Emerging rural/regional policy considerations for Queensland: an overview paper
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EXECUTIVE SUMMARY

This discussion paper explores current and emerging rural/regional economic policy considerations for Queensland as part of a series of policy papers for the Rural Economies Centre of Excellence (RECoE). Rural economic development is a complex process and the breadth of issues confronting policy makers, both contextual and conceptual, need consideration. This paper provides an initial exploratory analysis and overview of key issues in economic policy making of relevance to rural and regional areas, highlighting the key issues that have emerged from scholars and practitioners. The purpose of the paper is to present the landscape of factors and issues relevant to policy making and to enable effective conceptualization of rural/regional economic policy development within a larger contextual framework. This exploratory paper will unpack key issues influencing rural/regional governance, policy formulation, adoption and implementation.

Some of the key policy-relevant themes of concern uncovered by the paper include:

- Poor or inconsistent definitions being used to underpin policy making;
- The need to reconsider the serious impact of shifting from Keynesian welfare models of policy to more neoliberal models without regarding important principles behind both models;
- Shifting notions of regional/rural economic development policy, and the establishment of inconsistent and often quite disempowered regional decision making institutions; and
- Consequent policy inconsistencies that emerge at times when political responses are needed to address the more distressing social and economic impacts of various policies (e.g. in drought or high profile industry decline), resulting in mixed policy messaging being applied.

This paper, through a broad overview of policy making for regional/rural Australia, has identified a number of keys research and consequently policy questions:

- What role should/does government play in rural and regional development?
- Is there a tension in policy making between preserving and change management?
- How can complexity (i.e. multi-scalar, multi-dimensional, cross sectoral, multiple stakeholder) be addressed when policy aims to bring order?
- What is the evidence for what is best practice and innovation in policy development and implementation in rural/regional areas?
- What are the policy instruments and tools available and what is the evidence of their efficacy?
- What is the capacity/capabilities of regional institutions to lead policy development and implementation?
- How can bottom up, placed based approaches be strengthened in policy making?
- What governance arrangements need to change for effective devolution to rural/regional areas and the role of decentralization in policy making?
- What regional institutional arrangements are effective for policy development and implementation, capturing diversity of regions?
- What is the impact of policy making and delivery on improving the lives of people living in rural/regional areas?
- How can policy making reflect the diverse cultural characteristics of regions?
- What are the most effective models of engagement for rural and regional constituents involved in policy development?

Questions such as these are critical to the reframing and continued evolution of rural/regional policy making and implementation and will be the focus of future RECoE considerations. The need for place-
based, adaptive and integrated rural/regional policies which are multi-dimensional, multi-scalar, cross institutional and diverse stakeholder engaged are being articulated strongly by scholars and practitioners.

Finally, this paper leads us to consider that good governance and effective policy making are recognised as important preconditions for regional growth and sustainability. The need for more strategic, coordinated and less fragmented policy design and intervention are critical as we rethink the future of rural/regional communities.

**INTRODUCTION**

Rural and regional Queensland contributes significantly to the economic, social and environmental development of the State. Rural/regional economies and communities are dynamic and face a significant array of long standing and emerging new challenges. Capitalising on emerging opportunities and developing prosperous economies will require effective management of resources, improved productivity, sound business models, improved value chains, high level capabilities, greater risk mitigation, improved resilience and more enabled innovation. Rural/regional communities and industry now require agility, new business models and effective collaboration to better adapt, characteristics that were not as important in the past.

Rural/regional communities, industries and environments make a significant contribution to the vitality of Queensland. Regions are dynamic and diverse with their unique patterns of development and change. In Australia, all three spheres of government are involved in rural/regional policy making. The system of governance influencing the policy landscape is ‘congested’ with a range of local, State and Australian government departments but also regional bodies, peak bodies and other relevant advocacy groups. The policy making takes place in a contested terrain of ideas, interests and power, woven in an intricate web of government, regional, industry and stakeholder relationships. Policy decision making is increasingly complex and responds to a wide range of factors such as global economic impacts, technological change, environmental change and demands from regional communities for greater participation in decision making and accountability from governments.

A discussion on rural/regional economic policy necessitates an understanding of what constitutes ‘rural’ and ‘regional’. There is a lack of clarity or inconsistency around the definition of ‘region’, ‘regional’ and ‘rural’ in the context of Australian policy development and these terms are often used interchangeably. There is no standard statistical definition of rural or regional Australia across the jurisdictions and data is collected differently across portfolio issues (e.g. health, workforce, industry, trade). While defining rural and regional Australia is also fraught with many challenges, the importance of definition for economic development reasons has been articulated by bodies such as the Productivity Commission in Australia and Organisation for Economic Cooperation and Development (OECD). It is increasingly recognised that a ‘one-size-fits-all’ approach will not deliver positive outcomes for communities and economies. The economics of geography and place-based policy interventions are emerging as critical considerations in policy design and implementation. In the context of Queensland policy making, this means that there is a need for clarity about what is meant by rural and regional Queensland. There is a need to further unpack the flow on effects of clear definitions of rural and regional (e.g. how this translates into governance, program delivery, equity
considerations, data collection and budget decisions). Finally, there is also a need for coordination efforts in policy definitions across the three tiers of government.

Rural/regional policies aim to address a wide range of challenges in rural communities in the 21st century. Although the emphasis of rural/regional policy objectives are debated, at the broader level they coalesce around key outcomes of increased economic growth, improvement in the quality of life and strengthening social cohesion. Contemporary rural/regional policies have focused on reducing disparities between regions, access to services and supporting declining economies. Traditionally, the focus has been on economic development, efficiency and infrastructure development. Given contemporary challenges in rural/regional locations, an engagement with questions of sustainable and inclusive regional development is emerging, recognising the interconnectivity between the economic development with equity, community development, human and social capital development, ecosystems protection, the building of resilient institutions and strong cultures.

The way regional/rural issues are positioned in policy making in Australia has been organic, fragmented, sometimes conflicted. In many cases, rural/regional polices have emerged as an ‘after-thought’ of other policies. Rural/regional policies have been developed through vacillating shifts from models of collaborative (devolved) to Federalist (centric) governance and policy mechanisms. Rural/regional economic policy has emerged in the last two decades and operates along the continuum of macro and the micro economics, without a clear differentiation as to where regional economic policy should be focusing. It sits along a range of local, State and national economic policies. What type of economic policy interventions should take place in rural and regional areas remain contested in the policy literature. It has been argued that treating rural and regional areas as a series of markets which are uniform and competitive will yield successful economic outcomes.

Policy focus has shifted from welfarist Keynesian economics to more neo-liberal approaches. These new approaches have emphasised efficiency and entrepreneurship. Key policy emphasis has been liberalization and deregulation of economies and trade, competition policy, labour market reform, rationalisations and/or privatization of state-owned services, introduction of market principles (user pays and contracting out) in the public sector and the reduction of welfare spending. The future of economic policies needs a careful balancing of driving efficiency outcomes, capitalising on opportunities but also addressing place-based equity outcomes. Broader economic notions of what constitutes efficiency e.g. wider definitions of efficiency including technical efficiency, productive efficiency, and allocative efficiency; and application of broader economic theories e.g. economics of making no one person worse, will enable dual pursuit of efficiency and equity.

The impacts of these various policy trends has been not been measured and this is a major gap in the literature. The impacts of social, economic and environmental change in rural/regional areas has been observed and analysed. Examples include work that shows the impact of; (i) that poorly managed exposure of communities to the global market forces (Gray and Lawrence 2001); the closure of public services (Alston 2005, and Beer et al. 2003); the greater emphasis on the development of institutional frameworks and structures that encourage direct private sector investment (Haughton et al 2003); and the impact of capabilities development on regional competitiveness (Productivity Commission 2017). Numerous budget decisions and interventions that have taken place on an issue by issue basis (e.g. drought, water, infrastructure etc), but this has not been based on a strategic framework but in a piecemeal basis in response to arising issues (Beer 2007).

Governments in Australia, at times, have made attempts to consider rural/regional policy impacts in key policies or decisions. This is referred to as ‘rural proofing’ and seeks to include the needs of rural communities and industries in the development and implementation of all policies and programs (UK
In the UK, rural proofing is entrenched in the development of all policies as a way to ensure that rural areas receive fair and equitable policy outcomes. The policy process requires all government agencies to consider key questions such as what are the direct or indirect impacts of the policy on rural areas; what is the scale of these impacts; what actions can be taken to tailor the policy to work best in rural areas; what effect has the policy had on rural areas and how can it be further adapted? (UK Government 2017:1). Bodies such as the National Rural Women’s Coalition (2014) have called for rural proofing in Australia while others feel that this is not effective (Shortall and Alston 2016). In Australia, the Regional Australia Impact Statements are a part of the Cabinet processes, and serve a similar function to that in the UK, where the Australian government asks key questions in relation to impact of particular policies on rural/regional communities prior to policy developments. These are often confidential cabinet processes and not publicly available in Australia and the post policy impacts for rural/regional outcomes are not evaluated.

The reason for lack of stable and sound analysis of impact of policy is highlighted for a number of reasons. These include: the absence of strategic regional frameworks (Beer 2007); the lack of clarity about which level of the policy hierarchy should be evaluated (policy statement policy document, strategy document, policy tools and policy implementation action plans (Prager et al 2015, Althaus et al., 2007); a focus on outputs or components of policy rather than outcomes; measurement complexity of outcomes particularly for policies with multiple objectives leading to methodological problems of aggregation (Prager et al 2015); poorly defined policy objectives or outcomes (Althus et al 2007); a general reluctance to evaluate and political reasons for not evaluating (Juntti et al., 2009).

The reconfigured relationships between state, market and civil society in a network is at the heart of debates about regional/rural policy and the positionality of place and community. ‘New regionalism’ as emerged as an approach which emphasized that informal, voluntary, alliances and networks outside the formal institutions of government (including private sector actors) can substitute for governments to provide regional governance. Rural and regional policies are developed and implemented within more complex systems of governance, characterised by frameworks and cross-cutting institutional arrangements in State, Local and Commonwealth jurisdictions. Many nations, including Australia, are challenged in developing more adaptive and integrative approaches to regional and rural governance, including issues concerning policy coherence and coordination.

Australia has a quite centralised and hierarchal system of governance, with increasingly centrist approaches by Commonwealth and State governments. This, however, is surrounded by an informal network of governance processes has grown to what Everingham (2009) calls ‘congested governance,’ resulting in ‘multiplicity of players having diffused responsibilities and blurred spatial, functional and sectoral boundaries’, with little formal decision-making power and a multi-scale informal and permeable systems of governance. There has been a lack of strategic focus on building integrated regional governance systems and processes and the future of successful rural/regional governance lies in the strengthening of integrated regional governance with greater decision making powers at the regional level, adaptive and flexible governance processes, flexibility in program delivery for regional parties, vertical and horizontal accountability and effective regional leadership.

An audit of specific policy issues was undertaken as part of the preparations for this paper. The audit uncovered a wide range of social, economic, cultural and environmental issues which are the focus of rural/regional policy. In a recent RECoE discussion paper, the pressing new policy challenges affecting economic development in Queensland’s rural communities were identified as labour market and innovation capacity, finance options and the finance sector, trade development and supply chains, meeting changing consumer demands and expectations, telecommunication and service frameworks including the infrastructure for liveability, energy policy and climate change adaptation, capacity of
rural and regional institutions and agencies for economic development, regulatory efficiency and natural resource co-management, science for rural economic development and linkages in Queensland development to the Northern Australia development.

In short, achieving strong regional and rural development outcomes requires quality governance and effective policies that connect and mediate the local, State, national and international impacts of change. Good governance leads to good policy that support private and community initiatives and to deliver a balanced set of both public and private good outcomes. In Australia, all three spheres of government are involved in rural/regional policy making to influence economic, social and environmental outcomes. Indeed, the rural/regional policy making domain is spread across numerous departments at all levels of government and is woven in a complex web of government, regional, industry and stakeholder relationships; a process made more complex by different roles and authorities held across the various jurisdictional arrangements. The Queensland and Commonwealth Governments control most of the key policy making mechanisms for regional development, with local government increasingly taking on greater roles in economic development and connecting State and Federal efforts (Eversole 2017, Everingham 2009).

Governance in general and policy making has shifted from the notions of authoritative leadership to processes of less formalised bargaining and negotiation among differing interests in society (Dale 2013). Kenny (2007) identifies the ‘State as Contested Terrain’ in which the government and policy making is characterized by a contradictory set of relations, institutions, regulations, and apparatuses. This contradictory nature of policy making results in, at times, in a lack overall coherence or unity across scales and spheres of governance. This complex environment frames government policy making as an arena of struggle and a site of contestation between many conflicting interests. Sorenson (2000: npn) reminds us of the dilemmas of the policy context when he states that “the extent to which the biophysical environment acts as a constraint and the ways in which interest group conflict shapes community preferences and people's understanding of their difficulties”.

The Queensland Government’s Department of Agriculture and Fisheries launched the Rural Economies Centre of Excellence (RECoE) with a specific mission to create a research collaboration between the major Queensland universities focussed on rural and regional development (Cavaye et al. 2018: 6). RECoE’s focus is on the translation of research and development to key themes of rural economic development including business models, innovation and value chains, the nexus between rural industries and broader regional development, public policy, and innovation diffusion within the rural sector. This paper is the first of a series of papers relating to public policy. The paper sets out an overview of key emerging policy considerations in contemporary rural/regional policy making affecting Queensland provides and a preliminary mapping of key policy issue that have been identified as relevant for rural/regional policy in this State.

This paper does not undertake a critical analysis of any specific policies or policy issues at this stage as more targeted policy discussion papers will be developed as part of RECoE’s future work as outlined in the workplan.
DEFINING RURAL AND REGIONAL

Rural/regional policy development begs the question what constitutes a regional or rural area. Policy making has developed within certain approaches to the notion of ‘region’ (Barca et al. 2012). Regions have been defined in particular ways, as places located ‘beyond the capital cities’ and outside the sphere of influence of administrative and political power (Bellamy and Brown 2009).

In a recent consultation with rural/regional economic development officers in Northern Queensland, a question was asked about how the Queensland Government defines regions. Subsequent discussions in the consultations across regional/rural Queensland raised a number of issues including:

- There appears to be a lack of a clear definition of regional/rural concepts;
- There is a lack of suitability among current rural and remoteness measures;
- Not all regions are the same, raising equity considerations (e.g. regions within one to two hours of Brisbane being treated as the same as more remote regions); and
- There is a need for recognition in policy and funding of the higher cost of doing business in rural and regional Qld (consultations conducted by Babacan and Dale 2018).

A review of the regional/rural economic policy landscape requires consideration of how these terms are defined. We confirm that there appears to be a lack of clarity or inconsistency around the definition of ‘region’, ‘regional’ and ‘rural’, especially in the context of Australian policy development. It is noted that there is substantial overlap between rural and regional Australia and these terms are used interchangeably (Sorenson 2012). Other terms such as country, urban, bush, remote, coastal, and inland are also used (Morrison and Lane 2006, Sorenson 2012). The Australian identity is derived from narratives of the rural/regional areas and the deep cultural and social attachment to the land, the outback and the ‘bush’ (Gray and Lawrence 2001, Kinnear et al 2012). The inconsistency in approach is partially historical, with regions never being organised into agencies with jurisdictional authority, other than the States at the time of Federation (Morrison and Lane 2006). The traditional approach to regional intervention has been to manage issues on a sectoral or programmatic basis (Ewing 1999).

Scholars note the complexity of trying to define rural, regional or region given the diversity of characteristics of each place (McAuley 2009, Collits 2012). As Collits (2012:24) reminds us, while places outside capital cities do share some common characteristics, there are many issues specific to particular regions, so that the differences among regions may be as significant as the differences between regional and cities. Consider, for example the economic cultural and logistical differences between even remote regions such remote South West Queensland and the Torres Strait. The importance of diversity among regions is acknowledged as critical for economic development by the Productivity Commission (2017). Eversole (2017:307) also states that in the context of policy and political approaches, Australian regions are ‘regularly defined through a deficit lens, and one which systematically overlooks the distinctive attributes of individual regions”. The author argues that resource management conflicts and social equity issues are regularly experienced ‘in place’ in regions, yet they are governed from afar by decision-makers with limited knowledge of the on-the-ground dynamics of particular regions (p.314). The policy consideration then becomes how are people being impacted upon, and become engaged and have a voice in the policy process. OECD (2009, 2016) has conducted studies of regional development in over 35 countries. They argue that defining the ‘territorial unit’ in any national or sub-national studies is of prime importance. For policy and analysis purposes, State and Commonwealth departments have adopted different definitions of regions for administrative purposes e.g. functional economic zones, trade zones, labour market zones, statistical division. The Productivity Commission study into the transitioning regional economies, for example,
used functional economic regions in the absence of a common definition of regions. They argued that, for policy reasons, these were preferred to local government areas or small statistical areas because they facilitate better evaluation and implementation of regional strategic plans and development policies (Productivity Commission 2017:5).

There is also no commonality of definition between State and Commonwealth Government regions. There is no standard statistical definition of rural or regional Australia (and Queensland) and data is collected differently across portfolio issues (e.g. health, workforce, industry, trade) (Commonwealth of Australia 1999). While there is much debate about what these terms mean, the Rural, Remote and Metropolitan Areas (RRMA) classification developed by the Australian Government specifies it as follows:

- “regional” refers to non-urban centres with a population over 25,000 and with relatively good access to services;
- “rural” refers to non-urban localities of under 25,000 with reduced accessibility; and
- “remote” communities are those of fewer than 5,000 people with very restricted accessibility (Roufeil & Battye, 2008:3)

The Commonwealth Government has engaged with the complexity of defining rural and regional Australia and the following statement is instrumental in highlighting the dilemma:

“….. a term for which there is no precise definition. Rural and regional Australia can be defined by physical and social characteristics (e.g. geography and cultural boundaries) and perceptions. Construction of a standard statistical definition of rural and regional Australia, which would have the benefit of simplicity, has not been feasible....Although statistical and jurisdictional boundaries are important, the Commission has not sought to constrain the reference by adopting a narrow view of what constitutes ‘rural and regional Australia’. Rather, in an attempt to capture the essence of the reference — which in colloquial terms is about the ‘city’ and the ‘bush’ — it has taken a broad view” (Commonwealth of Australia, 1999:3-4).

Consequently, the need for a common definition has been espoused by the Commonwealth Government. Indeed, however, an independent review in 2016 found that Australian Government boundaries of regional programs are not aligned with each other, let alone at the State and territory programs (Commonwealth of Australia 2016:5). At the State Government level, these definitional debates are also taking place. The NSW Standing Committee on State Development, for example, noted a common theme raised from stakeholders about how to define regional NSW and they identified that the “inconsistency of definitions for regional NSW has far-reaching implications for funding, identity, tourism and data collection (NSW Parliament 2018:9).

The issue of who decides the definition of rural and regional Australia is also fraught with many challenges. The following comment from the Hunter Business Chamber, echoes other stakeholder views, on the need to achieve consistency across jurisdictions:

“defining regional New South Wales was not only a state government issue, noting that the Australian Government would need to be ‘on board’ to achieve consistency in definition across all levels of government” (NSW Parliament, 2018:9)

The House of Representatives Select Committee on Regional Development and Decentralisation (2018:18) identifies that the Commonwealth Government has a leadership role to identify national regional development priorities. The Committee also notes the need for national policies to take into
consideration regional Australia in themes such as infrastructure, services, connectivity and population. On the other hand, there are differing views on who is responsible (Productivity Commission 2017, Everingham 2009).

In Australia, regional is defined in many ways: social, economic, ecological, and administrative and is used to refer to different scales. Kinner et al (2012:5) demonstrate the complexity of regional Australia by pointing out that there are 55 Regional Development Australia Boards, 56 regional Natural Resource Management bodies; numerous regional tourism bodies; 20 Indigenous Centres plus Torres Strait Authority and 6 operation centres, 37 National Business Associations, numerous regional business bodies and 560 local government authorities. The Queensland Government has identified nine administrative regions for Queensland: Far North Queensland; North Queensland; Mackay, Isaac, Whitsundays; Central Queensland; Central West Queensland; Wide Bay Burnett; Darling Downs and South West; South East: Sunshine Coast and South East: Gold Coast although Trade and Investment Queensland also has Ipswich as a region. A search of Queensland Government documents did not reveal how Queensland Government defines regions.

In the context of Queensland policy making, this means that there is a need for clarity about what is meant by rural and regional. The implications of not being clear has several consequences for communities in rural/regional areas:

- They do not have a voice in the policy process and are not engaged and key issues do not make the policy agendas
- The specific needs of particular regions might be over-looked by generic approaches
- The outcomes of policy (funding, resources, services etc) do not deliver equitable share or outcomes for rural/regional areas
- Rural/regional community planning is not supported

The conclusion from the literature and practice is that there is need to unpack the flow on effects of clear definitions of rural and regional and how this translates into governance, program delivery, equity considerations, data collection and budget decisions. There is a need for coordination efforts in policy definitions across the three tiers of government.

**RURAL/REGIONAL POLICY DEVELOPMENT**

Rural/regional policies aim to address a wide range of challenges in rural communities in the 21st century. There is strong support from key stakeholders and communities for government involvement in rural/regional development across Australia (Smith 2016, Commonwealth of Australia 2018). However, the nature and level of involvement and intervention is hotly contested. The policy domain is characterized by governance complexity, ambiguity and contestation by diversity of interests. New rural/regional economic policies, for example, have been emerging in Australia over the last three decades, with a range of policies at local, State and Australian Government levels. The way regional/rural issues are positioned in policy making is increasingly complex and operates, often, as an ‘after-thought’ of other policies (McManus and Pritchard, 2001: 253).

The purpose of rural/regional policy is also viewed differently by diverse stakeholders. The European Commission, for example, identified that regional policies are strategic investments in order to boost economic growth, improve people’s quality of life and strengthen social cohesion (European Commission 2014:1). Submissions to the House of Representatives Select Committee on Regional Development and Decentralisation have posited that good regional development policies should take a long term approach and require flexibility. Policy areas, as such, are as diverse as those with a focus
on connective infrastructure, facilitating mobility, opening the regions to the world and other regions, and strengthening ecosystems to allow regional players to adapt to change and disruption (Commonwealth of Australia, 2018:31).

The reconfigured relationships between state, market and civil society in a network is at the heart of debates about regional/rural policy (Everingham 2009). ‘New regionalism’ has emerged as an approach which emphasized that informal, voluntary, alliances and networks outside the formal institutions of government (notably private sector actors) which can substitute for governments to provide regional governance (Everingham 2009:93). Others argue that regionalism represents a belief that people who live in regions should have greater influence over and participate more directly in the decision-making that impacts on their region (Smith, 2003) and is a bottoms up approach (Gray 2004). This is different than ‘regionalisation’ which is about the presence of the process of government or industry creating administrative regions for more efficient program management (Smith 2003, Gray 2004), often enabling more centralised forms of governance. Key to the discussion is the nature of centrist government in Australia, the constitutional recognition of the six states and territories and introduction of local government areas. As Kinner et al (2012:5) argue, regions need to find synergies and navigate the different tiers of government and conflicting agendas if they want to advance. Constitutional reform and an analysis of regional decision authority is a critical factor in relation to the future of rural/regional policy making.

Discourses of new regionalism impacts on policy paradigms. Bachtler et al. (2003) distinguish between modern and new approaches to regional policy, as outlined in the following table:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Classical</th>
<th>Modern</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conceptual approach</strong></td>
<td>Industrial location theories e.g. production costs, availability of workers, depressed areas</td>
<td>Learning region theories e.g. clusters, networks, innovation systems</td>
</tr>
<tr>
<td><strong>Policy characteristics</strong></td>
<td><strong>Aim</strong></td>
<td><strong>Equity or efficiency</strong></td>
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<td></td>
<td>Objectives</td>
<td><strong>Economic/industrial growth</strong></td>
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<td></td>
<td>Sphere of action</td>
<td><strong>Reactive, project based</strong></td>
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<tr>
<td></td>
<td>Mode of operation</td>
<td><strong>Policy structure</strong></td>
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<td></td>
<td><strong>Policy structure</strong></td>
<td><strong>Geographical problem areas</strong></td>
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<tr>
<td></td>
<td>Spatial focus</td>
<td><strong>Designated indicators</strong></td>
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<td></td>
<td>Analytical base</td>
<td><strong>Incentive schemes</strong></td>
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<td></td>
<td>Key instrument</td>
<td><strong>Business aid: hard infrastructure</strong></td>
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<tr>
<td></td>
<td>Assistance</td>
<td><strong>Policy development</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Organisation</strong></td>
<td><strong>Geographical problem areas</strong></td>
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<td></td>
<td>Policy development</td>
<td><strong>Designated indicators</strong></td>
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<td>Lead organisation</td>
<td><strong>Incentive scheme</strong></td>
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<td></td>
<td>Partners</td>
<td><strong>Business aid: hard infrastructure</strong></td>
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<td></td>
<td>Administration</td>
<td><strong>Timescale</strong></td>
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<td><strong>Evaluation</strong></td>
<td><strong>Stage</strong></td>
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<td></td>
<td><strong>Outcomes</strong></td>
<td><strong>Ex post</strong></td>
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<td></td>
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<td><strong>Measurable</strong></td>
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<td><strong>Interim and ex-post</strong></td>
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<td></td>
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<td><strong>Difficult to measure</strong></td>
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</tbody>
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Table 1: Typology of Classical and Modern Regional Policy  

This model of classical and modern, whilst being a simplified typology, reflects the changes in conceptual approaches to governing society, policy characteristics and ways of policy development and implementation. While the pace of change will be varied across different regions, Bachler et al reviewed developments in 15 European countries and noted a shift toward the Modern. In Australia, as will be discussed in the governance section, there has been fragmented and sometimes conflicted approaches to regional policy development, although a tendency towards contemporary forms of policy making and governance is emerging (Everingham 2009, Brown and Bellamy 2010).

Past regional policies in Australia have mainly focused on large-scale infrastructure development such as roads, railways and water supply and programs to attract investors or support for sectors/firms to lagging regional areas using top down approaches (Commonwealth of Australia, 2017; Tomaney, 2010; Barca, McCann & Rodriguez-Pose, 2012). Critics of top down approaches have called for regional policies to support endogenous development rather than attracting external investments (Eversole 2016). In more recent times, regional policies have focused on reducing disparities between regions, access to services and supporting declining economies (McAuley 2010), market instability, major social or community change, political imperatives, institutional fragmentation and demands from a wide range of stakeholders (Tiernan& Burke 2002). Rural/regional policy making is evolving and increasingly recognising social disadvantage, equity and environmental issues along with economic and imperatives for growth. There is emerging engagement with questions of sustainable regional development, recognising the interconnectivity between the economic development with equity, community development, human and social capital development, ecosystems protection, the building of resilient institutions and strong cultures. (Eversole 2017, Babacan 2017). Population pressures in Melbourne and Sydney, for example, with issues such as housing affordability and traffic congestion, with approximately 40 per cent of the population residing in two major cities, has led to discussion about focusing future of regional policy on population and where to target government investment (McAuley 2010, Commonwealth of Australia 2018).

The House of Representatives Select Committee on Regional Development and Decentralisation (2018) identified twelve principles for regional policy development, arguing that regional Australia “requires a long term, flexible strategy and commitment to meet the needs of a modern, globally connected and changing environment” (p.17). The principles are (2018:17-19):

- Regional Australia requires a long term, flexible strategy and commitment to meet the needs of a modern, globally connected and changing environment
- The key to regional development across Australia is to facilitate and secure sustainable economic development.
- All Australians should have access to reasonable services including health, education, transport and connectivity.
- Public sector decentralisation needs to be part of a broader regional development strategy.
- Local education and training that is engaged with its community is pivotal to regional development and decentralisation.
- The Commonwealth Government has an obligation to create conditions for the private sector to thrive and to invest in regional Australia, including the provision of enabling infrastructure
The Commonwealth Government has a leadership role to identify national regional development priorities.

Regional Australia has to be an integral part of a national population strategy.

Collaboration between all levels of government, the private sector and community is fundamental to regional development.

Regional development includes the liveability and amenity of regions. It includes the cultivation of social, cultural and community capital.

Regions that can lead their own development will do better. Regions have an obligation to develop the leaders of the future.

It is more effective and efficient to maintain existing services and infrastructure in regional areas than allow significant deterioration that requires further investment.

These principles articulate and encompass a broad definition of regional development recognising economic development, service access as a basic right, importance of education and training, liveability and amenity in regions, a population strategy and recognition that regions can help themselves do better and the need to develop regional leadership. The Committee articulates four purposes of regional policy and investment:

- Investment that maintains the infrastructure of regions and provides basic universal services such as roads, education and training, information technology, and recreation facilities.
- Catalytic investment that drives development and growth such as an airport, hospital, university or government departments
- Investment in capacity building rural/regional communities particularly education and training and leadership development, and
- Investment in human capital; the employment of people to design and deliver services in rural communities (2018: xxvii)

The purpose of rural/regional policy has been unclear and rural/regional policies have been developed through various shifts of models of collaborative (devolved) to Federalist (centric) governance (or vice versa) (Pugalis and Keegan 2017, Brown and Bellamy 2010, Productivity Commission 2017). Policies have developed organically, based on political and administrative contexts and emerged in a disjointed manner (Pugalis and Keegan, 2017, Pape et al 2017). Based on studies in NSW and Western Australia, Conway et al (2011) argued that there was a lack of shared understandings about the purpose and scope of regional development policy and others point to disjointed policy in economic, social and land use planning across regional Australia (McManus and Pritchard 2001). Moreover, different policy sectors work across purposes within regions in a conflicting, disjointed or duplicating manner (Brown and Bellamy 2010).

The lack of capacity for identifying and planning for significant regional/rural priorities has been demonstrated. The underlying causes included a lack of capacity and expertise, inadequate data and evidence base, lack of collaboration, lack of coordination, lack of authority, lack of resources (Productivity Commission, 2017, Eversole 2017, Pate et al 2016). The lack of focus on strategic rural/regional planning has flow on impacts for attracting investments for the region, policy making and delivery design. The Productivity Commission (2017:25) identifies that

"regional projects and programs have often suffered from unclear and inconsistent objectives, expenditure decisions not following good processes and rigorous evaluation, a lack of
The design and purpose of regional/rural policies is strongly determined by the government and public attitudes to the regions. In her submission to the Parliamentary Inquiry, Eversole, argued that ‘that the ‘dominant way of ‘seeing’ regional Australia, as a cultural periphery beyond the capital’ resulted in missing opportunities to achieve best practice in regional development (Commonwealth of Australia 2018:33). This may be perpetuated by strongly urban voices in the policy making process. In concluding this section, two key issues emerge in rural and regional policy development:

1. The purpose rural/regional policy development and the importance of not reducing regional/rural issues to market mechanisms which has a tendency to overlook social and environmental considerations (McManus and Pritchard 2001); and
2. The mainly disjointed and fragmented nature of policy development in rural/regional Australia.

Both issues are critical for the development and sustainability of rural and regional Australia.

**RURAL/REGIONAL ECONOMIC POLICY**

Rural/regional economic policy has recently emerged as a growing policy field. The economic development of a region is strongly aligned with its natural resources, geography, history of social and economic development, size, mix and structure of economies and industries, population base and skills and disruptions/shocks that they have gone through historically (Productivity Commission 2017, Commonwealth of Australia 2018). The definition of economic development is hotly contested. Differentiating between ‘economic growth’ and ‘economic development’, Feldman et al (2016:10) define economic development “the expansion of capacities that contribute to the advancement of society through the realization of individuals’, firms’ and communities’ potential”. By defining economic development in this manner and distinguishing it from economic growth provides the differentiation in the expected outcomes, of which economic growth may be one. The authors state (2016:8) “while economic growth can be measured quarterly, realizing gains in economic development may take decades or generations”. The importance of the role of government is articulated including in creating stable environments for economic growth by taking investment risks, delivering infrastructure, building capabilities, developing the workforce skills, supporting innovation and research and addressing market failures (Feldman et al 2016; Klein and Moretti 2014).

Regional economic development is an evolving policy field as it responds to complex challenges. As Pugalis and Keegan (2017:69) highlight, it is “a highly politicised policy domain, it takes different shapes and forms over time; moulded by the interests, ideologies and power dynamics between different constellations of actors competing and interacting in, through and across particular places.” Spatial location is important in regional economic development as it influences the way economics systems operate (Capello 2011). Capello identifies two groups of theories make up regional economics:
• location theory: which deals with the economic mechanisms that distribute activities in space;
• regional growth and development theory: which focuses on spatial aspects of economic growth and the territorial distribution of income (Capello 2011:3)

These theories capture the interaction of micro and macro economic factors, with the introduction of the concept of space, place and locates as an active factor in economic development.

In a general sense, regional economic policy is generally concerned with processes to boost economic growth and/or wellbeing of a community through the allocation or reallocation of resources and implementation of strategic plans (Beer, Maude & Pritchard, 2003). Howard (2007), identifies that regional economic policy operates along the continuum of macro and the micro economics, but there is no clear differentiation as to where regional economic policy should be focusing. Regional economic policies tend to sit alongside other policies and programs, and can be used to complement national economic policies or local government planning activities (Beer, Maude & Pritchard, 2003). There is a confusion about the interconnectivity of economic and regional development with many leaders at the regional level often viewing regional development as solely economic development. OECD (2016) has identified that successful economic development policies are ones that are able to take an integrated approach to regional/rural issues. While entrepreneurship, productivity and innovation are practised at the microeconomic level, the macroeconomic policies provide stimulus to achieve micro-economic outcomes. Feldman et al (2016) argue that government, the only economic entity with a mandate to promote wellbeing and prosperity, is best positioned to make long run and risky investments through unique policy mechanisms that keep the economy on course.

Rural/regional economic development policy, on the other hand, has often concentrated on sectoral policies, crisis management of market failure or natural disasters (Pugalis and Keegan 2017). The lack of definitional clarity about rural and regional continues into the economic policy domains. The Productivity Commission (2017:141) argues that the role of rural/regional economic development and governments should be to focus on removing unnecessary impediments and regulation to stimulate economic initiatives, remove barriers to people gaining skills or employment, supporting effective regional strategic planning, infrastructure and land use planning, regulatory measures to address labour shortages, occupational licensing, addressing differentials of cost of doing business, data provision for decision making and following good processes in adopting and implementing regional projects. The impact of policies also need focus. There remains the need for an effective and easy to use tool for measuring resilience of economies in rural/regional settings and a common set of indicators which will enable comparative analysis across regions.

What type of economic policy interventions should take place in rural and regional areas remain contested in the policy literature. The Regional Australia Institute (2018) argues that standard approaches to regional development are unlikely to be influential in responding to the key changes occurring in regional Australia. They note that the “current policy settings are dominated by a view of regions as a series of markets that can be serviced by competitive, uniform funding processes. However, they consider that regional markets are anything but uniform, and ‘thin’ regional markets are anything but competitive” (RAI 2018:npn).

In arguing for place-based interventions, the Productivity Commission (2017:22) noted that governments have a finite capacity to facilitate growth and growth cannot be driven by government intervention alone. The Commission suggests careful consideration of policy interventions to promote regions that have strengths. They state
“It is expensive and generally futile for governments to try to artificially create and maintain an advantage for a regional community where an advantage does not inherently exist. Time and again, grand scale interventions, or even less grand but persistent favouring of perennial candidates for support, have not delivered measurable benefits” (p. 22).

To compound these issues, the impacts of globalisation, shifting nature of economic activities and industries, the disruption to traditional ways of business and mobility of populations will require regions to be even more ‘agile’. As noted by Sorenson

Agility, in effect, requires a focus on the future; knowledge or emerging technologies and their likely economic and social impacts; willingness to discard existing thinking and even industries; greater risk acceptance; constant networking among peers and learning from experience; mutual assistance between business and community groups; and so on” (cited in Commonwealth of Australia, 2018:31).

Consequently, the role of government policy is assisting economic and transition is summarised as:

- Facilitating economic efficiency and change: e.g. innovation, productivity and efficiency (including possible exiting from declining industry);
- Addressing distributional or equity effects, impacts of change and share of cost and benefits; and
- Meeting community expectations (Fargher 2014:26)

The House of Representatives Select Committee on Regional Development and Decentralisation identified decentralisation of government and corporate services as a significant part of an economic development agenda. They argue that any Commonwealth decentralisation must work to attract further investment and ‘clustering’ opportunities within towns and communities and stress the need for decentralisation to act as a catalyst for social and economic change (Commonwealth of Australia 2018:xxvii). Global trends, e.g. from Europe and OECD countries point to a shift from a top-down, subsidy-based group of interventions designed to reduce regional disparities, into a much broader family of policies designed to improve regional competitiveness (OECD 2018).

The lessons learnt from these countries point to the need to maintain broader approaches and to not overlink the interconnectivity between economic and the broader aspects of regional policy development (OECD 2016).

The World Bank (2009) has undertaken significant work around in relation to economic development and spatial analysis. They argue that as economies develop, production is concentrated spatially and growth is uneven and unbalanced. In effect, they are arguing spatial economic policies cannot be pursued. They identify that successful economies institute policies that make living standards of people more uniform across space:” The way to get both the immediate benefits of the concentration of production and the long-term benefits of a convergence in living standards is economic integration” (World Bank 2009:1).

Consequently, to provide appropriate policy responses and to identify the main market forces, the task for economic policy, as identified by the World Bank (2009), is to be facilitative in three key aspects of effort at different geographical scales (local, regional, national, international):

- **Density:** increasing the economic mass or output generated on a unit of land or the geographic compactness of economic activity, level of output produced and income generated per unit of land area;
- **Distance:** both an economic and physical concept, critical for economic development as it refers to the ease or difficulty for goods, services, labour, capital, information, and ideas to
traverse space. Connectivity and communication, and the removals of barriers to accessing markets is a critical and the policy challenge is for businesses and labour to reduce their distance from density; and

- **Division**: consideration of issues which cause barriers between countries (and potentially regions in a country) that limit access to markets and economic development including restrictions on the flows of goods, services, finances, labour (migration), currency and tariff control, dispersion of ideas and knowledge translation.

These dimensions are key in reshaping geographic challenges and require focused institutions, infrastructure and interventions. The task for policy makers is to identify market forces and government policies that best support the ‘concentration of economic mass and the convergence of living standards across different locations’ (World Bank, 2009:2). The World Bank (2009) further concludes that spatially targeted and spatially connective interventions must be put in place to address and social and economic division if the overall portfolio of policies are spatially-blind.

The spatially-blind approach of the World Bank has come under criticism and scholarship regarding importance of place and economic geographies are being rethought:

“Space is becoming increasingly “slippery,” in the sense that capital, goods, people, and ideas travel more easily, but, at the same time, increasingly “sticky” and “thick” because capital, goods, people, and ideas, despite being constantly on the move, tend to remain stuck in large agglomerations. Consequently, globalization has made space and place more rather than less important” (Barca et al 2012:136).

Scholars have argued that ‘place’ is important in the success of economic development strategies, and that institutions and geography are critical in capitalising on opportunities and in the ability to strengthen a comparative advantage (Barca et al 2012, Storper 2011, Tomaney 2010). Local institutions, actors, social and human capital, history and development path dependency are critical aspects of economic development which are obliterated in a spatially-blind, one size fits all approach.

The role of institutions in supporting economic development in regional and rural settings is clearly established (Rodriquez-Pose 2013, Beer 2014). Rodriguez-Pose identifies the complexity of regional institutional arrangements and suggests a range of considerations, including the mix of endogenous institutions and external agency dynamics in regional locations, the equilibrium between regional development strategies and institutional arrangements, weak capacity of local institutions and the role of leadership in institutions. The author identifies that the role for economic policy makers is to concentrate development strategy on ‘institutional arrangements (referring to specific customs, procedures that shape interaction, economic exchanges) rather than on ‘institutional environments’ (which are embedded in higher level institutions such as culture and identity). They focus on the need to determine the type and quality of institutions needed for any other type of development intervention to take hold (Rodriquez-Pose, 2013: 1043).

Questions have been raised to why government should intervene in economic policy, especially in declining areas. Some have argued that regional development is not about battling decline but about the liveability and wellbeing of communities (Eversole 2012, Alston 2005). Collits (2012: 26-27) notes that regional economies are often fragile and have a narrow base and there will always be regional disparities. He states that there are two ways to view regional economic development:

- Spatially blind policies which ignore regional disparities and encourages most productive use of use of national resources, irrespective of location. He states that “if this means having a few large cities and lots of empty spaces, so be it” (p. 26). In these instances, where there are
economic shocks and regions are in decline, the role of policy is to encourage people to leave and move to places with greater opportunity; and.

- Interventionist, place-based approaches which provide policy support to the regions to ameliorate regional problems such as population decline or unemployment, recognising that government cannot control drivers of regional economic development.

From the above, it can be seen that the progress of regional economic development policy has been strongly influenced by the prevailing philosophical neo-liberal approaches. This approach to economic development stresses non-intervention and market-led outcomes to regional development (Gray and Lawrence 2001, Tonts 2004). Neo-liberalism is defined as a “belief that open, competitive, and unregulated markets, liberated from all forms of state interference, represent the optimal mechanism for economic development” (Brenner and Theodore 2002:350). The lesser role for government policy is articulated by Head (1988:466) when he states that under neoliberal approaches, “market forces typically unleash growth, innovation and efficiency, whereas governmental regulations and expenditures typically impede growth, stifle entrepreneurship, and generate inefficiencies in both private and public sectors”.

The new policy approaches are part of a complex form of governance, operating at the levels of policy framework, ideology and governmentality (Springer, 2012, Larner 2000) which privileges economic efficiency and market outcomes above other potential outcomes. Peck and Ticknell (2002) distinguish between ‘roll back’ and ‘roll out’ neo-liberalism. ‘Roll back’ neo-liberalism was associated with the dismantling of the Keynesian welfare state apparatus and removal/reduction of public benefits and subsidies. The ‘roll out’ neo-liberalism was concerned with the entrenchment of neo-liberalism via the creation of new institutions, permeate policies and governmentalities which consolidated the market’s role in economic decision making (Peck & Ticknell 2002, Pusey 2017, Chiu 2017).

The policy landscape has changed drastically with the liberalization and deregulation of economies and trade, competition policy, labour market reform, rationalisations and/or privatization of state-owned services, introduction of market principles (user pays and contracting out) in the public sector; and the reduction of welfare spending (Jessop, 2002, Pusey 2017, Tont 2005). The implications for regional economic policy have been immense in relation to regional and rural development. While traditional regional policies have aimed at tempering uneven development and promoting spatial equity, the free market approaches promoted economically efficiency (Tonts 2004, Pusey 2017). In regional areas this approach contributed to uneven outcomes in terms of social disadvantage and economic upheaval and rural services have been lost. As noted by Alston (2005:279):

“..rural services have been lost, reshaped or downgraded through the policies and processes of centralisation (where service management has been pulled back to the cities), regionalisation (where services are run from regional centres), privatisation (where service provision has been outsourced to private providers), and marketisation (where managerialism and user-pay principles have been introduced)”.

The strongest regional and rural impacts of broader approaches to government policy have resulted from the withdrawal of core services and infrastructure from rural areas. As Tont (2004: 240) points there is a significant body of research that has documented the negative effects of the rationalisation of health, education, welfare, justice, transport and other services.

While regional/rural economic policies have emphasized efficiency and entrepreneurship, the issues of distribution and spatial inequality need addressing. The barriers to the availability, accessibility and affordability of facilities, services, infrastructure and opportunities in regions have been documented (Alston 2005, Gray and Lawrence 2001, Beer 2007). Spatial equity principles posit that the relative
needs and demands of the population and economies should be met regardless of their location (Halas et al 2017). However, there is always a trade-off between spatial equity and spatial efficiency, especially more so in declining or small population centres (Halas 2017). Spatial distribution and equity are key policy considerations about long-term sustainability in rural/regional areas. Policies at a macro or larger scale can potentially not take account of or miss on the spatial impacts at the local and regional level. Economic policies have often multiple objectives of standard of life, employment outcomes and economic growth. The future of economic policies needs a careful balancing of driving efficiency outcomes, capitalising on opportunities but also addressing place-based equity outcomes. Broader economic notions of what constitutes efficiency e.g. wider definitions of efficiency including technical efficiency, productive efficiency, and allocative efficiency; and application of broader economic theories e.g. economics of making no one person worse, will enable dual pursuit of efficiency and equity (Reidpath, 2012).

Additionally, noting the importance of agriculture to regions, these policy trends have also had a significant impact on agricultural policy. The next section examines the development of and considerations in agricultural policy, and its relationship to regional and rural policy.

AGRICULTURAL POLICY AND REGIONS

Agriculture is vital to Australia’s future and often constitutes one of the largest industries in most rural and regional areas. It occupies 53% of the landmass of Australia, employs over 330,000 people, and contributes to 2% of the GDP and 15% of exports (DAWR 2017) and continues to form a part of Australia’s comparative advantage, although agricultural production has declined as a proportion of GDP and exports. In 1951 agricultural production was 29% of GDP and over 90% of exports (Stoeckel & Miller 1982: 167, 169). Increasing national agricultural production and income is still a major concern, with the National Farmers’ Federation outlining a vision for agriculture to achieve $100 billion in farm gate output by 2030 (NFF & KPMG 2018). Agriculture covers 88.4% of the Queensland, employing over 57,000 people agriculture, forests and fisheries, with a further 46,700 people working in food and timber processing destinations (DAF 2018: ii). In 2015–16, there were 16,200 farm businesses, 2300 in forestry and timber manufacturing, 1425 in fisheries and 2240 in food manufacturing (DAF 2018: 10).

While agricultural productivity is variable across the different subsectors, there is general agreement that the overall productivity growth has decreased in Australia (Gray et al 2014, Nossal & Sheng 2013). In Queensland, the overall productivity growth slowdown since 2003–04 also affected the agricultural sector; annual growth averaged 3.5% in the 14 years to 2003–04 and 1.8% in the subsequent 13 years (DAF 2018: 34). However, as posited by Gray et al (2014: 1), “Australia’s ability to make the most of opportunities presented by future growth in global food demand depends on maintaining competitiveness through productivity improvements”. The agricultural and more broadly the rural sectors face a number of inter-related social, environmental and economic stressors such as depopulation of rural areas and an ageing population in many regions, low participation rates in education, reduction into entry into farming as an occupation, impact of technologies, changing models of farm business, low incomes levels, labour shortages, relatively poor health outcomes, mental health and suicide, climate change, salinity, drought, water security, biosecurity and land management challenges, global price impacts, market access and supply chain pressures from changing consumer demand (Lockie 2015, Gray et al 2014). Low incomes and poor rates of return for farm businesses put pressures on farmers with approximately 75 per cent of Australian farm businesses do not generate sufficient returns to meet both personal needs and business growth (Lockie 2015:v).
Agricultural policy following World War II was largely characterised by ad-hoc decision making (Botteril 2003, 2016; Thorsby 1972). Thorsby (1972:13) identifies these resulted in “a bewildering array of policy instruments which directly or indirectly affect farm policies, including two-price schemes, import controls, output subsidies, restrictions on substitutes, and so on”. As Australian agriculture was highly export-oriented there was effort to limit the impacts of world price fluctuations, and hence support for price stabilisation schemes and subsidies. These measures were generally referred to as ‘stabilisation policies’ and included the utilisation of a mix of policy tools and instruments such as guaranteed prices, two-price schemes, bounties and subsidies, mixing requirements, protection from imports, protection from substitutes, production controls and orderly marketing (McKay 1972: 33). This era also witnessed the development of significant agricultural extension programs (Hunt et al 2012).

The key tensions that emerged in the history of agricultural policy making in Australia and Queensland has been how to balance efficiency against welfare considerations. Campbell (1971) identifies that traditionally agricultural policy, particularly price controls, were used to deliver welfare outcomes for farmers as there was government concerns about low levels of income and poverty in many rural areas and industries. The concern for farmer’s income and welfare has been echoed many political speeches in post-war periods to the early 1980s (Botterill 2003). As there are no economic instruments to resolve this tension, that task is left to be resolved by government policy (Schapper 1970). OECD research suggests that a more sophisticated approach is needed and that contemporary policy should not prioritise efficiency or equity, but instead explore ways to tap into the potential development strengths in each region (OECD 2016, 2012). Barca et al. (2012:139) notes that the result of such approaches leads to a string of place-based interventions such as co-ordinating infrastructure provision, with schooling, business development, and innovation as a means to achieve both greater local development and, through geographical spillovers, for greater aggregate growth.

The 1970s saw the recasting of rural and agricultural policies in the context of economy wide policies and a move away from industry-based supports. Periodic political or issue driven interventions occurred in some cases (e.g. disaster responses). As noted by Botterill (2016:674) “the 1974 Green Paper was something of a watershed, marking a move away from the post-war policy approach and placing greater emphasis on market signals”. This began three decades of market policy initiatives, which resulted in staged and ‘untidy deregulation’ of agricultural industries (Richardson 2001:109), dismantling of stabilisation schemes, reduced agricultural extension and emphasised focus on farming as a business, productivity and efficiency (Turnour 2013, Botterill 2016). The shift in policy landscape “changed the ad hoc approach to policy formation based around powerful industry lobbies that had driven agricultural policy and lead to economists becoming increasingly central to policy development” (Turnour et al 2013:6). The process of change has been slow and has involved in ‘juggling politics, welfare and markets’ (Cockfield & Botterill 2006:71). The thrust of new policies facilitate self-regulation, self-help and entrepreneurialism, with changing responsibilities from State and including shifting responsibilities to local government:

“...we have seen a devolution of responsibility from state agencies to various communities and individuals for dealing with seemingly intractable problems such as rural and regional development, rural service delivery, farm viability and drought relief. In other instances, we have seen the deployment of neoliberal strategies to deal with problems in which state agencies have had little, or no, historic involvement” (Higgins & Lockie, 2007:1-2).

The current State and Commonwealth policy frameworks remain market, efficiency and productivity focused as articulated by the White Paper on Agricultural Competitiveness. The White Paper sets a vision for agriculture: “to build a more profitable, more resilient and more sustainable agriculture
sector to help drive a stronger Australian economy” (Commonwealth of Australia 2015: 1). Key priority areas have been identified as:

1. A fairer go for farm businesses, to keep families on the farm as the cornerstone of agriculture, by creating a stronger business environment with better regulation, healthier market competition, more competitive supply chains and an improved tax system;

2. Building 21st century water, transport and communications infrastructure that supports efficient movement of our produce, access to suppliers and markets, and production growth.

3. Strengthening drought and risk management, including providing the tools to facilitate more effective risk management by farmers and a long-term approach to drought that incorporates provision of enhanced social and community support for farming families and rural communities, and business initiatives for preparedness and in-drought support;

4. A smarter approach to farming based on a strong research and development system that underpins future productivity growth; and effective natural resource policy that achieves a cleaner environment as part of a stronger Australia; and

5. Access to premium markets through the availability of a large number of premium export markets open to our produce and a strong biosecurity system that maintains our favourable plant and animal health status (Commonwealth of Australia 2015:2-3).

Similarly, the Queensland’s Agriculture Strategy was released in 2013, with a target to double agricultural production by 2040 and support the growth of an efficient, innovative, resilient and profitable sector based on four key pathways:

- Securing and increasing resource availability;
- Driving productivity growth across the supply chain;
- Securing and increasing market access;
- Minimising the costs of production (Queensland Government 2013).

Agricultural policy concerns in recent times have focused on key challenges such as water security, irrigation allocation, energy, biosecurity, infrastructure, digital connectivity, ageing workforce, education and skills development, supply and value chains, global market access, farm business models, innovation and impacts of both climate and technological change (DAF 2018). The nature of future policy directions and approaches in key challenges are major questions for agricultural policy. There are calls for reconsideration of agricultural policies. For example, one scholar stated that “It seems that in the face of the need for Australia to fundamentally redesign its agriculture for the new century, the current productivist trajectory will continue to be pursued with vigour-creating major concerns for food security into the future” (Lawrence et al 2013:37). Scholars (Lawrence et al 2013, Botterill 2016, Lockie et al 2015) have called for a renewed approach to agricultural policy as the efficacy of current approaches are increasingly unable to deal with market failures (such as soil erosion, water degradation, equity).

**GOVERNANCE FOR RURAL AND REGIONAL POLICY DEVELOPMENT**
Rural and regional policies are developed and implemented within systems of governance, characterised by complex frameworks and cross-cutting institutional arrangements in State, Local and Commonwealth jurisdictions. Many nations, including Australia, are challenged in developing more adaptive and integrative approaches to regional and rural governance, including issues of policy coherence and coordination (Brown and Bellamy 2010:151-152).

‘Governmentality’ provides a useful concept to examine governance arrangements (Lockwood and Davidson 2010, Higgins and Lockie 2007). Government involves the direction of subjects, within set of norms or ethics and towards an end (Lockwood and Davidson 2010). “Subjects are actors, individuals and their institutions, which are both potentially governable through agency of their responses to direction, as well as being capable of thinking and acting in a manner contrary to that being sought by the governor.... The directing of subjects takes place through the application by governing actors or technologies that provide the means to progress a governmental programme. The four elements – subjects, ethics, ends and technologies – are constructed into a regime of practices and constitute a mentality of governance” (Lockwood and Davidson 2010:391-392).

It is argued that contemporary governmentality in Australia is constructed “as a hybrid assemblage of rationalities and techniques in which citizenship is no longer constructed in terms of social obligations and collectivised risk, but in terms of the capacity of individuals to conduct themselves in a self-regulating and entrepreneurial manner” (Higgins and Lockie, 2007:3). Doern and Phidd (1983:51) remind us that the policy and governance domain is paradoxical and negotiated and there is a “constant need to rank, balance or otherwise deal with the relations and contradictions among dominant ideas is a central aspect of public policy” (Doern and Phidd 1983: 51).

The driving of current policy implementation processes of contracting out, public-private partnerships, outsourcing and a preference for small government has resulted in new forms of governance (Everingham 2009). The trend in new governance regimes have been increasingly moving away from command and control to involving more bargaining and negotiation across different actors (Peters 2006). The definition of governance is contested and its key characteristic is increasingly understood as a process that “involves analytic deliberation and structured dialogue involving interested parties, nesting, that is, allocating authority to allow for adaptive governance at multiple levels and institutional variety which employ mixtures of institutional types (e.g. hierarchies, market based forms of resource allocation and community self-governance) that employ a variety of decision rules to change incentives, increase information, monitor use, and induce compliance” (Bellamy & Brown 2009:2). A more generalist definition of new public management models of governance are provided by Berger (2003:220-221). It characterises:

- governance as networks: referring to governance as self-organising with interdependence between societal actors and considerable autonomy from the state;
- governance as the inclusion of wider parts of the society where policy outcomes are not the actions of governments alone and includes notions of capacity-building and participation;
- governance as multi-level government involvement: inclusion of all tiers of government with particular reference to the local and regional levels;
- governance as New Public Management: which is linked to the paradigms of efficiency and effectiveness, associated with market economy; and
- governance as hierarchies: considered to be one of several different modes of governance.
While these definitions are important, they are not able to define regional governance and the role of place, community and engagement. In offering a working definition, Bellamy and Brown define \textit{regional governance} as “descriptor of the structures, processes and relationships by which decisions are made, and power exercised and shared, at spatial levels larger than localities and smaller than the States in most parts of Australia (Bellamy & Brown, 2009:6).

The institutional landscapes of new governance are complex and characterised by informality and impermanence (Brown and Bellamy 2010), through programs, partnerships, multilevel governance, governance networks, benchmarking and standards (Brown and Bellamy 2010:156), controlling for outputs and outcomes. Peters (2006) argues that ‘networks of governance’ often mask difference and conflict between actors. The informal nature of policy making and implementation, often referred to as ‘garbage can’ policy, has a range of consequences including lack of clarity about policy goals, concealment of exercise of power by actors while appearing democratic, unstructured decision making and lack of flexibility due to negotiation/agreements reached with other parties (Peters 2006). Peters (2006:36) identifies that while particular individual policies may be successful, this may have paradoxical result with “each policy or programme area doing better, but the collection of policies as a whole being less effective”.

One consequence of an increasingly less formalised system of governance has been a centralisation of decision making. However, although Australia has a centralised and hierarchal system of governance, with increasingly centrist approaches by Commonwealth and State governments, there are paradoxical examples of devolution. The informal network of governance processes has grown to what Everingham (2009) calls ‘congested governance,’ resulting in ‘multiplicity of players having diffused responsibilities and blurred spatial, functional and sectoral boundaries’ (Everingham 2009:88). Collaborative, regional networks have at times become a preferred alternative to market governance or public sector policy making (Jones & Thomas, 2007). This is exemplified in the Australian Government’s \textit{Region 2030} regional development policy document (Commonwealth of Australia 2017). This document notes that the Government’s approach is ‘whole of government action for regional Australia’ while acknowledging that a ‘one-size-fits-all’ approach to regional policy development does not work and that there is a need for investment in partnership in working with communities (p.4).

As a consequence, the proliferation of regional bodies has been voiced by, as a concern, by the Australian Local Government President:

“... led to a proliferation of regional structures and an ambiguity in the roles and responsibilities of different levels of government. The establishment of new policy frameworks and mechanisms, regulatory processes, regional task forces, advisory groups and planning strategies in many cases defers a real policy initiative in favour of another addition to an already crowded system of regional governance” (Montgomery, 2004, cited in Everingham, 2009:85).

Quite different mechanisms of such regionalism have evolved in different sector (e.g. health, natural resource management, regional development, etc. This inconsistent approach and lack of clarity in governance and policy making is reinforced by other agencies. The Productivity Commission states

“There is significant confusion, overlap and unhealthy competition between the Australian, State, Territory, and local governments in the pursuit of regional development... These issues are made more challenging by inadequacies in the institutional and governance arrangements that limit the effectiveness of planning and expenditure in regions with respect to transition and development” (Productivity Commission 2017:163).
There is disagreement in key institutions about who has primary responsibility for regional development policies. For example, the Productivity Commission argues that the primary responsibility for regional development policy is with State, and local governments while the Australian Government should focus on national economic development (Productivity Commission 2017: 141). The House of Representatives Select Committee on Regional Development and Decentralisation, on the other hand identified that the Commonwealth Government has a leadership role to identify national regional development priorities (2018:18).

Stemming from studies in central Queensland, Bellamy and Brown (2009:16) highlight the following characteristics of regional governance:

- Structurally both *multi-layered* (federal-state-regional-local/community) and sectorally ‘nested’ within the broader array of state and federal institutional arrangements operating at non-regional (e.g. national, state and more local) levels;
- *Complex mix of institutional forms/modes of governance* (e.g. traditional hierarchies, networks, centrally-orchestrated multi-stakeholder collaborations, public-private partnerships or alliances, and voluntary self-organising coalitions/partnerships);
- *Increasingly involving a number of regional partnerships or multi-sector entities* with growing importance in the region;
- *Predominantly sector-based* but expanding to encompass some inter-sector or issue- based regional initiatives (e.g. for tourism; sustainable regional development, NRM);
- *Needs-driven coordination within state government at the regional level* rather than being proactive process, such that links exist between state government agencies, but not much more.
- *Emergence of federal initiatives that are funding rural communities directly* – that is, they largely by-pass state government or involve its reluctant cooperation (e.g. regional development, NRM, health, transport);
- *Relationships built over years amongst both individuals and institutions* are very important (e.g. for building trust and understanding) for regional governance in the absence of stronger and more formalised regional structures.

The effectiveness of regional governance systems and arrangements are increasingly called into question, particularly focusing on lack of decision making authority conferred at regional level and conflicting jurisdictional arrangements. For example, the Productivity Commission further argues that the lack of collaboration and coordination has resulted in duplication of government efforts in some regions, causing confusion (Productivity Commission 2017: 157). The Regional Australia Institute (2015) points out that many of the key decisions are taking outside regions and program delivery, organised along program lines have little engagement with regional aspirations. They state that “this results in fragmented responses to local problems and poor outcomes overall” (p.3).

Formation of bodies such as the Regional Development Australia (RDA) networks have been criticised for lack of devolution of power by the Commonwealth Government for effective decision making. It was found that RDAs had struggled to come to terms with their revised roles and consequently they had been unable to establish authority with government departments, other regional development organisations and the community (Buultjens et al; 2012). RDAs were also found to eschew complexity and opting for simplicity and maintaining status quo (Pugalis and Keegan). The RDAs were often found
to be divorced from other instruments of policy and “the influence of RDA Committees in shaping, stimulating and developing local economies is incidental” (Pugalis & Keegan, 2017:90).

The capacity and leadership of regional actors for policy making has also been called into question. Brown and Bellamy (2010:177) identify the key challenges for regional governance as:

- Shortages in human capital (including governance skills);
- Misalignment and conflict in federal-State relations;
- Financial sustainability of State, local and regional operations;
- Inefficient accountability and performance requirements;
- Misalignments between policy scales and responsibilities;
- Regional deficits in legitimacy and authority; and
- Regional leadership and coordination.

While there are challenges of congested governance and lack of clarity, there are opportunities for participatory democracy. Recent scholarship on concepts such as social capital, community, placed-based approaches suggest a third alternative to that of market and state based approaches (Morrison 2014, Rodriquez-Pose 2013). There are opportunities for communicative, collaborative and deliberative processes of governance, without eroding the role of the state (Everingham 2009, Sorensen and Torfing 2005). This section has demonstrated the fragmented nature of regional governance and little strategic focus on building integrated regional governance systems and processes. Future key directions in rural/regional governances lies in the strengthening of integrated regional governance which is multi-stake holder and multi-tiered and coordinated. Greater decision making powers at the regional level, adaptive and flexible governance processes, flexibility in program delivery for regional parties and vertical and horizontal accountability and effective regional leadership are critical elements for successful regional governance (RIA 2015).

**EMERGING REGIONAL AND RURAL POLICY QUESTIONS**

The consideration of policy making for regional/rural Australia, this broader overview has identified a number of keys research and consequently policy questions:

- What role should/does government play in rural and regional development?
- Is there are tension in policy making between preserving and change management?
- How can complexity (i.e. multi-scalar, multi-dimensional, cross sectoral, multiple stakeholder) be addressed when policy aims to bring order?
- What is the evidence for what is best practice and innovation in policy development and implementation in rural/regional areas?
- What are the policy instruments and tools available and what is the evidence of their efficacy?
- What is the capacity/capabilities of regional institutions to lead policy development and implementation?
- How can bottom up, placed based approaches be strengthened in policy making?
- What governance arrangements need to change for effective devolution to rural/regional areas and the role of decentralization in policy making?
- What regional institutional arrangements are effective for policy development and implementation, capturing diversity of regions?
• What is the impact of policy making and delivery on improving the lives of people living in rural/regional areas?
• How can policy making reflect the diverse cultural characteristics of regions?
• What are the most effective models of engagement for rural and regional constituents involved in policy development?

Questions such as these are critical to the reframing and continued evolution of rural/regional policy making and implementation and will be the focus of future RECoE considerations.

MAPPING REGIONAL/RURAL POLICY ISSUES

Within the context of this broader discussion, this next section presents an overarching audit of more specific policy issues that have emerged from a range of sources including practice papers, academic research, engagement and consultation over time and authors’ work in regional contexts. This is not an exhaustive list and there may be other related issues. These issues raise responsibility at various levels of governance and policy making. Also, each issue listed here in summary has a subset of many other considerations which is beyond the scope of this paper and may be subject of future RECoE work.

<table>
<thead>
<tr>
<th>Broad Theme</th>
<th>Policy &amp; Sub-Policy Themes</th>
<th>Key points/factors</th>
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</thead>
</table>
| Policy & Governance | Rural/regional policy development | • A shared understanding of rural/regional development  
• Common definitions of rural and regions  
• An absence of overarching statement such as the Cork Declaration 2016 “A Better Life in Rural Areas”  
• Problematic processes for policy issue definition (complex and not clear)  
• Dual objectives of economic policy and equity (not always complimentary, other pathways)  
• National/State policy development mechanisms should be informed by rural/regional considerations  
• Complicated roles of regional bodies RDAs, REDOs  
• Sectoral policies and contradictory and conflicting objectives across sector or jurisdictions  
• Coordination and integration, cross sectoral approaches  
• Tension between community demands for governments to protect present interests and familiar lifestyles, while trying to build adaptive communities (to change).  
• Disparities and inequities across regions  
• Disparate regional risk bearing and distribution |
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<tr>
<th>Governance &amp; Decision making</th>
<th>Short term approaches to policy rather than longer term strategic effort</th>
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<tr>
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<td>Regulation and compliance without policy or policy leading to red tape</td>
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<tr>
<td>Economic Development Sustainable Economies</td>
<td>Policy development at regional level but implementation authority not devolved</td>
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<td>Multi-level governance and different jurisdictional policies and fragmented institutional architecture</td>
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<td>Contradiction in devolution to community or industry but not accompanied by the resources</td>
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<td>The need for locally derived solutions and civic participation</td>
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<td>The emergence of place-based policy options</td>
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<td>The emergence of deliberative engagement</td>
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<td>Management, leadership and administrative capacity at the local level</td>
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<td>Regional institutional arrangements for strategic planning and policy priority</td>
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<td>Declining trust of government</td>
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<td>Accountability in policy making</td>
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<tr>
<td>Economic Development Sustainable Economies</td>
<td>Diversifying regional economy: move from commodity focus to high value specialised agricultural and non-agricultural economic activity; supporting new emerging sectors and niche markets</td>
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<td>Fragmented sector-based policy (e.g. agricultural, health)</td>
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<td>Volatility and boom-bust cycle of some industries and adaptive economic capacity</td>
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<td>Decline in traditional economic base and improved value chains</td>
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<td>New economies and inter-sectoral connectivity (tourism, digital, consumer/lifestyle)</td>
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<td>Supply chain and logistics development and integration</td>
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<td>A growing understanding of value chain support</td>
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<td>The need to manage externalities</td>
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<td>Investment attraction</td>
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<td>Productivity lags, instruments to boost productivity</td>
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<td>Increased competitiveness</td>
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<td>Use of science and technology advances for productivity and value improvement</td>
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<td>Inter-sectoral approaches to development</td>
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<td>Infrastructure and catalytic infrastructure</td>
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<td>Transport efficiencies</td>
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<td>Markets and branding</td>
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<tr>
<td>Trade and Foreign Affairs</td>
<td>Trade Agreements and their implications</td>
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<td>Attracting positive international investment</td>
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| **Workforce** | • Capacity to respond to growing global demand  
• Tariffs  
• Export incentives and challenges (e.g. to Asia)  
• Gaining competitive advantage, niche marketing (e.g. green-clean food)  
• Market entry support  
• Global fluctuations (e.g. currency impacts, commodity prices)  
• Ageing workforces  
• Training and education challenges  
• Labour market shortages  
• Attracting and retaining professional and technical workers  
• Fly-in-fly-out workforce  
• Seasonal migrant and short term labour |
| **Rural Business Viability** | • Level of rural debt and financing options  
• Cost of inputs (energy, water, transport)  
• Capturing value and stopping leakage  
• Training appropriateness  
• Enhancing business survival in rural/regional Qld  
• Determining what level of assistance is required  
• The strategic culture of rural businesses  
• Timeliness of assistance  
• Supports for supply and value chains  
• Innovation leading to rural disruption- future readiness and adaptation  
• New business models and new commercial processes/practices  
• Innovation supports for translation of R&D and uptake by industry  
• Rural innovation technologies (augmented, remote, virtual, robotic, AI)  
• Start Ups and new specialized sectors  
• Growing entrepreneurialism  
• Future of work: based on knowledge based work  
• Workforce skills and capacity, skills gaps  
• Attracting and retaining workforce to regions  
• Education and training of rural/regional areas  
• Higher levels of unemployment in some demographic groups  
• Brain and youth drain from rural areas  
• Investment in capabilities development  
• Opportunities for training and education  
• Leadership and management capacities  
• The need to build resilient institutions  
• The need to build networks and connectivity  
• Access to information, knowledge and skills (e.g. to utilize knowledge, tools and data)  
• Adapting to change |
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<tr>
<th>Category</th>
<th>Focus Area</th>
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<tr>
<td>Indigenous development</td>
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<td>Capitalising on diversity</td>
<td>• Capitalising on diversity</td>
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<td>Population</td>
<td>• Population attraction policy</td>
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<td>• Variable population distribution</td>
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<td>• Decline in population (may or may not involve economic decline)</td>
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<td>• Population and service planning links in rural areas e.g. hospital, schools</td>
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<td>• Ageing and skilled immigration as two key policy considerations relating to population</td>
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<td>Wellbeing</td>
<td>• Rural identities, cohesion and inclusion (exclusion)</td>
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<td>• Livability and lifestyle</td>
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<td>• Access to services and models of rural service delivery</td>
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<td>• Demographic group wellbeing e.g. youth, gender, aging, Health issues and disparities, rural disadvantage</td>
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<td>• Levels of income (and inequality)</td>
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<td>• Addressing disadvantage</td>
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<td>Rural Environments</td>
<td>• Use of land for economic benefit/wealth creation</td>
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<td>• Linking land use planning to infrastructure</td>
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<td>• Land use planning and regional coherence</td>
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<td>• Indigenous land ownership</td>
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<td>• Land management policies</td>
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<td>• Water planning and allocation</td>
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<td>• Tax and financial regulations/policies relating to land use</td>
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<td>Natural Resource Allocation &amp; Management</td>
<td>• Biosecurity</td>
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<td>• Landowner encouragement to be environmental stewards</td>
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<td>• Water use planning and allocation</td>
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<td>• Marine and waterways protection</td>
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<td>• Growing ecosystem service markets</td>
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<td>• Energy opportunities</td>
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<td>Climate Change and Natural Disasters</td>
<td>• Drought, Floods- short term crisis interventions</td>
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<td>• Long term impacts of climate change</td>
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<td>• Mitigation strategies and policies e.g.reducing greenhouse gas and ammonia emissions, fostering carbon conservation and sequestration</td>
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<td>• Awareness and information</td>
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<td>• Climate resilient economies</td>
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<td>• Policy frameworks that guide these interventions</td>
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<td>Communication &amp; ICT</td>
<td>• Access to internet</td>
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<td>• Advanced digital technologies</td>
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<td>• New ways of doing business</td>
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<td>• Connectivity deficits</td>
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In synthesising the above, a discussion paper, prepared for RECoE, identified pressing new policy challenges affecting economic development in Queensland’s rural communities:

- **labour market and innovation capacity policy settings**: acute labour shortages (particularly in both management and less-skilled roles) remain a significant impediment to rural economic development in some sectors, locations and during certain seasonal time periods. More targeted workforce development policies and programs are required, with a particular focus on innovation building in rural enterprises.

- **finance sector development**: Significant opportunities and risks remain in respect to then exploring finance options that might be applied in key agricultural opportunities and regions. These considerations include the increasing debt burden in the agricultural sector and the opportunities to develop more flexible finance mechanisms for more consumer focused agricultural products and new forms of agricultural development in the north.

- **trade development and supply chains**: while the northern agricultural development space has encouraged thinking about new trade development opportunities, a national and state-wide level of policy thinking is required in progressing these opportunities, including the potential role of new markets and technologies.

- **changing consumer preferences**: along with growth in demand, consumer demands are becoming more specialised, with greater attention on credence claims about health, environmental, production system, local foods and animal welfare aspects, and mechanisms to supply and guarantee foods with those characteristics.

- **biosecurity**: while many key biodiversity challenges have been resourced and resolved in Queensland, un-even capacities across jurisdictions and industries remain a significant threat to rural economic development.

- **telecommunications and service frameworks**: communication deficits remain a significant impediment to rural innovation, business development and the general liveability of rural Queensland. A significant infrastructure gap requires both Commonwealth and State attention, but also needs a focus on lifting the capacity of rural communities and farm enterprises to make the most of new communications infrastructure.

- **energy policy frameworks and climate change adaptation**: amid increasing concerns about energy affordability and security, and because of the potential role in agriculture in our energy future, more policy effort is needed to actively improve affordability and security in rural Queensland, as well as implementation of Queensland Agricultural Sector’s Adaptation Strategy.

- **regional and rural economic development**: more coordinated effort is still needed in stimulating business entrepreneurship and innovation, and lifting the capacity of regional and rural institutions with a key role in economic development. Important considerations include building cost-effective scales for economic development planning, while maintaining grassroots innovation and effort.

- **Resource allocation, regulatory efficiency and co-management of natural resources**: there is ongoing regulatory complexity in the rural economy. Also, complex and politicised regulatory battles over natural resources can limit private sector investment confidence in rural...
development. New approaches to improving regulatory efficiency and building co-management approaches to the use of extensive natural resource are required

- **science for rural economic development:** there may be a need for policy to direct more science effort towards regional and rural economic and supply chain development versus a sole focus on production-focussed research and development. In the agricultural development context, there are particular opportunities to focus on: (i) benchmarking and growing new sectors and regional effort; (ii) new market development and development logistics; (iii) the creation of biofuels and integrated energy hubs; (iv) partnership-based science to generate improved rural sector innovation; and (v) increasing climate resilience in farming systems.

- **northern development and investment attraction:** North Queensland landscapes and communities have long been the focus for visionary policy narratives on agricultural development. Importantly, however, as suggested by the *Whitepaper on the Development of Northern Australia* there are great opportunities, but also, complex governance issues to be identified, analysed and resolved. A lack of strategic approach to investment attraction has been identified as a particularly significant issue. This policy effort must be underpinned by robust evidence and engagement and a focus on inclusive growth (Cavaye et al, 2018:29-31).

As a matter of operation priority, RECoE will be will facilitate the development of engaged and evidence-based discussion papers on priority issues identified from the above mapping to address key new policy challenges supporting rural economic development.

**POLICY TOOLS AND IMPLEMENTATION**

In progressing the above policy issues, a range of policy tools are available to government in the context of rural and regional development: These include:

- Direct industry assistance for adjustment e.g. compensation payments, exit grant, subsidies
- Indirect assistance e.g. tax exemptions, special eligibility
- Service delivery
- Special economic zones
- Sectoral support
- Capacity building for leaders and institutions
- Skills training
- Cluster policies
- The building of centres of expertise
- Infrastructure investments
- Business development
- Business intelligence and data
- Innovation and entrepreneurship platforms
- Networks and information forums
- Online and digital tools
- Decentralisation
- Funding schemes
- Equity measures
While a range of policy tools are available and have been used in varied ways by different levels of government, the effectiveness of these tools has not been sufficiently evaluated and there is a strong evidence gap about what works against desired outcomes (Warwick & Nolan 2014). The impacts of specific policy tools and strategies are not clearly known and there is much work that is needed in this sphere (Hogan & Young 2015). The Productivity Commission (2017:22) cautions that in the absence of a rigorous assessment framework there is a great risk that policies and programs targeting economic and social development will be ineffective, costly, and reduce national prosperity.

Policy development and implementation takes place through a range of processes. However, it is noted that the governance arrangements provide little decision making power at local level while being given responsibilities for policy development. The regional bodies are not strong, have variable leadership, are without power and are very under resourced (Eversole 2017, Pape et al 2016). Despite proliferation of regional policy/programmes, there is no real-decision making authority at a regional level, accompanied by a general unwillingness of State or Commonwealth Governments to devolve real responsibility for regional development to regions themselves (Eversole 2016, 2017, Pape et al. 2016). Regional Australia Institute (2015:3), highlights the important challenges of policy decision making:

“One of the key factors shaping the quality of government and government services in regional Australia is the fact that many of the most important decisions affecting these places are taken outside the region, and outside ‘regional’ policy. Most services delivered to regions are organised along program lines (for example, health policy, housing programs and transport investments) that have little engagement with formal regional policies or aspirations. This results in fragmented responses to local problems and poor outcomes overall”.

This has repercussions for the ways in which communities can mobilise their assets, create networks, support entrepreneurs, have influence and construct economic and social advantage. Regional institutional frameworks are more ‘hybrid’, comprising corporations (e.g. mining companies), government agencies, community organisations and established regional development organization. Some have argued that rather than having void in institutions for policy governance in rural/regional areas, the institutional domain is “relational, thick, contextual, and complex - has rendered regional governance as difficult to understand and operationalize” (Morrison 2014:102). Regional/rural connectivity, institutional and governance arrangements are key to effective policy design and delivery.

**RETHINKING THE FUTURE OF REGIONAL POLICY MAKING**

Recent scholarship identifies that building resilient rural economies and communities needs have a shift in policy making to an approach that takes a holistic approach to regional/rural development (Eversole 2017, Smith 2016). Drawing on global literature, Tomaney (2012:151) argues that long-term integrated regional policies and economic geographies which identify key local assets such as high growth firms or emerging clusters, innovative activities or skills appear to matter to long-run growth. Pointing to a need for “place-based approach” to regional development, the author points to the need for a comprehensive framework that brings together land-use, economic development, skills and innovation investments, involving all tiers of government and business, as well as non-governmental organisations, which have knowledge and capacity to contribute policy development. Place-based approaches are dependent on political dynamics, level of authority, resources and skills and capabilities of people. It may be possible for policy makers to play a brokering role across different
organisational and operational boundaries to negotiate cross jurisdictional outcomes (McDonald 2014).

The Cork Declaration on life in rural areas is an example of holistic and overarching framework for rural/regional policy which clearly articulates the need to build rural prosperity—one that builds on multi-sectoral approaches which foster innovation, employment and entrepreneurship, but equally focuses on sustainability, social inclusion and development (Cork Declaration 2016:2). OECD (2016) identifies that policies need to better to address diversity of regional types, non-farm economic activity, local community needs and the ties between rural areas and cities. The new policy lexicon demonstrates a change in focus to policy focusing on smart (linked with knowledge and innovation), sustainable (green, environmentally sound and climate change mitigation) and inclusive (equity, employment and cohesive) (Naldi et al 2015).

In relation to economic and industrial policies, Warwick and Nolan (2014:42) identify characteristics of new economic policy approaches:

- greater emphasis on building networks, improving co-ordination, and promoting awareness
- less reliance on direct support in the form of state aid and (market-failure correcting) subsidies
- greater emphasis on strategic (rather than defensive) industrial policy
- a shift away from sector-based strategies and towards certain technologies and activities.

Economic policies in regional/rural areas needs to take more contemporary approaches to economic development. Concepts such as livelihoods approach, capabilities approach, social capital, have emerged and provide a strong platform for envisioning policy agendas for the future. A useful concept is inclusive growth, an agenda for economic and social development that has the entwined goals of maintaining economic growth and reducing inequality (Zakharov 2012). This concept tackles the idea that social development will automatically trickle down from uninterrupted market based growth and argues that growth must be managed so that it is employment centred, broad based across sectors and with a social protections promoting sustainability and equality of opportunity (Smyth and Buchanan 2013).

The need for of multi-dimensional, multi-scalar, cross institutional and diverse stakeholder rural/regional policy and governance which take a more adaptive and integrative approach is being articulated strongly by scholars and practitioners (Brown& Bellamy 2010, Pape et al 2016). Regional Australia Institute (2018) advocates a collaborative approach to regional policy development, positing that collaborative policy is the next step in strong local participation in the policy cycle. Collaborative regional development policies emphasise:

- Power for decision making is shared across multiple actors (government at different levels; federal, state, local, community groups, private businesses);
- Resources for implementing decisions are shared across involved actors;
- Long term investment approaches reflecting the involved actor’s priorities are agreed;
- Responsibility for outcomes are shared across involved actors; and
- Contracted outcomes and decisions on how, when and what are made collaboratively (RIA 2018:6).

Rural regional policy implementation and governance often involves many policy sectors, the issues are inter-related, the scales are overlapping. The need for more strategic, coordinated and less fragmented policy design and intervention are critical to the development of rural/regional areas (Smith 2016, Pate et al 2016). New styles of collaborative, nurturing and catalysing leadership, with
capacity to bring diverse stakeholders together, influence policy and bring about social and system change is seen as critical (Hoppe and Reinelt 2010, Buultjens et al. 2012).

The best practice in rural/regional policy espouses a number of principles including strategic and coordinated policies with coherence, building on a region’s strengths and assets, recognising the diversity of regional aspirations, building capabilities of leaders, managers and institutions, encouraging connectivity, cross sectoral and multidisciplinary, place based and devolved authority and resources (Eversole 2017, Productivity Commission 2017, OECD 2016, Smith 2016).

Effective policy making and good governance are recognised as important precondition for growth and sustainability. Greater flexibility and decision making at the local/regional level will need to be enabled to enable regions to meet their aspirations and address their challenges to build resilient futures.
REFERENCES


