

*Sustainable
Regional
Development*

Miles

Consulting

Services

Global Challenges for Local Government Managers

*Presentation by
Prof R.L MILES*

Local Government Managers Australia Regional Conference
Capella.

March 2011

Overview

- 1. Global and National Trends and Drivers affecting the region.*
- 2. Strategic issues, the regions mining sector and the attraction and retention of a skilled workforce.*
- 3. Partnerships and Alliances.*





Trends and Drivers of Change

- 1. Knowledge revolution/knowledge management** - neural and IT clusters and networks
- 2. Rise of the multinationals and corporate philanthropy** - Community health and wellbeing and the environment , CSO's.
- 3. Greater integration, collaboration and networking, asset-less**
- 4. Green is gold** – emerging *Green Revolution (China to lead)*
 - **Post carbon and carbon costed economies**
 - **Natural Capitalism**

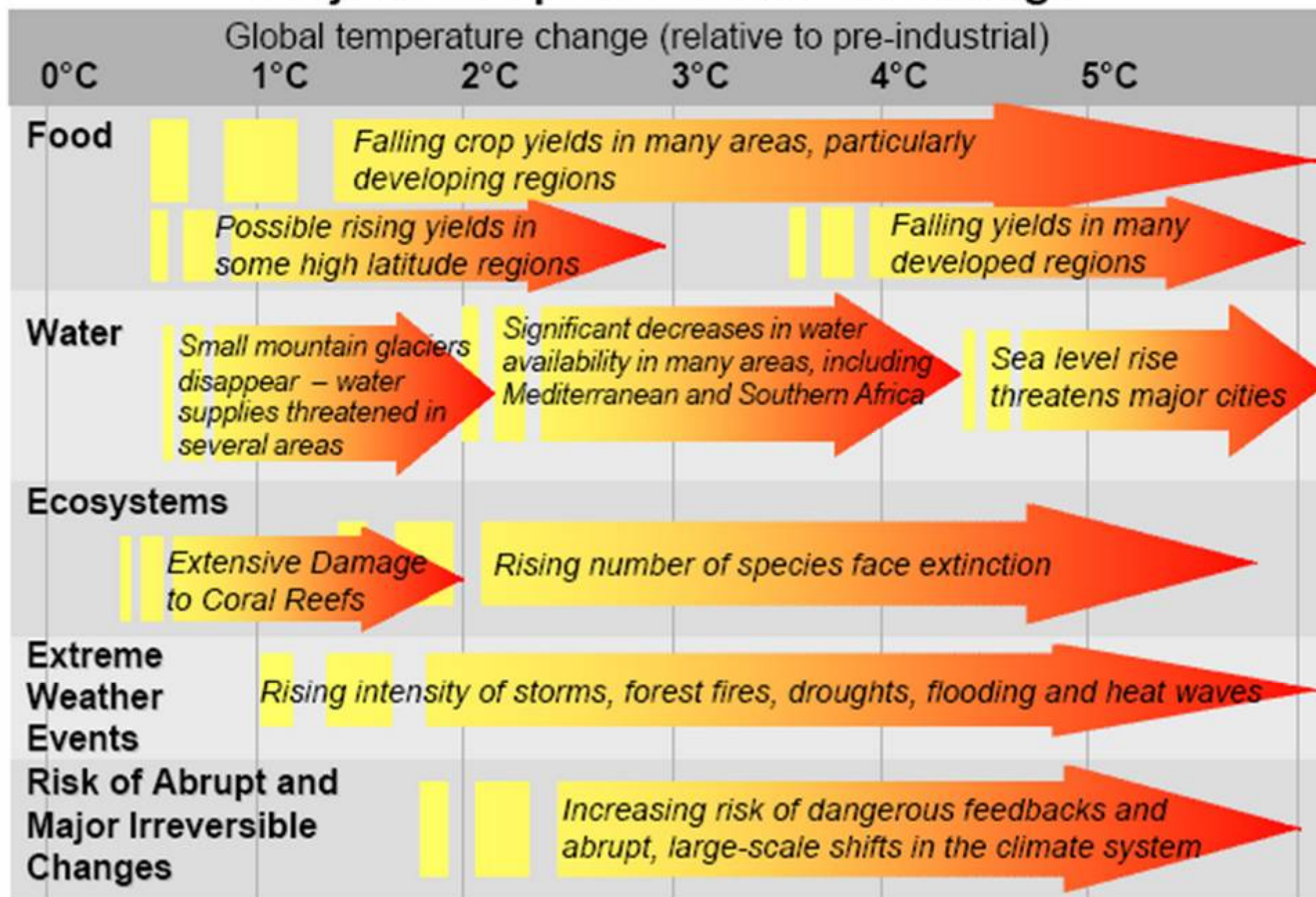
Trends and Drivers of Change

- 5. New citizenship – regional governance and community engagement**
- 6. Industry alignment – green supply chains**
- 7. Consumer values**
 - Health and wellbeing, lifestyle and liveability
- 8. Aging workforce, infrastructure and assets**

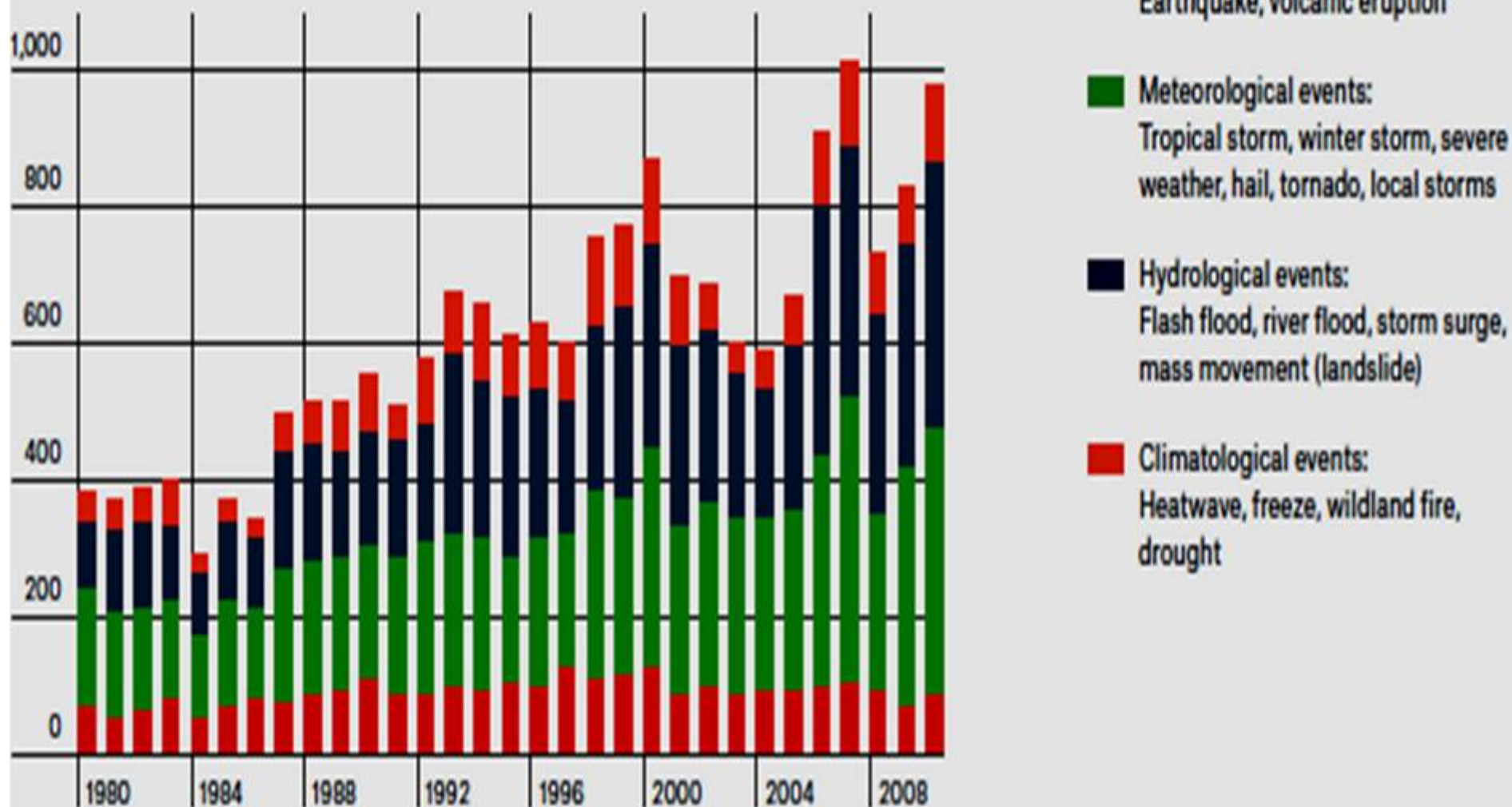


Climate Change - realities and business imperatives

Projected Impacts of Climate Change



Number of natural catastrophes 1980-2010



- Geophysical events:**
Earthquake, volcanic eruption
- Meteorological events:**
Tropical storm, winter storm, severe weather, hail, tornado, local storms
- Hydrological events:**
Flash flood, river flood, storm surge, mass movement (landslide)
- Climatological events:**
Heatwave, freeze, wildland fire, drought

Regional Development

Regions undergoing rapid change

- **Global Economy and Free Trade**
- **Financial Market Volatility**
- **Phyto-sanctions and Environmental Credentials**
- **Quality Assurance/Traceback**



Regional Development

Highly competitive global economy

- **Regions as opposed to States are economic drivers of economy.**
- **The global connectivity and competitiveness paramount to term economic sustainability .**



Regional Development

Complicating issues

- **Aging workforce**
- **Sea change and lifestyle choices**
- **Attracting and retaining services and professionals**
- **Insidious and political nature of climate change**
- **The emergence of whole of life learning**

Global Drivers of Change

- **A growing 40+ culture**
- **A widening urban-regional/rural divide**
- **Workforce culture and greater competition for 'earner learners'**
- **Grey Nomads and Sea/Tree Change**

The Emerging Business Agenda

- **QA, Pervasive Measurement, Accountability and Governance**
- **Linking Engagement, Research, Education, Uptake and Regional Governance**
- **Influencing the Policy and Institutional Framework**
- **Outcomes, Performance Scorecard, KPI and Benchmarks**



The Modern Region

- 1. Multi-cultural/Cosmopolitan**
- 2. Creative Human Capital**
- 3. Connectivity**
- 4. Strategic Capacity**
- 5. Liveability and Lifestyle**



The Modern Region

- 6. Innovative entrepreneurship**
- 7. Quality housing and affordability**
- 8. Quality amenity base**
- 9. Social cohesion**
- 10. Governance**

Future Challenges

- **Managing coastal growth and recreational impacts**
- **Staying clean and green with global environmental drivers**
- **New citizenship - engagement**
- **Industry alignment**
- **Knowledge as the new currency**
- **Water Management**
- **Regional Governance**

Future Challenges

- **Aging workforce and community**
- **Balancing the demands of the X, Y and the Baby Boomers**
- **Industry restructuring**
- **Perverse subsidies**
- **Attraction and retention of professionals and skilled workers**
- **Climate change**

Regional Development

Capacity of Regions to Survive

- **Historically thought to be economic, social and environmental capital**
- **Now know also need**
 - **leadership, innovation,**
 - **creativity, connectivity and**
 - **business acumen**



Regional Development

The Importance of Social Capital

- **Classically about the level of education and relationships**
- **More involved and includes**
 - **networks, trust, norms, beliefs and values**
 - **Capability, capacity and adaptation to change**



Regional Development

The importance of linking Social Capital to Regional Governance

- **Increases engagement and empowerment of citizens**
- **Increases decision making capacity**
- **Effectiveness and impact of decisions**
- **Improves community vitality and viability**
- **Improves communication, coordination and cooperation**



Regional Development

Regional Governance and the role of Government

- How government policy is formulated
- How government delivers support and services
- Community role, self-determination, power and partnerships
- Private investment and CSO



Regional Development

***What are the requisites for success –
(Benchmark Studies)***

- **Strong industry, civic and government leadership**
- **Critically important to create a learning environment**
- **Improved leadership**
- **Dollars not the solution**
- **Govt as facilitator not doer**



Regional Development

Liveability and Regional Development

Global attractiveness dependent on

- liveability and lifestyle***
- cultural tolerance***
- other social attributes***
- environmental amenity and aesthetics***





Regional Development



Liveability and regional development

- **Openness and variety of the region**
- **Access to technology - talent magnet**
- ***“Today there is no such thing as a low-tech industry there are only low-tech companies” Porter (1998) .***
- **Importance of soft and hard infrastructure that supports liveability**
- **Community connectedness**
- **Urban-non urban relationships**



Global Trends and Drivers

Our operating environment

- 1. Deterioration of public sector finances**
 - User pays infrastructure
 - Revenue streams (increased levies and taxes)
- 2. Climate change**
 - Carbon pricing, trading and offsets
 - Environmental consciousness and accountability
- 3. Fiscal and ethical accountability, control and transparency**

Changing nature/role of State and Fed Government

- **Risk Averse – don't like issues that will expose them politically (Energy/Fuel pricing, Climate change)**
- **Reactive – wait until there is a ground swell of support (Skill shortages, Aboriginal issues)**
- **Avoidance – leave issues alone until they are a problem then step in (Water and infrastructure shortages)**

Changing nature/role of State and Fed Government

- **Respond to Community Pressure – don't lead**
- **Social Justice Platform vs R&D and Economic development (80% R&D done by industry)**
- **Policy and Institutional Setting - market followers**
- **Community Service and Market Failure**

An Era of New Employees

Emergence of China and India

- **China 760 mil workers**
- **India 440 mil workers into the Global Economy**
- **Transitions Economies (ie South Africa, Brazil) - 260 mil new workers into labour market**

National Trends and Drivers

Summary of our operating environment

1. **Aging Popn - cost and skills shortages**
2. **Constrained public purse (revenue vs spending)**
3. **Tax reform and regulatory reform**
4. **Privatisation and asset sell-off**
5. **Indigenous issues (economic mainstreaming, health and land rights)**
6. **Aging infrastructure, user pays and PPP**
7. **Water and energy reform**
8. **Public Health and OH&S**
9. **Coastal Migration**
10. **Life style and liveability**

Mining Trends

Their operating environment

- 1. Projected increased demand**
- 2. Community Service Obligations and *Right to Mine***
- 3. Efficiency and technology**
- 4. Competition and market share**
- 5. Capacity constraints (infrastructure and workers, loss of market share)**
- 6. Land rights and indigenous issues**
- 7. Environmental awareness and accountability**
- 8. Expectation of mining doing Government's job.**

Minerals Industry Wants

- 1. Liberalisation of global investment regimes**
- 2. Investment in infrastructure (industry and regional)**
- 3. Increased port and export capacity**
- 4. Streamline and standardisation of regulatory environment**
- 5. Innovation and tax reform**
- 6. Skilled workforce (education, training, health, housing etc)**
- 7. Water and energy reform**
- 8. Transport and communication.**
- 9. Industrial relations and OH&S reform**
- 10. Regional development and capacity building**

Strategic Regional Mining Issues

- **Mining and petroleum industries contribute > \$16 billion to Queensland's economy - *and growing rapidly***
- **Much of the projected growth hinges upon the mining industry - *a sector characterised by boom-and-bust cycles***

Currency and adequacy of statistics for planning purposes

Strategic Regional Mining Issues

- **Shortages in services (health, education, childcare, welfare etc)**– *need indices to monitor and evaluate community health and wellbeing for planning and the delivery of targeted support and services.*
- **Non-resident population of the Bowen Basin is considerable: > 12,000 people** – *Govt funding and resource allocation processes need to take this into consideration*
- **Increasing divide between the ‘haves’ and ‘have-nots** *ie mine staff with incomes of \$2k week and non mine workers \$350/week*
- **Low number of welfare/services support workers** - *< 5% compared with the Queensland regional average of 9%*

Strategic Regional Mining Issues

- **Housing issues** - *urgent need to consider new ways to address the housing issues - housing demand, affordability, rental cost and availability, housing style and type and land availability.*
- **Attraction and retention of professionals** - *all areas*
- **Shortages of Doctors and Teachers** - *as well as allied support specialists*
- **Workforce fatigue** - *There is a need for Industry to consider new ways to address issues of shift and drive in-drive out fatigue in the region*
- **Retention of Youth** - *need for Industry and Government to evaluate the needs of youth and the level of services, provided*

Strategic Regional Mining Issues

- **Indigenous issues** - large population but low employment – need to more effectively engage indigenous people in the mainstream economy and the resource sector.
- **Transport** - need more effective integrated and viable transport services for the region.
- **Infrastructure** - need to consider the longer term capacity of the regions infrastructure and the long term issues of water demand, supply and reliability – particularly given the emergence of climate change as a key factor affecting supplies
- **Economic Leakage** - There is a need to develop targeted programs and expenditure processes that work toward stemming economic leakage from the Bowen Basin communities

Strategic Regional Mining Issues

- **Many new coal and gas sites planned** - need to take in to consideration whole-of-mine-life, post-mine and cumulative effects of development.
- **EIS, SIA, EIA and other assessment processes** - need to be integrated into regional planning mechanisms
- **> \$3 bil in Royalties and GoC charges go to State from region** — the redistribution of revenue from mining needs to provide some reasonable return to region - thought given to the post industry economy.

Strategic Regional Mining Issues

1. The ability to successfully expand is contingent on

- 1. The timely and responsive development of new mines***
- 2. The provision of supporting rail and port infrastructure,***
- 3. Access to water resources***
- 4. The provision of adequate soft infrastructure***
- 5. The availability of a skilled workforce.***



2. This could be compromised if

- 1. The regional development and governance needs that are required to successfully underpin the rapid growth are not addressed.***
- 2. The required integrated and collaborative partnership approach between the Industry the three tiers of Government and the Community are not in place.***



Attracting and Retaining Professionals

Definitions



- ***A skills shortage*** - demand for workers is greater than the supply who are qualified, available, and willing under existing market conditions (*Shah 2003*)
- ***A recruitment difficulty*** - experienced by one firm or location,
- ***A skills gap*** - under-skilling of existing staff within a particular business (*Bureau of Transport and Regional Economics 2006*)

Survey, and Roundtable Workshops in Regions

- **Medical and allied health**
- **Engineering**
- **Large industry & SME's**
- **Three tiers of govt**
- **Accounting and finance**
- **Teachers**
- **Legal etc**



Regions selected

- *Lifestyle:* **Bundaberg**
- *Single traditional industry dependent:* **Mt Isa**
- *High growth and diversifying:* **Townsville**
- *Remote and diversifying:* **Longreach**
- *Non-specific:* **Rockhampton**



Focus of Research

- **Issues and needs**
- **Future trends and drivers**
- **Novel ideas and models**
- **Alternative delivery frameworks**
- **Policy and strategy requirements**



Issues and needs

- **Professional nurseries**
- **Family issues**
 - **Job prospects for spouse**
 - **Social support networks**
 - **Access to quality services including education & medical**
 - **Affordable housing**
- **Aging workforce**

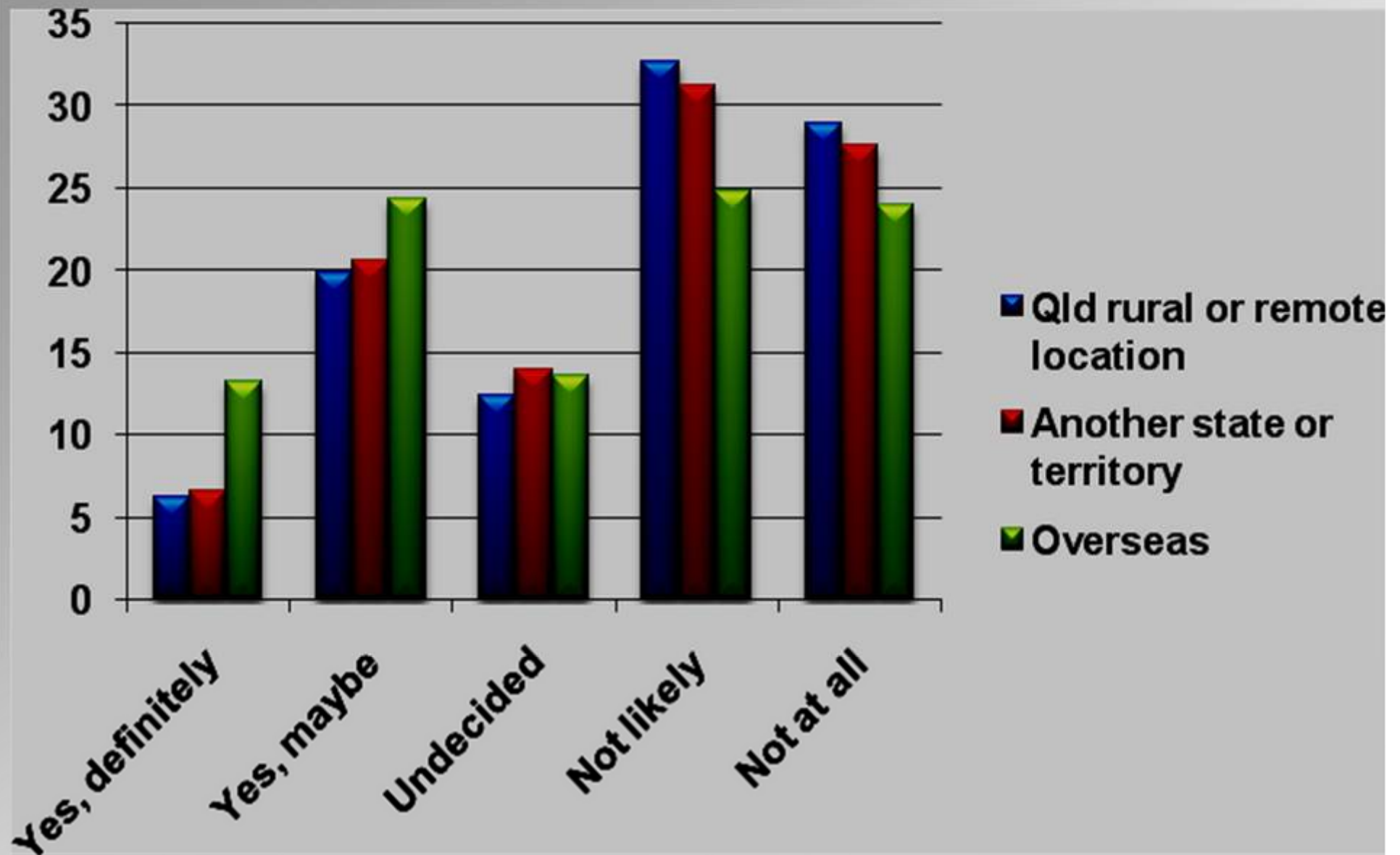


Issues and needs (cont)

- **Career Options**
 - Perception of lack of opportunities
 - Access to development, training
 - Access to networking, mentoring
 - Lifestyle choices
 - Changing attitudes toward employment
- **Perceptions of regions being a dead end for career and personal life**



Preferred Location for Graduates



Issues and needs (cont)

- **Overseas trained professionals**
 - **Supervision**
 - **Cultural support networks**
 - **Lack of community acceptance**
- **Financial service provision**
 - **Recognise non-traditional work arrangements as valid income**



Issues and needs (cont)

- **Competition for professionals**
 - Local, national, international
- **Education and training**
 - City education prepares city professionals
- **Community expectations**



Trends and drivers

- **Casualisation of workforce**
 - Older workers, working parents
- **Changing career structure**
 - 2-3 year stints rather than long term
- **Cycles based on family and career**



Trends and drivers (cont)

- **Generational drivers**
 - **Work hours – no 60-70 hour weeks (especially relevant to medical professionals)**
 - **Expect professional development to be provided by employer**
- **Indemnity and insurance**
 - **Deskilling of procedural GPs etc**

Trends and drivers (cont)

- **Technology for service delivery**
- **Economic growth necessary driver to maintain/ increase population & keep services**



Novel ideas and models

- **Employment opportunities for spouse**
 - **Flexible hours**
 - **Job share**
 - **E.g. from west: nurse in doing 0.2 load diabetes training; podiatrist married to grazier, providing clinics**



Novel ideas and models (cont)

- **Social support for partner and family**
 - **Provide welcome**
 - **Information on education and other activities for children provided at time of application to overcome perceptions of what is available**
 - **If the family is happy, the professional is more likely to stay**

Novel ideas and models (cont)

- **Promote regional benefits**
 - Schools and universities
 - Marketing and promotion
 - Educate teachers
- **Professional development, mentoring and networking opportunities in the regions**
 - Transfer and cooperative arrangements
- **Grow your own**



Novel ideas and models (cont)

- **Emphasise breadth of experience**
- **Succession planning, factoring in cycles**
- **Provide infrastructure for visiting professionals**



Novel ideas and models (cont)

- **Outreach services using technology'- hub and spoke model**
- **Collaborative recruitment – recruit professional couples**
- **Skilled migration**



Alternative delivery frameworks (cont)

- **Rotation of professionals, especially in local governments and govt agencies**
- **Fly-in, fly-out – not ideal, but sometimes necessary**



Alternative delivery frameworks (cont)

- **Undergrad work placement in regional, rural and remote areas**
- **Accept that attracting young professionals won't always be possible, look to other options such as 45-50+ group**



Where to from here?

- **Community**

- **Promote the region to change perceptions**
- **Welcome newcomers**
- **Accept that changes to service delivery mechanisms are necessary**
- **Ensure young people are aware of the opportunities (career and personal)**



Where to from here?

- **Business/ industry**
 - Flexible employment options
 - Look beyond the traditional pool of professionals
 - Provide mentoring, networking and development opportunities
 - Partner with universities to ensure undergrads are aware of the realities not the perceptions
 - Recognise and plan for changed career structure



Where to from here?

- **Government**

- **Address insurance and indemnity issues**
- **Ensure policy supports the changes in career structure**
- **Support business and industry strategies to accommodate changes**



Partnerships and Alliances

Keys to success

- **Do things smarter by collaboration**
- **Develop a strategic approach to alliances, partnerships and co-investment**
- **Share resources to gain a market edge or operational efficiency**
- **Govt in partnership –
– bottom up and top down**



Partnerships and Alliances

Keys to success

- **Package and promote regional strengths/advantages (est. costs)**
- **Harness local business cooperation to generate new business** - identify and capitalise on the opportunities in the town
- **Steam economic leakage**
- **Undertake skills audit and harness people with vision, marketing and communication skills**



Partnerships and Alliances

Keys to success

- **Work with Industry to share and foster ideas**
- **Promote leadership, team building, profit development and material support during start-up periods for small businesses.**
- **Technology is the essential ingredient in economic development**



Partnerships and Alliances

Keys to success

- **Entrepreneurship and innovation drive regional development.**
- **Good governance is critical to economic development in regions**
- **Govt investment – needs to be**
 - **facilitative, catalytic, remove blockages, stimulate leadership and entrepreneurial growth**



Take Homes



- 1. The business environment of Regions is changing rapidly driven by global trends**
- 2. Regional economies need to be diverse connected, flexible and responsive.**
- 3. Regions need to be differentiated, market driven, eco-friendly and be globally aligned and livable.**

Take Homes



- 4. There is a need for a strong alignment and understanding between sectors in region and to build our capacity in regional governance.**
- 5. Requires real partnerships and co-investment with Federal/State Government, Industry, Universities and related agencies.**
- 6. Build business acumen**

***Sustaining Regions will Require
Determination and Commitment
and:***



Innovation and Creativity



Looking at things differently





Taking a fresh approach

Looking at new ideas for the future

