

INNOVATION IN POLICY - RETHINKING RURAL INVESTMENT

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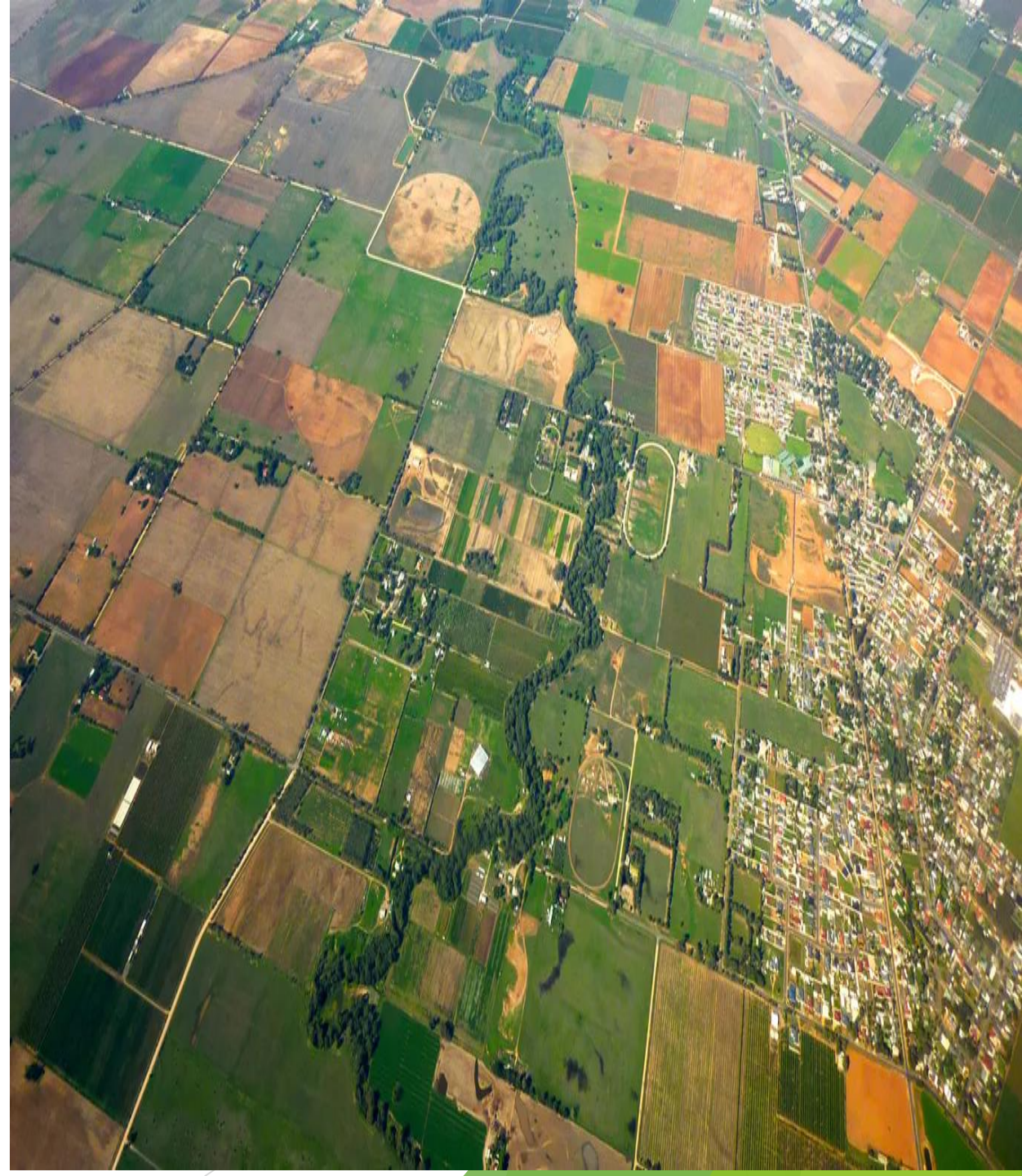
ABARES Outlook 2018

Canberra

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What is Rural Investment?

- Hard infrastructure
 - Land
 - Roads
 - Bridges
 - Telecommunications



What is Rural investment?

- Soft/social infrastructure
 - Education
 - Health
 - Aged care
 - Child care





❑ 'Hard' Infrastructure

- Long / very long lifetime
- To support future technology changes

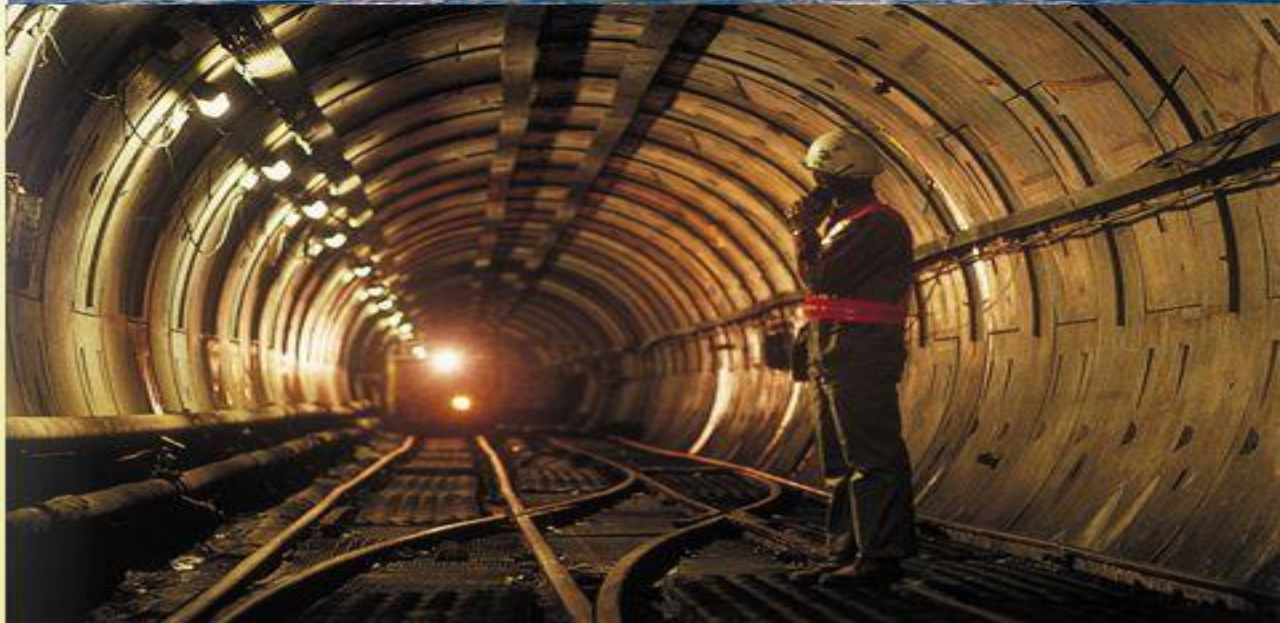
❑ 'Soft' Infrastructure

- Short lifetime
- Evolution driven by IT

❑ 'Hard' and 'Soft' must be combined to deliver more

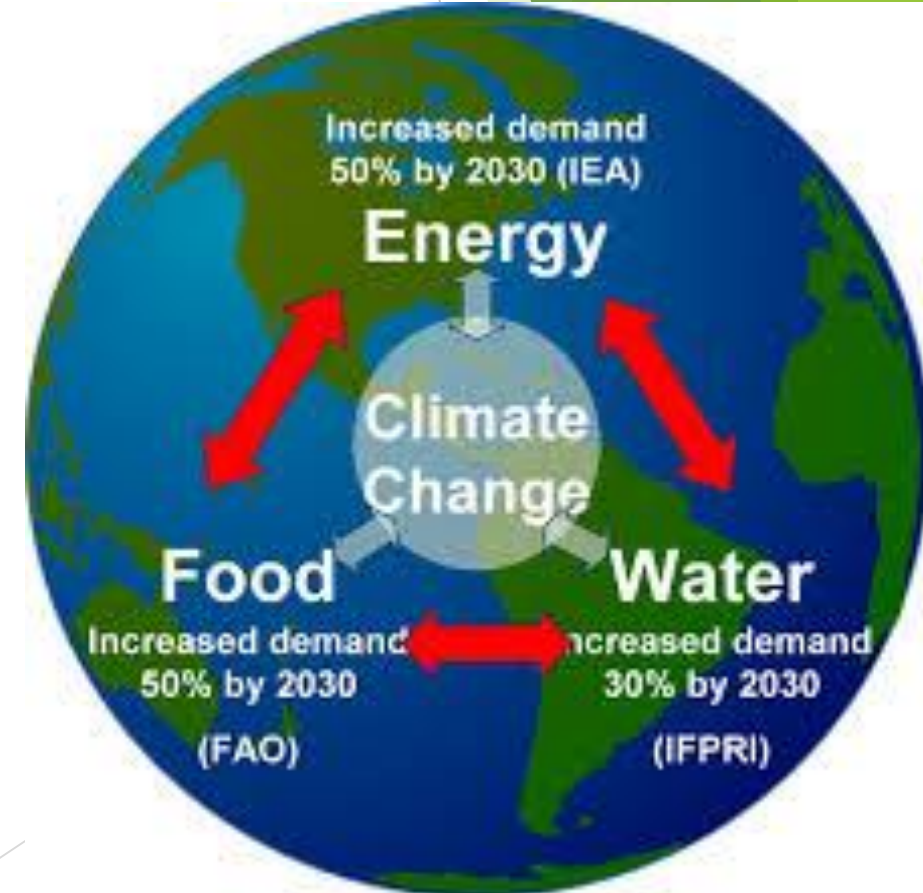
- Sustainability
- Resilience to climate change
- For new transport energy modes
- For an ageing society

❑ At socially acceptable cost



Possible Policy Responses to Challenges in Rural Investment

- Political imperative
- Stewardship
- Outcomes
- Diversity



Political Imperative

- ▶ Picking winners
- ▶ The announceable
- ▶ Federation model



Legislators consistently put the
political imperative before the
national interest.

— *Doug Bandow* —

Stewardship

- ▶ Government as an enabler
 - ▶ Create the right environment then get out of the way
- ▶ Requires long term thinking not 3 years



Stewardship cont...

- ▶ Requires a different type of relationship between government and business
- ▶ Government needs to think at the whole of systems level
- ▶ Business needs to take ownership and be part of the solution

Focus on Outcomes

- ▶ Start with the problem not the solution
 - ▶ Evaluation of costs and benefits
- ▶ Risk appetite
- ▶ Co-design
- ▶ Collaboration



Diversity

- ▶ Different forms
 - ▶ Cooperatives
- ▶ Different thinking
 - ▶ Capacity and capability building
- ▶ Different environments
 - ▶ Climate variability
- ▶ Security of tenure





What does success look like?

There is no silver bullet.....but the aspiration should be for a framework where government, business and communities can work together towards common outcomes

