



## Fact Sheet 7

# Regional development and health

MAY 2009

**Regional development and good health are mutually supportive. By providing jobs, services and infrastructure, regional development contributes to the social determinants of good health. In return, a healthy community provides one of the bases for successful local businesses.**

## Rural infrastructure

The overall poorer health status of the more than seven million people in rural and remote areas is well documented. It is due largely to the impact of a broad range of socio-economic, behavioural and infrastructure-related determinants. Regional development has the potential to make a major contribution to improving rural health and wellbeing – and is arguably the best medium-term strategy for recruiting and retaining health (and other) professionals in country areas.

The 2020 Summit in May 2008 confirmed that the physical and social infrastructure in rural, regional and remote areas “lacks overall parity” with urban Australia. Strategic investment in building and updating infrastructure, such as more reliable energy supplies, better water quality and waste management, and improved ‘health hardware’ like taps, toilets, stoves, washing machines and fridges, will be of direct benefit to the health of people who live in rural and remote areas. Also, targeted infrastructure that supports healthy behaviours such as participation in sports, performing arts, volunteer services and social networking are seen as pivotal to preventing physical and mental health disorders.

A 2006 study of local government financial sustainability by PricewaterhouseCoopers identified a total backlog in local government infrastructure renewal work of some \$14.5 billion, or an annual underspend of \$1.1 billion.

It found that the underspend by local government is resulting in deterioration in the condition of local infrastructure that binds communities together and fosters social inclusion, such as roads, libraries, community halls, galleries, museums, swimming pools, sports fields, drainage and sea walls.

In 2006, 66 per cent of dwellings in major cities had access to the Internet and 46 per cent to broadband. The comparable rates for dwellings in Inner Regional, Outer Regional, Remote and Very Remote areas dropped off until for Very Remote areas they were 42 and 24 per cent respectively.

It is not just physical infrastructure that is deficient. People living in rural and remote Australia comprise 32 per cent of Australia’s population but only 17 per cent of tertiary students. Work to reduce the current maldistribution of health professionals will contribute towards equity in health services access and

outcomes, as well as boost economic activity and community capacity in those areas.

Investment in infrastructure in rural and remote areas, and other rural development activities, should be evaluated by government in terms of its returns in education, employment and health as well as in other aspects of community viability. For example, the existence of a local hospital or alternative centre for acute care is a key to attracting and retaining other business sectors and professionals.



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The challenges that regional development can help to meet have become sterner with the onset of climate change. Threats to the sustainability of water-intensive industries and the regions they support, and to places experiencing town water shortages, are matters of great importance and widespread applicability. However, when coupled with major changes in the relative price of ‘brown’ and ‘green’ energy, these developments could actually provide significant new and growing opportunities for industries and businesses in rural areas.

With creative national leadership – and regional and local community support and endeavour – these opportunities could result in much-needed diversification of the economic base of rural and remote areas. Regional development is the likely means to bring these forces together to develop new local economies and reduce the infrastructure deficits.

## Paths to regional development

There are many policy directions that should be pursued to enhance regional development and, through it, the health and wellbeing of rural Australians.

The Australian Government Inquiry into a New Regional Development Funding Program in November 2008 recommended

*“.... that the government establish well defined and clear objectives for the Regional and Local Community Infrastructure Program that sit within an articulated Commonwealth Government regional development policy.”*

International studies have linked the superior economic performance of certain regions to high levels of social capital and to the concept of the ‘learning region’. The fields of economics and regional development recognise that learning regions, where businesses and other organisations interact in a process



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of collective learning, will create new knowledge and ways of working that give the region a competitive advantage.

Rural people should have the same access to further education as people in our major cities. High quality vocational and tertiary education should be available within regional areas, with training shaped to meet the particular service or industry requirements of the region. Research has found that vocational education and training are most effective in building social capital and learning where there is attention to customising or targeting them to local needs.

Improved research infrastructure and funding for rural and remote research in rural tertiary institutions would help to improve the evidence base as well as the research effort, and would also help support the recruitment and retention of professionals to rural and remote Australia. Research on emerging economic opportunities arising from climate change and mitigation programs, and on how rural industries and communities can adapt, will be vital. Evidence about sustainable population levels, on attracting migrants to rural areas and reducing possible dysfunctional aspects of further metropolitan settlement is also desirable.

Developments in information and communication technology (ICT), such as broadband, have not to date brought the same gains to rural people as they have to urban people. The coming years will see the development and roll-out of improved ICT systems; people in more remote areas want to be included in the mainstream – not among the 3 per cent who it is often stated cannot be catered for. Communities and individuals in rural and remote Australia should have ICT infrastructure that provides world-class speed, connectivity and coverage at affordable prices. High quality ICT is a pre-requisite for both rural development and providing access to certain health services, such as digital imaging and virtual medical procedures.

Australia should speed up its move away from crisis-framed responses to drought and other weather extremes. Instead there must be long-term approaches focused on the investment in, and the planning for, the wellbeing of rural families, rural businesses and communities, and on their capacity for adjustment to continual change.

## Rural development and the social determinants of health

Health is everybody's business. There should be a greater whole-of-government attention to the determinants of health that fall outside the scope of the health sector. Communities that have good housing, good quality local schools, career opportunities, aged care and community services, social and entertainment outlets, safe roads and affordable fresh food are healthy places for children and families.

This focus on the range of socio-economic determinants of health is particularly critical for the 70 per cent of the country's Indigenous people who live in areas that are regional, rural and remote.

Regional and community development will be enhanced where health promotion, illness prevention and management programs have substantial 'Building Healthy Communities' approaches. These provide local people with the opportunity to own and adapt initiatives to suit their community rather than have programs delivered and administered by others.

It is crucial that regional development activities do not result in drawing scarce services and resources into major regional centres and away from outlying areas. Small rural communities often cannot support the full range of services needed for sustainability on their own. Hub and spoke or outreach approaches can enable regional centres to provide support and interconnectedness to surrounding towns or communities and preserve service structures close to the local community in smaller places.

Improved accountability measures (ie evaluation and transparency) on rural access to services and outcomes in rural and remote regions, compared to urban Australia and national averages, would enable the impact of key government policies and programs to be assessed.

The political will for major investments in rural and regional development depends in part on there being a shared vision about what rural and remote parts of Australia should look like in 25 years' time. The Australian Government should work collaboratively with the public towards such a shared vision. The vision would then need to be supported by national policies on population, settlement and access to services.

A 'whole of governments' approach is necessary for effective regional development, which is of vital interest to people in the health sector, as well as to country people in general.