IN THE SHADOW OF FEDERALISM: DILEMMAS OF INSTITUTIONAL DESIGN IN AUSTRALIAN RURAL AND REMOTE REGIONAL GOVERNANCE

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ABSTRACT: Regional governance describes 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. This paper reports on the first of three case studies examining the current nature and future evolution of regional governance, as part of an Australian Research Council Discovery Project.[1] Focused on the rural and remote region of Central Western Queensland, the study confirms the significance and the potential of the 'region' as a spatial unit of governance, and both the importance and complexity of questions of institutional design for the future of Australia's regional level. It locates some of the strengths of regional governance, including the dynamic and responsive nature of informal partnerships, collaboration and networks, but also records the challenges flowing from human capital shortages, wider intergovernmental conflict, problems of financial sustainability, and other issues including undeveloped frameworks for leadership and coordination. Identification of these challenges provides a basis for comparison with the governance of other regions, and exploration of more coherent, national policy solutions for resolving the place of the region in Australia's federal system.

1. INTRODUCTION

The future of regional governance represents one of Australia's most complex public policy issues.

Many countries are being challenged to develop more adaptive, integrative approaches to regional governance (Jones & Macleod 2004; Bellamy 2007; Mawson 2007) within broader changes in governance in general (Pierre 2006; Bocher 2008; Ansell & Gash 2008). Issues of policy coherence and co-

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ordination are also at the forefront of international debate (e.g. Rayner and Howlett 2009), with arguments that these "require a new, proactive effort of institutional reconstruction and constitutional engineering", including better understanding of how new forms of governance should look "in diverse areas and at different levels" (van Kersenbergen and van Waarden 2004: 165-166).

Nowhere are such questions more ripe than in Australia, where issues of regional governance cut across the basic structures and configuration of Australia's federal system (Brown 2005; 2007a, b). From the 1930s to the 1970s, the emergence of the 'region' as a unit for planning and engagement took place in the context of unresolved political debates about the number, scale and roles of Australia's State governments – traditionally very strong – as well as its local governments, traditionally very weak. Since the 1980s, the 'region' has become more widely accepted as a unit of governance (Everingham et al. 2006; Bellamy 2007; Wallington et al. 2008; Everingham 2009), but its roles have generally been kept separate from continuing debates over federalism. The domination of neo-liberal economic policies (see e.g. Beer 2007) has also meant little attention to issues of institutional development at the regional level.

Inevitably, however, questions of regional institutional development have re-emerged as issues for the nation's governance. Federal, state and local governments have increased their reliance on regions as a governance scale – especially in areas concerned with transitions to social, economic and ecological sustainability (e.g. Bellamy and Brown 2009). Nevertheless in Australia, deficiencies have continued to be evident in the poor coordination and limited resourcing of regional programs, local government's ongoing weakness, and continuing instability in federal-state relations generally.

In line with a general effort to stabilize federalism, Australian governments have more recently moved to reconsider key regional institutional questions (e.g. Albanese 2008). For the sufficiency and sustainability of regional institutional reforms to be assessed, however, a better understanding is first needed of the 'baseline' state of regional governance. In particular, there is need for better understanding of the challenges which new policy initiatives are – or should be – trying to address.

This paper reports on a case study of regional governance in Australia: the rural and remote region of Central Western Queensland (CWQ). The first part of the paper sets out the context for the study. The second part introduces the case study, describes Central Western Queensland, and maps the current state of regional governance. Thirdly, the paper presents lessons from the study about perceived achievements, before, fourthly, identifying seven main challenges in regional governance. These challenges, and two concluding lessons, provide fresh departure points for comparison with other regions and exploration of options for reform.

2. REGIONALISM AND REGIONAL GOVERNANCE IN AUSTRALIA

The study of regional governance takes place amid international interest in new forms of governance, at different spatial levels. In Australia, it also takes place amid basic uncertainty between disciplines as to the place, and even

sometimes the presence, of 'the region' as a governance and/or governmental scale. Behind this uncertainty lies historical debate over the constitutional framework of subnational governance as a whole. Since European colonization in the 19th century, the number, scale and roles of State (pre-Federation, colonial) governments, and of local governments, have frequently been contentious (Brown 2005; 2007a).

Efforts to understand regional institutions therefore confront three threshold questions. Does Australia actually have 'regions'? How does the renewed policy focus on regions compare with equivalent interest elsewhere in the developed world? And what has other recent research into regional governance revealed on issues of institutional design?

2.1 Does Australia have 'regions'?

As noted previously (Brown 2007a: 13-16), the region is recognised as an enduring scale of governance, but has varying definitions which disclose a basic tension, especially for political and constitutional scholars. Putting aside the term in its supra-national sense (e.g. 'the Asia-Pacific'), 'region' has three interrelated meanings:

- First, 'regional Australia' or 'rural and regional Australia' ('RaRA') are frequently used as synonyms for all non-metropolitan regions, i.e. as a general descriptor of remoteness from State capital cities;
- More accurately, the term 'region' is used – as we use it here – to mean the 54 to 85 regions into which the entire country is commonly described for demographic, biogeographic, statistical and other purposes, including urban, rural and remote contexts. As the present case study will show, the definition of a region may occur in a top-down manner for administrative purposes ('regionalisation'), or bottom-up as an expression of political culture ('regionalism'), or some mixture of the two;
- Thirdly, Australia's federal constitutional system recognises eight regions for political purposes, in the form of Australia's eight States and Territories.

Political and constitutional scholars continue to differ on the relationship between 'region-regionalism' and 'State-regionalism'. Some argue there is no significant relationship, citing regions as having "few cultural characteristics, customs or ideals" to warrant or support institutional change, in a political sense (Twomey 2008: 470). Others like Galligan (2008: 619) see regionalism as adding to "the richness and complexity of identity, governance and policy communities", but as also remaining a "sub-federal matter" within the "well-established super-regions" that are the States.

Consistently with a history of debate over alternative structures of governance, however, it is clear that regionalism does have a salience in wider Australian political culture – one that is enduring and potentially growing. As part of the present research, a national survey of public attitudes in May 2008 confirmed that:

- 89 percent of adult Australians feel some "sense of belonging" to their State, but
- 59 percent also see themselves as living in "a region" (defined as an area in

Australia that is bigger than their local area, but smaller than the whole of their State), in addition or as opposed to their State; and

- Citizens identifying as 'regional' residents reported, on average, a stronger "sense of belonging" to their region than to their State (Gray and Brown 2008).

Consistently with earlier results in Queensland and New South Wales, a majority of adult Australians (66 percent) also considered that the political system should be restructured (Brown 2009). Preferences varied, including 31 per cent who would abolish the State level altogether, and 9 percent who would create new States, but 32 per cent who would create new "regional governments" (with or without retaining the State level). Respondents with higher education and experience of employment within government were more likely than other respondents to favour change.

These data confirm that as well as having policy and administrative significance, 'the region' has salience as a scale of identification in day-to-day political culture and practice. This is also evident in the case study discussed below. While complex, these preferences tend to confirm the need for political and institutional questions, including such issues as representation, legitimacy, capacity, integrity and authority, to be given a more central focus in considerations of Australian regional governance.

2.2 'New' regionalism or old?

This contextual lesson is reinforced by the clearer distinctions now emerging, between issues of regional governance as explored in recent European and North American debates over 'new regionalism', and research into regional governance in Australia. In the northern hemisphere, resurgent interest in subnational regionalism in the 1990s was largely interpreted in Australia as focused on issues of regional economic development (i.e. business competitiveness and employment creation).

This focus has remained in Australia (e.g. BTRE 2003), but without strong recognition of the weaker institutional base available for local and regional economic coordination in Australia, or the relationships between economic coordination and other regional development issues, including basic infrastructure provision, social services, natural resource management and sustainability planning (Brown 2005; Rainnie and Grobelaar 2005; Brown 2007a; Beer 2007). With recent policy change in Australia again focused on institutional arrangements in support of regional economic development (e.g. Albanese 2008), these differences continue to stand out.

From Australian research, it now seems clearer that, in practice, Australia's "regional renaissance" has been less about devolution of resources to foster regional economic competitiveness, as in Europe, than the broader concept of sustainable regional development (Everingham et al. 2006; Bellamy 2007). In this respect it may share more with North American collaborative planning and watershed management debates (e.g. Innes and Booher 2003; Imperial 2005) and other policy change concerning linked social-natural systems (e.g. Berkes et al. 2003; Dietz et al. 2003).

As also discussed in detail elsewhere (Bellamy and Brown 2009), the case study below provides further evidence of the importance of this wider focus. It supports the assessment that Australia's regions are better understood as the meeting place, or a combination of meeting places, for a variety of actors, institutions, scales and sectors concerned with achieving sustainability in interlinked social, ecological and economic terms (see also Wallington et al. 2008; Everingham 2009). As a rural and remote region which depends closely on its natural resources, Central West Queensland is perhaps an archetype of a region in which capacity for continual adaptation to change and uncertainty lies at the heart of governance challenges (Dietz et al. 2003).

While this broader focus requires Australian policy thinking to move on from a simple attempted focus on economic development, it also reinforces the salience of basic institutional questions that might otherwise be left on the sidelines. The fact that regional governance involves many policy sectors and issues, often operating at interrelated scales rather than a single clear 'region' for all purposes, adds to its complexity. However it also only reinforces the need for a well-conceptualised institutional strategy, given historical weakness of local government and even greater fragmentation and transience in regional organisations. This is so whether the "cross-jurisdictional", "multidisciplinary" and "multi-scalar" features of regional governance are recognised as assets or problems:

> *… this flexible, multilevel, system may be more effective in achieving holistic outcomes and enhancing the well-being of most regions than any single territorial focus. On the other hand, if – as Gray & Lawrence (2001) have argued – the 'imposition' of regional responsibility occurs in the absence of the devolution of decision-making power to the regional level, regional structures will be in danger of losing legitimacy. If this occurs, there is little hope that Australia will be able to implement the triple bottom-line approach so desired by governments and regional communities (Everingham et al. 2006: 152).*

2.3 Sectoral, process and outcome-focused studies

What has other recent research into regional governance revealed on these challenging questions of institutional design? Part of the rationale for the present research is the relative absence of research or policy thinking on issues of institutional development cutting across the many existing areas of regional policy. As reviewed elsewhere (Bellamy and Brown 2009), most regional governance research tends to remain fragmented into studies of policy-making, community engagement and/or policy processes and outcomes in respect of particular regional-level sectors or programs – rather than on the governance of regions as such.

One Australian exception to this further reinforces the feasibility and benefit of making a more general review of governance. Everingham (2009; Figure 1) reviewed the "congested landscape" of Australian regional governance using the region of Central (Eastern) Queensland, coincidentally neighbouring our own

case study. With some differences, a comparable picture of the institutional landscape emerges.

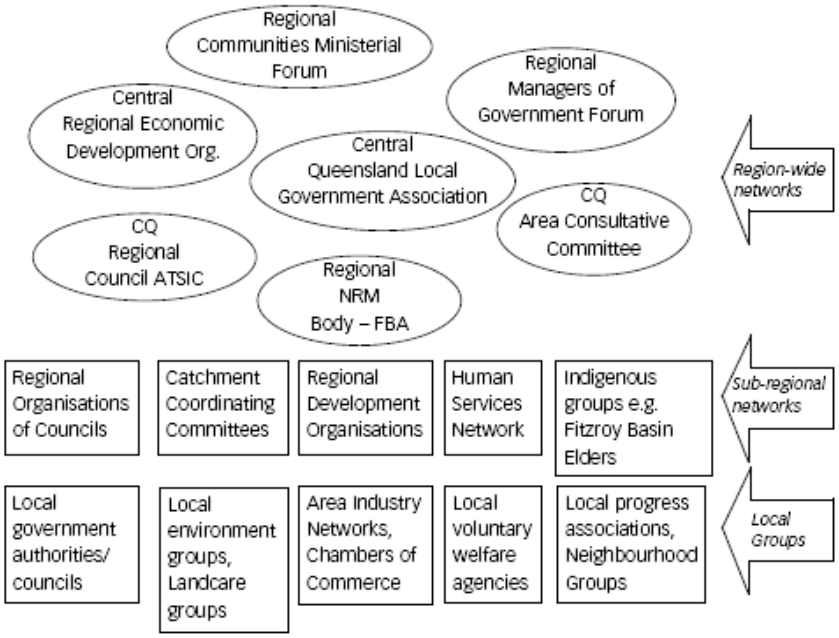


Figure 1. Central [Eastern] Queensland Governance Landscape (Everingham 2009: 87)

As will be discussed below, a more general view of governance immediately reveals the informality and impermanence of many elements of this institutional landscape. The implications of these and other challenges can also be seen where international research focuses on the changing modes of governance involved in regional programs. For example, in Europe, the growing use of programs, partnerships, networks, benchmarking and standards are also contributing to the "informality" of subnational governance, by focusing on "outcomes and output control" rather than legislative input control (Peters 2006). Even in Europe, where basic local and regional governing institutions tend to be stronger than in Australia, these approaches have been recognised as posing problems for policy coherence and coordination, as well as increased risk of "short-termism" (Sjoblom 2009). As Peters (2006: 36) warns, the absence of region-level policy coordination may mean that even if more informed policy-making occurs within "individual policy areas", there may be "the paradoxical result of each policy or programme area doing better, but the collection of policies as a whole being less effective."

As will be seen, these challenges are writ large in an Australian context.

3. CENTRAL WESTERN QUEENSLAND: THE REGIONAL LANDSCAPE

Central Western Queensland (CWQ) is the first of three different regions to be studied for current achievements, challenges and prospects in regional governance. Together with the remaining two regions (Riverina and Murray, NSW/Victoria; and Greater Western Sydney, NSW), the three regions are intended to span a wide spectrum of demographic and economic contexts, from metropolitan urban to rural and remote.

CWQ is a large rural and remote region of 418,500 square kilometres (Figure 2). Its population is only approximately 13,000 persons, with an estimated Aboriginal population of 6-7 percent (ABS 2008; OESR 2009). This population is distributed across 18 townships and over 1,300 rural properties. The population experienced decline of 11 percent between 1976 and 2006, with the decline now slowing, and population change projected at between -0.1 percent (OESR 2007) and +0.3 percent (QDIP 2009) over the next 20 years. The largest town is Longreach whose residents account for 32 percent of the regional population, with this share predicted to rise to around 36 percent. Other significant towns include Barcaldine, Blackall, Winton and Tambo.

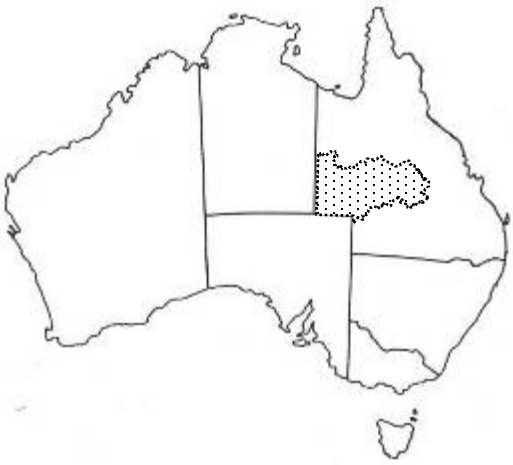


Figure 2. Location of Central Western Queensland

The region's economic base is primarily agricultural (32 percent of all employment), based on cattle and sheep grazing. Retail trade (10 percent) and construction, health services, education, government and hospitality (each 5-7 percent) provide the other major sources of employment. Unemployment was estimated at 1.6 per cent in mid-2007 and 2.8 percent in mid-2009 (OESR 2009).

Like most rural Australia, over the last two decades significant change has impacted on livelihood options. The region's agricultural industries have experienced internal structural change, changes in consumer demands and

policies, and technological change.

The region's population decline is mostly associated with the shift from sheep to cattle, consolidation of properties, and reduction in family-owned farms in favour of larger, export-oriented agribusiness-owned properties employing caretakers and contract workers. Further change has been driven by environmental concerns including pressures for conservation of the Lake Eyre Basin, and "unrelenting decline" in agricultural terms of trade (Productivity Commission 2005: xvii). Tourism associated with the region's unique Outback heritage has become increasingly important.

Until late 2007, the CWQ region encompassed eleven local government areas, covering approximately 385,000 square kilometres. That region coincided with the Australian Bureau of Statistics Central Western Queensland statistical division (ABS 2008). In 2007 the Queensland Government extended the region slightly when it amalgamated the seven eastern shires into three Regional Councils (Longreach, Blackall-Tambo and Barcaldine), also amalgamating an additional shire (Jericho) into the latter (Figure 3).

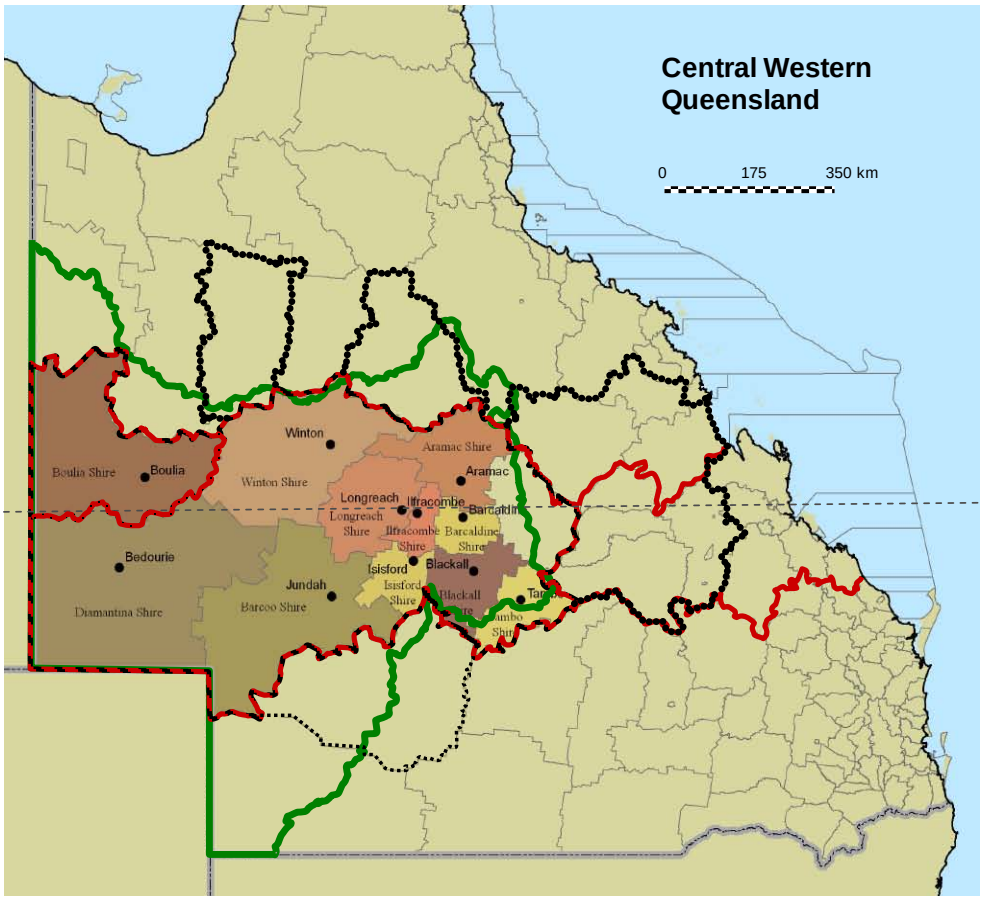
The local coordinating partner for the case study was the Central Western Queensland Remote Area Planning and Development Board (RAPAD), a not-for-profit company which also serves as a voluntary Regional Organisation of Councils (ROC) for both the original and amended region.

The case study involved a desktop review of regional arrangements and group interviews and a workshop involving 30 regional governance participants (3 of whom participated in both). The participants came from local government (17), including one federal area consultative committee member; State government agencies (10); community-based regional groups (2); and the charitable non-profit sector (1) (see also Bellamy & Brown 2009 for detail). Recognised gaps included a lack of Indigenous perspectives, young people, and federal officials (there were none resident in the region with responsibility for local or regional programs).

3.1 One region or many?

The CWQ region is similar to other Australian regions in being subject to a number of key regionalisations (Figure 3). In this respect the region conforms to descriptions of Australian regions as multi-scalar. However, it was clear that multiple scales did not compromise the region as a unit of political identification and governance. No participant questioned the Central West as a distinct region of Australia, nor the concept of ‘the region’ as a unit for organisation, decision-making, policy development, implementation and service delivery, even when there was variation in boundaries.

A factor underpinning regional identity was considerable congruence between the 'political' or local government region, the demographic region (as recognised by the ABS) and the region's biogeography. The region largely coincides with the Diamantina River and Cooper Creek catchments, feeding the Channel Country and Lake Eyre Basin, the world’s largest internal continental drainage system. This area is recognised by all levels of government as a basic region for resource management purposes (Figure 4).



Central Western Queensland (RAPAD; Qld Dept Planning (RCC); Main Roads (ORRG))

LGAQ Central West District

Western Queensland LGA

Desert Channels Queensland (NRM)

Former Central Queensland ACC (Cth)

New Central Queensland RDAC (Cth); Qld Depts of Communities, DEEDI.

Figure 3. Key Regional Boundaries - Central Western Queensland

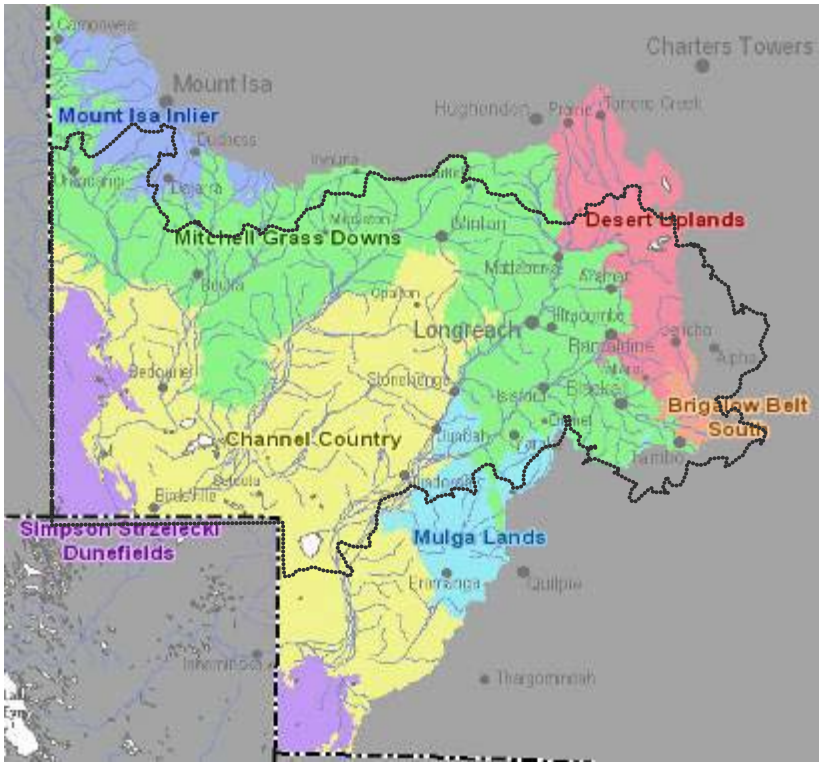


Figure 4. Lake Eyre Basin, Queensland Section (Desert Channels Queensland 2004)

For some State purposes, CWQ is recognised as a region in its own right, with a statutory regional plan developed under the Integrated Planning Act, monitored by a Regional Coordination Committee (QDIP 2009). It is also serviced by its own state Central West Regional Managers Coordination Network (RMCN).

Despite having this strong spatial 'core', the governance of the region is plainly affected by other, differing State and federal government regionalisations. These can vary within levels of government, depending on the operations of the agency concerned and other institutional histories. For most of these purposes, CWQ forms part of either of two 'mega-regions' – either as the central unit of the western Queensland mega-region, or the western unit of the central Queensland mega-region.

The Western Queensland mega-region runs north-south, and includes other centres such as Charleville, Roma and Mt Isa. Participants indicated a strong affiliation with this mega-region due to shared community of interest with other

'inland', 'outback' regions. Several key State departments[2] are organised according to this mega-region.

The Central Queensland mega-region runs east-west, with a main centre at Rockhampton near the coast (Figure 3). This mega-region aligns with historical proposals for a separate British colony or 'new State' of Central Queensland, dating from the 1850s before CWQ itself was permanently settled by Europeans, and last active in the 1950s (see e.g. McDonald 1981: 548). Participants indicated a continuing affiliation with these coastal parts, less out of shared interest than the political advantages of association with more populous districts.

Several other key State departments [3] are organised according to this east-west mega-region. As the Department of Communities region, it also forms the catchment for a major State engagement mechanism, the CQ Ministerial Regional Community Forum. One member of this was a case study participant. However this larger boundary conflicts slightly with the CWQ boundary by allocating one shire (Boulia) to a different region.

Federal regionalisations similarly diverge. A major regionalisation for federal funding is the Desert Channels Queensland natural resource management region (Figure 4). However federal regional development assistance, administered by the Department of Infrastructure Transport Regional Development and Local Government, follows the larger east-west mega-region. Prior to 2009 the Central Queensland Area Consultative Committee (ACC) followed this boundary, albeit including a designated Central West sub-region. From 2009, this has been replaced by the Fitzroy-Central West Queensland Regional Development Australia (RDA) committee, created jointly by the federal department and the State Department of Employment, Economic Development and Innovation. However, the revised boundary for this committee now conflicts slightly with the CWQ boundary by also excluding Boulia (Cth and Qld 2009).

The study indicated that such boundary divergences can be annoying and may indicate poor coordination, consultation or recognition of accepted regional identifiers, or even political capriciousness. In the main, however, participants were used to dealing with multiple and sometimes "blurred" spatial, functional and sectoral boundaries (as also described by Everingham 2009: 88). Inconsistencies appeared to only represent a major problem if 'top-down' administrative boundaries conflicted with the 'bottom-up' boundary of CWQ as a region, or indicated duplication. In and of itself, the region's inclusion in larger, differing mega-regions was less problematic.

3.2 Regional governance

Consensus on which set of phenomena "can properly be grouped under the

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[2] Environment and Resource Management (formerly Natural Resources and Water, and the Environmental Protection Authority), Main Roads, and Infrastructure and Planning (including Local Government).

[3] Communities; Employment, Economic Development and Innovation (DEEDI, formerly Primary Industries and Fisheries); Education and Training; and Health.

title 'governance'" is elusive (van Kersenbergen and van Waarden 2004: 165). In the present study, participants were presented with, and accepted, the description of the concept of 'regional governance' supplied in Box 1.

Box 1: What is 'regional governance'?

Many key questions confronting Australia's federal system of government focus on how governance is organised at the 'regional' level. 'Governance' involves more than government – it is the entire process of how decisions get made and how the community runs, involving many organisations, interest groups and the broader citizenry. However, government is naturally a vital part of governance.

In Australia, local government is often very small and under-resourced compared to many countries. State governments are often very large – in terms of both geography and population.

To compensate for this, local and state governments now often organise their programs around 'regional' planning strategies, policymaking arrangements, community engagement initiatives and a variety of permanent and temporary regional bodies.

The federal government also has a strong and growing interest in the regional level of governance, especially as it enters into more agreements with state and local agencies about how national responses to major policy issues are to be made effective at the community level.

Regional governance usually relies very heavily on local government, and also involves a wide range of appointed and elected state and federal officials. While it is therefore strongly connected with the three existing tiers of government, it is devoted to meeting the needs of the specific regional community, and can involve a range of region-specific institutions and bodies – including:

- Regional Organisations of Councils
- Area Consultative Committees [now Regional Development Australia Committees]
- Catchment Management Authorities and other natural resource management bodies
- economic and community development organisations
- regionalised health boards and services
- regionalised transport planning arrangements, and so on.'

In all, a diverse, heterogeneous range of 21 regional bodies, programs, committees and community-based groups were identified as together constituting 'regional governance' in CWQ. This web of actors and initiatives was not confined to local and regional bodies but also those operating at mega-regional, state and national levels where playing a direct role in the region's decision-making. They spanned a wide range of policy areas, including regional development, transport, integrated planning, natural resource management, tourism, indigenous welfare, health, social services and rural industry.

The range of groups, and their diverse modes of governance, is set out in more detail in a companion paper (Bellamy and Brown 2009). Most initiatives identified were sectorally-focused or functionally-specific. Hierarchies, networks and multi-stakeholder collaboration modes were commonly employed by federal and state governments. Public-private partnerships were used predominantly by the charitable and 'non-profit' sector; while voluntary 'self-organising' coalitions were the common mode of the local government sector, and community and industry groups.

A dominant feature of the region's governance was its informality. As discussed in the companion paper, regional governance in CWQ can be summarised as an emergent property of a complex and diverse array of bodies, processes and relationships that are:

- Structurally multi-layered and sectorally 'nested' within a broader array of institutional arrangements operating at other governance levels;
- Involving a complex mix of governance modes;
- Constrained by 'reactive' needs-driven coordination among regional state government officials, more than proactive or autonomous regional processes;
- Predominantly sector-based but expanding to encompass inter-sectoral issues;
- Involving a growing number of regional partnerships or multi-sector entities;
- Growing in significance and complexity due to direct federally-funded and joint federal-state funded programs;
- Based on relationships built over years amongst individuals and institutions, in the absence of stronger and more formalised regional structures; and
- Lacking in formal co-ordination and coherence.

4. REGIONAL GOVERNANCE: ACHIEVEMENTS

Study participants, and in particular workshop participants, were asked to identify what they regarded to be 'working' and 'not working' in the governance of the region, as well as expectations and desires for the future. Achievements, or strengths, were identified through 12 different examples of regional initiatives or processes that participants considered to have had notable success, in part or whole. The nominated initiatives spanned six policy areas (Table 1).

Table 2 shows the factors that workshop participants associated, after discussion, with the relative success of each of these examples of regional governance in action. While participants held different views as to the relative success of each example, there was broad acceptance of the presence (where applicable) of the nominated factors.

The nominated initiatives and factors provided a reverse image, to a substantial degree, of the issues identified by study participants as problems and challenges, discussed below. The perceived successes also provided three further insights into the current nature of regional governance.

First, it was conspicuous that the examples nominated were mostly either specific projects (some concluded) or organisations (mostly semi-permanent) whose work was primarily project-based. A frequent indicator of success was the securing of regional-level resources since these were commonly identified as having to come 'from outside' the region rather than within. In one case (Longreach airport project) the project was still yet to occur, but the level of regional support for the project, sufficient to extract commitments of even part-funding, was regarded as a success in itself.

The increasingly project-based nature of governance has also been described elsewhere (Agranoff and McGuire 1998). In CWQ, the relative impermanence of the bodies involved, and transience and uncertainty in resources, align with the informality noted earlier (and in Bellamy and Brown 2009) and have

implications discussed below.

Table 1. What has Worked / is Working in CWQ Regional Governance

Regional economic initiatives
- Rural Financial Counselling Service – a confidential, federally-funded service for the Western Queensland mega-region, funded for over 20 years, administered by RAPAD.
-Telecommunications Initiative – A telecommunications planning initiative put forward by RAPAD involving all local governments in the region.
- CWQ Sub-group of the Central Queensland Area Consultative Committee (CQACC) – project-based federal funding obtained through the ACC (since replaced by Fitzroy-Central West Regional Development Australia).

Regional health and welfare services
- Home and Community Care (HACC) - a contracted out community-based service delivered on ground by community groups that is funded indirectly by federal government through the State government health services.
- Non-Government Health Groups – a number of private not-for-profit health groups providing services needs beyond State reach, largely through collaborative public-private partnerships with state and federal governments, including the Royal Flying Doctor Service (RFDS), North and West Primary Health Care (NWPHC), and Anglicare.

Regional natural resource management
- Desert Channels Queensland (DCQ) – a major centrally-orchestrated community-based multi-stakeholder partnership for natural resource management established in 2002 with many horizontal and vertical linkages (see Bellamy and Brown 2009).
- Desert Uplands Build-up and Development Strategy Committee (DUBDSC) and Other Original NRM Groups - voluntary not-for-profit sub-regional community-based organisations collaborating primarily with Federal and State government-mandated NRM groups, including DCQ, for different parts of the CWQ region (and adjacent regions). Also includes Coopers Creek Catchment Committee and Georgina Diamantina Catchment Group.

Regional tourism
- Outback Queensland Tourism Authority (OQTA) - a regional destination management initiative for marketing and development including the whole of CWQ, based on a partnership between Tourism Queensland, tourism interests and all local governments. Initially established in the early 1980s, and evolved to its current arrangement in 2001.
- Darwin Matilda Way Sustainable Regions Advisory Committee – a now-concluded federally-funded project to assist communities to address regionally-identified priority issues relating to town road plans, transport and tourism in CWQ.

Regional transport infrastructure
- Outback Regional Roads Group (ORRG) - an alliance established in 2002 as a partnership between Queensland Department of Main Roads and all local governments in CWQ, to achieve a coordinated approach to road management including federally-funded projects.
- Longreach Airport – a regionally-supported infrastructure upgrade project funded in 2007 under the Federal Government's Sustainable Regions program (now closed), supported by all shires but has not proceeded for lack of State, federal and local agreement and funding.

Regional coordination of Local Government
- Remote Area Planning and Development Board (RAPAD) – General coordination and advocacy services. Established in 1992 as a not-for-profit organisation representing all local governments in CWQ region with a core focus.

Table 2. Matrix of factors of success for regional governance initiatives in Central Western Queensland

Regional Governance Initiative	Resources: Human	Resources: $	Local/regional involvement / responsibility	Inter-governmental -relationships: Honesty, integrity and trust	Driven by necessity	Each community has capacity	Cohesive advocacy and action	Good constitution and structure	On-ground delivery	Local Knowledge	Regional understanding / negotiation	Heritage / historical cultural Identity	Local creation	Actual decision-making defined and devolved
Rural Financial Counselling Service (RFCS) (RAPAD)	✓	✓	✓	✓	✓	✓	✓		✓	✓				✓
Telecommunications (RAPAD)	✓	✓	✓	✓	✓	✓	✓	✓			✓			
CWQ ACC Group (now RDA)	✓	✓	✓	✓									✓	
Home & Community Care (HACC)	✓	✓		✓	✓	✓		✓	✓	✓				
Non-Government Health Groups	✓	✓	✓	✓	✓	✓		✓	✓					
Desert Channels Queensland (DCQ)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓✓		✓
Desert Uplands (DUBSC) & original NRM Groups	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Outback Qld Tourism Authority	✓	✓	✓	✓	✓	✓	✓		✓			✓		
Darling Matilda Way project	✓	✓	✓	✓	✓	✓	✓					✓✓		
Outback Regional Roads Group	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓			✓
Longreach Airport project	✓	✓	✓	✓	✓		✓		✓		✓			
RAPAD	✓	✓	✓	✓	✓	✓	✓	✓✓		✓			✓	

Secondly, in line with the project-based nature of governance, the examples often revealed a dependency on particular forms of "networking capacity" (Agranoff and McGuire 1998) including ability to engage inter-organizational skills and assets, and widespread linkages between participants in horizontal networks as well as vertical and political hierarchies. Again, this networking capacity may be necessitated at least in part by the degree of informality and impermanence in the regional institutional landscape. Indeed the power of necessity as a driver of regional governance in CWQ, a region of low population and significant challenges, was universally acknowledged.

However it was conspicuous that most if not all initiatives involved some form of partnership to develop and deliver project-based activities, within and

between public, for-profit and not-for profit organisations. The results show partnerships to be perhaps an even more "dominant manifestation of government action" in regional governance, than other areas of governance in Australia (Sterne 2008). The formality and forms of these partnerships varied, between direct contractual arrangements (e.g. RFCS, HACC), regional 'self-organised' collaborations (e.g. RAPAD, DUBDSC, NWPHC, ORRG) and more complex, centrally-orchestrated multi-actor collaborations with their own project-based, contractual elements (e.g. DCQ, CWQACC). Developing and sustaining the networking capacities on which these approaches rely is a significant challenge.

Thirdly, issues of local and regional control were central to success. Success did not apparently depend on local creation (a factor in only three cases), but all cases involved 'local and regional involvement or responsibility', while for many initiatives 'local knowledge' and/or 'regional understanding' were also factors. The adaptive capabilities of stakeholders, role of knowledge, and capacity to reinterpret State or national policy at the regional level by having the discretion to mix its elements with local requirements, were all crucial variables in the success of policy implementation.

By contrast, only three examples involved 'actual decision-making defined and devolved'. These were widely agreed to be the most successful and enduring examples of success in regional governance; but they also provided an indicator that such perceived devolution is relatively rare. This was confirmed in the analysis of challenges.

5. REGIONAL GOVERNANCE: CHALLENGES & PROSPECTS

5.1 Challenges

Through participant interviews, small group work and desktop review, evidence was gathered of the current problems and challenges perceived as limiting region-level governance in CWQ. Participants were asked what was not working in the governance of the region, and again nominated examples. A basic factorial analysis of the issues and responses suggested seven major areas of challenge:

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

Shortages in human capital (including governance skills)

Population decline associated with change in the agricultural industries was seen as a major challenge for the region. Across many industries and areas of employment, this contributed to loss of corporate and community knowledge, as well as community capacity, for example in environmental management. Increased exposure to global economic volatility also impacted directly on

participation, with peaks and troughs affecting what one participant termed "time availability and mindset shifts"; time was "no longer available to put into regional governance activities until we come out of the dip".[4]

Economic change and population loss also increased the complexity of governance (for example, in regulatory decision-making affecting industry; and tensions in finding new trade-offs between business, community and environmental interests). However, the same changes had resulted in reduced governance capacity to deal with this increased complexity, through loss of individuals with appropriate skills, and heightened difficulty in attracting competent staff in public, private and not-for-profit arenas.

Skills shortages affected actors in different ways. Local governments lack the financial capacity to compete with other markets for skilled human resources. However State agencies were also subject to staff contractions, and recorded ongoing difficulty in attracting staff to western regions. When State agencies did attract staff, this was often due to the career opportunities of State employment, but these opportunities (e.g. more senior or desirable positions) also then saw these staff lost to coastal or city regions.

Contraction in State positions had sometimes been offset by growth in federally-funded project-based and contract-based positions, sometimes on better conditions, leading to shifts within the region's governance system. However the relative impermanence of this funding also increased the risk of capacity being lost to the region when it finished.

Shortages in skilled and professional labour were also credited with causing increased difficulty in keeping track of longer-term projects, due to staff turn-over; and a need to make greater use of outside consultants, who one participant said "have no real ownership over the project and take no risks". An identified consequence was that the "region is often left with problems to sort out themselves."

Participants were used to a high, longstanding cultural expectation of volunteerism in governance activities: "Volunteerism is extremely high [in CWQ] by comparison to other regions"; "This region would falter without volunteers." Some participants felt this to have been ameliorated through project and contract activities in recent years, with "some good examples of devolvement by federal and state governments of programs with appropriate remuneration so the expectation of endless volunteering is lessened." However these improvements were felt not to have guaranteed longevity.

Participants described the shortages in governance skills as resulting in "high expectations to deliver, but we do not have capacity to deliver", and "lack of critical mass to drive things forward."

Misalignment and conflict in federal-State relations

Misalignments and conflicts between State and federal policies and political agendas were keenly felt among regional governance participants. Even in the absence of direct conflicts, duplication and overlap between State and federal

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[4] These responses were gathered prior to the onset of the 2008-2009 global financial crisis.

regulatory and funding responsibilities created problems for regional-level partners (including State agencies), in terms of confusion, lost time and duplicated or unnecessary effort, across health, education, natural resource management and regional infrastructure:

"State and federal governments often deliver the same programs";

"Sometimes in practice there are difficulties in working out who is responsible for what";

"Funding problems occur when both state and federal governments are required to input".

In some cases, federal and State policies were based on contradictory values or objectives, but the same local and regional level actors had responsibility for trying to implement them. Thus wastage of precious time and energy was seen as generated by higher-level political conflicts based entirely outside the region.

In some cases, regional initiatives became "the meat in the sandwich" due to misalignment of policy objectives or direct political conflict between higher levels of government. The Longreach Airport upgrade project was cited as an example where a significant project with high-level regional consensus could not proceed due to apparent political gamesmanship between other levels of government: "the rhetoric of government is to work regionally and partner; but this is not matched by bipartisan action… very convenient politically [for them]".

Together this range of problems was described as leaving a legacy of bad experiences amongst regional actors relating to partnering with other levels of government, providing a disincentive for regional initiative and engagement as well as obstacles to be overcome in the rebuilding of support for new initiatives.

More recently, in 2009, a significant national revision of federal-State financial relations has aimed to reduce some of these dysfunctions. The new arrangements make no specific provision for region-level monitoring of outcomes, making evaluation of these reforms an important priority for ongoing and future regional research.

Further, mechanisms for overcoming or offsetting federal-state competition in regional programs are not entirely new. One of the recognised strengths of Desert Channels Queensland was its recognition as a single, joint natural resource management 'regional body' under federal-State agreements. However, the study provided indications that this intergovernmental coordination role was not necessarily always accepted or resourced. While supportive of the work of DCQ, some participants remained concerned about the time and capacity for coordination between State agencies, DCQ and other regional bodies. One suggested suspicion of the "federal government attempting to circumvent investment through the States and invest directly in regions". Moreover, DCQ's capacity to play this role may have since been affected by funding (below).

In 2009, a similar joint federal-State mechanism was created for the first time in the regional development field. As noted earlier, a joint federal-State Regional Development Australia (RDA) committee has replaced the former federal Area Consultative Committee (ACC) (see Albanese 2008; Cth & Qld 2009). This reform also stands to reduce problems of federal-State misalignment

and conflict, albeit again only servicing CWQ as part of a larger mega-region. Such a joint approach to regional development planning and funding has never previously been attempted, despite its logic being clear since the 1940s (Brown 2005). How it performs is also an important priority for study.

Financial sustainability of State, local and regional operations

Recent reforms to federal-State financial relations, just noted, are also intended to address problems with the certainty and efficiency of State government finances, in recognition of State governments' increasing dependency on transfers of Commonwealth-collected revenues over recent decades. Reform of federal financial arrangements to also bring local government within a more efficient national financial system has been mooted for several years (House of Representatives 2003; Bell 2007).

The case study confirmed the importance of these issues for regional governance. Despite being an important source of funding in all policy sectors, the federal government was operationally absent from the region in these sectors. In the past, one Commonwealth regional development support officer had been based in the region for a period, but this did not continue. With the exception of occasional ministerial visits and compliance checks, this absence was felt by participants: "Federal government often has a lot of influence and involvement but it is hidden"; "Do not think it could get much worse."

The impact of contracting State budgets on the region's governance was also keenly felt, as noted in respect of the skills base. State agencies were identified as having increasingly to "attract funds from external sources and… co-invest with partners", including seeking 'back door' federal project funding. State agencies were reported to be "leveraging joint funding of projects with regional community-based initiatives to cover core agency positions in the region." A sense that State agencies were losing their traditional core business and funding to regional bodies and contracted-out services, was noted as affecting morale in some State agencies, especially where there was any question regarding the capacity and effectiveness of the new bodies or services.

For local government, financial sustainability issues are even more acute. In 2007, as noted earlier, the number of local government areas making up the region were compulsorily reduced from eight to seven by the State government. Although financial sustainability provided part of the rationale, as with other amalgamation debates the extent to which amalgamation per se was likely to address the major sustainability issues was, and is, questionable (Dollery and Johnson 2007).

The primary sustainability challenges for local government involve growing responsibilities, including those imposed by State regulation or invited under federal programs, without commensurate increase in local government's share of total public financial resources. In CWQ, significant areas of growing responsibility were noted to include human services (e.g. health and welfare), regional processes and initiatives (e.g. NRM, transport, tourism) and regulatory enforcement (e.g. pest management, waste control and environmental health).

Participants noted the diversity likely to continue amongst local governments

even after the amalgamations, including differences in capacity to deliver services, human capacity, management structure, and revenue-raising. Some participants expressed concern that "local government gets everything thrown down to them" without adequate federal or State strategies for ensuring that local government has skills and capacity to sustainably deliver on new roles: "There are often challenges of standards in devolving responsibilities and functions to local government."

It was also noted that, rather than relieving financial pressure on local government, the creation of new regional programs sometimes increased it, for example where regional bodies were funded to plan but not to implement: "We do not have or are not given any resources to undertake works; so the cost is shifted to local government to undertake".

As noted earlier, regional initiatives were the most exposed to financial sustainability issues, having little recurrent funding. This is despite the pivotal reliance now placed on them by all levels of government, in most sectors. This fragility can be seen in the case of two largest regional bodies: Desert Channels Queensland and RAPAD. Between 2002 and 2007, DCQ became the largest regional organisation with more than 20 full-time staff. However under the federal 'Caring for Country' program (replacing the 1996-2008 Natural Heritage Trust program) its base funding takes the form of biennial grants, along with other competitively awarded projects. DCQ's latest base funding of $3.1 million announced in July 2009 will require the body to shed over a quarter of its staff.

The Remote Area Planning and Development Board (RAPAD) has existed since 1992 and has an annual budget of approximately $1.5 million with 16 full-time staff. However the bulk of this budget consists of temporary project funding (including $1.1 million and eight staff delivering the Rural Financial Counselling Service). Base funding consists of $210,000 contributed annually by the region's local governments, reviewable at any time and sufficient to support one to two staff plus overheads.

Related problems generally affect other initiatives. In the human services area, it was noted that despite its importance to the region, the Royal Flying Doctor Service (RFDS) was funded primarily through a federal program for drought-affected areas, rather than recurrent health funding: "The problem is its all project-funded and so refunding is totally uncertain." Project funding was noted as being particularly unhelpful for regional health services: "Need 8+ years to get change in health, not the 3 year political cycle."

Inefficient accountability and performance requirements

The project-dependent nature of regional governance, including often for State agencies, was noted as leading to high dependency on grants and contracts. Consequences included substantial costs and overheads in order to compete for funding (with no guarantee of winning any), plus substantial costs for performance assessment, reporting and acquittals, often out of proportion with the size of project grants.

These problems were compounded by lack of uniformity or consistency in reporting requirements between different programs and levels of government,

inflexibility in the interpretation of guidelines, and detachment between performance reporting measures and real knowledge of issues involved on the part of report recipients in Brisbane or Canberra. Comments included:

"Some programs are not worth our time to obtain due to the amount of work needed to get the grant or subsidy"; "Onerous requirements for grants applications, more than what the grant is worth – even small grants can require a lot";

"Compliance levels are increasing but the outcomes are the same – it does not change the end product"; "Auditing often has to be separate for a project to the standard auditing process – this costs $s";

"Monitoring and evaluation can be onerous"; "… evaluation forever, but no action."

An extreme example was the refusal of one (distant) funding agency to accept the financial reports of a regional body because no expenditure had been outlaid in two quarters of the year, when for climatic and other reasons it had been assessed and reported that all outlays would be made in the other two quarters.

By contrast, regional services delivered through commercial 'contracting out' were seen as often subject to little substantive oversight. The presumption of distant funding agencies that local not-for-profit groups had the capacity to deliver quality social services was seen as not necessarily sound, with problems only discovered too late.

Misalignments between policy scales and responsibilities

Regional governance was limited by insufficient planning as to who should have responsibility for what, at what scale, within the region. This challenge was associated with the increased number of governance actors and initiatives, and redistributions in roles, responsibilities and funding. In parallel with issues of fiscal coordination and sustainability, redistributions of responsibility were sometimes ad hoc leading to ambiguity and even conflict, within both government and community.

Examples included narrowing in the functions of State agencies from service provision (e.g. research and extension in NRM and primary industry) to compliance (e.g. water, vegetation management, biosecurity) and accountability (e.g. performance evaluation of outputs and outcomes). There were questions as to whether State government knowledge and skills were put to the best uses ("readjustment and misalignment of regulatory and extension responsibilities within Queensland Government also compounds").

Conversely, bodies operating at the regional scale were also comparatively well place to undertake compliance functions, one step removed from the local scale. However these were instead charged primarily with overseeing local extension and service activities ("Regional bodies market themselves as community-based organisations and would be abhorred if they thought or were required to do compliance"), even when reliant primarily on local groups and local governments to do this.

Again conversely, local governments had significant regulatory

responsibilities, but may not have capacity nor be operating at the right political scale to fulfil these: "local government… have compliance responsibility under the Act but they also lack capacity to deal with it"; "everyone is related to one another in some way in a small community… the compliance enforcer is frequently related to the non-compliant person or alternatively they may have the problem themselves."

Regional deficits in legitimacy and authority

Participants revealed their concerns that federal and State conceptions of 'devolution' to the region rarely extended beyond access to project-based regional funding, and/or opportunities for involvement in community consultation and engagement mechanisms that carried no additional executive decision-making power.

These limitations manifested themselves in a range of problems for State, regional and local officials in the region. It was widely recognised that continued confinement of major decisions to decision-makers in Rockhampton, Brisbane or Canberra would be less problematic if these had sufficient understanding of the region, but this frequently was not the case. For example, participants recorded "little understanding of State or Federal Governments about the distances involved" in the region.

The perceived (and reportedly often justified) lack of "outsider" understanding impacted negatively on the "credibility" of State and federal officers and politicians doing business in the region. This in turn was seen as enhancing community indifference and cynicism towards government. Federal officials and political staff are commonly perceived to have no experience in remote areas, impacting on "people's confidence in their capability to understand and deal with regional issues."

Participants also recorded conflicts between decision-makers at different levels within the same government, for no known substantive reason. For example, the Desert Channels Regional NRM Plan was enthusiastically approved by the State Regional Coordination Group at the regional level, "but the State level group [JSC] had the opposite view."

Many participants (including some regional State officials) felt a lack of confidence in State and federal engagement processes, often characterised by a culture of "bureaucratic superiority" as well as tokenism and predetermination. On major issues, contradictory trends in State engagement were noted. "If it's good media issues, the State government will engage"; but it was difficult to attract State attention to major issues, unless State government control was affected ("Control freak thing by State Government").

The engagement and negotiation skills necessary to substitute for devolved decision-making were sometimes missing on the part of officials from outside the region:

"A different set of standards exist for government people and employees to the ordinary people", e.g. state government people not turning off phones in meetings, or "calling a two hour time frame for responding to a call for a meeting";

"State and federal governments both treat Local Government with contempt";

"Local knowledge versus [outside] people having a preconception of the problem or state of problem – often a closed shop on both sides".

Many participants felt there was considerable unmet potential for State and federal governments to deliver on rhetoric about "regional delivery" and "whole of government" partnership approaches, through more structured devolution of planning, decision-making authority and resources "lower down to regional/local levels".

The relative success of the Outback Regional Roads Group provided an example of basic informal devolution that worked. Even recently, the region's dependence on basic external infrastructure decisions had resulted in governance failures (funding unavailable for a road bridge when the work was feasible, then proposed to be carried out when the river was in flood). In general, however, the regional partnership between local government and the State Department of Main Roads, backed by devolution of budgetary control rather than simply planning, was upheld by participants as "a step beyond consultation" which "gave discretion to regional groups".

Some participants recognised that questions of greater devolution raised issues of social inclusion and representation, and the need to ensure decision-making processes were not dominated by local elites: "There is a lack of voice for the 'silent majority' or minorities"; "aged, Indigenous and young people missing in this room and in regional governance."

Regional leadership and coordination

Governance and policy capacity were perceived as clear challenges for regional governance in CWQ. Rather than being supported by any clear regional institutional framework, regional governance in CWQ tended to be short term and ad hoc, lacking coherence or enduring attempts for co-ordination between different public policy sectors and levels of government.

For example, regional governance was described by one participant as requiring a "long term, not election focused" approach, but as currently dominated by a "reactive or specific needs-driven approach rather than [a] proactive and institutionalized one":

"Regional co-ordination is largely tokenistic".

Limitations in current regional leadership and coordination were evident from participant and desktop evidence about the four main institutions or processes with current potential:

Remote Area Planning and Development Board (RAPAD)

As the regional organisation of councils (ROC) and economic development agency for the region, and oldest regional body, RAPAD has been a natural coordination point – formally and informally – for a considerable amount of regional decision-making, resource sharing and intelligence exchange. Its indirect accountability to the public, through the elected mayors of the region, has also provided a degree of political legitimacy and integration with local government activities. In recent years it has supported greater alignment and cooperation between regional initiatives, including through a memorandum of

understanding (MoU) with Desert Channels Queensland with respect to communication, clarity of roles and the external benefits of articulating a 'collective regional voice' (RAPAD & DCQ 2004).

However, as noted, RAPAD has limited and impermanent resources for regional coordination and decision-making purposes. As currently constituted, its primary legitimacy is also seen by other levels of government as providing coordination for local government rather than necessarily for other sectors.

Desert Channels Queensland (DCQ)

As noted, this has recently been the largest regional body, with a significant regional coordination role, including as a recognised interface between all levels of the government and the community, in respect of at least one sector (natural resource management). Figure 5 shows the degree to which its constitution is that of a wide federation of governance interests in the region. However as also noted, its role as a regional coordination body is limited to certain sectors, and is not necessarily universally accepted. Its legal basis is that of a quasi-non-government-organisation, and its resourcing and hence capacity for wider coordination roles is uncertain.

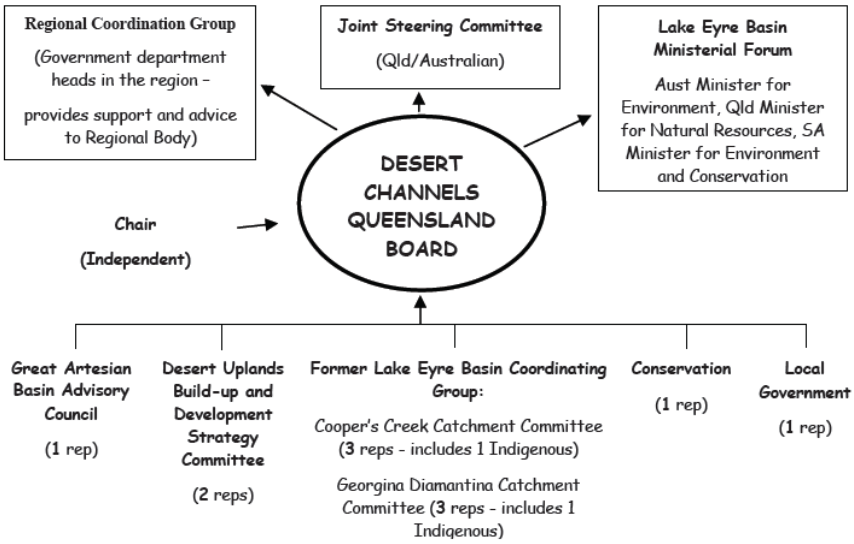

Figure 5. Desert Channels Constitution (DCQ 2004: 9)

Regional Managers Coordination Network (RMCN) (State)

The RMCN is an important coordinating forum for State agencies, within their existing plans and budgets, typically involving 10-20 people representing 5-7 state government agencies. Its members include the Regional Coordination Group (RCG) responsible for State interests in natural resource management. It has a positive reputation for good place management outcomes, including effective whole-of-[State]-government consultation and decision-making.

Perhaps uniquely its meetings also include a local government representative (RAPAD general manager).

However the RMCN was recognised – including by its own members – as limited by existing departmental plans and budgets, mostly determined outside the region, with its members occupying relatively junior managerial roles by Statewide standards. The Network has no dedicated staff, budget or resources, and makes no direct contribution to vertical coordination with federal programs. One participant noted that "due to a lack of regional budgeting by State governments, priority for funding… inevitably focuses on the areas for which an individual agency has responsibilities to deliver."

CWQ Regional Coordination Committee

The RCC was established by the State Government in March 2008, as a planning coordination mechanism under Queensland's Integrated Planning Act, replacing a Regional Planning Advisory Committee established in March 2007. The functions of the RPAC/RCC are to assist development and implementation of the Central West Regional Plan (QDIP 2009). The RCC is co-chaired by a State minister and a regional mayor, and consists of all the region's mayors, three State regional managers, and representatives of Agforce and Desert Channels Queensland.

In Everingham's (2009) study of the neighbouring region, the equivalent RPAC was found to address the "institutional void" that otherwise existed in respect of regional coordination. Whether the CWQ RCC will play such a role is less clear. It did not feature strongly among study participants as a major contributor to regional governance, notwithstanding the obvious potential of the regional plan.

The RCC is supported by State planning officials, but the plan is not accompanied by additional resources, decision-making authority or institutional capacity for directing implementation. Indeed the issues of legitimacy and authority, noted above, limited the ability of the RCC itself to contribute to the development of the plan, since the requirement that a State minister chair the Committee prevented it from meeting between publication of the draft plan and its finalization. The plan itself describes the need for enhanced regional coordination (QDIP 2009: 25, 31, 34, 44, 51) but does not propose specific new mechanisms or strategies.

A further initiative towards regional coordination can be seen in the creation of the joint State-federal Regional Development Australia (RDA) committee for the Fitzroy-Central West mega-region, noted earlier. The goal of this initiative is to pursue 'more integrated and aligned arrangements for regional engagement and economic development', including alignment of 'ACCs, Regional Development Organisations (RDOs) and local government boundaries wherever possible' (Cth & Qld 2009; Albanese 2008). The fact that this development saw the region's boundary fall out of alignment with the established boundary of CWQ, as noted earlier, is somewhat ironic. Apart from being apparently limited to certain sectors, the committee also services a larger mega-region rather than the discrete region of Central Western Queensland.

It has been noted that 'governance' often becomes an issue for analysis 'in

policy fields in which political co-ordination problems arise… and in regional policy in particular' (Bocher 2008: 373). Internationally it is widely accepted that effective regional or sub-national governance capacity relies on the existence of arrangements which properly facilitate and promote multi-level, multi-sectoral and multi-actor policy making (e.g. Raynor and Howlett 2009). The congested but fragmented landscape of regional governance in CWQ reveals a clear lack of any one mechanism with authority, strategic capacity and resources to play this role.

5.2 Prospects

Finally, participants were not despondent about the prospects for regional governance, despite these challenges. Workshop participants held a wide range of opinions about the most desirable future for the governance of the region within the federal system, all confirming its continued if not growing salience.

In the long term, most participants saw it as more important to develop and better institutionalize the effective governance of the region, via some form of regional government, than to try to preserve State government as historically known. Few participants saw it as desirable for local government to be further reduced or removed to make way for regional government. However some participants saw the CWQ region as containing insufficient population and skills to support any more autonomous regional government in its own right, suggesting instead that such a jurisdiction would need to be based on a larger mega-region, probably the north-south (Western Queensland) region.

Irrespective of medium-long term possibilities, participants identified a number of priorities for improvement of regional governance in the short term. These included: reduction in federal-State conflict and duplication; the development of an agreed federal-State framework for regional devolution and coordination; streamlining of regional arrangements within the region (e.g. examination of duplicated functions and boundaries between RAPAD and the Western Queensland Local Government Association); federal constitutional recognition of local government; and mainstreaming of increased local and regional funding within the federal financial system.

6. CONCLUSIONS: ENHANCING REGIONAL GOVERNANCE IN REMOTE RURAL AUSTRALIA

This paper has examined key features of regional governance, focusing on a remote and rural region in north eastern Australia.

First, the paper demonstrated the significance of the 'region' as a spatial unit in the nation's governance, including the extent to which it cuts across past debates and current dilemmas for the operation of Australia's federal system. It then laid the groundwork for a better understanding of issues and options for regional governance by reporting on current strengths and challenges confronting the governance of the case study region.

Regional governance in Central Western Queensland was found to be a complex relational, ad hoc and emergent system, with its strengths lying in the dynamic and responsive nature of the partnerships, collaborations and networks

used to address regional policy issues. While government remains a vital part of regional governance, however, the system is supported by only weak regional institutional frameworks. Seven major areas of challenge were identified:

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

The identification of these challenges provides a new basis for comparative analysis of the achievements and challenges of regional governance in other Australian regions. Together, they confirm the importance of questions of institutional development and design to the evaluation of existing regional reforms, and formation of options for driving enhancements in regional governance on a more coherent, national basis.

From this study, two lessons also emerge with greater clarity. The first is the difficult implication raised by the high degree of informality that characterises regional governance, which, while giving rise to many of the above challenges, also represents one of its current strengths. Informality was recognised by study participants as contributing to the flexibility and adaptive capacity of current partnership and project-based strategies, which represent some of their primary assets. The study also revealed little desire to sacrifice flexibility and informality, even when participants recognized the various signs of institutional weakness in the regional governance system, on the basis that this could limit their effective capacity to translate adaptive processes into outcomes (Bellamy and Brown 2009).

Participants generally believed there should be institutional change, and if necessary political change, to strengthen governance at the regional level. But at the same time, many feared institutionalizing governance in the same style as either of the main existing levels of government involved (local or State). This leaves open the question of what kind of institutional framework will better support adaptive capacity with greater resources and autonomy (or at least agency), and command the legitimacy, accountability, efficiency and durability on which the devolution of greater resources and autonomy/agency is always likely to depend.

The second lesson was the current centrality to regional governance of actors from all existing levels of government, especially State and local government, even when 'the region' and regional bodies can also be discretely identified. Indeed shifts and conflicts in roles and resources within the region were identified as important to the understanding the nature of its governance, alongside the evidence that more effective devolution of resources, authority and coordinating capacity into the region are required. How to build this coordinating capacity in a non-competitive fashion, in an environment of limited resources – that is, building on rather than at the expense of capacities within the existing institutions in the region – represents a major overarching challenge.

While the case study demonstrates its importance, it also reveals its complexity.

While addressing these challenges may remain the holy grail of governance reform, a conclusion from the study to date is the emerging consensus around the value of doing do. In respect of Central Western Queensland, the question of regional institutional development can move squarely from the category of 'whether', to one of 'what and how'. On a wider national scale this step may itself be something of a breakthrough.

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