SEGRA 2021 Communique

Speaking Up for Regional Australia

Each year following the **SEGRA (Sustainable Economic Growth for Regional Australia)** Conference, the National Steering Committee release a communique *'Speaking up for Regional Australia.'* This Communique considers the conference theme and responds to key action agendas including identifying potential policy and practice actions. It is a summary of discussions at **SEGRA** and does not purport to represent a shared view by the **SEGRA** National Steering Committee or delegates.

About *SEGRA*

SEGRA is Australia's premier conference on regional issues. It is recognised as Australia's most credible independent voice on issues affecting regional Australia. Its strategic goal is to assist regional, rural and remote Australia to source and identify the knowledge, techniques and skills regions require to achieve successful economic growth and development.

SEGRA is committed to ensuring that regional Australia is fully considered as part of the framing of the national agenda.

The **SEGRA** conference, established in 1997, provides a unique opportunity for all sections of the Australian community, rural and urban, to explore the key issues affecting regional, rural and remote Australia and be part of providing positive sustainable outcomes to ensure future prosperity.

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SEGRA has led the way in being cross-sectoral and multi-disciplinary, bringing together practitioners, policy makers, researchers, business, community, health, social services and the not-for-profit sector.

SEGRA is a practice community of over 8,000 people representing economic, community, health, social services and sustainability practitioners, all levels of government, researchers, elected representatives and business.

As such, it is the upholder of extraordinary collective expertise across regional, rural and remote Australia and is widely respected by governments, universities and regional development practitioners.

SEGRA is unique in that it is grass roots and practitioner driven. It has particular expertise in the area of implementation of government policy and projects.

About Kalgoorlie-Boulder

The City of Kalgoorlie-Boulder was formed in 1989 after it was decided that the two separate Shires were to amalgamate. It is in the heart of the Goldfields-Esperance Region of Western Australia, approximately 600 kilometres northeast of Perth. As the heart of the Goldfields, Kalgoorlie-Boulder is the strategic link between the east-west and north-south infrastructure corridors. The Great Western Woodlands surround the City, which is considered the largest intact temperate woodland remaining in the world.

Traditionally known for its mining industry and rich gold and nickel mineral deposits, Kalgoorlie is the second largest resource producing region in Western Australia and one of the most significant in the world. Kalgoorlie-Boulder is also expected to play a significant future role in the State's battery mineral extraction and refinery industry. A major contributor to both the West Australian and Australian economies, Kalgoorlie-Boulder's Gross Regional Product was estimated at $3.36 billion in 2017-18.

Kalgoorlie-Boulder is renowned for its beautiful turn-of-the-century architecture and character buildings. The City has a unique heritage, stemming from the gold rush of the 1890s, which generated a population boom for the fledgling state of Western Australia. Kalgoorlie-Boulder played an instrumental part in the federation of Australia and is home to the richest square mile of gold in the world.

The City includes the suburbs of Kalgoorlie, Boulder, Hannans, Karlkurla, Lamington, Piccadilly, Williamstown, South Kalgoorlie, Somerville, West Kalgoorlie, Victory Heights, Broadwood, and South Boulder.

Theme for *SEGRA* 2021

Unearthing Diversification: adapting to a new tomorrow
With the theme *Unearthing Diversification: adapting to a new tomorrow*, the conference set out be forward-looking and innovative but also to examine how to empower people who live, work and invest in regional, rural and remote Australia to seek out not only new opportunities but the means to make them happen.

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At **SEGRA 2021**, speakers addressed some of the big questions around key issues facing regional Australia:

- Where are the emerging industry and business opportunities and how to advance them?
- What are the best structural and institutional arrangements for government and business to work together to diversify regional economies?
- Regionalising the National Visions. What are the key factors that should drive regional policy and practice?'
- How can we expand the development of social capability in the regions?

As always, **SEGRA 2021** actively profiled some of the real success stories of regional Australia and considers how these case examples can provide transferable learnings to other regions.

Action Agendas for *SEGRA* 2021

SEGRA 2021 focused on eight action agendas:

1. **Strength through Diversification**
2. **Celebrating Indigenous Business**
3. **Technology Transforming Regional Australia**
4. **Continuous Capability Development**
5. **Social Capital Investment**
6. **Regional Australia's Population Changes**
7. **Developing Regional Tourism and Geotourism**
8. **Government Business Partnerships**

Two action agendas from **SEGRA 2021** were deferred due to COVID-19 and will be offered as webinars later in 2022. These themes were:

Global and Regional Sustainability

Entrepreneurial Action in Regional Australia

Strength through Diversification

Diversification is one way in which businesses or regions can expand or develop and increase their economic strength and capacity. In an institutional sense, diversification looks to the opportunities of interdependency and the possibilities arising from collaboration.

Identifying regional opportunities for diversification is a key economic development strategy and is a priority action now, more than ever before. Emerging technology, data optimisation and automation are all driving industries not previously envisioned. Regions are often well placed with large green field sites, potential for independent energy, and a propensity for innovation to embrace diversification.

Diversification is an important aspect of trade and it is clear there is a need for a sector to spread its risk and consider a broad range of markets that suit their needs. We have had clear warnings for some time that relying too heavily on a single market with limited ability to shift is a highly risky strategy for business in the current trade environment which can see countries close or slow trade overnight. A flexible diverse array of market options would prove a more sustainable option.

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Regions can enable diversification by identifying, promoting and providing opportunities to participate in emerging product markets; working to ensure appropriate infrastructure and freight logistics; tapping into supporting practices that will encourage businesses to strengthen their capabilities and expand or shift to new activities through information dissemination and communication (for example, accessing new networks and funding).

"*Innovation is an outcome of massive collective effort.*" - **Prof. Alex Hannant, Junus Centre Griffith University,** *SEGRA* **2021 Keynote Speaker.**

Potential Policy and Practice Actions

Regions working with businesses and research institutes work to:

- Increase collaboration to proactively identify new business opportunities – products, markets for their existing goods
- Better understanding the underpinnings of collaboration and competition in innovation and how to build and maintain trust
- Create networks and funding opportunities for identifying new products for specific industries to strengthen their capabilities and expand or shift to new activities
- Programs that support leadership and governance skills to deliver collaborative projects
- Greater consideration of the factors that make supply chains vulnerable and how to diversify an array of market options to reduce risk in supply chains
- Anticipate and plan for changing infrastructure needs, supply chains and logistic needs. In particular, a shift from linear (take, make, dispose) to circular supply chains (emphasising reduce, reuse, recycle)

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- Developing frameworks, that enable diverse and distributed stakeholders to align their efforts around complex goals and experiment with new approaches; including around navigating relationships between 'means and ends' (Yunus Centre, Griffith University)
- Continued development of native foods and medicines respecting Indigenous knowledge and culture
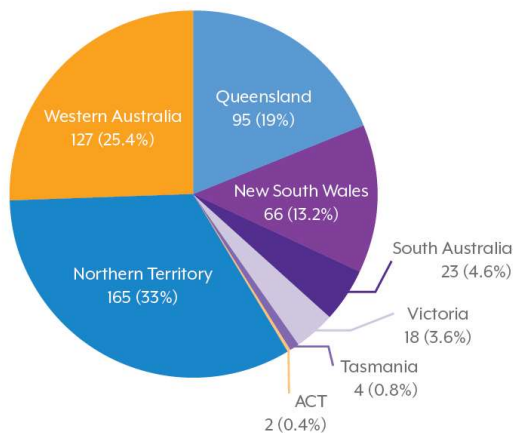
Celebrating Indigenous Business

The Indigenous business sector is one of the fastest growing in Australia. Around 12,000-16,000 Australian businesses are Indigenous-owned, and Indigenous self-employment rates suggest this number will grow by around 2,200 by 2026. (https://www.dfat.gov.au/sites/default/files/business-envoy-january-2019.pdf)

This business growth is in part a reflection of increased Aboriginal and Torres Strait Islander peoples' engagement in education with more attaining Year 12 qualifications, VET training and university graduation. The need to continue to enhance educational experiences for Aboriginal and Torres Strait Islander peoples is widely recognised as an important way forward in encouraging and enabling Indigenous business. (https://www.niaa.gov.au/indigenous-affairs/education)

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ORIC registered Indigenous organisations located largely in N.T., W.A. and QLD of the Top 500 Corporations in 2014-15, count, % 8.

Potential Policy and Practice Actions

- Imperatives to building Indigenous business include a commitment to working with Aboriginal and Torres Strait Islander communities to ensure locally-based decision-making and understanding the range of ways, particularly structural, that can promote the formation and sustaining of Indigenous owned businesses
- Supporting the development of Indigenous Chambers of Commerce and Industry
- Increasing capacity in corporate governance management
- Expanding services such as Indigenous business hubs to increase tendering capacity

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- Local governments and businesses to develop Reconciliation Action Plan (RAP) as a way of articulating its commitment to reconciliation with Aboriginal and Torres Strait Islander people
- Development of Aboriginal and Torres Strait Islander Heritage, Arts and Cultural Centres to showcase local Indigenous culture, art, skills and expertise. (Stand alone or part of existing centres with specific named recognition, for example Gascoyne Aboriginal Heritage and Cultural Centre)
- Support initiatives to improve innovative use of land tenure systems across northern Australia and to make land management more effective and beneficial for Indigenous people
- Undertake broad consultation about the opportunities around crown land and corporate investment

Technology Transforming Regional Australia

Emerging technologies are reimagining how we organise, operate and strategise. Technology enables fundamental business processes - from the way business strategy is engineered to the modernisation of core assets - and evolving supply chains into value enablers. It also can be used to augment human decision-making, rethinking the workplace, customer experiences, and equity initiatives.

New data optimisation techniques are accelerating machine learning and this in turn requires new cybersecurity architecture to protect that data. This is particularly relevant to three new technologies:

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The internet of things (IoT) which enables the tracking of location, weather conditions, environmental status, traffic patterns and more. This allows supply chain managers to monitor assets throughout the logistics journey, track shipments and inventories, and whether anything needs to be remedied. One of the risks and costs associated with the use of IoT is the increased vulnerability of a chain to cyber-attacks.

Blockchain which enables a record of an asset or transaction is maintained in multiple locations. Records of transactions can be used to track the origin of goods and establish trust in shared supplier information.

Artificial Intelligence, machine learning and analytics are increasingly used to automate many aspects of supply chain management, including warehouse operations, transport and digital logistics, and inventory management. These technologies are particularly useful as supply chains become more complex, as data processing capacity increases and to the extent that decision-making can be automated.

(Stackpole, B. 2020 https://mitsloan.mit.edu/ideas-made-to-matter/5-supply-chain-technologiesdeliver-competitive-advantage)

Potential Policy and Practice Actions

- Access to digital connectivity remains a significant and critical issue for many parts of regional Australia.

SEGRA 2021 identified several associated issues that need to be addressed in conjunction with connectivity including:

- Increased appreciation of the potential value of technology
- The cost of constantly upgrading machinery to maximise opportunities of new technology (built in redundancy and the inability to upgrade existing machinery)
- Capacity to use the technology when technician access is unavailable or cost benefit expenditure
- Fit for purpose technology – point to point, satellite etc
- Ability to analyse and apply data that is collected to manage production efficiencies, supply chain issues and origin tracking
- A deeper understanding of how increased connectivity (e.g. telehealth) impacted on the social resources of a community
- Use technology to generate cereal crops with added nutrient properties
- Consider 'dark sky approved' LED street lighting for regional Australia to protect a disappearing environmental and cultural asset, protect wildlife and human health
- Dark sky friendly industrial/mining sites would also reduce the carbon footprint
- With changing technology, particularly in transport, there may be new opportunities for carbon hubs and growing native vegetation
- Provide a framework to enable tidal power investment and development
- Expansion of the opportunities of the circular economy, for example composing all green waste and use to boost carbon content and reduce water needs

The conference considered a broad application for ROAS (remotely operated aerial systems) such as drones for surveillance, spatial data and related technologies to a range of regional scenarios including:

- Mineral exploration and mining operations

- Local Government planning, infrastructure, assets, and land management

- Environmental resources management

- Indigenous cultural resources monitoring

- Pastoral property and stock management

- Emergency management

- Natural hazards disaster risk reduction management and monitoring

- Remote pharmaceutical and medical supplies delivery

Continuous Capability Development

A region's successful development hinges on having sufficient capacity. While financial resources, including social development assistance, are vital, they are not enough to promote sustainable capability development. Regions need supportive strategies, policies, laws and procedures, well-functioning organisations, and educated and skilled people, to plan, implement and review their local development strategies. Capacity development helps to strengthen and sustain this foundation and is the 'how' of making development work better.

Capability development is a process of transformation of leaders and managers, communities and organisations from the inside, based on regionally determined priorities, policies and desired results. It can be facilitated and supported but cannot be driven from the outside.

At an individual business or organisational level capability development needs to look at the components of a business. It must be able to generate insight into their current operations, adapt to new missions and unify their understanding of people, process, technology and

information to enable truly integrated business planning. Ultimately it needs to equip staff to provide answers to business questions around product, cost, investment, and risk. Capability needs to address the strategic, organisational design and operations of a business and therefore involves all levels and functions of an organisation.

Potential Policy and Practice Actions

- Increased place-based conversations that focus on all levels of disruptive change - macro, meso and micro
- Continuous, dynamic capability development along with strategy should be part of the organisational foundation for analysing business model design. There is a clear role for Chambers of Commerce and Industry to lead this in the business space.
- Organisations need to constantly scan the horizon about new and emerging capability needs. This will require investment in professional development and training in ongoing capability development/change strategies.
- There needs to be a stronger focus on the development and on-going capability in better decision-making capacity. (This was particularly in relation to devolved decision making).
- Regional policies to include consideration of the underpinning assumptions about regional capability to deliver policies at regional, rural, and remote locations
- Greater recognition of the interplay between national and international corporates and a local community – for example, in a mining intense community

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- Consideration of how regional, rural and remote Australians can have a voice in State and Federal Government decisions

Investing In Social Capital

Social capital is the shared values, norms, trust, and belonging that make social exchange possible within or among groups. Social capital has been linked to educational attainment, public health, lower levels of crime, economic and business performance, career success, innovation, and many other benefits.

Social capital can be measured at an individual or a community scale. At a community level social capital can enhance peoples' sense of influence and agency. In this sense, social capital facilitates local empowerment and encourages societal institutions to exist and maintains the coherence of society.

Social capital is often divided into three basic forms.

a. Bonding social capital, the relationships within or between relatively homogenous groups. Bonding social frequently results in powerful creation of knowledge within quite defined

b. Bridging social capital, the relationships within or between relatively homogenous groups. Bridging social capital can bring new ideas and intellectual challenge.

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c. Linking social capital, the relationships between people or groups at different hierarchical levels. Linking social capital often taps into higher levels of power.

(Woolcock, M. (1998). Social Capital and Economic Development: Toward a Theoretical Synthesis and Policy Framework. Theory and Society 27 (2), 151-208.)

In Robert D. Putnam's famous book of 2000 'Bowling Alone, The Collapse and Revival of American Community,' Putnam goes so far as to attribute a large part of the success of Silicon Valley in the United States to formal and informal co-operation between start-up companies in the area.

Several case studies were presented at **SEGRA** 2021 where active social capital strategies enabled improved health/community service provision in regional, rural and remote areas.

Potential Policy and Practice Actions

- Work to ensure that bonding, bridging, and linking relationships are actively sought out and nurtured. Some Councils reported a range of Community, Business, Economic Development Committees that promoted social capital development.
- Invest in people industries (childcare, education, health aged care, creative industries) – all high employers in the new economy
- Enhance access to jobs – e.g. flexible/school working hours, childcare availability for shift workers and rotating shifts

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- Provide focused resources to improve productivity and well-being – access to in-service training and professional development structured into employment conditions – including hospitality, hairdressing, retail – and other small, local service providers.
- Active linking of leadership and mentoring programs to social capital development strategies and entrepreneurial/start up programs
- Create virtual peer learning for RRR Women to create off farm income and build community and social capital
- Active building of trust within social capital networks was seen as an essential element in the function of social capital. This is achieved by formal codes of conduct, modelling of inclusive behaviour, recognition of group work. (Often the fear of intellectual property or professional identity loss can undermine social capital development). For example, trust enables better assessments and validation of knowledge – quality and level of knowledge, utility and application.
- Enhancing planning and foresight capability for regions. For example, the capacity for people in regions to anticipate and prepare for the opportunities and risks that changing global and national economic circumstances afford is crucial in regional Australia.

Regional Australia's Population Changes

Regional Australia has always held a special place in the hearts of Australians – linking into our pioneer heritage and bush ideation. COVID-19 seems to have enlivened Australian's love for the outback. This renewed interest has brought into focus the importance of regional areas as part of the national agenda. It is a significant opportunity for regional Australia to capitalise on this trend and optimise promotion of regions, as places to live, work and

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invest. COVID-19 has been seen as accelerating movement to regional Australia. There was considerable discussion around where the regional demographic shifts had occurred including:

1. The extent to which movement of people to regional Australia was to destinations close to capital cities or larger cities,
2. The demographic character and employment/financial status of people moving to regional areas,
3. The effect of reduced immigration to Sydney and Melbourne on the data analysis.

Several speakers spoke about the need to look at a more granular level at these trends to see how different geographical parts of regional, rural and remote Australia have been impacted by this broadly described 'move to the regions' and to track these trends overtime to see if they were sustained.

Several perverse outcomes have also arisen with the trend to live in regional Australia, exacerbating already recognised housing/accommodation shortages, and seemingly unable to resolve the skills shortages reported across much of regional, rural and remote Australia.

Again, there were abundant examples of regions acting quickly to respond to opportunities, and short-term impacts addressed.

Potential Policy and Practice Actions

- Optimise the trend to live in regional Australia with ongoing commitments to provision of connectivity, health and education services and infrastructure

- Enhanced action to set the environment for private sector growth in regions

- Encouraging emerging industries for catalytic investment- much growth in the Australian economy has been linked to the growth of the service sector, and education sectors. Regions are not necessarily best placed for these. There are considerable opportunities around renewable energy, but these need to look beyond the construction phase.

- Regions were well placed to deliver in the emerging technology sector, particularly as many of these are not place-based

- Actively source alternative/more flexible housing options, for example 'pop up' housing/prefabricated housing

- Avoiding 'urban sprawl' on agricultural land

- Increased flexibility of government/legislation at all three levels of government to enable rapid change and adaptation to the future at a place-based level

- Ensuring regional cities could expand in terms of impacts of liveability and the capacity to provide council infrastructure – water roads waste management in a timely capacity

- Increased opportunities for lifelong learning and post high school education at a regional level

Developing Regional Tourism and Geotourism

Geotourism

The Australian Geoscience Council (AGC) has noted that the benefits of geotourism development in regional Australia are many and can be realised through the holistic approach of geotourism which enhances the value of traditionally structured, nature-based

tourism by generating new products (i.e., inclusive of geology, landscape, flora and fauna, as well as cultural heritage attributes, both Aboriginal and post European settlement).

Employment benefits arising from geotourism activity have the potential to significantly improve Aboriginal employment, and more broadly, regional employment. These include:

- New domestic employment and consulting opportunities for natural/cultural heritage professionals
- Management roles in geoparks and mining parks, regional development, and local government agencies
- Flow-on employment in tour operations and townships resulting from increased tourism visitation
- Societal benefits for local communities, also include a mechanism for celebrating and raising awareness of mining heritage, past and present

Potential Policy and Practice Action

The AGC's **National Geotourism Strategy** has seven strategic goals provides a framework within which new projects aimed at reinvigorating regional tourism can be developed.

1. Development of new digital technologies to highlight and interpret natural and cultural heritage, highlighting geology and landscape, for a wide spectrum of visitors
2. Define an approval pathway for major geotourism projects
3. Establish a framework for creating high quality, sustainable geotrails
4. Establish a national framework for geoheritage listings suitable for geotourism
5. Develop geotourism in regional mining communities with potential geoheritage and cultural heritage sites

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6. Strengthen Australia's international geoscience standing through geotourism excellence

7. Develop and enhance the geoscience interpretation and communication skills of everyone actively involved in the presentation of geosites, enabling the provision of accurate and thematic information in an accessible manner

Regional Tourism

Tourism is a major opportunity for regional, rural and remote Australia – iconic landscapes and geography, different cultural perspectives. Western Australia is particularly well placed for astrotourism - because best viewing is from a dark location. Opportunities include specific astronomical events such as meteor showers, solar and lunar eclipses. There was discussion about the opportunity to showcase Indigenous Culture in the form of both Arts and Cultural Centres, as well as Indigenous experience-based tourism (night skies, storylines, wild foods and medicines).

Potential Policy and Practice Action

- Support the development of new regional product and experiences such as astrotourism, cultural tourism, agritourism, mining tourism. Western Australia is particularly well placed for astrotourism and remote outback tourism.
- Identify and expand existing tourism opportunities - e.g. the Western Australia School of Mines already hold a significant mining and geological resource centre that could be more publicly accessible. The Outback Way initiative has put resources into interpretive signs about the localities.
- Greater use of 'accessible' audio interpretive materials for self-drive tourists

- Sophisticated tapping into the recreational vehicle market
- Golf tourism, bike-riding tourism, for regional Australia trail running and events tourism are also growing opportunities
- Sustained efforts into developing access to and promotion of Indigenous Cultures
- Ongoing development of heritage tourism

Government Business Partnerships

Governments have used such a mix of public and private arrangements to deliver public goods since time immemorial. The arrangements underlying this can be described in numerous ways. The OECD defines public private partnerships as 'long term contractual arrangements between the government and a private partner whereby the latter delivers and funds public services using a capital asset, sharing the associated risks.'

(OECD (2012), Recommendation of the Council on Principles for Public Governance of Public-Private Partnerships, https://www.oecd.org/governance/budgeting/PPP-Recommendation.pdf)

The term, however, can cover hundreds of different types of long-term contracts with a wide range of risk allocations, funding arrangements, and transparency requirements. Another commonly used term is 'shared service delivery' in which public-sector entities join together with private firms or non-profit organisations to provide services to citizens. These sorts of relationships have associated advantages and disadvantages, many of which relate to scale.

Concerns raised in regard to the implications of government business partnerships for regional, rural and remote Australia included:

- Absence of a robust methodology to determine whether a PPP is the appropriate investment structure in a specific regional, rural and remote circumstance. PPPs may, for example, be inappropriate for low value projects and for sectors where technology or demand change fast.
- The complexity of PPP contracts, may lead to limited participation in the tender, especially by local SMEs
- The bundling of various project phases likewise can exclude local participation
- The impact of large external suppliers operating at a regional scale detached from the local community

Local Decision-Making

The **SEGRA** 2021 conference included a presentation on the Barkly Regional Deal (the first Regional Deal in Australia). The purpose of the Deal is to coordinate the development of policies to improve planning, investment and reforms. The Barkly Regional Deal has in part been shaped by the Northern Territory local Decision-Making process. Local Decision-Making provides opportunities to transfer government service delivery to Aboriginal Territorians and organisations, based on their community aspirations. (https://ldm.nt.gov.au/about-ldm)

The Local Decision-Making process is guided by and focused on three streams:

1. Getting government ready
2. Working with partners to get ready
3. Bringing people on the journey

Potential Policy and Practice Actions

- Consideration of the transferable learning from the Local Decision Making (LDM) commitment of the Northern Territory
- Harmonisation of legislation and registration of suppliers to enable broader participation in projects
- Increased transparency about the nature of the agreement/contract for example, the use of standardised contracts at the bidding stage to create a more even playing field
- Tailoring practices and policies to respond to differences in regional, rural and remote Australia
- Alignment of ESG commitments between the local community and the mining sector to create community value and resilience. (Local shires/councils are pivotal to this)
- Greater appreciation of how business/corporate social licence obligations relate to the community in which they operate. For example, the Shire of Coolgardie links with mining companies to integrate the mining village residents into the community to utilise Shire facilities such as the swimming pool, recreation centre, gymnasium etc, and being able to spend money at the local businesses and hotel in the town centre.

Thank you to everyone who attended *SEGRA* 2021 and the contribution
of your ideas to this document.

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