



23 December 2019

Select Committee on Regional Australia
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Chair,

Inquiry into Regional Australia

The Centre for Social Impact at Swinburne University of Technology (CSI-S) welcomes the opportunity to make a submission to this Inquiry.

CSI-S is a multi-disciplinary research centre established in 2014, and is a part of the national CSI Network. Our research strives toward positive social change through improving the systemic and organisational conditions that shape communities.

A number of researchers within CSI-S have expertise in regional development. To build on our work in this area, we have recently established a program office in Burnie, Tasmania, working closely with the Cradle Coast Authority to progress innovative collaborations on regional development from within a rural region. Two of our researchers are based there.

This submission highlights some key points based on our research and makes a number of recommendations. A number of additional documents with further detail are provided as attachments.

The Effectiveness of Existing Regional Service Delivery and Development Programs

Our research demonstrates that the effectiveness of regional development programs is curtailed by the lack of direct decision-making power located within non-metropolitan regions themselves. The centralisation of power and resources in capital cities continues to be a structural constraint for regional development organisations and their leadership. Professor Eversole articulated this as the 'Governance Problem' in her submission to the Select Committee on Regional Development and Decentralisation in 2017¹.

Recently, we have further evidenced how the Governance Problem threatens the effectiveness of regional service delivery and development programs. An analysis of narratives from regional development organisations' submissions to the last Inquiry confirms that while regional development leadership

¹ See Attachment One: Submission to the Select Committee on Regional Development and Decentralisation – Inquiry into Regional Development and Decentralisation, R. Eversole, 2 October 2017.

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<http://www.swinburne.edu.au/business-enterprise/research/social-impact/>

demonstrates the knowledge necessary to champion context-appropriate solutions for diverse regions, in line with best practice regional development approaches overseas, this leadership is located in a structurally dependent position that does not permit effective action².

The **recommendation** arising from this work is that the Committee actively address the Governance Problem through identifying mechanisms to devolve regional development resources and decision making to regional bodies, enabling them to develop and implement appropriate and effective strategies to respond to their very different regional contexts, as well as sharing ideas and successful initiatives across regions.

The Contribution and Role of Regional Australia to Our National Identity, Economy and Environment

The 'Cultural Problem', as described in Professor Eversole's 2017 submission (Attachment One), in which 'Regional Australia' is portrayed as a homogenous cultural periphery to the capital cities, continues to obscure the real contributions, roles, and potential of Australia's diverse regions. Professor Eversole's book *Regional Development in Australia: Being Regional*³ has highlighted these cultural biases in Australia, and how they cause us to overlook the distinctive attributes of regions as well as the knowledge and agency of regional communities. Current ways of thinking about Regional Australia are limiting our potential to achieve regional development outcomes.

Recent research led by Dr Emma Lee demonstrates that shifts in thinking about regions and regional development can reveal unexpected strengths and opportunities⁴. Bringing an Indigenous perspective to understanding the roles that communities and cultural knowledge can play in regional development, this research demonstrates the potential of an Indigenous regional development framework to create new economic, social and environmental outcomes in rural regions.

Indigenous leadership in regions has assisted in building diverse economies that look to natural and cultural resources as the driver for innovation. The national program of Indigenous Protected Areas is one example of Indigenous entrepreneurship in regions that has been adopted by the Australian Government as mainstream policy. Inclusion is a necessary component of regional development and contributes to the national identity through celebrating Indigenous responses to socio-economic opportunities.

The **recommendation** arising from this work is that policymakers commit to 'Rethinking the Regions' with attention to diverse local communities and their multiple forms of knowledge.

² See Attachment Two: R. Eversole and M. Walo, Regional Science Policy and Practice, 'Leading and Following in Australian Regional Development: Why Governance Matters', 2019.

³ See: <https://www.routledge.com/Regional-Development-in-Australia-Being-regional-1st-Edition/Eversole/p/book/9781138920200>

⁴ See Attachment Three: tebrakunna country and Emma Lee, and Robyn Eversole, Regional Studies, 'Rethinking the Regions: Indigenous People and Regional Development', 2019.

Promoting the Development of Regional Centres, Cities, Towns and Districts; and Promoting Private Investment in Regional Centres and Regional Infrastructure

Our work suggests that entrepreneurship and innovation is key to the development of regional areas of all sizes, and that entrepreneurship and innovation necessarily have social dimensions. As the world's largest social economy research centre, CSI-S undertakes cutting edge research focusing on social entrepreneurship and social innovation which demonstrates that impact-generating investment can take a range of forms and generate a range of benefits in regional communities.

Various projects conducted by CSI-S (including research supported by Australian Research Council Discovery Project [2017- 19] DP170100388 – Mapping the impact of social enterprise on regional city disadvantage) indicate, for example, that social enterprises can⁵:

- Offer unique spaces of wellbeing for people in regional cities experiencing exclusion
- Create new employment opportunities and governmental cost savings
- Contribute to local models of community governance

Social enterprises also have direct economic benefits for regional areas. A report commissioned by the Victorian Government Department of Economic Development, Jobs, Transport, and Resources and published by CSI-S⁶ indicated that Victorian social enterprises contributed over \$5.2 billion in gross output to the Victorian economy creating 60,000 jobs across the economy. 43% of these social enterprises are located in regional areas. Social enterprises are often anecdotally viewed as relatively inefficient, however, a recent paper published by Malcolm et al. (2019) found that 'the relative level of

⁵ See

Attachment Four: J. Farmer, T. De Cotta, S. Kilpatrick, J. Barraket, M. Roy, S-A. Munoz, Journal of Social Entrepreneurship, 'How Work Integration Social Enterprises Help to Realise Capability: A Comparison of Three Australian Settings', 2019.

Attachment Five: J. Farmer J, T. De Cotta, P. Kamstra, C. Brennan-Horley, S-A Munoz, AREA, 'Integration and Segregation for Social Enterprise Employees: A Relational Micro-geography' 2019.

Attachment Six: J. Barraket, R. Eversole, B. Luke, S. Barth, Journal of Rural Studies, 'Resourcefulness of Locally-oriented Social Enterprises: Implications for Rural Community Development', 2019.

And: <https://theconversation.com/this-laundry-is-changing-the-vicious-cycle-of-unemployment-and-mental-illness-117965>

⁶ See Attachment Seven: E. Castellás, J. Barraket, K. Hiruy, and R. Suchowerska, 'Map for Impact: The Victorian Social Enterprise Mapping Project', 2017.

labour productivity (value-added and income to labour employed) was comparable or higher than that of SMEs.⁷

This research reveals that promoting the future economic trajectories of regions requires looking beyond the traditional scope of ‘planning’ and ‘private investment’ to unleash the potential of social, cultural and community enterprises to generate new solutions and multiple forms of value.

Our research on digital inclusion also draws attention to the relative disadvantage of regional areas in terms of digital exclusion, which needs to be addressed to promote the development of regional areas and their ability to attract investment⁸.

The **recommendation** arising from this work is to consider the potential of non-traditional enterprise forms and the social economy to enhance the economic, social and cultural life of regional communities, and to actively encourage the development of inclusive enterprise ecosystems in regional areas, including the provision of infrastructure that enables active participation in the digital economy.

Examine the Key Drivers for Unlocking Decentralisation Opportunities for Both the Private and Public Sectors.

Some of the most interesting submissions to the Select Committee on Regional Development and Decentralisation Inquiry in 2017 suggested the roles that co-working spaces/hubs in regional towns and cities could potentially play in enabling ‘work anywhere’ policies for public and private sector employers.

In this regard, the 2019 Australian Rural Woman of the Year, Jo Palmer, has developed an enterprise specifically focused on brokering opportunities for regional and remote working.

With current technology, liveability and connectivity can be a compelling recipe for regional prosperity.

Our work in Tasmania has been exploring, together with regional partners, the potential to establish ‘Regional Innovation Hubs’ that combine co-working with a high standard of secure internet connectivity and curated programs to strengthen innovation culture across all sectors of the regional communities. They bring together entrepreneurs, winged professionals (who live locally and work nationally or globally), remote workers, retirees, university students and other community members across sectors to interact with one another in a dynamic place-based work environment, and access knowledge resources from within and beyond the region.

As a new kind of ‘third space’ or civic infrastructure in regional communities, ‘Regional Innovation Hubs’ could decentralise employment opportunities, enabling people to live in the region of their preference, and could grow the

⁷ See: M. Abbott, J. Barraket, E. Castellás, K. Hiruy, R. Suchowerska, L. Ward-Christie, Social Enterprise Journal, ‘Evaluating the Labour Productivity of Social Enterprises in Comparison to SMEs in Australia’, 2019.

⁸ See: <https://digitalinclusionindex.org.au/the-index-report/report/>

skills and networks in regional communities. They could also decrease social isolation for the self-employed and home-based workers and provide physical catalysts for the 'knowledge spillovers' that generate regional innovation.

The **recommendation** arising from this is that the Australian Government explore the feasibility of supporting new models such as 'Regional Innovation Hubs' that enable both remote work/study (beyond 'study hubs') and cross-community interaction, linked to the knowledge resources of universities in particular.

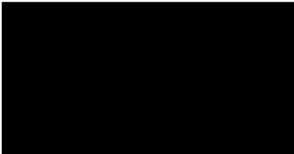
Conclusion

CSI-S once again thanks the Committee for the opportunity to provide this submission.

We would welcome the opportunity to discuss the matters raised in this submission with the Committee further.

In this regard, please do not hesitate to contact Krystian Seibert, Industry Fellow, [REDACTED]

Yours sincerely

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Professor Jo Barraket
Director, Centre for Social Impact Swinburne