OUR REGIONS RISING — POLICY HACK OUTCOMES 2019

A CALL FOR A NEW APPROACH TO REGIONAL POLICY IN AUSTRALIA

REGIONAL
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INTRODUCTION

In April 2019, the Regional Australia Institute (RAI) convened the historic Regions Rising National Summit. This summit brought together business, all levels of government and community leaders from across rural, regional and remote Australia to discuss the future of regional development.

As part of the agenda delegates were invited to participate in facilitated discussions called 'Policy Hacks'. At each policy hack session, participants workshopped solutions to one of four specific problems:

- **Regional Jobs**: What policy changes would encourage people to take up employment opportunities in regional Australia?
- **Population Strategy**: For regional Australia to play a stronger role in our national population strategy, what changes need to be made?
- **Regional Health**: What policy changes are needed to help regions capitalise on growth in the health industry?
- **Place-based Programs**: What needs to change for place-based policies to be implemented in regional Australia?

As a result of the hacks, the RAI is pleased to present participants with the outcomes of those sessions. The recommendations and policy solutions that follow come from a valuable source of collective-knowhow and expertise.

Throughout each session several common broad themes emerged which represent a call to government to build a new approach to regional development policy in Australia. Not surprisingly, they also resonated through the National Summit itself.

These themes include an acknowledgement of a need to shift the narrative about regional Australia so that regions are no longer framed as either areas of deficit or in opposition to the nation's capital cities, and a strong call for locally-led strategies to address regional challenges 'from the ground up'. Additionally, there were strong calls for policy makers to better connect to regions and for policy processes to better involve communities who have substantial influence on their own prosperity.

The key themes that emerged through the policy hack sessions include:

1. **Investing in 'soft' infrastructure – human capital and liveability;**
2. **Governments and regions working together;**
3. **Empowering regions through flexibility and place-based policy;** and
4. **Shifting the narrative.**

1. INVESTING IN 'SOFT' INFRASTRUCTURE – HUMAN CAPITAL AND LIVEABILITY

Regional leaders are calling for regional policy development to be more than the implementation of large infrastructure projects such as road and rail. Instead leaders want education and skills development of regional residents to be a priority. Regional Australia has jobs and the challenge ahead is filling these with trained skilled workers.

While people choose regional areas for economic and employment related reasons, other factors also influence these mobility decisions such as the 'liveability' of the location. Quality child-care, employment opportunities for spouses, and education for children, were all noted as central to ensuring those with the right skills to stay or move to the regions.

2. GOVERNMENTS AND REGIONS WORKING TOGETHER

Regions want to 'work with' governments - they don't want things 'done to' them. Local knowledge and expertise should be integrated into the policy-making cycle and locally-led solutions should be supported, especially in regards to employment, population programs and the delivery of healthcare.

Forging such a connection would mean that government would better understand how regions work, what their issues are, and why they need different policy approaches to our capital cities. Regional policy is starting to experiment with regional city and regional deals - which recognise and validate the priorities of regional leaders.

3. EMPOWERING REGIONS THROUGH FLEXIBILITY AND PLACE-BASED POLICY

Allowing flexibility in the way that policies are delivered would bring about better results across diverse regional and remote areas of the country. This requires a rebalancing away from the current emphasis on programs that seek to maximise economies of scale, towards recognising the importance in smaller regional communities of the value of economies of scope – where different services can be bundled together for more effective local impact. This reflects a shift in focus away from the blanket polices that often seek to ease the burden of administrative functions, towards the place itself, and towards the intended outcomes of the intervention.

Some specific ways to help shift this focus include establishing cross-border commissioners and extending regional deals. Regions need different approaches, especially where policies are designed to work in areas with large populations, while effective delivery is difficult to achieve where populations are small and dispersed.

4. SHIFTING THE NARRATIVE

When Australia's regions are strong and thriving, our nation is strong and thriving. Regional thought and community leaders are optimistic about life in regions, and about their future. The tired 'country/city' binary simply does not reflect the reality. Australia's regions are diverse, innovative and closely linked to urban and global marketplaces.

Regional leaders have called for a shift in the narrative of regional Australia in mainstream media and in places of centralised decision making. The successful development of regional Australia is tied to its story, and that is one where are our towns and regional cities represent places where new innovations, healthy families and successful careers are built.

REGIONAL JOBS POLICY HACK

THE ISSUE

A common perception is that there are few job opportunities in regional Australia. This is a myth. In reality there are jobs available from the high to low end of the skills spectrum.

Since 2016, internet vacancies have been growing at double the rate in regional Australia compared to capital cities and in January 2019 there were 42,000 job vacancies outside the mainland state capitals, across a range of occupation and skill levels. In fact, there are signs of the re-emergence of skills shortages in some regions where the number of vacancies has grown by over 30 per cent in just two years.

A closer look at the mix of occupations in demand shows that there are similarities across regions, with many employers seeking similar skills to fill job vacancies. In the medium term, the healthcare and social assistance industry is expected to require another 85,000 workers in regions through to 2023, followed by education (32,000 workers). This will mean intensifying competition across regions to secure the people that each region needs in order to grow.

Evidence from regions shows that it can be hard to fill available jobs due to perceptions of poor infrastructure, services and amenity – so action on improving the stock and capability of these key assets is vital to regions being able to attract and retain the people and skills they need to grow.

Furthermore, automation and the surge in digital technologies is of great concern across Australia, particularly as it simultaneously creates opportunities as well as removing some jobs. The next wave of technology change will threaten low-skilled service jobs as digital technology and apps are marketed to employers and service providers as ways of reducing staffing costs. The extent to which regional business owners take up these technologies and pursue these cost savings, as well as the extent to which regional consumers engage with the technologies, remains to be seen. The impacts of digital automation will also vary considerably across different regions in Australia.

How well are education systems and regionally-based education offerings prepared for these changes to future jobs and future skills needs? In 2016, RAI research showed that future skills need to be a mix of high tech, high touch (personal contact) and high care capabilities as flexibility and creativity become increasingly important in a more dynamic labour market. With long lead times on professionals in growing industries, such as health and education, it is vital that action starts now to create the skills development pathways to fill the jobs of the future. Attraction and retention of professionals is a challenge in most regions, alleviated somewhat where in-region education is offered so that local residents are able to take up opportunities.

Responding to the future of work in regional Australia is a multifaceted challenge, but one within which systemic responses at the state and national level can lead to significant improvements when well designed and targeted. Beneath the need for systemic responses, examples from communities around Australia show the scale of impact that well-structured local initiatives can have in helping regional residents get the most from the opportunities that the future labour market will present.

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POLICY HACK QUESTION

What policy changes would encourage people to take up employment opportunities in regional Australia?

POLICY HACK OUTCOMES

Participants focused the discussion around the common recognition that the availability of jobs in the regions was not enough. In order to lift the uptake of these jobs, it is imperative that local perspectives and needs are placed at the centre of program planning and policy design.

Promoting career and lifestyle opportunities in the regions and a focus on improved liveability was key to attracting skilled workers and their families to settle long term in regional Australia.

Five key themes emerged in this policy hack:
1. Linking industry, education and potential employees;
2. Shifting the narrative: promoting lives and careers in the country;
3. Improving the liveability of the regions;
4. Supporting the transition to regional life; and
5. Place-based flexible policy approaches.

1. LINKING INDUSTRY, EDUCATION AND POTENTIAL EMPLOYEES

There is a need for local training to meet local needs. Links need to be established and maintained between what industry needs, what education providers have the capacity to provide and the requirements of potential employees. This needs to happen at the level of local communities. Needs-based training to match local jobs should involve consultation between local universities, vocational education and training providers, industry groups and businesses.

The establishment of Careers Development Practitioners in regional areas was raised as a way to facilitate this gap between the potential employee, training and jobs in the local area.

Addressing local education and skills needs should begin at an early age. Young people should be made aware of the particular strengths, industries and career opportunities in their region as young as possible, to establish aspirations to remain in town.

Providing multiple approaches to gaining qualifications such as schools-based apprenticeships, accelerated apprenticeships and micro-credentials were raised as a positive way to link education and industry.

2. SHIFTING THE NARRATIVE: PROMOTING LIVES AND CAREERS IN THE COUNTRY

There was a strong call for a need to shift the narrative surrounding regional Australia in order to both retain skilled professionals and attract newcomers. The group saw a gap in the provision of Australia-wide information which sells the benefits of a regional career. There was concern that many of the opportunities in regional Australia are simply not known to people in metropolitan places and the group recognised a need to improve the marketing of regional Australia to 'make the regions cool again'.

A new narrative and energy for towns is needed and examples of towns that have made a successful turnaround in terms of marketing and changing their story could be researched and showcased.

Using the tourism industry and promoting regional events was raised as a means to provide an avenue for this narrative shifting exercise by providing a taste of the region and overcome fear and misinformation.

3. IMPROVING THE LIVEABILITY OF THE REGIONS

In order to attract and retain long-term skilled workforces, local town planning should focus on making places attractive and increasing 'liveability' through housing, sports-facilities and public spaces. Our regions should be planning for future liveability. Understanding what your region will look like in the future should guide the way health, aged-care and education are planned.

In improving liveability and attracting a skilled workforce, it is important to consider the employee as a member of a wider family unit. This means ensuring child-care is available and affordable, that there are jobs for spouses and that there are facilities and activities for after working hours.

4. SUPPORTING THE TRANSITION TO REGIONAL LIFE

Families and individuals need to be supported and assisted with their decision to move to the regions and in establishing their lives there. The tourism industry could be better utilised for instigating interest in taking up a regional job. Local community initiatives could provide welcoming support for new families and spouses moving to the region and could address social issues such as cultural differences and isolation.

It is one thing to attract someone to the country for a job, it is another to make them stay. This policy hack group suggested that it can take five years to 'stick to a place' and that this support and transition process should continue throughout that period. One group suggested that expanded work experience or a program of 'trying regional jobs before deciding' could be a way to allow people to have a hands-on experience and regional life before committing.

5. PLACE-BASED FLEXIBLE POLICY APPROACHES

Community-driven solutions were seen to be effective and all discussions called for a recognition of this approach in addressing the future of work in regional Australia.

Each of the points raised in this hack called for a stronger emphasis in decision making to include local voices. Gaps in employment needs require flexible solutions that suits the location.

POPULATION STRATEGY POLICY HACK

THE ISSUE

While regional Australia's population size does not match that of the major capital cities, regional Australia is a major contributor to the national economy, the country's culture and identity.

What keeps people committed to a life in regional Australia and what attracts people to choose a life outside the major capitals? What are the major factors that contribute to people's decision to leave regional Australia? What needs to happen for regional Australia to maximise its strengths and ensure that we can build the appealing, adaptable and viable communities that people want to live in and contribute to in the long term?

Internal migration is the major component of population change in regional Australia and a major contributor to population growth and the offset of population decline within the regions – over 400,000 capital city residents chose to move to a regional area between 2011 and 2016.

While the majority of those people relocated to coastal regional cities within a two hour drive of the major capitals, people also moved to a diverse range of regional areas including inland regional cities; mid-sized towns that act as industry and service hubs; and regional heartlands more geographically isolated from the major capitals.

Nationally, young people 20-29 years old are the most mobile, yet movement from major capital cities to regional areas of Australia peaks in the 30-39 and 60-69 age groups. These age groups represent a workforce that can bring a range of skills and experiences to regional communities. Some of these people will move to regional Australia with their families, which helps bolster school enrolments and participation in community activities, along with meeting labour force demands.

People moving to regions are looking for a better quality of life, weighing up considerations like job prospects, commuting time, house prices and liveability. Sydney has had net outflows of Australian residents over the last four years, indicating dissatisfaction for many with the lifestyle on offer.

Important inhibitors to a move to the regions are perceptions about a lack of long-term job prospects, social infrastructure (especially health and education) and cultural vitality.

Can addressing these inhibitors increase the number of people wanting to live in regional Australia? Can improving regional city and town infrastructure contribute to increases in the flow of people out of congested major cities without the need for individual relocation incentives?

POLICY HACK QUESTION

For regional Australia to play a stronger role in our national population strategy, what changes need to be made?

POLICY HACK OUTCOMES

Participants in this policy hack proposed that the role of regions in national population growth changes over time, and the current spotlight on regions reflects the calls from many quarters for a rebalancing of city-based growth to encompass regions as well. The policy hack topic was not just about mobility, but touched on bigger issues of nation building and the nature of the places that make up Australia, and who we are as a nation.

As a nation we are becoming increasingly urbanised in capital cities and regional centres, but regions are important contributors to economic prosperity and people's lifestyle choices. While Australia is steadily becoming more urbanised, there are signs of a movement that 'country is cool'.

The group's discussions covered a wide range of aspects of population movement, attraction and retention. Overall, five main themes emerged:

1. Mapping the 'must haves' and 'nice to haves' that regional places need;
2. Understanding mobility – who's moving where and why;
3. Marketing efforts – promoting regional living;
4. Community vibrancy; and
5. Designing responses.

1. MAPPING THE 'MUST HAVES' AND 'NICE TO HAVES' THAT REGIONAL PLACES NEED

There were consistent themes from participants in terms of the characteristics and attributes of regional places that are necessary for them to attract and retain population. The foundations were health, education and the breadth of local retail and consumer services. If these foundations were not perceived as being 'good enough', then there was little scope for population growth. Discussions acknowledged, though, that 'good enough' varies with remoteness – so that the expectations and perceptions of more remote places were not the same as less remote places, and there is no single benchmark of what's needed.

Beyond the foundation 'must haves', connectivity is important – both digital and physical (roads and airports, for example). But soft infrastructure also emerged as an important 'nice to have'. This includes the town's social infrastructure and services, the infrastructure that supports liveability, as well as the diversity in the local labour market. This labour market issue was a common concern for participants, reflecting the perception that for people to move to or stay in a smaller community there needed to be confidence that a job would be secure, or that there was enough breadth in the job market for there to be a possibility of a career rather than just one job, and that there are suitable employment options for partners and children as well.

2. UNDERSTANDING MOBILITY – WHO'S MOVING WHERE AND WHY

Australians are a mobile people, with over 400,000 capital city residents moving to regional areas between 2011 and 2016. Of these, some stayed, some moved around to other regional places, and others returned to the city.

Policy hack participants were keen to see better understanding of the scale of these movements, and the nature and characteristics of people moving such as age, family stage, occupation, and income.

Participants hoped that such analysis would reveal some different 'market segments' — types of mobile people with similar characteristics. These market segments could be used to tailor both broad marketing strategies that promote regional living, as well as identifying gaps in regional attractiveness that need to be addressed.

3. MARKETING EFFORTS — PROMOTING REGIONAL LIVING

Participants recognised the role of marketing in facilitating population movement to regions. Examples were given of marketing campaigns for individual places — like Temora's community-made video designed to help that community attract a doctor. The EVOCities network was also mentioned, and its billboards promoting regional living to city commuters. Challenges were noted in marketing a generic regional living message, when many centres have different attributes and facilities that make them unique.

Discussion highlighted the different life stages of people moving (or staying) and the different drivers influencing those decisions. The 'end to end' process is a long one — perhaps starting with the germ of an idea to move to a regional place, with this being followed by a succession of information and decision points. More use can be made of different marketing tools and techniques such as tapping systematic communications with former residents and recent tourist visitors about local opportunities highlighting the benefits of coming back and staying on.

4. COMMUNITY VIBRANCY

Amongst the mix of factors affecting the perceptions of living and working in regional Australia, quality of life is seen as a standout winner — based on much better levels of housing affordability and much less traffic congestion that in the capital cities, both contributing to a more relaxed pace of life with more time for self, friends and family.

A much more varied factor is that of community and cultural vibrancy. One of the perceptions about urban living is the ability to sample and get involved in a wide range of cultural and community activities, and this can be seen as a weakness for smaller communities — especially when we have misinformed stories of small towns shrinking and football teams disappearing in regional Australia. Vibrancy has many aspects, and participants shared examples of home grown participative community building networks and activities, alongside the more externally visible festivals, events, exhibitions and concerts.

While the external events help get a place on the map and can bring in tourism dollars, it seems to be the breadth and depth of ongoing locally-led activities which knit the community together and facilitate the rapid engagement and integration of newcomers.

5. DESIGNING RESPONSES

Regional Australia is not one homogenous place. Our towns and cities have vast differences. A foundation of this policy hack discussion was to highlight this fact and the recognition that to improve their attractiveness, different approaches would be needed. A good example of that was the efforts some places are making - like the James Morrison Academy in Mount Gambier, or the painted grain silos in many parts of northwest Victoria, or tapping international interest in a pink lake.

But there was also acknowledgement that while each place is unique and a tailored mix is needed, there are broad types of locations that benefit from similar policy and program responses. For places with common characteristics, understanding these commonalities will help frame government responses that will increase the flow of people to regional areas. Some examples are activating connectivity programs to fast track the integration of newcomers into regional communities.

A creative idea was establishing volunteering programs within the communities specifically for new students at regional university campuses. These could also be open to new workers and their families. Initiatives tailored for particular occupations were also seen as important, such as those targeting recruitment and retention of health professionals and education. This hack group felt that whatever responses were being developed, it is important in program design to leave room for rapid piloting and evaluation – enabling 'failing small' before going large.

Examples were given of state-based programs which provide financial incentives to businesses, employers and/or workers to relocate to regional places. But participants also emphasised the importance of non-financial incentives, such as easing red tape for recognition of trade qualifications across state boundaries, and for business relocations.

The policy hack group highlighted the need for better understanding of the drivers of location decisions for different types of workers and residents, and the importance of both physical and soft infrastructure – including community vibrancy – in making regional places attractive places to live and work in. The changes proposed were a mix of initiatives for governments to consider, alongside things that communities can and are already doing themselves.

REGIONAL HEALTH POLICY HACK

THE ISSUE

The healthcare and social assistance industry is one of the largest employers in Australia, with over 1.3 million workers nationally. It is expected to see the biggest increase in jobs of any industry across Australia in coming years. It will not only be a key job provider in metropolitan areas, but likewise across regional Australia where the quality and the diversity of healthcare services we expect and require will also grow in this time. At the same time, the need for health and aged care services will continue to increase with an ageing population.

Access to healthcare and social assistance services are important not only for the wellbeing and quality of life of people in regions, but they can also support the economic development of a region itself. Having access to good health services also improves the attractiveness of a place, and these sectors play an important role in most regional labour markets. Currently, the healthcare and social assistance service industry employs 14.4 per cent of regional Australians. By 2023, the industry is expected to increase by more than 250,000 jobs, of which 34 per cent will be in regional areas.

The healthcare and social assistance industry jobs are a mix of private and public jobs. While traditionally the public sector provides the 'backbone' of health services in a region, the private sector is increasingly playing a role in both healthcare and social assistance, particularly in response to changing consumer expectations.

Additionally, the industry is an important regional employer as it provides a mix of high and low skilled jobs. High skilled jobs range from medical practitioners and nurses through to other allied health professionals like psychologists and physiotherapists. At the same time, the industry is supported by a range of entry level and lower skilled non-health occupations such as cooks, cleaners, receptionists and office managers that help to provide essential services supporting the functions of hospitals and other health related establishments. In turn, the industry provides a variety of low, mid and high paying jobs. It accounts for 12.5 per cent of high income jobs ($104,000+) in regions.

The important role of the healthcare and social assistance industry in regions and the expected growth in demand for people to fill these jobs means that many regions will be competing for the same kinds of workers, with the same kinds of skills. As of January 2019 there were more than 6,200 vacancies in health jobs across regional Australia. The attraction and retention of health professionals in regional Australia is already a challenge in many places, and this may well intensify in future. Particularly for regional Australia, specialised medical professions such as diagnostic radiographer, sonographer and occupational therapist are already difficult job vacancies to fill.

Although there are current challenges with attracting and retaining healthcare professionals in regional areas, the future projections for job growth mean there are big opportunities for regional Australia too, and the outcomes will depend on how regions respond to building the industry and supporting their local workforce.

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POLICY HACK QUESTION

What policy changes are needed to help our regions capitalise on growth in the health sector?

POLICY HACK OUTCOMES

Participants of the regional health policy hack discussed the profound impact the healthcare sector has on the prosperity and economy of communities, and the importance of maintaining many aspects of the industry in the regions — far beyond service delivery alone.

Present in the room were general practitioners and other healthcare service deliverers, RDA representatives, regional leaders and advocates, and a variety of other professions, both related to healthcare and not. The consensus was that everyone has skin in the game when it comes to the healthcare industry in regions.

Four key themes emerged from the group discussion:
1. Healthcare by locals, for locals;
2. Building connected, liveable communities;
3. Cross-border collaboration;
4. Training the health workforce locally.

1. HEALTHCARE BY LOCALS, FOR LOCALS

The group affirmed that a locally-led approach is the most promising approach to enable regions to capitalise on growth in the health sector. Local organisations are ideally placed to deliver healthcare services as they shape services according to 'on the ground' knowledge and can leverage community connections and expertise.

There is a great opportunity for these organisations to directly address the needs of communities, particularly in areas where smaller or more dispersed populations requires that service delivery organisers achieve economies of scope rather than economies of scale.

Directly funding local organisations to deliver care in a flexible way should be prioritised. This will empower organisations to ensure that they are resourced to deliver a better quality of service, especially where locally-led initiatives are already producing results.

Currently, there is a range of these initiatives that combine services or work to improve access to services in regional areas. These include instances where schools and aged-care work together to pool services, as well as the provision of community buses to ensure access to services. There are also instances where small housing estates are planned and developed to ensure better access to health services. An opportunity exists to learn from and share any success these initiatives currently enjoy.

Local governments are key to helping improve health outcomes. The role of local councils in delivering healthcare services needs to be recognised, especially where there are few or no alternative service providers. This role could be bolstered by adapting a community-driven social care funding model, which is flexible and administered locally.

2. BUILDING CONNECTED, LIVEABLE COMMUNITIES

While the group identified the potential that access to eHealth has to improve health outcomes in regional Australia, it noted that eHealth also has a role in promoting better take-up of services. However, this relies on good digital connectivity across Australia. Efforts to improve this connectivity are welcomed and should be strengthened. Improving digital connectivity will also positively impact the liveability of regional communities. Investing in the liveability of regional areas will help to attract and retain health professionals.

Research shows that financial incentives are often not sufficient to keep health professionals in smaller regional and remote communities. When professionals evaluate whether to move to or stay in these communities, their decisions are also influenced by a range of non-economic factors, including access to social services and education as well the amenity and cultural vibrancy of a community. Investing in this soft infrastructure will improve the attractiveness of the regions for health professionals and in turn improve the health outcomes of families and communities.

3. CROSS-BORDER COLLABORATION

The hack group identified that there is an opportunity to shift the focus on health services to the outcomes for communities rather than administer them according to jurisdictional boundaries.

Existing arrangements that feature cross-border collaboration deliver strong results for and timely services to communities. This success could be further bolstered by formalising the view that there are porous state and territory borders in the provision of healthcare by introducing 'healthcare regions'.

These healthcare regions could be mapped out according to proximate service delivery, including access to existing health hubs and precincts regardless of whether these are located in regional or metropolitan areas. The mapping of these regions should involve not only cross-border collaboration but also collaboration across levels of government, thereby reducing the duplication of services and improving the efficiency of resource allocation.

4. TRAINING THE HEALTH WORKFORCE LOCALLY

There needs to be more healthcare-related education and training provided in the regions. This should include more end-to-end degrees in regions, more Commonwealth Supported Places (CSPs) in the regions, and more funding for non-clinical training.

The policy hack group had seen strong evidence in their own experience that if people are trained in the regions, they are more likely to stay in the regions long term.

The emphasis on local education and training provision should include all parts of the healthcare industry. This includes a recognition that the sector requires a range of entry level and lower skilled non-health occupations such as cooks, cleaners, receptionists, and office managers. These occupations are essential to the functioning of hospitals and other health-related establishments.

Providing information about the range of occupations that are available in the healthcare sector is important for young people making decisions about building a career in regional Australia. Continued engagement between the local health sector as employers and education providers is essential to developing appropriate programs to address local workforce and community needs.

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PLACE-BASED PROGRAMS POLICY HACK

THE ISSUE

The gaps between regions and metropolitan areas by many measures of service provision and socio-economic outcomes are persisting. Worse still, the smaller and more remote the community, the greater these gaps are.

These gaps persist not simply due to a lack of effort or money as there has been much of both. The reasons go to the heart of how we have sought to resolve problems and the incompatibility of those policy approaches to the challenges of regional Australia. Large macroeconomic reforms that began in the 1980s were guided by a way of thinking about service delivery as a marketplace. The thought was that distribution of these services could be more efficient if supply arrangements could achieve economies of scale.

This approach has driven the reform of service delivery in recent decades. The provision of services has been increasingly outsourced with large organisations (including not-for-profits), seeking economies of scale to maximise returns. This approach may work well in cities, but there is often little dividend in smaller, less populous places that have watched service delivery consolidate in larger and usually more distant towns and centres.

This is just one example of the way that previous policy thinking places little emphasis on 'place' as the context within which programs are implemented. Policies and programs are rolled out across the country with uniformity whether they are being implemented in a metropolitan centre or in a small regional town. Uniformity in delivery processes across Australia leaves no avenue for the consideration of local issues or actions. And it can be often used as a smokescreen for 'equity' (everyone is subject to the same program or policy guidelines) but actually it leads to anything but, frequently imposing unworkable requirements on regional providers.

Even where local 'voices' are said to be included in policy design and implementation, this involvement is likely to be overstated. Central government policy makers often over-estimate the degrees of freedom enjoyed by managers locally and frequently assume there has been a higher level of local input into the design of programs than has been the case.

Mechanisms and processes need to allow local input into the design and to guide program modifications to meet the needs of the community. Without this capacity, there is a sense that central government policies and programs are 'enacted' upon regions. Regions can find it overwhelming to push for change as actions can require cooperation across rigid administrative silos that are difficult to navigate.

Enabling a place-based approach to policy and program delivery requires major changes to the way government works. It requires rebalancing the primacy of economies of scale, and recognition of the value in regional communities of the economies of scope that knit services together. It also requires enough flexibility in program design, delivery and contracting to allow local variations – without undermining accountability and probity. The significance of these changes means that political will is the critical ingredient.

POLICY HACK QUESTION

What needs to change for place-based policies to be implementable in regional Australia?

POLICY HACK OUTCOMES

Participants in this policy hack emphasised the importance of place-based approaches in mirroring the unique conditions of diverse towns and cities throughout regional Australia. Because one place is not like another, spatially blind approaches are usually unsuccessful in delivering results as they fail to account for the 'on the ground' circumstances of a place.

It was noted that while place-based approaches may require a different kind of effort from governments and more collaborative approach to communities, they are a promising policy option for regional Australia that could lead to a newer approach to regional development that embraces local expertise and sees communities and governments as partners.

The group's discussions covered a wide range of aspects of population movement, attraction and retention.

Four key themes emerged from the place-based policy hack:
1. Establishing and deepening a connection to regional Australia;
2. Legitimise local knowledge;
3. Flexible program delivery; and
4. Governments and regions are collaborators and partners.

1. ESTABLISHING AND DEEPENING A CONNECTION TO REGIONAL AUSTRALIA

This policy hack group identified a need for governments to establish and deepen a meaningful connection to regional Australia as a 'place' with specific and distinct communities. Such a connection would help government better understand how regions work, what their issues are and why they need different policy approaches to cities.

The group identified several specific solutions that might help to establish and deepen such a relationship. Some of these involve better utilising existing structures such as the Regional Development Australia (RDA) network and processes such as decentralisation. Strengthening the resourcing provided to the RDA network and leveraging its 'footprint' in regional Australia was a key suggestion, as was ensuring that policy staff are included in decentralisation programs so that those designing policy become better connected to regional life.

Other suggestions focused on improving the visible presence of government decision makers in regional areas. One possible way to do this may be to follow the lead of several state governments and to establish regional cabinet meetings. Here cabinets work in a region for a week with their stay usually linking with a key local event or used to raise awareness of an important initiative.

2. LEGITIMISE LOCAL KNOWLEDGE

Secondly, the group identified that place-based policies require that local knowledge and expertise is legitimised by making it part of the policy making process.

Policy making from the centre can leave little or no scope for local input, so that key local knowledge about issues or delivery is overlooked. There are also data gaps in key information so there is an opportunity to work with all stakeholders to ensure that the information needed to make decisions is accessible.

Improving local participation in the decision making part of the policy cycle will also assist to implement place-based policies.

The group identified specific solutions including ensuring local participation in the decision making is a formal part of the policy cycle so that they have an authoritative say in the very fields of policy that affect them most.

A 'community jury' model was also suggested as a replacement for appointed committees that address specific issues. Such a model has been successfully used in various state jurisdictions where increased community participation in policy matters has also been reported. There is also an opportunity to formally require locally-led solutions to policy problems to be considered as part of the policy process.

3. FLEXIBLE PROGRAM DELIVERY

This group identified that allowing flexibility in the delivery of government programs in regional and remote areas will help facilitate the implementation of place-based policies.

Currently, most programs operate in a spatially blind way, that is, they are rolled out in the same way whether they are being delivered in the city or outside it. Regions need different approaches, especially where policies are designed according to an expectation that they deliver economies of scale.

Economies of scale are difficult to achieve in regions where populations are smaller and more dispersed than in metropolitan areas.

Enabling flexibility in the delivery of programs, for example by promoting economies of scope, might be one way to help address service and outcome deficits. Such economies could be found by allowing service providers to 'pool' their services and develop a 'one-stop shop' approach to give regions better services.

The group also identified that a Regional Commissioner who worked across portfolios might help to address inflexible policy decisions. A Regional Commissioner could also advocate for a stronger place-based approach within government. Another idea is to formally establish a check point in program design and delivery where governments assess whether the proposed program will work in a region.

The group identified that distributing funds to regions through competitive funding models often pits them against one another and, by default, encourages a focus on the transaction of the funding rather than the outcome that the funding is intended to bring about.

Establishing a way to distribute or allocate funding to regions that does not require competition might encourage a view that regions are connected to each other and that issues are not necessarily isolated. This could encourage collaboration and build strong relationships across regions and between regions and governments.

One possible alternative to competitive grant funding may be to consider local grant making, where local communities determine their own priorities.

4. GOVERNMENTS AND REGIONS ARE COLLABORATORS AND PARTNERS

Finally, this group identified that place-based approaches require that governments and regions engage in a way that is based on collaboration and partnership.

While there has been a fair amount of attention paid to the capacities that regions need so that they can collaborate effectively, governments also need to develop the capacity of their skills and processes. For instance, while there may be an opportunity for regions to develop leadership capacity, governments need to work collaboratively across silos and work to broker relationships with other parties traditionally outside official decision-making processes. Supporting those involved with the design and delivery of place-based policies and programs also extends to provide practical resources and 'know-how'.

Specifically, the group identified that capacity in communities and in governments could be improved by 'building in' mechanisms to encourage innovation such as including left of field thinkers in policy development and even developing an 'entrepreneur in residence' program in regional communities to help develop local expertise and human capital.

While the group acknowledged that efforts to build the leadership capacity in regions should be continued, it was also acknowledged that the ability of regions and governments to collaborate and deliver outcomes could be bolstered by improving investment in and access to research into best practices in rural, remote and regional policy and delivery. This research should be used to build tool-kits for regional leaders and for governments, especially about program and policy governance.

The group noted that the capacity of all levels of governments to work together to collaborate needs to be improved and that this collaboration ought to formally occur before policies reach the community.

The place-based policy hack concluded with the following question being posed to participants 'If you were Minister for Regional Development for a day, what one thing would you do to help the implementation of place-based policies in regional Australia?' The responses to this question broadly echoed the key themes identified in the session in that there was an emphasis on improving connection to the regions and moving to a collaborative or deal-making approach to regional development.

The session concluded with a short discussion of the importance of changing the narrative around regions so that all Australians (including policy makers) could better understand the close relationship between regional and national wellbeing and prosperity.

WHAT'S NEXT?

The RAI would sincerely like to thank all participants of these policy hack sessions held at our Regions Rising National Summit in Canberra on 4 April 2019.

This document has been provided to all participants in full. The outcomes will be presented to both sides of government to encourage consideration of a new approach to regional policy in Australia.

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RDA Far South Coast
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RDA Great Southern Western Australia
RDA Mackay Isaac Whitsunday
RDA Murray
RDA Murraylands & Riverland
RDA Orana
RDA Riverina
RDA SA
RDA Southern Inland
RDA Tasmania
RDA Whyalla and Eyre Peninsula
RDA Yorke and Mid North
Red Cross
Regional Arts Australia
Regional Arts NSW

Regional Development Victoria
Regional Health Alliance
Regional Insights Australia
Regional Universities Network
Rockhampton Regional Council
Royal Flying Doctors Service
RRMH
Rural Bank
Rural City Of Wangaratta
Service One Alliance Bank
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Snowy Valleys Council
Southern Cross Care Living
Southern Cross University
Southern Grampians Shire Council
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Sunny4Senate
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