

Discussion Paper

Regional Development Strategy

SOUTH AUSTRALIA

Government of South Australia

Primary Industries and Regions SA

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REGIONAL DEVELOPMENT STRATEGY
DISCUSSION PAPER
Information current as at May 2019

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Foreword

The Government of South Australia believes that regional communities are the backbone of our state.

Our regional industries, in sectors as diverse as agriculture, resources, manufacturing and tourism drive South Australia's economy. Our regional communities are resilient and innovative, they are the heart and soul of South Australia.

Having grown up spending the majority of my life in regional South Australia I know firsthand the challenges our regions face when it comes to ensuring we have liveable and vibrant communities and successful regional industries.

Preparing a Regional Development Strategy is part of our plan to recharge our regions to ensure our regional communities are able to grow and thrive.

Engaging with our regional communities is important for understanding the challenges for South Australia's regions, and the state-wide consultation is critical to ensuring community and stakeholder feedback is gathered and heard.

The Regional Development Strategy Discussion Paper forms the starting point for our engagement. This discussion paper identifies some of the challenges our regional communities face, and invites stakeholders to have their say on the opportunities for regional South Australia.

It is the intent of the Government of South Australia to use the information gathered throughout the consultation process to inform our strategic approach to regional development.

With your contribution, a Regional Development Strategy will be prepared that outlines a plan to help grow our regional economic might, support people in their choice to live in our regional communities, and to ensure regional South Australia is revitalised and prosperous.



Regional development is important to us

The Government of South Australia recognises South Australia's regions and the communities that live and work in them are crucial for the future prosperity of our state as a whole. Regional South Australia contributes around $25.9 billion to the state's economy with just under 30% of the state's population. This is over one quarter of our Gross State Product.

The Government of South Australia is committed to recharging our regions to ensure they can continue to contribute to the economic growth and future prosperity of our state as a whole.

In recognition of the importance of South Australia's regions, the 2018-19 State Budget outlines government investment of $773 million towards a range of regional initiatives to grow economic opportunity and security as well as improve community infrastructure in regional areas. Some of the initiatives that have a specific focus on regional development include the Regional Growth Fund to unlock new economic activity, the Mobile Phone Black Spot Fund to improve digital connectivity in regional areas, and the Regional Roads and Infrastructure Fund to ensure there is a dedicated funding stream to fund road upgrades and other critical infrastructure in the regions. The government is also investing in regional infrastructure including hospitals and schools.

Our regional communities and the people who live in them have proven to be innovative, collaborative, resilient and adaptive. The Government of South Australia wants to build on these traits and combine them with the natural assets of regional South Australia to ensure our regions thrive for generations to come.



Why do we need a Regional Development Strategy for South Australia?

The Government of South Australia is determined to ensure regional South Australia continues to be an economic powerhouse and the liveability of our regions matches this might so people are supported in their decision to live in the regions.

For too long there has been no strategic, whole-of-government approach to State Government investment in regional South Australia. Having a strategic, whole-of-government approach to investment in regional South Australia would mean that all government agencies would agree to a specific model of investment, rather than a portfolio-led response.

The Government of South Australia believes that the time is right to consider what the most suitable investment model is in order to provide an environment that supports improved business and investor confidence in regional South Australia as well as attractive and vibrant communities for people to live in.

In the present state, South Australia lacks regional areas with a population of sufficient size and diversity necessary to support diverse economies. Population growth is widely acknowledged as a key ingredient for economic growth, and is often coupled with higher levels of services and enhanced liveability. Having regions with diverse economies also promotes strength and resilience and the capacity to generate growth from within.

With a strategic approach to investment in regional South Australia, strong partnerships with private investors and the community, and the willingness to have the foresight and patience to look beyond the immediate and toward the future, South Australia can ensure it maintains and grows its regional economic might and supports people in their decision to live in regional areas.



Your involvement in forming the Regional Development Strategy

We want to develop a Regional Development Strategy in partnership with private investors and the community, which creates a regional South Australia that attracts people to live, provides businesses and industries to invest in, and provides job opportunities. This is a regional South Australia for today and for the future of our children and grandchildren.

With foresight, patience and within the boundaries of available resources, together we want to set the foundations for regional South Australia to thrive.

This discussion paper is the first significant step towards the formation of a Regional Development Strategy. It will support conversations with stakeholders and the broader community about the formation of a Regional Development Strategy.

A state-wide engagement activity is critical to ensuring community and stakeholder feedback is gathered and heard.

How can you engage?

Stakeholder and community forums

A six person Community Advisory Panel has been appointed to work with the Minister. Their task is to ensure the engagement process effectively canvasses feedback on the questions posed in the discussion paper.

In mid-2019 the Community Advisory Panel will hold a series of face-to-face forums across regional South Australia. Key regional stakeholders will be invited to present to the Panel providing their feedback on the discussion paper questions. A time will also be made available during which any member of the community will have the opportunity to provide feedback on the discussion paper to the Panel.

Forum dates, times and locations can be found at yoursay.sa.gov.au



Written feedback

Anyone can provide written feedback:

- Online at yoursay.sa.gov.au
- By email to PIRSA.RegionsSA@sa.gov.au (please use the subject line “Regional Development Strategy Discussion Paper Feedback”)
- By post to:
  Regions SA
  Re. Regional Development Strategy Discussion Paper
  Primary Industries and Regions SA
  GPO Box 1671
  Adelaide, SA 5001

Please note your submission will be made publicly available unless you indicate you wish for it to remain confidential.

What feedback can you provide?

The *Our questions to you* section of this discussion paper (page 9) asks for your response to key questions to be considered in a Regional Development Strategy. We want fresh ideas, a local perspective and community ownership and empowerment.

Visit the YourSAy website for more information at yoursay.sa.gov.au

How will your feedback be used?

Feedback on this discussion paper will help inform the formation of the Regional Development Strategy.

We will share the outcomes of this engagement process through an Engagement Report. The Engagement Report will be prepared by the Community Advisory Panel and made publicly available outlining the key feedback received during the engagement process.



Key stages of the formation of a Regional Development Strategy

Discussion Paper released

↓

Stakeholder and Community Forums

Online and written feedback

↓

Engagement Report

↓

Regional Development Strategy

Our questions to you

Service provision

The services provided in a regional area are a key factor in the liveability of the location. Whether an individual or a family wants to remain there or relocate there is often influenced by this factor.

This government wants to be strategic and transparent in how it provides services to regional South Australia, so that over the long-term, 2036 and beyond, it can improve service accessibility for regional communities.

All South Australians should have access to key government services, including health care, schools, police and emergency services. The level of services provided reflects the size and population of the area, and people in our regions acknowledge that there are some services they will always have to travel to a bigger town to access. This is because some services – particularly in health – cannot be delivered without specialised equipment, or a certain level of frequency to ensure skills and practices are current.

We are looking to benchmark regional service provision, to ensure our regions always have an appropriate level of service for their size and population.

One way to deliver this is a “hub and spoke” model, where regional centres with a larger population are designated service delivery centres, servicing smaller regional towns.

Our questions to you

1. **What are the essential services in your community?**
2. **How would they best be delivered?**



Investment in infrastructure

The infrastructure available in a regional area is also a key factor in the liveability of the location, however it is also a primary factor in attracting investors to regional South Australia. Regional communities need to have safe roads to drive on and adequate digital connectivity. Importantly, infrastructure is a key consideration as to whether a regional location is suitable for business or industry sectors. Does the location have suitable transport modes to get their product to market? Is the available digital technology reliable or fast enough to enable their online customer interface or online sales? Does the location have reliable and affordable energy and water?

Just like provision of services, this government wants to be strategic in how and where it invests in infrastructure in regional South Australia, so that over the long-term, 2036 and beyond, it can improve infrastructure in regional South Australia.

If we get smarter about how we invest, we can create big and lasting change for South Australia's regions.

There are some examples in other states about how we might achieve this.

In New South Wales, government investment is being focused on regional areas experiencing growth. These are centres with growing population, industry clusters and provide an employment and service hub for surrounding areas.

New South Wales is also focusing on identifying and activating economic potential as a driver for investment. This is described in the New South Wales Regional Development Framework:

> *Some regions have a strong need for projects that can switch on the local economy, while not necessarily being targeted towards a regional growth centre or aimed at a particular comparative advantage.*
>
> *For example, in a region where a traditional industry may be declining in terms of output or employment, the government may look to support emerging alternative industries, where there is strong evidence to suggest a self-sustaining boost to employment and economic prospects.*



In other instances, a new enabling infrastructure project may have considerable benefits in terms of improved connectivity or connection to freight corridors or opening up areas to tourism.[1]

There are a range of different ways for the government to prioritise its investments in regional South Australia. We'd like your opinion on what priorities should guide government investment.

Like New South Wales, we might focus on areas with greatest growth potential and competitive advantage, to get greater economic outcomes for our investment.

Or government investment might prioritise areas that need to change and diversify to become more competitive.

Government investment could also be spread evenly, or prioritised so that all regions grow at similar rates.

Our questions to you

3. **What priorities should drive government investment in infrastructure?**

4. **How should regional infrastructure priorities be supported and funded? Is there a role for government here?**

1. New South Wales Government, *Making it Happen in the Regions: Regional Development Framework,* www.nsw.gov.au/improving-nsw/regional-nsw/regional-development-framework/





Regional enablers

The Government of South Australia wants to maximise the potential of our regional areas. There are opportunities to strengthen all regional communities through strategic investment in priority economic drivers that support sustained regional development.

With a focus on key enabling drivers, a regions social and economic outlook can be transformed.

Three regional enablers have been identified in this discussion paper: regional population, capability development, and attracting investment, innovators and entrepreneurs.

Regional population

Population stagnation or decline is a key challenge for South Australia's regional areas. A lack of population growth raises a number of challenges for South Australia's regional communities, including skill and labour shortages in a range of occupations, which can inhibit economic growth and regional development. Additionally, a drop in population growth and rate base often results in a reduction or loss of services, whether its government services such as education, health, safety or other professional services such as financial, legal, medical, post office etc.

Population growth is often closely tied to economic opportunity, though some South Australian regional towns have demonstrated population growth by becoming desirable retirement destinations with cheaper housing costs and proximity to key services. Improvements in digital connectivity also affords the opportunity to consider how more metropolitan residents could be attracted to live in regional South Australia and work remotely, in tandem with regional job creation strategies.

Overseas migration has the potential to be the most significant single population driver for regional communities, though broader population considerations including retention of young and working age people, city-to-regional migration and liveability and service availability in regional areas are also relevant.

Our questions to you

5. **How can regional South Australia retain its existing young and working age people?**

6. **What is required to encourage greater overseas and city-to-regional migration to regional South Australia?**

Capability development

Building regional capability is critical to preparing our regional communities to take on the challenges of the future, including ageing population, structural adjustment and automation. Capability building is a key enabler for regional development, and is necessary for preparing the next generation of regional leaders, for preparing our regional businesses to embrace modern commerce, and to develop the skills of workers for the jobs of tomorrow.

The capability of regional communities to identify their challenges and realise opportunities can be restricted by the number of individuals, businesses and organisations with the skills and experience to do so.

In many regional communities, a small number of recognised leaders sit on multiple committees, boards and councils. While these leaders make an important contribution to regional communities, they may not always represent the diversity of the communities they lead. Also, it can be difficult to attract new individuals to take up these roles, which can lead to burnout of the existing leadership pool.

Local leaders with diverse backgrounds and skills are important for influencing the quality of local planning and decision making, including setting and achieving economic strategies, identifying opportunities for growth and diversification, and community development.

We also need to ensure that our regional workforce has the future skills base that will support South Australia's regions to continue their strong contribution to the state's economy.

Our questions to you

7. **How can we build a pool of the next generation of business and community leaders?**
8. **What skills do our future regional leaders require?**
9. **What capability development would be beneficial for regional business leaders so that South Australia's regional businesses are successful in the modern economy?**
10. **Are the capability development needs of regional business leaders different from those in metropolitan areas?**
11. **How can we ensure future regional workforce skills are identified and invested in?**
12. **How can we upskill or reskill the existing regional workforce so that they can transition into the jobs of tomorrow?**





Attracting investment, innovators and entrepreneurs

Regional South Australia has significant natural and competitive advantages that can assist in attracting new businesses, innovators and entrepreneurs. This includes attributes such as natural resources including agricultural land, fish stocks, sunshine hours for renewable energy, mineral deposits etc, and financial and lifestyle attributes such as cheaper land and housing, reduced travel times, amenity etc.

Attracting investment and converting an idea to a marketable product or service is critical to diversifying the economic base of regions and ensuring that our products are globally competitive. Employment opportunities are also likely to be generated if regional South Australia can attract and retain investment that supports current and future businesses, innovators and entrepreneurs to grow, or commercialise a new idea. Success in this area will require strong partnerships and knowledge sharing.

Our questions to you

13. What needs to happen to encourage investment in regional South Australia?

14. What factors would encourage innovators and entrepreneurs to remain or locate in regional South Australia?

This discussion paper has outlined three key enablers that have the potential to drive regional development.

Our question to you

15. Are there other key enablers that will drive regional development and support our regional communities to thrive?







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