk from the impending governmental reforms to the role and nature of regional universities and the continuing lack of recognition that applied and engaged regionally-based research receives from academia.

Changes outlined in a range of Federal Government publications and releases including the Commonwealth Department of Education, Science and Training (DEST) 2002 issues paper “Varieties of Excellence: diversity, specialisation and regional engagement” float the likelihood of the rationalisation and specialisation and of the Australian university sector. The prospect of regional universities becoming ‘teaching only’ institutions, reducing their capacity to conduct regional research and, perhaps more importantly, making it more difficult for such universities to attract quality research-oriented staff should be of considerable concern for the rural communities serviced by regional campuses. The importance of a spatial aspect to regional research was extolled by the keynote speaker at the Universities and Regional Development Forum by Professor John Goddard (2001) who pointed out that:

*...industrial competitiveness has a territorial (and) a geographical dimension to it...the industries are located in different places and...the new programs that are pushing for industrial competitiveness, linked to the universities, need a territorial dimension (2001, p.2).*

Within the regional engagement literature there is recognition that universities should make a direct contribution to the capacity and capabilities of the regions and communities in which they operate. The significance of the role that should be played in the future by universities in improving the communities in which they operate through the provision of locally contextual knowledge production facilities has been widely recognised (OECD 1999; Garlick & Prior 2002; Thomas 2003) and by government (Nelson 2002). In identifying the increasing importance of this new regional imperative for Higher Education Institutions (HEIs), operating alongside and integrated with the traditional university roles of teaching and research, the OECD (1999, p.10) has described this regional engagement activity as the “third role” of universities.

It has been recognised within the literature that the changing role of the engaged University has led to a change in focus for university research (OECD 1999). Whereas the university sector has traditionally focussed on hierarchical and discipline based research of ‘national’ and ‘international’ significance the emergence of the new role for universities has led to a reconfiguration in the manner in which research is conducted. Increasingly, new funding imperatives and alternate funding sources have led the regionally engaged university to undertake research that is:

*...heterarchical, transient, transdisciplinary, socially accountable and reflexive and undertaken in a context of application (OECD 1999, p.81).*

As a consequence of the increased rhetoric focussed on university engagement, an increasing level of research is being conducted by regional university staff on unique aspects of life and business in rural and regional communities. The nature of this research and its focus will most commonly arise from the particular circumstances or nature of those rural and regional communities and so the benefits of this type of research are immediately obvious to that local community.

This paper contends that the importance of rural and regional research can be far more reaching and that, despite the rhetoric of engagement, in real terms and on a variety of fronts, region-based research remains undervalued. This paper argues that regionally based and conducted research is not only vitally important in the context of rural and regional policy but can offer insight in ways that have national and not just rural and regional importance. In addition, the regional nature of the location of some research projects can actually be an advantage. Some research issues are not by their nature exclusively regional in character but which are, for a variety of reasons, more effectively conducted in a regional setting. In other words, the scale of some regional locations and communities offer ease of project management and methodology while at the same time generating results offering insights of a national and not only regional significance.

To illustrate this, this paper will outline four research projects conducted within the regional centre of Albury Wodonga and its surrounding small communities. Albury Wodonga is strategically based on the intersect of the Murray River and the Hume Highway between Melbourne and Sydney and has a strong established industrial base and has developed a critical mass in health, government and other professional services. This expanding regional centre has a population within town boundaries approaching 100,000, has a diverse industry mix which includes both local and national enterprises, and is located on the border between the two most populous states in the country. This political dimension is of particular interest for researchers because it means that local businesses are operating under a range of different legislative requirements. As a regional centre Albury Wodonga also supports a network of more than 20 small towns identified by the peak regional economic development body Albury Wodonga Business as being ‘communities of interest’ that rely on Albury Wodonga for service provision (Robbins, Murphy, & Petzke 2004).

Under the regional town taxonomy developed by Salt (2001) of ‘sponge’ and ‘conduit’ cities, the conurbation of Albury Wodonga would be described as a ‘conduit city’:

*...where the town acts as a regional beacon attracting growth (which) is then dispersed to nearby lifestyle towns (Salt 2001, p.64).*

It can be argued that dynamic regional centres such as Albury Wodonga add considerable value to their surrounding small communities. Recent research conducted into the residential housing market in Albury Wodonga revealed that the continued strong growth in Albury Wodonga was contributing to the strong growth in the residential markets of the neighbouring small towns of Yackandandah, Beechworth, Barnawartha, Chiltern, Tangambalanga, Jindera, Culcairn, and Howlong (Murphy, Petzke, & Williams 2004). Albury Wodonga not only provides access to services and a source of employment for residents of these small towns but is also now providing a flow of new residents as increased housing prices in the regional centre provide an economic incentive for families to return to these neighbouring smaller towns. There is little doubt that the placement of the CSU School of Business in Albury Wodonga adds to the capacity of the region to support the continued growth of the regional centre and the surrounding small towns.

### **The Charles Sturt University *Regional Business Futures Research Group* and Albury Wodonga**

The School of Business Regional Business Futures Research Group (RBFGRG) aims to promote and undertake research of significance to regional Australia, particularly research which examines and explores aspects of regional growth and development. This regional focus is assisted by the Group’s location in the regional centre of Albury Wodonga. There are strong formal links between the School of Business, local Governments, the business

community, and industry bodies while the active participation of research members at the local level helps ensure the development of effective research partnerships. Regional economic data has previously been sourced from a range of local providers, in particular from the Albury Wodonga Development Corporation (AWDC – a federal regional development initiative commenced in 1974) and Albury Wodonga Business (AWB – a local regional development initiative funded by the business community and local government). It is of particular interest that both the AWDC and AWB have recently ceased their program of regional economic data collection. The RBFRC has been able to fill the void left in regional economic data collection and research and has satisfied the demands of the local community for timely and reliable independent contract research. In doing so the RBFRC has achieved one of the main tenets of regional engagement in adding value to the community in which it is embedded through the generation and dissemination of information of importance to the local community in which it operates.

The projects reflected on in this paper were funded either by CSU Faculty of Commerce Seed Grants or by regional business and local government authorities. Each of the projects focussed on small business and were 1) a 2001 study of the impact of the Goods and Services Tax (GST), 2) an investigation of the use of Australian Workplace Agreements, 3) the impact of Unfair Dismissal law, and 4) a 2004 study which identified the most significant issues confronting local businesses in Albury Wodonga and its surrounding communities. In many respects small business remains the lifeblood of small towns (Besser 1999) and it is argued that the findings of these studies are relevant, not only to the specific regional communities in which they were conducted, but also to the national experience of small businesses.

The focuses of these studies were national issues which, it can be argued, have had a similar impact on all small business regardless of their geographic location. In this way it is contended that some regional research studies can throw valuable light on national and not just regional experiences. Unfortunately academia and government policy makers can be reluctant to treat seriously large regional business research studies. It is argued in this paper that regional research can be easily conducted, be reliable, and can generate findings of national significance and therefore should be of greater interest to policy makers and research funding bodies. Research can often be conducted on whole statistical populations not simply samples, the process of community engagement by a regional university can be more transparent and more easily generated through better access to media, and the spatial presence of the university within the region lends greater credibility to the research process. Regional research can engage directly with a specific regional community while at the same time produce findings that are of national significance.

#### **Four Regional Research Projects on Small Business**

The four research projects being used as regional research case studies in this paper are all based on the small business sector. The economic and social importance of small business is receiving an increasing amount of recognition throughout the world (OECD 2000) and is particularly important in enhancing not only the economic viability of small towns but also of supporting the social fabric of small communities (Besser 1999). In Australia small businesses make up more than 96% of all businesses and employ more than 3.3 million employees, which accounts for greater than 47% of the total non-agriculture private sector workforce. The small business sector generates about one-third of the annual Gross Domestic Product of Australia (Annual Review of Small Business 2002-2003). In Australia the Federal Government has often acknowledged the importance of small business, describing it as a vital sector of the economy and as an important source of enterprise,

innovation and employment (Annual Review of Small Business 2000). The important regional socio-economic role of small business has also been identified, whereby small enterprises encourage local ownership and control, prevent the further geographic centralisation of economic resources, and ensure the ongoing regional engagement of business (Scott 1991; Dunlop & Sheehan 1989; Bannock 1981, all cited in Holmes & Gibson 2001). Small business is recognised as being of particular importance to the economic and social viability of small towns (Besser 1999).

### **Case Study 1. GST and Regional Business**

On 1 July 2000 the Federal Government introduced a new tax system which included the abolition of a wholesale sales tax and the introduction of a new Goods and Services Tax (GST). The Government claimed that the introduction of the New Tax System (including the GST) would bring benefits to the small business sector by way of improved management, improved cash flow, and simplified tax compliance procedures.

In several international tax compliance cost studies carried out prior to the introduction of the New Tax System in Australia the impact of compliance with the GST was recognised as regressive against small business, in that GST compliance was, in relative terms, more costly for small businesses than large businesses (Sandford *et al* 1989; Wurts 1995; Hasseldine 1995). In a study of the compliance cost impact of Value Added Tax (VAT) in the UK Sandford *et al* (1989) described compliance costs:

*...as being very regressive in their impact, falling with disproportionate severity on the smaller firms (1989, p.135).*

The RBFRG decided to undertake an investigation of the cost of compliance with the GST for small business in the Albury Wodonga region. The survey was administered by telephone to 1904 small businesses, the identified population of small businesses in Albury Wodonga at that time, and received 664 responses, which is the equivalent of a 35% response rate (Petzke & Murphy 2002, p.9). Small business owners were asked to estimate the extra costs, if any, they had incurred in complying with the GST over the first year of its operation in terms of additional professional fees paid, additional staff wages paid, and the additional time spent by owners on tax compliance.

The results of the Albury Wodonga survey on GST compliance costs confirmed the findings of the prior international studies on consumption taxes regarding the regressivity of GST costs against small businesses (Petzke & Murphy 2002). Of the respondents who indicated that they had incurred extra costs for professional advisers such as accountants the average extra cost was \$3,646 for the year. Of those businesses which incurred extra staff costs the extra expense was \$6,807, whilst for the 78% of respondent business owners who reported spending extra time on compliance duties the average cost was 171 hours or 3.3 hours per week. The findings reported from the Albury Wodonga study were confirmed by other research projects into the cost of the GST in Australia (Pope & Rametse 2002; Tran-Nam & Glover 2002), however the RBFRG empirical study in Albury Wodonga remains the largest study carried out into the impact of the GST on the small business sector.

The results of the RBFRG research attracted enormous print and electronic media coverage within the region and created considerable community debate. However, in terms of acceptance within the academic community, when presented and discussed the results of the survey were undermined on the basis that it was a 'regional' study and could not be extrapolated. The Pope and Rametse (2002) study was much more widely accepted yet, whilst carried out by a capital city university, it was also a study of regional small businesses.

This argument presupposes that the issues confronting a sandwich bar in Albury are fundamentally different to those being faced by a sandwich bar in the CBD of Melbourne. The heterogenous nature of small business and small business owners, and the specific place-based location of all small businesses whether in small rural towns or metropolitan and regional centres mean that in most respects the issues faced are similar.

## **Case Study 2. Australian Workplace Agreements (AWAs) and Small Regional Business**

One of the key and highly distinctive features of the *Workplace Relations Act 1996* was the introduction of a new form of employment regulation, the Australian Workplace Agreement (AWAs). The AWA concept introduced for the first time, an individually orientated approach to the federal regulation of wages and conditions of employment. Prior to this Act, wages and employment conditions of employees were set collectively via awards and more recently collective enterprise bargaining agreements (EBAs). Apart from some incidences in WA and Qld (Wooden 1999) the only significant area of formal individual contracts had been for managerial staff, although there would also have been private and informal arrangements in some small businesses. The reason for the creation of a new tier of individual contracts was ostensibly the encouragement of more flexible agreements, which would reflect the micro needs of individual workers and individual enterprises (McCullam 1998).

Under the *Workplace Relations Act 1996*, AWAs are overseen by the Office of the Employment Advocate (OEA). However the role of the OEA is relatively limited in regulating the content of AWAs and is largely involved in advising and recording activities (Creighton & Stewart 2000). Of late it has been more energetic in encouraging and publicising the operation of AWAs. Despite these efforts it seems apparent that the introduction of AWAs has been slower than anticipated by the Coalition government. As at March 2004, the OEA estimated that 604,989 AWAs had been approved since 1997 (OEA Annual Report 2004). This is in contrast to a national workforce of over 8 million people, the bulk of whose terms and conditions of employment remain regulated by awards, enterprise agreements or common law contracts (ABS Cat 6306.0; Hancock 2000; van Barneveld & Arsovska 2001; Burgess & Waring 2005). In addition, Plowman (2001) has estimated that as few as half of the total of all AWAs are actually currently in force as a result of workforce retirements, changes in employer, unemployment, or due to firms going out of business.

It was also apparent from figures published by the OEA that while there was some limited measurement of the use of AWAs by the small business sector there was no measurement of the take-up rate by small regional businesses (OEA Annual Reports 2001-4). On the other hand, the federal government's emphasis on the advantages of flexibility and individuality offered by AWAs should have made this approach more attractive to the small regional business sector (see van Barneveld. 1999). In other words the rhetoric of the federal government should have made AWAs more attractive to small business than to larger businesses where unionism and traditions of awards were likely to be stronger. However, the general figures on the incidence and popularity of AWAs did not seem to bear this out. As a consequence this research project aimed to measure the penetration of AWAs into the small regional business sector and to explain any apparent trends.

It is not the intention of this current paper to examine the detail of the results of this research project (Robbins & Voll 2004) but simply to highlight that the project should be seen as a regionally conducted project of national importance. This research project was concerned with establishing the incidence of a relatively new form of federal industrial relations regulatory process (the AWA) which was not exclusively relevant to regional businesses. The project designed and used a short, highly focused telephone questionnaire methodology

which meant the population of small business in the Albury/Wodonga region, rather than a sample could be surveyed. The survey was conducted from 17 September to 8<sup>th</sup> of October 2002 during which time contact was made with 1,904 individual businesses. Of this, 680 businesses agreed to respond to the questionnaire giving the project a response rate of 36%. This made this survey one of the largest ever conducted up to that time; while the results established that the experience of small regional businesses with AWAs appeared to be similar to that of metropolitan based small businesses (van Barnveld & Waring 2003).

We argue that the results of this CSU survey are applicable to a national extrapolation and not simply to regional Australia. Indeed we would argue that with nearly 700 respondents and a response rate of 36% this survey produced results that are more extensive and more generalisable than any other study up to that time. However, in presenting the results at various academic conferences the findings were met with some scepticism regarding their relevance wider than regional Australia. This seems a curious attitude given the confident manner in which the results of other smaller studies have been extrapolated across the entire nation or for all small businesses (ABS 2000 Cat 6306.0; Hall & van Barneveld 2000).

### **Case Study 3. Unfair Dismissal Law and Small Regional Businesses**

This project measured the perceived impact on small regional businesses by the operation of federal unfair dismissal legislation. This issue has attracted considerable political attention and speculation. The federal government for example has argued that this law has adversely affected the ability of small businesses to employ staff and therefore has contributed to continued unemployment levels. As a consequence the government has introduced amendments to the *Workplace Relations Act 1996* on over 40 separate occasions, each of which were designed to exempt small businesses from the operation of unfair dismissal clauses. The Senate, however, rejected every amendment provoking the federal government on three occasions to threaten a double dissolution.

Despite an enormous amount of political discussion and debate there was, relatively speaking, very little academic study of the issue. Almost no study had been made of the actual impact of unfair dismissal legislation nationally (CPA 2002; ACCI 2001; Harding & Wooden 1997) while the CSU survey was the first attempt to examine its impact in a regional context (Robbins & Voll 2004a). The survey utilised a population database of almost 2700 small businesses in Albury Wodonga and 594 (22%) of these small businesses completed the short tele-questionnaire which measured the impact of, and their experience with, unfair dismissal law and processes. Amongst other things the survey found the level of respondent knowledge of the current 'unfair dismissal' legislation was high, the incidence of unfair dismissal claims against small businesses was low (less than 3%), the process was not overly complex, while for the majority of those with experience of the legislation the outcome of proceedings was considered satisfactory. On the other hand while the majority of total respondents believed the current federal legislation was unfair to small business, only 37% thought they should be exempt from these laws and 38% thought they should not be exempt. Finally the survey found that for 64% the key reasons for hiring or not hiring staff were economic or workload issues while only 5.5% thought it was unfair dismissal legislation (Robbins & Voll 2004b). This figure confirms a CPA (2002) study which found 5% of businesses were unfavourably influenced by unfair dismissal legislation in their decision to hire new staff.

The federal government plans to reintroduce legislation in relation to unfair dismissal laws which it claims are hindering the small business sector and employment growth. The regional research survey results reported by Robbins and Voll (2004a) strongly suggest that

there is little evidence to support the federal government's grounds for reformation of this law and is an important contribution to a national debate.

#### **Case Study 4. Business Issues facing Regional Business**

This section details the findings of a specific part of a larger study into employment in the regional economy of Albury Wodonga and outlying communities (Robbins, Murphy & Petzke 2004). The project was conducted by a Regional Futures Business Group research team on behalf of Albury Wodonga Business (AWB). In conducting this research the university was directly responding to the research needs of the local business community, local government and state and federal development ministries. The area covered by the 2003 Albury Wodonga Employment Survey includes the core cities of Albury and Wodonga and other townships which are part of the Albury Wodonga Statistical District or which have been identified as being communities of interest to Albury Wodonga. In New South Wales, the area covered by the survey included the townships of Corowa, Howlong, Jindera, Brocklesby, Burrumbuttock, Culcairn, Walla, Tabletop, and Gerogery. The Victorian area included in the survey encompassed the city of Wodonga and the surrounding regional communities of Rutherglen, Chiltern, Barnawartha, Yackandandah, Beechworth, Kiewa, Dederang, Mt Beauty, Tallangatta, and Corryong.

The research methodology involved the construction of a comprehensive data base of 7760 local businesses, each of who was mailed a written survey instrument comprising 13 questions. Following the removal from the database of businesses which had closed, the business population of the survey area was revised down to 7153 active firms from whom 1,757 useable responses were received giving a response rate of 25%.

The objective of this project was to measure the distribution of the regional workforce by industry classification, size of business and location within this wider regional community. In addition the project attempted to measure the proportion of full and part time employees, the difficulties encountered in staff recruitment, and the level of business confidence. The aspect of the project which is of particular relevance to this paper was a question dealing with business issues. In soliciting this information the questionnaire asked respondents, "*What is the biggest issue confronting your organisation?*"

There were 1,354 responses to this question which makes this the largest single survey of regional business perceptions of operating issues ever conducted in Australia. Given the enormity of this range of individual responses a means of classifying the responses into nine broad areas of concern was designed. These nine broad banded areas of concern were:

- 1) Regulation by government (federal, state and local; eg. GST, OH&S, funding, superannuation)
- 2) Staffing relating issues (Shortage of numbers, skills, experience, & cost)
- 3) Physical environmental issues (drought, bushfires, water)
- 4) Competition (local, chains and imports)
- 5) Broad Economic issues (international, national and regional economies)
- 6) Business Operating issues (cash flow, consumer demand, supply, debt and non-labour costs)
- 7) Insurance/Finance issues (cost and availability)
- 8) Demographic issues (population, age of operators); and
- 9) Other (crime, religion).

The results of the classification of business responses to this question are presented in Table 1.

Table 1  
Perceived Business Issues

<b>Classification</b>	<b>Number of responses</b>	<b>Percentage of responses</b>
1. Regulation by government	298	22
2. Staffing	237	18
3. Physical environment	96	7
4. Competition	131	10
5. Broad Economic issues	72	5
6. Business operating issues	367	27
7. Insurance/Finance	78	6
8. Demographic issues	29	2
9. Other	46	3
<b>Totals</b>	<b>1354</b>	<b>100%</b>

From Table 1 it is evident the three most important areas of concern are ‘Business Operating Issues’, ‘Regulation by Government’ and ‘Staffing’. These three areas of concern represented 67% of all responses, underlying the importance and impact of these broad issues on the activities of regional businesses. ‘Business Operating Issues’, was identified as the major concern by 27% of the business respondents. Business operating issues included such things as cash flow problems, the fickleness of consumer demand, problems with input supplies, and transport. In a sense, many business respondents were identifying the normal daily concerns associated with running a business although, on a more positive note, these concerns were consistently raised in relation with how to best manage business growth.

The second most important issue relates to ‘Regulation by Government’ with 22% of respondents listing this as the most significant challenge. Government regulation related very strongly to compliance costs over the GST and other taxes, O,H & S, regulatory requirements, licensing and the inadequacy of levels of government funding. The impact of government on businesses is clearly very significant and is not simply related to government or public sector organisations. Government, at either the federal, state or local level, plays a role in complicating the business environment. Businesses were often concerned about the complexity of compliance in a wide range of areas while clearer planning and development requirements were also important.

The third most critical issue was related to Staffing and was identified by 18% of respondents. This included staffing issues such as level of wages, training and, in the vast majority of cases, concern over the recruitment of qualified and suitable staff. There is a very strong perception that it is difficult to recruit qualified, skilled or competent and committed staff in the survey region. The cost of labour was identified by some but this was dwarfed by the more basic problem of attracting and keeping staff. Interestingly, in the light of widespread federal government concern over the impact of unfair dismissal laws on small businesses, it was surprising to find no concern over this issue. None of the 1,354 respondents mentioned this as a staffing issue. Businesses clearly have difficulty attracting staff not in dismissing them. In fact direct industrial relations issues such as unions or conflict were only identified once.

We argue that the results of this survey are significant because they provide insights into regional businesses that can be extrapolated to business attitudes and assessments at the national level. Although this was a regional survey it was larger than any other attitudinal survey yet conducted. Further, the nature of the Albury Wodonga industry mix, both in terms of industry classification and size of enterprise, is very similar to the national dimensions. In other words, business in this regional economy is not dominated by non-metropolitan industrial activity such as agriculture or mining but reflects a similar mix of activity, industry and scale that characterises metropolitan profiles (ABS Census 2000). For these reasons we argue that the results of this aspect of the survey should be used to inform speculation on national business trends.

### **The Response to Regional Research**

This section of the paper will examine the reaction generated by the case study research projects conducted by the Regional Business Futures Research Group of CSU. From this discussion insight into the pros and cons associated with regionally focused and conducted research will be offered.

All of the projects received broad coverage and created much discussion within the Albury Wodonga region and have contributed in a direct and positive way to enhancing the knowledge and capacity of the region. All of the projects outlined have been presented to conferences dealing with the broad discipline interests raised by each and have been published in refereed proceedings. One of the projects has been written and submitted to a relevant journal where it is currently being reconsidered after responses to referee reports. However, although each of the projects has generated conference interest and, in the case of the GST and Unfair Dismissal projects, wide mass media or political interest (*Border Mail; The Australian; Australian Financial Review; The Age*; Hansard 2004), the common reaction amongst some academics is to question the applicability of regionally generated research findings to a wider, national context. This is evident in referee notes and in discussions following presentation. The concerns expressed were not about reliability or accuracy but simply with applicability. The question that then arose was how can these results be used to extrapolate to a wider national experience or attitude? As we have argued above, the case studies outlined here deal with issues of national significance and so the experiences of small regional businesses are in fact highly typical of small businesses throughout Australia. Indeed, by their very nature small businesses are almost invariably regionally focused: the scale of their operations limits them to an immediate market and only in particular circumstances are they more explicitly involved in wider national or international markets though exports. In this sense, nearly all small businesses are regionally focused businesses.

Another dimension of the academic scepticism towards regional engagement research is also to be found amongst universities themselves. This paper argues that much of the recent attention to regional research by many Australian universities, rather than being a genuine commitment, has been a strategic response to pressure to embrace the concept of regional engagement from people such as the Minister for Education, Science and Training who stated that:

*Higher education institutions need to be responsive to the social, economic, and cultural needs of the communities in which they are located and foster a more active engagement with these communities (Nelson 2002, p.23).*

Within CSU the importance of regional engagement has been recognised in corporate documentation such as the University, Faculty and School mission statements as one of four pillars driving the strategic focus of the University. This recognition of the importance of

regional engagement was a critical component in the formation of the RBFRG within the School of Business. However in practical terms, whilst the management at the School level is very supportive of the regional research undertaken by members of the RBFRG, there is little recognition within CSU of the regional engagement research projects conducted within the School of Business. At the University level the research focus is still driven by achieving Commonwealth Government metrics geared to attaining competitive grant funding and the accumulation of DEST points. This situation reflects an example of the barriers to university engagement outlined by the OECD (1999, p.100-01) which pointed out that community engagement is difficult in institutions where research agendas are heavily influenced by research councils and national government priorities, and where academic staff promotion and workloads provide no incentive for applying research solutions to regional problems.

One of the challenges for the RBFRG, and indeed for all university-based regional engagement initiatives, is to convert the excellent results achieved in community business based research into the research result metrics acknowledged by university hierarchies, namely peer reviewed scholarly contributions that receive DEST point recognition. This paper argues that a greater understanding and acceptance within the broader academic community of the value and significance of research conducted in regional contexts will increase the DEST-metric output for universities engaged in the important work of regional engagement. However, more fundamentally, an acceptance and acknowledgement of the nature and purpose of regional engagement may lead to a change in the way that the output of academics involved in regional research is measured.

Regional engagement is variously described as being about capacity building and knowledge transfer and that research is applied and contextual to problems and issues being faced within the regional community. To be most effective at ensuring the transfer of knowledge and capacity from regional HEIs to their communities, regional researchers should focus on exoteric forms of media rather than the esoteric. Therefore, whilst publication of research results in an international academic journal is the ultimate result currently sought by universities, publication of regional research in the popular media, such as achieved in the outlined RBFRG projects, will have a far greater impact in delivering the benefits to the region. Similarly, reports made directly to the organisations that commissioned and paid for research currently goes unrecognised. Typical of this situation was a very successful piece of regional engagement research undertaken by the RBFRG into residential housing preferences for the Albury Wodonga Development Corporation (AWDC). The report presented has been influential in guiding policy and decisions relating to urban development and land release in Albury Wodonga and was recognised by CSU as a research consultancy, however it was not recognised as research output for the staff involved as the project did not result in the receipt of DEST points. Universities claiming to be regionally engaged should recognise the changed mode of knowledge production inherent in such engagement and develop processes where non-academic applied research reports may be recognised as research output.

The historical academic prejudice against 'applied', as opposed to 'pure' or 'real', research also contributes to the lower quantum of regional engagement research and the academic prestige of that research. This attitude is evident in the stress placed by universities on publication within international journals, even when university policy actually indicates journals of international reputation. In other words the focus is on publication in overseas journals rather than in Australian journals which have an international reputation. Publishing globally, at least in the area of business, will generally dilute the detail contained in a national analysis because a truly international audience needs so much more background material. As a consequence, it is our view that in practice most universities remain more interested in the development of international research and scholarly links and activities than in serving the

research interests of regional or even national communities. In other words, real research is still international.

The current trend towards the use of journal impact factors as a way of measuring the research output of research centres and individual academics is also heavily weighted against the type of applied business research typically carried out within the community by regional universities. Whilst there is a growing reliance on impact factor lists by academics and universities it is widely recognised that *“such general rankings exhibit an inherent bias against journals from small fields”* (Rousseau 2002, p.418).

It is also contended that the concern with the efficacy of regional research also arises from a preconceived but erroneous notion of regional Australia vis a vis metropolitan Australia. There is a perception that regional Australia is largely empty of both people and industry, and that all of the regions outside capital cities are industrially less complex and dominated by traditional rurally orientated activities. This may very well be the case in much of regional Australia but there are also many regional centres where this is simply not the case. Indeed there is a simplistic view of region as being non-metropolitan whereas the differences between metropolitan centres, between states and between regions within the national economy are actually often complex and highly significant.

The significance of trends or relationships within and between regions can be seriously simplified if a national perspective alone is taken or if it is regarded as the most illuminating. For example, McGrath-Champ (2002) in her analysis of national, regional and rural wage movements argued that the difference between and within these divisions are so significant that the national trend is often misleading or only marginally explanatory. This view of regional as being of diminished importance is also at odds with a more expansive view of national and international. There can be a failure to recognise that within international perspectives the experiences and character of specific Australian metropolitan centres such as Sydney or Melbourne are merely regional studies. Indeed, internationally all national perspectives are regional and there may be difficulties in extrapolating national economic trends or experiences across any meaningful global perspectives. Of course, the differences between nation states are generally highly appreciated. In this way global studies which attempt to identify international trends and developments generally do so within the specific provisos of national characteristics (Bean 1994). Such a sensitivity or complexity is not yet the normal approach to understanding national trends and experiences. National trends remain the calculation mostly of metropolitan experiences rather than as the outcome of the experiences of a variety of different regions.

Our concern at this point is not, we hasten to add, about the academic reception of the case studies outlined above. It is simply part of an argument that the experiences of regional Australia need to be better and more explicitly recognised when researchers, analysts and policy-makers estimate national trends and solutions. In this endeavour we are, of course, not alone. In the area of industrial and employment relations there is a growing appreciation of the need to locate employment practices within the context of spatial geography. Human geographers, long interested in the character and features of populations, have alerted employment relations academics to the importance of space and place in ways that are creating quite new perspectives on how work is performed and rewarded (Ellem & Shields 1999; 2000; Rainnie & Paulet 2003; Herod 1997; Wills 1998). The discipline and profession of accountancy however have been less eager to embrace spatiality although there can be less reason for differentiating such accountancy concerns as federal taxation law. Federal taxes are national in design and will generally have the same or similar impact on all small businesses regardless of location. Indeed the objective of national taxation is not to make

regional exceptions. In this way the study of regional small businesses and taxation can be much more confidently extrapolated across a wider range of spatial realities. This uniformity on the other hand makes criticisms of the GST study referred to above less easy to understand unless the political nature of the issue is taken into account (*Border Mail* 2-3 November 2001).

## **Conclusion**

The process of community engagement by regional universities is of vital importance to the small towns and regional communities in which institutions such as CSU are embedded. Encouraging academic staff to undertake regional research focussed on issues important to the social fabric and survival of regions and their small communities will remain a difficult exercise until such time that some of the systemic biases against the value of applied and regional research are removed. It is important that the value of regional research in terms of its applicability to large portions of the population and capacity to provide solutions to national issues is recognised. Also important is the recognition of the significance of applied research in finding place-based solutions to the myriad of complex community issues facing small towns. Finally, there should be recognition that the fundamental purpose of regional research is the transfer of knowledge and capacity within the region and, consequently, acknowledgement that regional research strategies should recognise and promote exoteric communication models that best enhance knowledge transfers between universities and their regions. Changes to current regional engagement and research practice that includes the above will lead to better outcomes for regionally-based academics, universities, and the small town and regional communities they serve.

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