

Localism and the socio-economic viability of rural and regional Australia

Anthony Hogan¹, Jen Cleary², Stewart Lockie¹,
Michelle Young¹, Katherine Daniell¹, and Mark
Hickman³

1. The Australian National University, Canberra
2. The University of South Australia
3. The Department of Employment and Industry Development, Queensland

Abstract

Like in many western countries, the economic importance of Australia's agriculture has declined over the past 50 years, with subsequent impacts on the viability of rural and regional communities. In Australia (and elsewhere), localism has been proposed as a strategy to promote self-sufficient socio-economically viable communities. This paper examines the utility of localism as a policy strategy for addressing the socio-economic viability of communities in rural Australia. In current Australian policy, localism is premised on developing partnerships between local industry and communities in order to unleash the economic potential of these areas. The paper provides an overview of how localism will be implemented in Australia, noting many of the challenges which it will face. Such challenges include Australia's distinct environmental, spatial and demographic settings which differ greatly from Europe, where this form of policy originated. The localism policy provides a framework within which Australia may progress through a necessary transition of rethinking the socio-economic basis which will underpin rural and regional settlements. However, localism is not without its limitations (e.g. regulatory dumping, responsibility shifting, under resourcing, centralised disempowering decision making) which are reviewed before examining the extent to which the proposed infrastructure to support the implementation of localism in Australia is adequate for the task. The proposed level of funding required to make localism effective, as well as the decision making structures put in place, seriously limits the capacity of this policy to be successful. The paper concludes with a consideration of how localism might be usefully progressed in Australia, and the governance arrangements which would be needed to

deliver on its proposed outcomes. To this end, the merits of developing a multi-level governance approach for Rural and Regional Australia are discussed.

Keywords: Policy, localism, rural, communities, social and economic development

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Introduction

Australia is a large continent spanning some 7.7 million square kilometres with almost 60,000 kilometres of coastline (Australian Bureau of Statistics (ABS) 2010a). Despite being a physically large country, the Bureau of Rural Sciences (BRS 2008:2-3) reports that the majority of Australians live in major urban and outer urban centres (62%) while 33% of people live in regional centres of up to 100,000 people. BRS (2008) reports that regionally Australia has seen growth in centres such as the Gold Coast (Queensland), Geelong and Bendigo (Victoria), Mandurah (Western Australia) the Tweed, Newcastle and Maitland (New South Wales) and Alexandrina, Victor Harbour and Mount Barker (South Australia). BRS (2008:3) reports that only 9% of Australians now live in rural Australia. The work of BRS makes it evident that rural is readily defined as being those spaces not occupied by small towns or larger settlements. A working definition of regional can also be derived from these analyses. By default, regional does not encompass major urban centres but it is likely to encompass settlements which are greater than 250,000 people which are not one of the centres of state governance. It is also likely to encompass settlements of up to 100,000 people and of 100,000 to 250,000 people.

Australia differs enormously from Europe with regard to issues of space and scale. Switzerland, for example, occupies 41,290 square kilometres and is smaller than Australia's smallest state of Tasmania, which occupies more than 60,000 square kilometres. In addition, Australia is far less densely populated than Europe (OCED 2006). In remote Australia, approximately 3% of the population lives on 70% of the landmass.

The Bureau of Rural Sciences (2008) reports that in rural and regional Australia the most predominant industries are agricultural, mining and retail. In addition to agriculture, the gold rush of the mid 1800s also contributed to the establishment of many country towns (see for example the histories of country towns such as Mildura, Bendigo, Yalgoo, and Braidwood). In its developmental phase as a colonial agricultural economy, Australian government policy was firmly centred on ensuring the economic viability of Australian agricultural industry centred on small farmers (Pritchard & McManus 2000). The viability of this form of rural industry secured the economic viability of small rural towns which grew up around local industry. The research shows that the wealth generated by such industries is central to the economic viability of such communities (Stubbs 2010; Marsden Jacobs, 2010), and that the majority of people living in such communities (85%) are dependent on paid wages or welfare benefits for their livelihoods (ABS 2010).

A discourse concerned with decline of rural Australia has intensified in recent years. The decline of the rural is not new. As Gutman (2007: 384) points out, in the past 100 years agriculture has declined from generating 80% of Gross Domestic Product to less than 5%. Lockie (2000) observes that international economic pressures on Australian agriculture have been cyclically impacting on the industry since late in the 19th century (2000). Alston and Kent (2004: xiii) observe that ‘small town rural decline and depopulation have been a common factor of rural life at least since the 1970s’. Rural decline has been particularly evidenced in a reduction in the number of people living in rural Australia, an ageing of the residual rural population, and a sustained decline of jobs in agriculture averaging 2.3% per annum (Bureau of Rural Sciences, 2008). From 1997, and particularly between 2002 and 2008, these problems have been exacerbated as large parts of Australian agriculture were subjected to a significant drought (BRS 2008; Kenny 2008) with subsequent economic impacts on agricultural production and the social and economic viability of rural towns. The impacts of this drought on rural towns has included ‘serious erosion of income for farms and small businesses (and) increasing rural poverty (Alston and Kent 2004: xiii) with increasing suggestions that ‘regional towns and cities are sliding towards welfare-dependency’ (Marsden Jacobs et al.; 2010: xii). With many jobs and business at risk, concern about the viability of rural towns is once again upper most in the minds of the community.

Localism

Social and economic change in rural and regional areas is not unique to Australia and can be regarded as a worldwide phenomenon. The OECD (2009: 3) argues that in addressing change and stimulating growth, public policy needs to ‘unlock the potential of regions and support long-term economic, social and environmental objectives’. The OECD argues that such a strategy ‘is all the more crucial given the very limited resources that are available to national, regional and local governments and the tight fiscal constraints likely over the coming years’ (2009: 3), noting that a mix of market, environmental and social strategies are required to achieve a sustainable outcome. Central to this strategy is the view that regions can and should invest in their own growth through mobilization of local assets and resources, so as to capitalize on their specific competitive advantages. Such an approach is increasingly referred to as localism. This use of the word localism is problematic in that localism inherently refers to a bottom-up community based approach to decision making, whereas in the Australian context it inherently refers to the community having inputs into decisions made at a regional level. Challenges within this approach include the inevitable tensions which will arise between centralised or higher-scale policy goals and the aspirations of given communities. Additional challenges include the pace of regional development compared with national growth, balancing issues of equity and efficiency, and ensuring that social and environmental policy initiatives keep pace with economic initiatives (OECD 2009).

In keeping with policy developments in Europe, the Australian Government has developed a localism policy focused on rural and regional Australia (RaRA). Australian localism seeks to diversify rural and regional economies away from agriculture in order to

drive 'growth, liveability and sustainability' (Minister Crean 2011: 1). The Commonwealth Government argues that:

if communities are stronger and more connected at the local level, overall productivity rises at the national level (...) We want to enable regions to broaden their traditional economic base – through new partnerships, new skills and new technologies. In this way, communities will become more resilient, more viable and more sustainable in the longer term. A one size fits all approach will not achieve these goals. Empowering regional communities to take ownership of their future (...). We need to look at individual regions through their eyes – through the local lens. The people who live and work in regional Australia know their patch best (...). They are best placed to identify the drivers for change and the potential for partnerships and new markets'.

Localism is concerned to promote self-sufficient socio-economic viable regional communities. Within localism, sustainably developing regional Australia requires an effective multi-sector partnership. Such a partnership is created and sustained within a developmental framework which catalyses the process. To achieve this outcome, communities must establish a unique collaboration with key industry groups and create smart local strategies which can lead to economic development for their region. Minister Crean (2011) argues that to realise sustainability, regional development pivots on the ability of communities to enact a place-based vision of effective partnerships with industry centred on technological innovation. In Minister Crean's view, technological innovation is central to national productivity. Echoing the strategy of the European Union (Europe Commission 2010), Minister Crean (2011) argues that the development of broadband internet services and the digital economy are central to this change strategy. Localism is seen as the mechanism to take the regions to a new level by *unleashing* their economic potential, addressing four key policy objectives:

- delivery of concrete economic and social benefits
- commitment to innovation and building capacity in local communities
- linking regional communities across traditional boundaries, and
- ability to leverage additional funding across government and the private sector (Crean 2011).

Within this vision, regional industries are seen as having the capacity to generate the economic foundation upon which communities prosper. In addition to their own local spending and the multiplicative effect this has on the local economy, industry provides people with incomes to live on, income which in turn is spent on goods and services in the local community, creating a virtuous cycle of socio-economic wellbeing.

A critical policy question facing Australian rural and regional (RaR) communities is how they nurture and support the further development of their economic base, and in turn, provide for the rural communities which rely on them, given the need for both industry and community to constantly adapt in the face of change, be that change driven by competitive economic pressures demanding ever greater productivity, globalisation,

technology development, drying, climate extremes or water policy. Minister Crean (2011) has identified Regional Development Australia (RDAs) as the mechanism through which the change process will be driven and managed. There are 55 regional development committees across Australia, as well as a peak group, Regional Development Australia. In the Australian Government's view, the RDAs are the key mechanism through which it plans to progress localism and regional decision-making:

So I want the RDAs to join the dots. Your work has to go beyond thinking about a single Government portfolio, it needs to be cross portfolio, cross governments but also through engaging with the private sector and NGOs. The role of RDAs should be seen as one that complements the work of Local Government. RDAs are there to perform a strategic role - one that is rooted in strong engagement with Local Government, Regional Organisations of Councils and other stakeholders. RDAs are there as facilitators, mentors and brokers on regional development. As such, I see RDAs and Local Government playing a collaborative role. A relationship that should be embraced for the opportunities it presents, because if we are to deliver effective regional development in Australia we need strong, creative partnerships (Crean 2011).

Strengths of localism

The OCED (2006) proposes that policy coherence can be achieved by situating place, rather than sector, at the heart of the rural and regional question. The changing nature of Australia's rural and regional economic base (Bureau of Rural Sciences, 2008; Houghton 2012), coupled with population decline (Carsons 2012), the growth of sponge cities (Productivity Commission 2002), and climate change, places distinct challenges on the socio-economic viability of specific settlements (Marsden Jacobs et al. 2010). If one accepts the assumption that the regional economy provides the adaptive base from which communities can secure their livelihoods (Parsons and Smelser 1956), within a given environmental context, the cumulative nature of the changes noted above may mean that the economic basis upon which certain settlements were founded, is no longer viable in its given form. At the same time, such changes may open up opportunities for given communities in the case where regional development and local interests align.

Some observers (see for example Bland 1944; Cheshire 2001; House of Commons 2011) have argued that localist strategies need to be supported by coherent government visions for rural and regional areas. Australian localism policy is consistent with these requirements, setting out a broad vision for the future based on self-sufficient socio-economically viable communities. In addition, the Regional Development Australia Fund provides a process and resources through which the policy can be implemented.

A key principle underpinning Australian public policy investment has been a concern with the long term sustainability of the economic base and production systems. In the case of

agriculture for example, the government has promoted market liberalisation while also putting in place resources to facilitate structural adjustment (Botterill 2003) such that ‘less efficient’ operators could leave the industry, resulting in a highly competitive primary industry. Central to this policy strategy was the principle that individual producers decided for themselves whether or not they were viable and whether or not they would choose to exit the industry. Localism, as it is being developed in Australia, extends this principle to a community level with resources put in place to facilitate change at a societal level. In the face of forces demanding adaptation at a societal level, localism seeks to put in place a mechanism whereby local people can have control over decision-making processes which will impact on their livelihoods and wellbeing. The counter policy to this strategy would be for government to take on the role of Solomon and explicitly decide which communities survived and which ones did not.

In keeping with earlier policies, under localism, the decision about the viability of a specific settlement rests with by local people. In the Australian context, resources are made available to support ‘drivers for change and the potential for partnerships and new markets’(Crean 2011). The OECD (2009) particularly notes that regional development occurs not simply as a result of access to economic resources, but through a systems-based approach which takes into account a community’s capacity for innovation, adaptation, education and skills development combined with the potential to realise investment in infrastructure. Localism seeks to avoid a centralist approach to local decision making by enabling communities to identify how best they can move forward. Inherent within such a process is the possibility that a community may conclude that there is no enduring socio-economic basis to sustain their community.

The critical strength of localism centres on the potentially large resource base which may be available to RaR Australia to adapt in the face of change, with funding coming from the recently approved mining rent resources tax. This tax is expected to raise between \$5 and \$7 billion over five years (Australian Broadcasting Commission, 2010).Over the past three decades or more, Europe has heavily invested in maintaining its rural sector (Gray, 2010; Maude, 2004) whereas Australia has pursued policies of market liberalisation and deregulation. Consequently, spending on regional policies has been much lower in Australia and markedly different to the European context (Maude, 2004). Localism, supported by a rent resources tax, has a capacity to change this scenario quite significantly.

Table 1: Benefits of localism

Localist strategy	Requirement for local implementation	Accountability
Bottom-up decision-making	A highly participative, community-based decision-making process	Government partners with local areas
Power to make local decisions	Local legislative power	Specific government agencies address their financial responsibilities in rural Australia
Resources to	Access to and control of sufficient	Specific government

implement decisions	resources across government. Capacity to raise revenue	agencies provide appropriate resources
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Limits to localism

As noted above, localism, as it is being developed within Australia, potentially creates democratic pathways through which adaptive challenges to the socio-economic viability of given settlements can be considered by those most likely to be impacted on by change. Localism, however, it not without its limitations and it is to these concerns which attention is now given.

In a review of literature on localism, Hogan and Lockie (forthcoming) identified a number of limitations of localism as a social policy strategy. This literature argues that localism can be a strategy which:

- forces communities to address local economic pressures in isolation to global economic forces
- results in government retreat from their commitment to local communities
- shifts responsibility for social policy outcomes to local communities
- can lead to regulatory dumping
- further centralizes decision-making keeping actual decision making power out of the hands of local people (Bland, 1994; Collits 2008)
- disempowers local communities when control over decision making remains centralized (Bland 1944)
- fails if critical investments are poorly resourced (Collits 2008)

Table 2: Limits to localism

Localist strategy	Requirement for local implementation	Critique
Bottom-up decision-making	A highly participative, community-based decision-making process	A retreat from government
Power to make local decisions	Local legislative power	Shifting responsibility
Resources to implement decisions	Access to and control of sufficient resources across government. Capacity to raise revenue	Power without resources

Central to the success of localist policy is a program of planned infrastructure spending of AUS\$5 billion over five years, or approximately AUS\$20 million per each for the 55 RDAs per year. Infrastructure spending priorities are to be funnelled through the RDAs. The RDAs are required to identify needs and provide a regional review process for any proposed infrastructure developments. Funds in the order of AUS\$25,000 have been provided to RDAs to conduct research and help them write plans which identify local needs. In addition, RDAs receive, on average, AUS\$272,000 per annum to do their work. The function of RDAs is in addition to the roles of democratically elected state and local governments in planning for and delivering services and infrastructure. To be eligible for

support, proposed projects must essentially be well developed and 'shovel ready'. Funding must be applied for through a national process, with applications being vetted through the RDAs and a bureaucratic process prior to being subject to ministerial approval. Only local councils and incorporated non-government organisations can apply for these funds. In addition to the RDAs, an independent review committee has also been convened to advise the minister on the advice of the RDAs of the proposed projects put forward by elected local governments. RDA funding decisions also take into account the respective state infrastructure plans. However, as these plans were developed without priority consideration being given to non-metropolitan settlements, the capacity of such decision making processes to address issues for people living outside the cities will be limited. In South Australia, for example, 85% of the population lives outside the major metropolitan centre.

While AUS\$5 billion for infrastructure development may be considered to be a significant amount of investment, it is important to consider this budget in the light of the needs which the localist policy is to address. The Northern Inlands RDA (NIRDA) based in Armidale, New South Wales, for example, has identified a wide range of infrastructure development needs necessary to secure socioeconomic viability. A significant agricultural area, the region requires AUS\$225 million simply to bring its roads up to a reasonable standard in order to get its products to port (NIRDA 2011: 16). Assuming that infrastructure funding is equitably allocated across regions, the Northern Inlands RDA would receive just AUS\$20 million over five years. In addition, the monies can only be spent on infrastructure development. Policy strategies such as these are often criticised very thinly spreading a small amount of resource across a wide area, with resources in any given area often being inadequate to genuinely meet the policy target set by government.

Regional approaches are not new to socio-economic development. Like Bland (1944), Brown (2007) reported that regional approaches have been popular since the post war period, noting that there are at least five forms of structured regionalism in Australia presently. The way localism is operationalised is very consistent with what Brown (2007:16) referred to as a 'bastardisation' of regionalism. Brown (2007: 16) continues

... this particular reinvention of the term does demonstrate that 'regionalism' is not just a top-down administrative convenience, but also a live phenomenon in electoral politics. We know this because the renewed political interest in 'regional Australia' has arisen in response to a particular phase of political restiveness, or electoral instability, in rural regions– and indeed outer-metropolitan ones. Accordingly this bastardised definition reflects something of a hybrid between top-down and bottom-up concepts of regionalism. The response has also extended to a new suite of administrative initiatives in community engagement and place management, often targeted to less advantaged urban and peri-urban communities in addition to rural community renewal.

Brown (2007) argues that the problem with tendencies to centralise and localise decision making processes, is that the two processes become like ships passing each

other in the night; in other words that there is a discourse of localism, but it is centrally administered.

Within the current Australian model, the government promotes the ideals of localism but in practice it maintains close control over the budget and the investment program. Collits (2008: 305) argues that such 'national plans favour (central) intervention' and, as such, conflict with localist ideals. By contrast, localism as promoted in other countries proposes the devolution of power from central governments to local communities: yet, 'unless issues of central control and local autonomy are addressed, the objectives and benefits of decentralisation will not be realized in practice' OECD (2006: 128). While the challenges in getting the balance of power right are noted in the literature, localism cannot really function as localism if local communities cannot control both the resources and the decision-making process. Rather it becomes another form of governmental consultation.

Localism policy typically pivots on the assumption that the local economic base underpins the necessary carrying capacity of a specific rural economy (Malthus 1992) and that key local industries create and sustain the generative base for demand and opportunity for all other work and enterprises in a region from hairdressers to dentists and music teachers (Parsons and Smesler 1953). With such a key assumption at its core, Hogan and Lockie (forthcoming) argue that localism is based on functionalist social theory which has widely been critiqued in the literature for its inability to actually deal with social change. Most notably, it is limited by the fact that it requires local communities to address economic settings which are inherently outside of their control.

It is far from evident the extent to which RaR Australia has a diverse economic base to continue to draw upon. Under localism, RaR communities will need to assess their natural, community and industry assets, with a view to optimising the benefits of available resources to provide livelihoods for current and future community members. Certain crops, livestock or horticultural products are better suited to be produced in some environs rather than others, depending on their soil, climate and water needs. Minerals and ore deposits exist in specific geographic locations and not others. A competitive advantage will be realised by regional communities who can develop an effective strategic working relationship with their local industry base (e.g. cotton or mining) or who have a unique environmental asset to draw on (e.g. a coastal amenity as a tourist attraction). Evidently there will be communities which do not have an environmental amenity to draw on, or whose industrial base may readily decline or change, leaving them with no economic base to draw upon. This is particularly the case for much of remote Australia.

As Lawrence (1987) has observed, industry intensification inherently results in a reduced demand for labour and the reduced demand for labour has a cascading, downward impact on the local community. An example of this kind of change is evident in the development of GM cotton which significantly reduces the need for labour to manage weeds in the cotton industry. Broad-brushed 'one-size-fits-all' approaches to localism policy can easily gloss over the fact that viability also differs from region to region and is

dependent on factors determined by the physical resource base, actual and potential economic growth, and local social entrepreneurialism.

Within RaR Australia, there is a great diversity in income levels, employment rates and mixes of both high and low productivity. There are also differences in comparative advantages, assets and stages of development. Differing histories of settlement and settlement patterns; service provision; economic shocks and their impact; changing policy environments and subsequent differences in both the pace and nature of development (and its associated economic activities) are also a feature. Some regions (those most similar to 'normal' EU-like regions) have highly diverse local economies, larger, more demographically diverse populations concentrated in relatively small areas, while other regions are dominated by single, or few, industries that are agglomerative in nature, contain smaller and less demographically diverse populations spread over vastly greater areas.

Naively approached, localism can ignore historical circumstances and deny the long lead times associated with the development of a productive capacity in a given place and the need for specific local assets, including the capacity among local people to engage in entrepreneurial activities. Notably, Carson and Carson (2012) report that the capacity for such entrepreneurialism may be limited in many rural and particularly remote communities.

The future of rural economies is increasingly being based on local capacity to develop and innovate based on utilizing assets which are distinct to particular localities, including natural and cultural amenities and the 'exploitation' of any local economic potential (OECD 2006: 115). A locality's economic capacity will also be evaluated according to its ability to efficiently and equitably deliver public goods, an ability that will itself depend on the interplay between entrepreneurial capacities and the critical mass of resources which these capacities seek to mobilise (that is, 'the minimal combination of human capital, social capital, infrastructure and natural or human created amenities to trigger a developmental process' (OECD 2006: 115).

In countries like Australia and Canada, the competitive economic advantage of specific rural communities has more recently been promoted through the development of extractive (e.g. mining) industries. However, while such industries may contribute to national GDP, their local economic benefits, as Carson (forthcoming) notes, may in fact by-pass the local area. The socio-economic viability of a regional economy then emerges in conjunction with place-based diversity in resources and the capacity for their utilisation. In a highly competitive global commodity market, economies of scale must also be achieved in order to be competitive. Small economies cannot generate the economies of scale required to become competitive, because their domestic markets are not large enough. Saupin (1997) argued that competitive advantage in the resource sector (citing the mining boom in Western Australia) centred on companies being able to develop specialised high technology industries servicing local resource producers. Such industries may then develop a competitive advantage which can lead them to supply international markets. Over time, they can then modify the technology to support

broader application of its uses. Saupin demonstrated that a growing demand for products and services from the resources sector in Western Australia generated research and development and the formation of a high technology 'cluster' of firms. However the important point here is that such clusters feature interdependencies (Thompson, 1967) between firms, and so geographic proximity becomes an advantage (O'Connor et al. 1998). O'Connor and colleagues point to the competitive advantages, for example, of firms based in Sydney and Melbourne. Competitiveness means that the modern rural productive enterprise is uniquely place-based and large in scale. Over the past 100 years, agricultural and mining industries have undergone substantive technological developments and intensification processes which mean that its demands for labour, in terms of skills and numbers, and, importantly, how this is acquired, has also greatly changed. In summary then, infrastructure and industry development in RaR areas does not immediately mean that the socio-economic sustainability of the area is assured. Rather, resources need to be invested in economic development projects which are both labour intensive and which bring people to live in the specific areas (Gutman 2007); otherwise the economic benefits of given initiatives can by-pass local people.

Finally, logical to the philosophy of localism is the potential question of place-based, and in time, per capita based, funding (Commons 2011: 48-58). As the idea suggests, per capita based funding would be a model of funding where resources were allocated to an area on the basis of the percentage of people living as a share of the total resource pie. Such an approach would have grave equity consequences for people living in rural and regional Australia. Australia employs a system of fiscal equalization where revenue raised by the national government is redistributed to the states and territories on a per capita basis, modified by a formula which takes into account the cost to provide services in each location (Maude, 2004).

In systems of centralised government underpinned by principles of market liberalisation focused on efficiency as priority (McArdle 1999), economies of scale, which support benefits to the majority for the least cost, are the norm. However, smaller rural communities often share resources across different 'sectors', e.g. public libraries might exist in schools; various service providers might share vehicles and office space; jobs might be shared, i.e. one person might work part-time for two different organisations where there isn't enough work to justify two full positions, or one person might hold parts of different jobs in the one organisation. Rural Transaction Centres are another example of these (Ref). Such economies of scope occur frequently in RaR Australia, and especially in more remote regions. Given the differences between 'normal' and 'different' regions in Australia, the application of policy and service delivery which supports *only* economies of scale may have detrimental effects rural communities, and their capacity to mobilise local assets productively.

Implementing localism

Hogan et al. (forthcoming) highlight that a key challenge facing RaR Australia is how the nation reconciles past and future policies for the sector. Australia has many settlements which were founded either during the gold rush of the mid 1800s or as a result of early

settlement policies. Progress in the life cycle of resource industries, climate change, global economic change and improved road transport are but a few of the factors which have contributed to change (see for example Productivity Commission 1999) and which undermine the socio-economic viability of specific settlements. Localism provides a framework for the nation to begin the difficult decision making process of adapting to an ever changing future. However, as a policy strategy it does come with its limitations, some of which have been noted above. However these limitations are not insurmountable. Communities and government can constructively move through the limits of localism to secure outcomes which may be of greater mutual benefit. Neither farming groups nor members of rural communities are inactive entities simply waiting to have their lives shaped by external forces. On the contrary, and as evidenced in 2010 by the significant and widespread public display of dissatisfaction with the Australian Government's Murray Darling Basin Plan, Australian people are actively involved in the shaping of their socio-political futures. Central to their concerns is the maintenance of their livelihoods and wellbeing, including national concerns which address issues of equity as much as opportunities of economic development (OCED 2006).

Central to localist philosophy and evident in the work of Collits (2008), there is no magic bullet, no one simple solution which addresses the socio-economic viability needs of all rural communities. Collits' work highlights in particular that the rural space is truly heterogenic and that problems need to be worked in partnerships within local contexts. However, given the systemic nature of many of the problems facing the viability of rural communities across the OECD, just as a purely centralist strategy has been unsuccessful, it is similarly unlikely that a purely localist strategy will be effective either.

In the Australian context, there has been much discussion about the problems of multi-level governance, and the need for constitutional reform to remove state and local government and replace them with a regional governance structure. While there may be merit in such arguments, the likelihood of such constitutional change occurring is low. However, some form of national partnership is required; one underpinned by a legislative framework which provides protection against the excesses of responsibility shifting between jurisdictions, electoral demands for knee-jerk responses from policy makers in the face of crisis and the potential for local communities to be isolated and unsupported by this policy process. Without doubt, some difficult decisions will need to be made.

Intensified place-based policies will result in the further decline of some communities. To manage these challenges in an open and transparent fashion, Collits (2008) proposed a rural commission. But how would such a commission function so as to ensure that the process of rural governance is sufficiently depoliticised so as to be workable, taking into account the fact that differing levels of government have differing constitutional responsibilities? Approaches to multi-level governance (MLG) have great potential to resolve these issues. In a review of this literature Daniell et al. (2010) note that effective MLG systems can:

- develop stability of authority and clear lines of accountability
- allow for participation in decision making
- be accountable, transparent and responsive
- provide opportunity to negotiate place based and need-specific policies
- support flexibility in policy accommodating strategy to local needs, and
- increase efficiency in governmental processes.

Precedents for a multi-level approach to governance already exist both internationally and within Australia. Canada, for example, has a Rural Secretariat which is made up of representatives of nine regional councils, with participants appointed from an open process¹. A key role of the Secretariat is to vet policy for rural user friendliness, before it is implemented. The Secretariat's work is supported by the Canadian Rural Partnership program which provides resources 'to overcome challenges and make the most of their opportunities created by the land'². The Secretariat's work is also supported by Canada's Rural Development Network which 'brings federal departments, agencies and selected others together to achieve greater information sharing, collaboration and coordination on rural issues, with a view of developing better integrated federal policies and programs that meet the diverse needs of Canadians living in rural, remote and northern communities'³. A key part of the network's role is to encourage collaboration by working across existing departmental boundaries to enable a readier transfer of knowledge and to facilitate information sharing.

Within Australia's governmental processes, there are also such partnered approaches to governance. Safework Australia, for example was established to develop a national approach to work place health and safety in Australia. It is governed by a tripartite board made up of governments, employers and employees. Safework Australiaⁱ is an independent statutory body which is responsible to drive 'national policy development on work health and safety and workers' compensation matters' with a view to protecting the wellbeing of people at work, to secure a nationally consistent approach to occupational health and safety and to improve approaches to managing workers' compensation. The statutory body is made up of an independent chair person, a representative from each of the jurisdictions, industry (two positions), and union bodies (two positions). Safework Australia is supported by a substantively funded secretariat. Funds are also provided to the industry and union peak bodies so that they are able to properly participate in the process.

A Commission for Rural and Regional Australia (CRRA) could readily be established on a similar basis to Safework Australia (2011). As a statutory body its responsibility would be to ensure that the socio-economic wellbeing of rural Australia is progressed by ensuring that governments adequately partner with, rather than abrogate, responsibility to local

¹<http://www.exec.gov.nl.ca/rural/>

²<http://www.rural.gc.ca/RURAL/display-afficher.do?id=1243600900010&lang=eng>

³<http://www.rural.gc.ca/RURAL/display-afficher.do?id=1230073730882&lang=eng>

areas or leave them without adequate resources to progress their needs. As with existing bodies, the Commission could be made up of an independent chair person, a representative from each of the jurisdictions, local government, and regional organisations; resources would be required to support for each of these functionalities. Botterill (2009) has previously proposed the establishment of an Office for Rural Australia, situated within the Department of Prime Minister and Cabinet. The role of the Office was to be to co-ordinate RaR policy across all Commonwealth Government departments, providing input into all policy submissions impacting on RaR Australia. Such a role is presently being fulfilled by officers with the Department of Regional Australia. However, this functionality as it is presently conducted, does not provide the participative, stakeholder based, decision making process required to progress the interests of this sector in a strategic fashion. A more transparent and accountable decision-making structure devolved from the current centralist model could more adequately support such a mission.

The commission could be responsible for developing a national strategy for rural and regional Australia, including the identification of priority areas, outcome targets, minimal level of service delivery requirements and service delivery mechanisms. It would need to address challenges between spreading resources too thinly to be effective, over whether specific areas need to be progressed ahead of others. It would particularly need to clearly define the responsibilities of specific jurisdictions, therein reducing duplication of processes, as well as developing a whole of government approach to rural and regional Australia including addressing challenges to funding policy initiatives by addressing challenges such as 'single financial pots' (OECD 2006: 147) and per capita versus equity based funding models. It could identify the need for specific partnerships, and the mix of partners needed to achieve policy goals. It could oversee data collection concerned with benchmarking place-based outcomes. It could also oversee stock-takes of place-based governmental and private sector expenditure on infrastructure and services. Overall, such a commission would provide a mechanism to translate research and knowledge into policy action in a systemic way, with a focus on outcomes (Collits 2008).

Approached from the perspective of a collaborative rather than a centralized process, localism offers the potential to enable a new form of regional governance to emerge. Within the nexus of environment, cultures, community, and industry, a shared policy space can open up where the needs and aspirations of each partner to the socio-economic viability of a given rural district can be tabled and addressed through a planning and development process which is collaborative and experienced as just by stakeholders in the process, irrespective of the outcome (Gross 2011).

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