Innovation in rural Queensland

Why some towns thrive while others languish

Main Report

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The task is not so much to see what no-one has yet seen.

It is to think what nobody has yet thought of, about that which everyone has seen.

Schopenhauer

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1. Executive summary

Rural Australia is under increasing social, economic and environmental pressure—and there is a perception of rural Australia struggling to adjust. Nowhere is this more evident than in some of Australia's rural towns.

In the midst of the dark clouds of rural decline, some communities seem to defy these trends. Positive energy, optimism for the future, alternative income sources and growing businesses are the norm.

Yet not far away there are other towns, faced with very similar economic and geographic circumstances, which are doing it tough. For them, apathy, loss of energy, declining populations and empty shops are the norm.

Why is it that some towns demonstrate resilience, optimism and growth, whilst not far away there are other towns in decline? This was the question that led to the following research the subject of this document.

Eight small Queensland towns participated in the research and provided both quantitative and qualitative information through interviews, surveys and census data. The resulting findings are summarised below, and explained in greater detail within the body of the report.

Key findings between towns

The more innovative towns were differentiated from the less innovative towns through the following characteristics. Innovative towns were perceived to have these characteristics in greater abundance:

- adequacy of products and services available to their residents
- administrative and managerial capacity to run and promote the town
- adequacy of availability of a variety of experts to provide the breadth of services that residents expect
- up-to-date professionals, experts who are constantly upgrading knowledge and skills
- decentralised decision making
- managerial attitude towards change
- freshness of management and leadership
- adequate administrative capacity to organise whatever needs to be done
- slack resources, made available by members of the community for collective benefit

⊄# have a healthy exchange of ideas internally

⊄# have a younger population

⊄# have a higher average level of education

⊄# frequency and duration of overseas travel of residents

⊄# have residents who had lived in this present town the least average amount of time

⊄# have a higher proportion of residents who had lived elsewhere

⊄# have a higher proportion of residents whose prior town was larger rather than smaller or same size

⊄# have an upward population growth

⊄# have an upward trend in employment and a downward trend in the percentage of population not in the labour force

⊄# have a higher proportion of owner-occupied accommodation and a lower proportion of rented accommodation

⊄# have a higher proportion of residents working in the so-called 'creative class' occupations and industries and a lower proportion working in lower skilled areas.

Key findings within towns

Respondents were differentiated on a number of dimensions. These included (i) civic roles, (ii) social status, (iii) gender, (iv) whether they had moved into town from elsewhere, or not, and (v), if 'yes' to the last, whether their prior town was smaller, same size or larger.

⊄# Local authority executives were predominantly male.

⊄# Citizens had a Year 11 average level of education, local authority executives had a degree level or above, while councillors had a Year 12 average level of education.

⊄# Citizens had lived in their town for an average 24, executives for an average 14 years, and councillors for an average of over 30 years.

⊄# Citizens were more inclined to see themselves as support people or as experts; executives were more inclined to see themselves as experts, while councillors were more inclined to see themselves as leaders.

⊄# Councillors had a stronger 'need for power' than did citizens.

⊄# Councillors were more 'extraverted' while executives were more introverted.

⊄# Councillors were more 'open' than citizens.

⊄# Councillors were the least likely to have moved into their town from elsewhere; executives were the most likely to.

- Leaders averaged 56 years of age, people with expertise average 52 years, while support people averaged 50 years.
- Leaders were predominantly males while support people were predominantly females.
- Leaders averaged Year 12 education level, people with expertise a little higher, while citizens a little below Year 11.
- Leaders travelled overseas twice as often as support people. Leaders' duration of travel averaged 3 to 4 weeks, while support people averaged about half that.
- Leaders averaged 28 years residency in this town, people with expertise averaged 21, while support people averaged 23.
- Leaders had the strongest orientation towards achievement, citizens the weakest.
- Leaders had the strongest need for power and support people the weakest.
- Leaders were more extraverted; support people were more introverted on average.
- Leaders were neutral on emotional stability, support people were more relaxed and emotionally stable.
- Leaders were more open-minded than support people on average.
- Leaders were more inclined to hold civic responsibilities of local authority executive or councillor.
- Mean age of males was 54, mean age of females was 46.
- Male respondents came from larger families.
- Males had a higher need for power.
- Females had a lower need for autonomy.
- Females were more agreeable.
- Female respondents reported a higher level of conscientiousness than males.
- Female respondents were less inclined to be councillors and local authority executives.
- Female respondents were more inclined to see themselves as support people and less inclined to see themselves as leaders.
- Those who had moved into the town were younger, on average, than those that had not.
- People who did not share common parents with all of their siblings had a greater inclination to mobility.
- Those who had moved into town from elsewhere had an average education level above Year 12, while those who had lived nowhere else had an average highest education level of just below Year 11.

- Those who had come from elsewhere had also travelled overseas more frequently.

- Those who move into their present town were more open-minded than those who did not. The latter were more conservative, on average.

- People who had come from larger towns were also more inclined to travel overseas more frequently. As well, the overseas excursions of people who come from larger towns were of longer duration.

- Those who came from smaller towns had a greater need for power than those who came from similar or larger towns.

- Executives and councillors were more likely to have previously come from smaller towns rather than from larger towns.

It should not be inferred that any of the differences outlined in this executive summary 'cause' some towns to be more innovative than others. The research, on which this report is based, is unable to 'prove' causes. Similarly, it should not be inferred that the differences outlined in this executive summary are necessarily desirable. This document merely reports on emerging differences and invites the reader to draw his or her own conclusion as to the relevance of those differences for innovation.

Observations and recommendations

For rural towns

1. Encourage the development of a vision for the town and the planning and activity to get there.
2. Encourage diversity in every dimension.
3. Encourage the public celebration of creativity and achievement.
4. Encourage continuing education, formal and informal, for all residents.
5. Encourage the development of home-grown talent.
6. Encourage the development of a town community resource centre.
7. Encourage holders of all civic positions that those positions be held for a short and fixed period and that leadership be rotated as often as possible.
8. Encourage any mechanism that helps build a broad base of civic skills and experience.
9. Encourage the concept of 'leadership' and discourage the concept of 'leaders'.
10. Encourage travel away from the town in order to bring ideas back.
11. Encourage any mechanism that fosters the exchange of ideas.
12. Encourage any mechanism that helps newcomers feel needed and welcome.

13. Encourage every form of investment, financial, commercial, social and civic, back into the town.

14. Foster the development of opportunities for shared relaxation and play.

15. Encourage self-help and discourage dependence upon outside agents or funders.

For Councils

16. Foster the development of a vision for their town through active participative dialogue.

17. Engage in dialogue with constituents with respect to clarifying precisely what the role of Council is, and what it is not.

18. Create multiple avenues for access, through which constituents and Councils can interact, including opportunities after hours and weekends.

19. Ensure that the composition of Council represents the diversity of the town's constituents.

20. Seek every opportunity for young families to move into and be welcomed by their town.

21. Find multiple ways of communicating their plans and activities with their constituents.

22. Foster every opportunity for investment by outsiders and by locals in the town.

23. Ensure their town is adequately promoted to the outside world and to its own citizens.

24. Foster, fund, and reward those private sector businesses that invest in their own continual education and development for the benefit of their clients.

25. Nurture initiatives, foster capability and reduce dependencies (on them). 'Help them grow; then let them go'.

26. Explore all avenues to make their towns attractive for young people.

27. Consider development policies that are based on best practice of developing countries.

28. Form partnerships with State Government agencies.

For State and Federal Governments

29. Government agencies to deliberately act as economic and social pump primers.

30. Government agencies to contribute to local employment by funding cadetships, to be served in these towns, in those occupational areas of greatest local need.

31. Funding and other support to rural towns to be made available to multiple recipients, not just through Councils.

32. Governments to consider basing their policies towards rural communities on the best practices of international aid towards developing countries. Self-determination, not patronage, is the key.

General

33. Use the research interview questions and publicly available census data as diagnostic tools to measure the strengths and weaknesses of any town's innovation potential.

34. Ensure that a town is adequately endowed with the three forms of leadership it requires—legitimate leadership, effective leadership and empathic leadership.

35. Ensure clarification of role responsibilities and boundaries of all entities operating within or having influence upon a town.

The authors welcome comment on this report.

2. Introduction

Innovation is thought to be a function of context (a set of circumstances that favour its emergence) and of individual dispositions (personality characteristics within individuals that differentiate them from others and which, in some, give rise to creativity) (Damanpour, 1991; Rogers, 1996).

Rural Australia is under increasing social, economic and environmental pressure and there is a perception of rural Australia struggling to adjust. Nowhere is this more evident than in some of Australia's rural towns. The big get bigger while the small get smaller. Few, if any, of the changes to rural Australia have come unheralded. In many cases, the indications have been obvious for years, yet some towns have been unable to respond to the political, social, economic and environmental warning signs.

In the midst of the dark clouds of rural decline, some communities seem to defy the trends. Positive energy, optimism for the future, alternative income sources and growing businesses are the norm.

Yet not far away there are other towns, faced with very similar economic and geographic circumstances, which are doing it tough. For them, apathy, loss of energy, declining populations and empty shops are the norm.

It is sometimes useful to state the obvious. History, both ancient and modern, is replete with stories of cities and civilisations long gone. Conversely, and more locally, no rural towns (in the European sense) existed in Australia 250 years ago. Their existence came about due to some economic or social need, often associated with the particular technologies prevalent at the time. For example, towns sprung up to accommodate staging points for Cobb & Co coaches. Therefore their locations were determined by the distance a team of horses could travel in one day. Other towns were based on railway fettler gangs, and their location was determined by how far out and back it might be reasonable to expect a fettler team to pump a handcart. In the Victorian wheat belt, towns sprung up around silos which serviced the surrounding farms. The number and spacing of these nodes was initially determined by a reasonable travelling distance for horse and wagon. In Western Australia's wheat areas, which were established much later, the silo and community nodes are more than three times further apart because, at the time of their establishment, the truck, not the horse and wagon, was the mode of haulage. Some rural towns were centred on a prevailing industry, such as timber cutting, or gold mining, or similar.

For the majority of Australian towns, the reason for their establishment is no longer the reason for their present existence. Technologies change, demand for particular products declines, mines run out. As a result, many towns that were thriving small communities serving thriving industries no longer exist. Yet other towns, for a whole host of reasons, some good fortune and hard work, have reinvented themselves and are thriving.

It is asserted, as history has demonstrated, that no town has a 'right' to survive. To survive, a town needs to be flexible and adaptable, to provide amenities and services to its members and to those outsiders which interact with it. Atrophy or decline awaits those towns that are not innovative or adaptable. However, becoming or remaining an innovative town is a very big challenge indeed because, as many observers and writers have pointed out, homogeneity, conservatism and conformity exert a constant pull.

Researchers are just beginning to understand how innovation is initiated and maintained in a vibrant community or developed in a not-yet vibrant community (Florida, 2002; Putnam, 1993). Why is it that some towns demonstrate resilience, optimism and growth, whilst not far away there are other towns in decline?

Innovation in rural towns is a result of both situation and of people. Some towns have a particular set of attributes that give them an edge. It might be a combination of circumstances, like being on a particular highway, having an attractive natural resource nearby, being a resource centre for a strong primary industry, or even operating the town in a particular way. In addition, the people in some communities seem to be what make the difference. This raises the obvious questions of whether there are (a) situations that favour one town over another, and (b) something about the people who prefer to live in rural towns that leads to innovation, or to conservatism and resistance to change. If these contextual and personal characteristics could be better understood, more effective social and political management and policy development could be implemented.

Three of the four authors of this report are psychologists working within a university-based school of business. We draw heavily from the literature on individual personalities in organisational settings, and on the literature as it pertains to innovation within organisations. We then apply those ideas to communities. The purpose of this paper is to outline the underpinning theory, offer the hypotheses, explain the methodology and report on the findings as they pertain to the eight participating rural towns.

3. The research hypothesis

The purpose of the research is to test the following two hypotheses:

1. *There are relationships between an individual's community role and his or her individual differences such that: (a) those in leadership, managerial and executive roles differ on a range of variables to those in technical or support roles; (b) those in non-supervisory technical and professional roles differ on a range of variables to those in leadership, managerial/executive roles or in support roles; and (c) those in administrative and support roles differ on a range of variables to those in leadership, executive/managerial roles or in technical/professional roles.*

2. *The nature and distribution of the variables examined serves to differentiate more innovative towns from less innovative towns.*

Whilst our research, as based on these two hypotheses, is theory-testing, the research design and methodology also permits theory-building. The semi-structured interviews permit the capture of open-ended qualitative information that may reveal ideas not previously considered.

4. The research method

In response to an advertisement placed in the Queensland rural press, and as a consequence of some effective networking by several rural partnership development officers from the Department of Primary Industries, eight towns volunteered to take part in research examining the characteristics of innovative towns. Partially by design and partially by good fortune, those towns grouped into four pairs: two in the south east, two in the south west, two in central Queensland and two in north Queensland. Towns in each pair are roughly of comparable size, and face similar geographic and economic circumstances. Towns ranged in size from 600 to 10 000 people.

Data were captured from each town, using a variety of means.

Within-town innovation measures

How the data were captured

Within each town, as recommended by Rogers (1995), between six and eleven *sociometric stars* were identified. A sociometric star is a person whose name is repeatedly suggested by several people in response to a question put to them, namely: *Who would you regard as the movers and shakers in this town, the people who make things happen?* In response, people provide a range of names, and inevitably some names keep recurring as various people in town are asked the same question. The names that come up most often are the sociometric stars. Every effort was made to obtain names of people who represented the breadth of the community: the young, the elderly, those who had lived in the town for many years, those who were recent arrivals, men, women, those with civic responsibilities, those with community responsibilities. It is these people who were invited to take part in a one-hour taped interview, and who were presented with a semi-structured series of questions based on the contextual characteristics identified by Damanpour (1991). On completion of all the interviews in a town, the quantitative responses were aggregated across all interviewees to give an innovation status score and an innovation trend score. In addition, all tapes were transcribed, almost verbatim—slight deletions or modifications being made to de-identify any third party about whom negative comments were made, or to de-identify individual interviewees. Qualitative comments were summarised across all interviewees for each question and compiled into a single document that captured the qualitative and quantitative innovation status and trends of the town. This summary document, the average length of

which was 20 A4 pages of qualitative comment, was then sent back, as a confidential draft, to one or two interviewees, to check on material accuracy and appropriateness.

What data were captured

Questions were derived from Damanpour's (1991) meta-analysis of characteristics favouring innovation. There are 16 questions, the first 15 of which have two parts; one pertaining to perceived status, the second pertaining to trends over the last five years. Responses were given quantitatively, on a scale of 1 to 7, with illustrative qualitative comment. The full structured interview questionnaire appears as Appendix 1.

The 16 questions dealt with the following topics:

1. Products and services—Does this town have everything it needs?
2. Technology for delivering products and services—Are we up to date with the latest technologies?
3. Administrative and marketing approaches to how we manage and promote our town—Is our management and promotion of this town doing a good job?
4. Availability of variety of experts—Do we have all the professional expertise we need?
5. Clusters of specialisation—Do our professional experts work alone or do they have colleagues in the same area?
6. Depth of professionalism—Are our professional experts constantly bringing in new ideas and skills?
7. Technical knowledge resources—Do we have enough technical expertise?
8. Centralisation—Are the big decisions in this town made by the Council, or are there a variety of decision groups?
9. Participation in decision making—Can anybody easily get involved in decision making in this town if they want to?
10. Managerial attitude towards change—Is the management of this town innovative or conservative?
11. Freshness of management and leadership—Do we have enough 'new blood' in the town's leadership?
12. Administrative capacity—Does this town have enough administrative capacity?
13. Slack resources—Are the community's resources stretched to the limit or do we have spare capacity to do things?
14. External communication—Do we have enough fresh ideas coming in from the outside?
15. Internal communication—Do we share ideas enough with each other?

16. General—What suggestions would you offer to any town wishing to become more innovative?

Each of these questions was quantitatively scored on both status and trends, with qualitative support being provided for both.

Between-town innovation measures

Each interviewee scored these 15 questions according to their own expectations as to what was 'adequate' for his/her town. If all interviewees had very high expectations in a town that had moderate innovation performance, they could all score it low. Similarly, if all interviewees had very low expectations in a town that had moderate innovation performance, they could all score it high. So moderate innovation performance might possibly be scored anywhere between high or low, depending upon the expectations of the interviewees. This research has no way of knowing, despite random selection of interviewees, whether or not this occurred. Therefore although it is possible to obtain an innovation score for each town, these scores are *within group*, and although these scores might be compared or ranked, such comparison or ranking is potentially problematic, because the scores are subjective.

As a check against the possible differences in perceptual bias between the interviewees in one town and any other, some form of objective *between group* comparison is desirable.

On completion of the summary documents for all eight towns, an edited version of each was created with all quantitative data removed. These eight documents were then given to three separate 'blind' reviewers—employees of the Department of Primary Industries, Queensland (people with tertiary qualifications who had no prior knowledge of the research and who had no knowledge of the quantitative scores)—who were invited to rank the eight summary transcripts in the order of their level of innovation. The intent was to see whether the qualitative information provided in the interview supported the quantitative score aggregations.

Census data

A summary of relevant socioeconomic census data was obtained on each town for the last three census periods, spanning the period 1991 to 2001. Census data extraction was conducted by a third party who was blind to the nature of the research. Census data and trends were taken to provide a further independent and objective measure of socioeconomic trends for each participating town.

Of particular interest in the census data are (i) positive trends, (ii) increased diversification and (iii) increased investment (where the terms *diversification* and *investment* are used in the broadest possible sense).

As with the interview data, summary census data was given to three separate and independent reviewers—who were invited to rank the towns on their order of innovation based on that summary data alone. The three reviewers used were different from those used to rate the aggregated interview summaries.

Individual differences

How the data were captured

Each town was invited to provide 300 randomly selected names and addresses, either from the electoral role or rates role. To each of these 300 was sent, under a covering letter of support from the town's mayor or CEO, a survey instrument. This instrument sought anonymous replies to three sets of questions. The first was a series of questions designed to assess motive preferences using Steers and Braunstein's (1976) 'Manifest Needs Questionnaire'. The second was a series of questions examining the Five-Factor Model of Personality (Goldberg, 1998)**.** The third was a series of biographical questions relating to age, gender, birth order and some of the characteristics identified by Rogers (1995) pertaining to adoption of innovations. Each survey was accompanied with an addressed reply-paid envelope. The full individual difference questionnaire appears as Appendix 2. Within each town, separate surveys, identical to the 300 above, but differentiated by colour, were given to all Councillors (pink) and all senior Shire administration officers (green). These colour-coded surveys were issued as an additional tool for testing the research hypotheses.

What data were captured and why

Data was sought on the following variables:

(i)   Biodata

Age, gender, family size, birth-order position, level of education, overseas travel, duration in this community, size of previous community, perceived role in this community: these biodata are captured in order to get a demographic profile of the respondent. The specific questions are being asked to test particular aspects of innovation.

(ii)   Motives

Affiliation, achievement, power, autonomy: these four social measures are jointly contained in the Manifest Needs Questionnaire, an established research

> instrument that comprises part of the questionnaire. Prior research suggests that these motives may have consequences for efforts to be innovative.

(iii)   Personality

> Emotional stability, extraversion, openness to experience, conscientiousness, agreeableness: these areas of personality are commonly referred to by psychologists as the *big five*. They are believed to capture most aspects of personality. Openness is believed to be positively related to innovation. Conscientiousness can be negatively related to innovation. Together, these aspects of personality can be assessed by a single instrument, the International Personality Inventory Profile (IPIP), (Goldberg, 1998), a short form of which is contained in the mailed-out survey.

The logic of the research method

The research uses a process known as 'triangulation', where data is obtained from multiple and independent sources, using multiple methods. This approach offers obvious advantages. If each of the methods is independent of the others and is saying the same thing, there is a greater confidence in the findings.

In this case, we:

(a) obtained data on a town's level of innovation using questions that had been developed from 46 prior studies on innovation;

(b) interviewed between 7 and 11 people in each town, people who had been nominated by a random selection of prominent citizens in each of those towns. Collectively those interviews provided an aggregated subjective innovation score on each town;

(c) compared these scores across the eight towns in order to obtain rankings of innovation;

(d) invited three independent reviewers, blind to the purposes of the research, to review the aggregated interview transcripts from which the quantitative scores had been removed. Those reviewers independently ranked the eight towns on an innovation continuum from highest to lowest;

(e) obtained census data on all eight towns, for the periods 1991, 1996 and 2002, examining them for general measures of (a) growth, (b) diversity and (c) investment;

(f) invited three independent reviewers, blind to the purposes of the research, to review census data within three key categories of growth, diversity and investment. Those

reviewers, separate from those used in (d), independently ranked the eight towns on an innovation continuum from highest to lowest.

The three approaches (c), (d) and (f) were then compared.

(g) In addition, survey data were then examined within and between each town to see if it provided explanation for the findings from (c), (d) and (f).

5. Results across all participating towns

Results are discussed under subheadings: (a) quantitative innovation scores compared with independent rankings; (b) quantitative innovation scores compared with census data, (c) qualitative data from interviews pertaining to contextual factors; (d) quantitative data from surveys pertaining to individual differences.

(a) Quantitative innovation scores compared with independent rankings

Within each town, between 7 and 11 *sociometric stars*, people selected by other prominent citizens as *movers and shakers* and who covered the spectrum in terms of gender, age, nature of occupation, and duration of residency, took part in a structured interview which asked questions based on the work of Damanpour (1991). Except for the last, each question obtained data on both current status and trends over the last five years. Both quantitative scores and qualitative supporting information was obtained. Interviews were audiotaped.

For discussion purposes, whilst protecting identity, the eight towns are alpha-coded A to H. Table 1(a) shows the innovation status and innovation trend scores for each of the eight towns, together with the rankings of the three independent reviewers.

The eight transcripts, each collapsed across interviewees and with quantitative scores removed, were given to three separate 'blind' reviewers—people who were not associated with the research and who were unaware of the quantitative scores. These reviewers ranked the eight aggregated transcripts, each averaging 20 pages, from most innovative to least innovative.

Table 1(a): Combined innovation scores and rater scores

The eight towns are represented by letters of the alphabet, A — H. Each town is described by two columns, the first being current status (S) and the second being trends (T) over the last five years,

Quest.	AS	AT	BS	BT	CS	CT	DS	DT	ES	ET	FS	FT	GS	GT	HS	HT	Av	Av
1 (a) Products and services	5.81		5.11		5.60		2.66		4.90		4.41		3.99		5.18		4.69	
1 (b)		6.16		2.59		5.25		5.67		5.11		5.25		5.60		5.18		4.20
2 (a) Technology to deliver products and services	5.81		4.48		6.30		4.48		4.90		5.11		4.90		6.30		5.25	
2 (b)		5.74		5.11		6.37		5.67		5.11		5.25		5.60		5.18		5.46
3 (a) Administrative and marketing approaches	6.02		4.06		5.60		2.31		3.85		3.57		3.57		4.97		4.27	
3 (b)		5.60		4.76		5.25		4.13		3.64		4.55		4.97		5.18		4.76
4 (a) Availability of a variety of experts	6.23		3.85		4.90		2.66		5.39		4.97		2.52		5.39		4.48	
4 (b)		5.88		4.06		4.90		2.80		4.27		4.83		4.83		3.78		4.41
5 (a) Clusters of specialisation	4.97		3.99		3.50		2.80		5.60		3.29		2.52		5.46		3.99	
5 (b)		5.11		4.97		4.13		4.34		4.27		5.25		4.27		5.60		4.48
6 (a) Depth of professionalism	4.97		4.27		5.39		4.34		6.09		5.25		4.83		5.60		4.90	
6 (b)		4.83		4.69		4.62		4.83		5.46		4.41		4.97		4.48		4.76
7 (a) Technical knowledge resources	4.83		3.78		6.65		3.64		4.55		4.41		3.99		4.41		4.55	
7 (b)		4.97		4.62		6.02		4.48		4.48		5.25		4.97		4.97		4.97
8 (a) Decentralisation	3.57		4.90		4.20		2.66		3.50		3.01		3.99		5.04		3.85	
8 (b)		5.32		4.41		4.27		4.48		4.13		4.41		5.32		4.69		4.62
9 (a) Participation in decision-making	6.02		4.69		4.69		3.50		3.85		4.55		4.83		5.32		4.69	
9 (b)		5.74		3.78		4.27		4.13		3.99		4.27		4.27		4.69		4.41
10 (a) Managerial attitude towards change	5.60		4.27		5.39		2.52		3.85		3.57		5.11		5.88		4.55	
10 b		5.74		4.48		4.90		4.69		4.27		4.69		6.09		5.32		5.04
11 (a) Freshness of management and leadership	4.97		3.36		5.04		1.47		4.55		4.55		3.71		3.99		3.64	
11 b		5.88		4.41		4.62		3.99		4.48		4.69		3.78		4.48		4.48
12 (a) Administrative capacity	4.83		4.62		6.09		2.66		3.64		4.13		3.50		4.90		4.27	
12 b		4.83		4.69		5.88		3.50		4.13		3.71		4.90		4.69		4.55
13 a) Slack resources	3.99		3.85		4.90		3.15		3.50		5.32		4.69		5.04		4.27	
13 b		4.55		3.99		4.13		2.80		3.36		4.13		4.83		4.06		3.99
14 a) External communication	5.81		4.76		5.39		4.20		4.20		2.87		4.48		4.62		4.55	
14 b		5.88		5.11		5.11		4.69		4.62		4.55		5.18		4.62		4.90
15 (a) Internal communication	6.02		4.62		4.62		1.47		4.55		3.01		4.20		4.69		4.13	
15 b		5.60		4.62		4.55		3.99		4.48		4.83		5.32		4.62		4.83
Status total	5.32		4.27		5.25		2.87		4.48		3.92		4.06		5.11		4.41	
Status Rank	1		5		2		8		4		7		6		3			
Trend Total		5.46		4.41		5.11		4.13		4.34		4.55		4.90		4.62		4.69
Trend Rank		1		6		2		8		7		5		3		4		
Rater1	1		2		4		8		7		3		6		5			
Rater2	1		5		3		6		7		4		8		2			
Rater3	1		6		2		5		7		5		6		5			
Average	1		5		3		6.3		7		4		6.3		4			

Interviewees' individual scores were averaged for each question within each town. The resulting matrix of responses illustrates Status and Trend scores for each town.

Below those scores are the rankings from the three independent reviewers followed by their average ranking.

The database of individual interviewee scores across the 15 questions was subjected to analysis of variance. Table 1(b) summarises significant results. Greater details are provided in the Appendix.

Table 1 (b): Significant differences between towns on measures of innovation

Question	Result
Q1b	**Resources and services**: Trends: There are significant differences across the eight towns
Q3b	**Administrative and marketing approaches** Trends: There are significant differences across the eight towns
Q4a	**Availability of a variety of experts** Status: There are significant differences across the eight towns
Q4b	**Availability of a variety of experts** Trends: There are significant differences across the eight towns
Q6a	**Depth of professionalism** Status: There are significant differences across the eight towns
Q8a	**Decentralisation of decision-making** Status: There are significant differences across the eight towns
Q10a	**Managerial attitude towards change** Status: There are significant differences across the eight towns
Q10b	**Managerial attitude towards change** Trends: There are significant differences across the eight towns
Q11a	**Freshness of management and leadership** Status: There are significant differences across the eight towns
Q12a	**Administrative intensity** Status: There are significant differences across the eight towns
Q12b	**Administrative intensity** Trends: There are significant differences across the eight towns
Q13b	**Slack resources** Trends: There are significant differences across the eight towns
Q15a	**Internal communication** Status: There are significant differences across the eight towns
Total	Status: There are significant differences across the eight towns
Total	Trends: There are significant differences across the eight towns

(b) Quantitative innovation scores and rater scores compared with census data

Table 2 shows summary innovation scores, summary rater scores and rankings against three broad census indicators. The indicators of interest were in the areas of (i) positive trends, (ii) increased diversification and (iii) increased investment (where the terms *diversification* and *investment* are used in the broadest possible sense).

- ⊄# For positive trends, comparative census data was available for population and for employment.
- ⊄# For investment, comparative data was available on housing accommodation, either fully-owned, being purchased or being rented.
- ⊄# For diversification, the available comparative data on industry bases for employment proved not to be useful in differentiating between the participating towns.

Table 2: Innovation scores compared with census data

	Town A	Town B	Town C	Town D	Town E	Town F	Town G	Town H
Innovation score	5.32	4.27	5.25	2.87	4.48	3.92	4.06	5.11
Innovation rank	1	5	2	8	4	7	6	3
Rater rank on interview data	1	4	2	5	7	3	5	3
Rater rank on census data	2	8	1	5	6	4	3	7
Triangulation: combined rankings	1	Equal 5	2	6	Equal 5	Equal 4	Equal 4	3

For the positive trends measure, the data on 'same vs different address 5 years ago' was used. This is an indicator of (i) people's willingness to stay in their present town, or (ii) to move into the town in the last five years. It is a numerical measure of the attractiveness of a town to its residents. A second positive trend measure is population, an indicator of whether the number of people in the town is growing or shrinking. A third positive trend measure is age profile, as an indicator of which age cohorts are in ascendancy or decline. A fourth positive trends measure is employment data, both in relation to (i) levels of employment and (ii) the percentage of the population in the labour force to those not in the labour force.

For a diversification measure, the data on 'industry size by employment' offers an insight into how diverse the economic base of a town is; i.e. the more diverse the better.

For the investment measure, the percentage of the population living in owner-occupied dwellings compared to the percentage living in rented accommodation was examined. People that have purchased or are purchasing their own accommodation are clearly making a higher investment in that town.

Figure 1 reveals data on the 'Same vs different address 5 years ago' measure. This figure illustrates the extent to which people are willing to stay in a town, or willing to move into it. In general, the towns adjudged both internally and externally to be the more innovative are also those where the willingness to stay in residence or to take up residency are both positive. As expected, the two most innovative towns, A and C, also show positive trends in the 2001 period relative to the 1996 period for both willingness to stay and willingness to move in.

Figure 1: Same vs different address 5 years ago
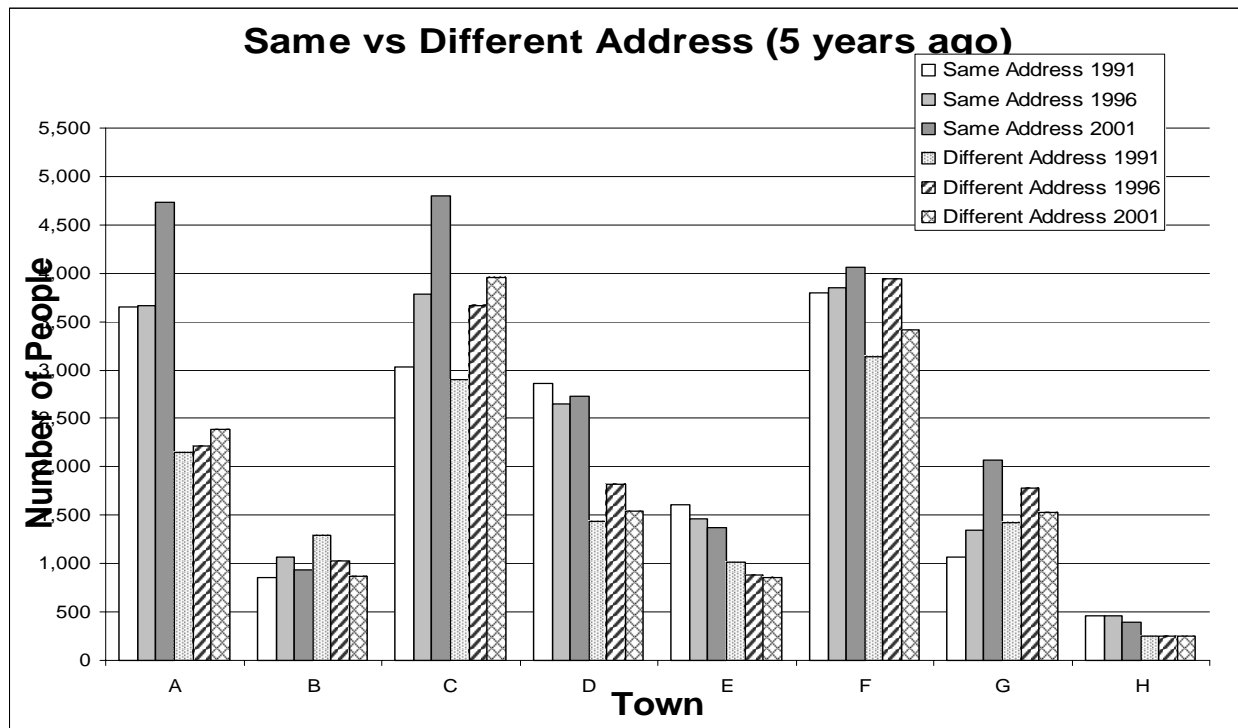
Figure 2: Population comparison by town

Population comparison by Town
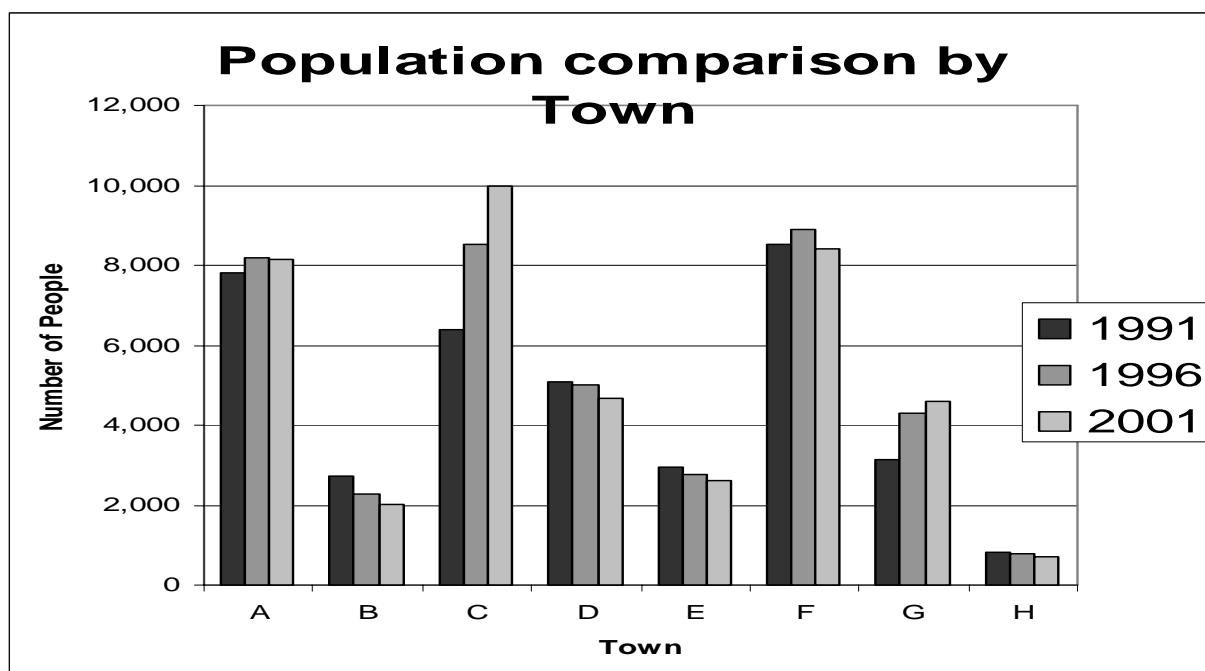
It is not necessarily size that determines whether or not a town is innovative. Nor is it the fastest growing. The town with the third-largest population at last census is the most innovative town. The second-largest town is among the less innovative. The town that ranks third overall on its perceived level of innovation is also the smallest (containing 600 people). In general those towns whose populations are growing are also regarded as the most innovative, while those whose populations are in decline are also regarded as less innovative.

Figure 3: Age in a typical town
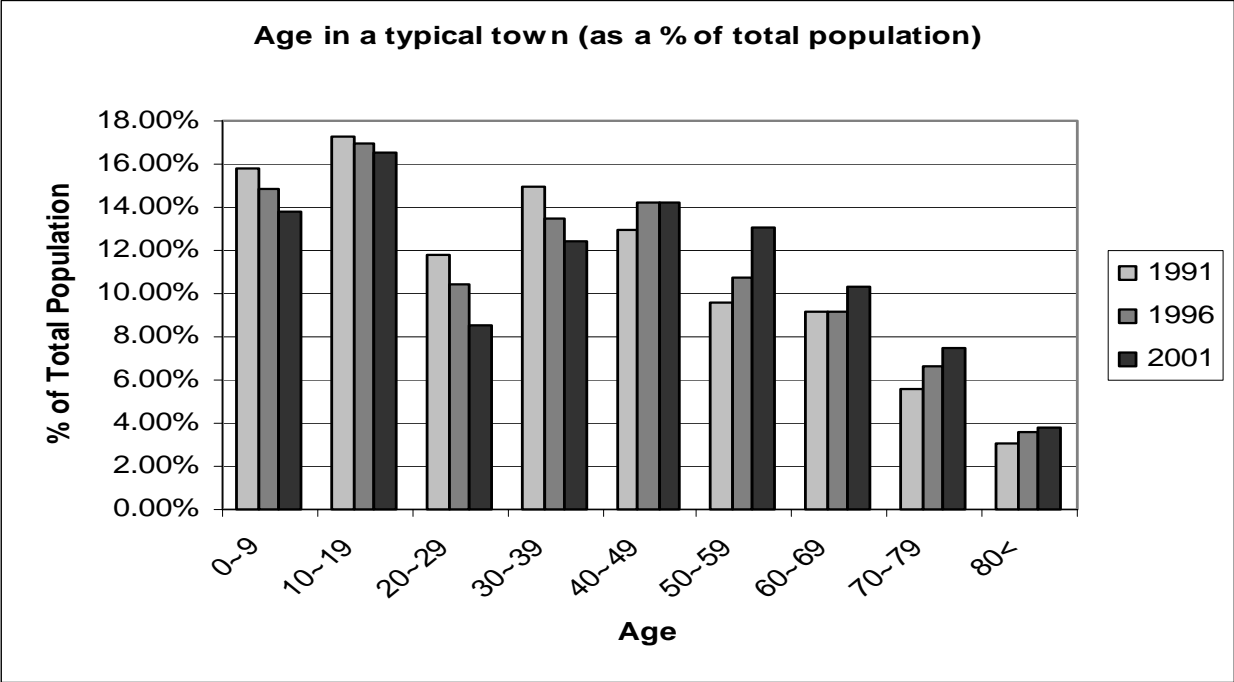
The age profile figure is remarkably similar across all eight towns. Figure 3, taken from one of those towns, is representative. There has been, over the last three census periods, a steady decline in the percentage of the total population in the pre-40 year age groups, and a steady increase in the percentages for the post-40 year age groups. All eight of the participating towns are ageing. Of particular note is that the percentage of the population in the 20–29 year age group is only half of that in the previous age group. This is the age group that is leaving town. This is also the age group that is exploring its options, and that has energy to invest in its future. Where this age group chooses its future is less and less likely to be in its home town.

Figure 4 reveals relative trends in employment data. The more innovative towns show small increases in levels of employment and a small decline in the percentage not in the labour force, though one of the less innovative towns shows the same pattern.

Figure 4: Employment levels as a % of total population

Employment Levels as a % of total population

The 'industry size by employment' data revealed an equally diverse distribution of employment bases across all eight towns. This information failed to differentiate between towns with respect to innovation.

Figure 5 illustrates the percentage of population living in rental accommodation relative to owner-occupied. The more innovative towns have a considerably higher proportion of owner-occupiers.

Figure 5: Dwelling status as a percentage of total dwellings 2001
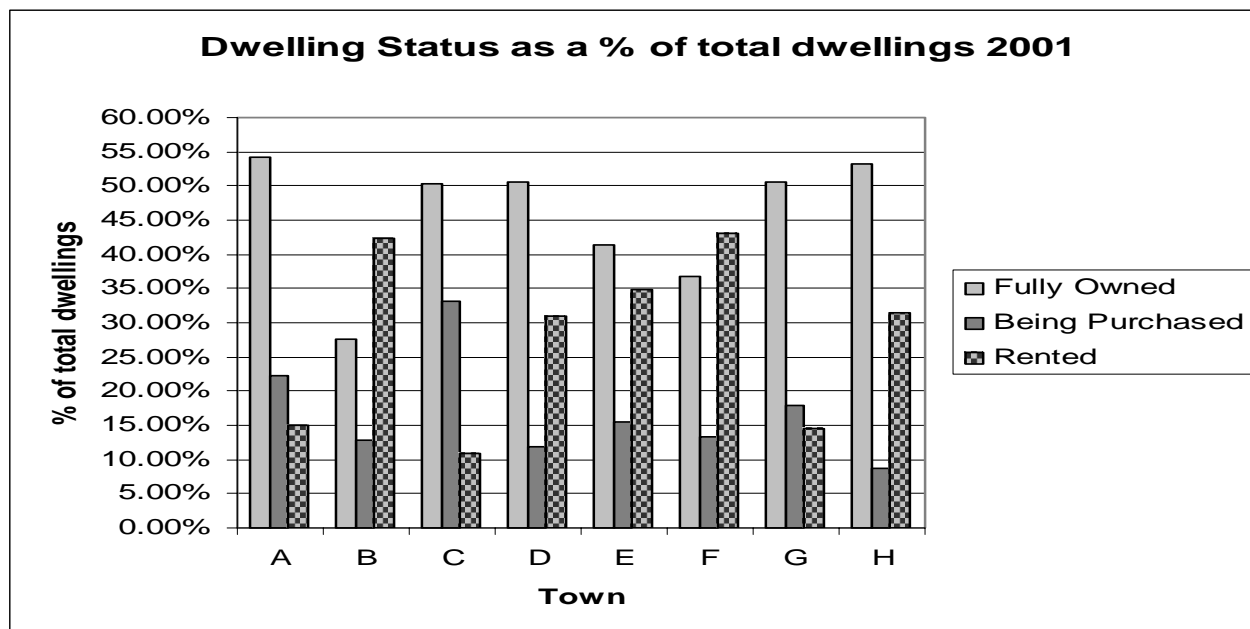
Towards the end of our research we came across the work of Richard Florida, whose book *The Rise of the Creative Class* (Florida, 2002) has gained considerable publicity. Florida investigated the vitality of US cities and regions, based on stratification of occupations taken from the US census. According to Florida's research, the higher the proportion of the population employed in the 'creative' occupations, the more innovative and progressive the community. The Australian census data does not align perfectly with Florida's classifications, though we were able to get a reasonable approximation against both industry data and occupational data. Figure 6 shows the occupational data, and Figure 7 the industry data, reclassified into Florida's categories of 'super-creative', 'creative', 'working', 'service' and 'agriculture'.

Figure 6: Occupations across eight towns in four classes

(Note that Australian census data does not include a category that identifies people employed in agriculture.)
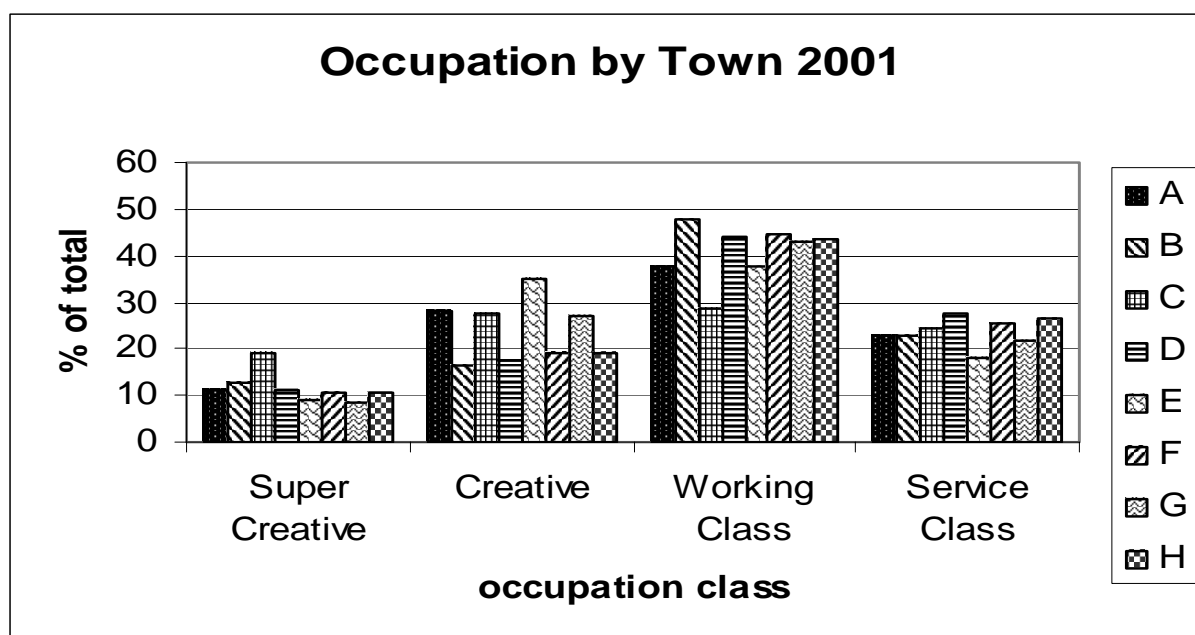
Table 3: Occupations across eight towns in four classes

%	A	B	C	D	E	F	G	H
Super Creative	11.37	12.6	19.29	10.94	8.85	10.51	8.72	10.66
Creative	28.15	16.54	27.41	17.37	35.12	19.2	26.87	19.26
Working Class	37.75	47.92	28.69	43.94	37.8	44.55	42.79	43.44
Service Class	22.73	22.95	24.61	27.75	18.23	25.74	21.63	26.64
% combined 'Creative'	39.52	29.14	46.7	28.31	43.97	29.71	35.59	29.92
Rank	3	7	1	8	2	6	4	5

Figure 7: Industries across eight towns in five classes
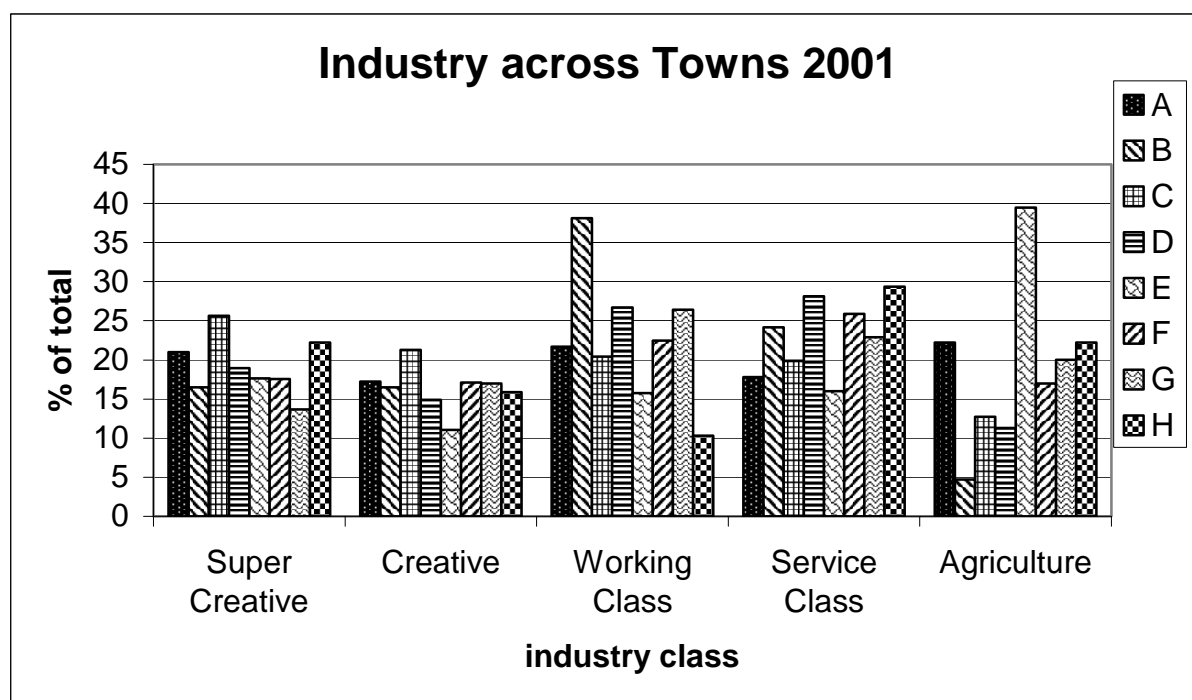
Table 4: Industries across eight towns in five classes

	A	B	C	D	E	F	G	H
Super Creative	21.00	16.49	25.64	18.97	17.66	17.57	13.66	22.22
Creative	17.24	16.49	21.30	14.91	11.05	17.11	17.01	15.87
Working Class	21.72	38.14	20.44	26.71	15.76	22.47	26.43	10.32
Service Class	17.81	24.17	19.88	28.12	16.03	25.86	22.88	29.37
Agriculture	22.23	4.71	12.74	11.29	39.49	16.99	20.04	22.22
% combined 'Creative'	38.24	32.98	46.94	33.88	28.71	34.68	30.67	36.09
RANK	2	6	1	5	8	4	7	3

Tables 3 and 4 give support to Florida's classification system working well as a measure of community vitality in the Australian context. Town C, the second-most innovative town, based on our triangulation methodology, shows as having the highest percentage of people employed in 'creative' occupations and industries. Town A, the most innovative, comes in second on percentage of people employed in 'creative' industries and third on the 'creative' occupations. Town E, which comes well down the rankings on innovation, is

second on the 'creative' occupations table and last on the 'creative' industries table, possibly because it is a regional administration centre.

(c) Interview data

Each of the questions asked, followed by the responses given by interviewees, are summarised below. Comments are preceded by two numerical scores, the first of which is a summary score of current Status adequacy, and the second is a summary score for Trends over the past five years:

⌐# Status scores range: (1) very inadequate; (2) quite inadequate, (3) a little inadequate; (4) don't know; (5) just adequate; (6) quite adequate; (7) very adequate.

⌐# Trend scores range: (1) declined greatly; (2) declined considerably; (3) declined a little; (4) have remained unchanged; (5) have improved a little; (6) have improved considerably; (7) have improved greatly.

On the Status measure, a score of 4 represents neither good nor bad; below 4 tends towards the conservative and a score above 4 tends towards the innovative. This is similar for Trend measures, where less than 4 represents decline and over 4 represents improvement. It is suggested that any figures below the 4.5 mark represent areas that warrant particular attention. For comparison purposes, the average, highest and lowest Status and Trend scores for the eight towns are provided. The caution offered earlier is repeated here: ***Scores are subjective only; comparisons must therefore be treated with caution and only acted upon in the support of additional confirming information***. Note that averaging the Status scores results in almost all of them being just above the mid-point, in the 'just adequate' range. Therefore the reader is invited to also place close attention to the highest and lowest scores as well, since they are often more informative.

Q1. Products and services: Does this town have the products and services that people might expect?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.69	5.81	2.66	ns
Trend score	4.20	6.16	2.59	*p* < .001

Respondents indicated that products and services were just adequate, relative to people's expectation and town size. The average Trend score indicates almost no change in

the availability of the town's products and services over the last five years, though there are significant differences across the eight towns.

Adequacy of products and services are factors that attract or retain a town's citizens. If people 'want to do something', then having the products or services available to do that enables people to proceed with what they want to do. Being able 'to do something' is regarded as an essential prerequisite to innovation.

Medical services, dental services, transport, entertainment (particularly for younger people), basic food and clothing requirements were among the products and services regarded as critical. When residents needed to travel elsewhere to obtain the products or services they could not get locally, usually to a larger town, whilst there, they often purchased other products or services which they might otherwise have purchased locally. This represents economic leakage from their home town.

Q2. Technologies for delivering products and services: Do we have the technologies we expect?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	5.25	6.30	4.48	ns
Trend score	5.46	6.37	5.11	ns

Respondents were generally happy with the modern technologies available. This does not necessarily mean that each town has the best technology; rather it means that people are generally happy with what is available. In general, across all towns, there is relatively low variability in the scores on technology. This is largely because the technologies that people regard as important are relatively generic, and their availability is not principally a function of the level of innovation within a town, nor of the town's capacity to fund it. These technologies are generally funded and provided by outside agencies.

Subsidiary to the general point made above in relation to availability of products and services, the 'availability of technology' is a subset of those products and services. Rogers (1995) suggests that for those people who are more innovative, then the earlier their awareness of and desire to use technologies of all sorts, due to higher levels of education, greater travel and more extensive networks. These technologies appeal to those with a need for achievement, those who desire to find a more efficient means to a goal, and who constantly strive to do things better (McClelland, 1987).

Q3. Administrative and managerial capacity to run and promote the town: Are we managing and promoting this town well enough—both to ourselves and to the outside world?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.27	6.02	2.31	ns
Trend score	4.76	5.60	3.64	*p* = .030

Interviewees report that, in general, a town's administrative and managerial capacity to run itself and to promote itself is only just adequate and has improved a little over the last five years. On the Trend score, differences between towns are significant.

Administrative and managerial capacity to run and promote the town is important because such capacity helps citizens of the town to feel good about living there. It also serves to attract outsiders, thereby bringing the multiple benefits of (a) confirming to the citizens that others also value their town and what it has to offer, (b) bringing in economic benefits and (c) bringing in new citizens.

Q4. Variety of experts: Do we have all the professional expertise we need?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.48	6.23	2.52	*p* = .003
Trend score	4.41	5.88	2.80	*p* < .001

Interviewees report across all towns that the variety of experts is only just adequate, with virtually no change over the last five years. This measure is one in which there is the most significant disparity between towns.

Specialist expertise is a specific subset of the products and services mentioned in Q1 above. The literature on adoption of innovations (Rogers, 1995) suggests that expertise is the essential first step in the improvement of anything. Further, the greater the variety of specialists, the broader is the knowledge base and the greater the cross-fertilisation of ideas. Whether it is imported or home-grown, expertise serves as a catalyst for innovation or, at least, maintenance of the status quo. Absence of expertise of any sort favours atrophy, decline or decay.

Q5. Cluster of specialists: Do our professional experts work alone or do they have colleagues in the same area?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	3.99	5.60	2.52	ns
Trend score	4.48	5.11	4.13	ns

Interviewees across the eight participating towns perceive that clustering by their experts is neither adequate nor inadequate, and has improved only fractionally over the last five years.

Although variety of expertise across disciplines, as mentioned above, increases the range of ideas available to a community, so too, do clusters of expertise. Coalitions of experts from within the same discipline can cross-fertilise with like minds and test new ideas in a safe incubating environment, thereby increasing their leverage for influence.

Q6. Depth of professionalism: Are our professional experts constantly upgrading their knowledge and skills?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.90	6.09	3.15	$p = .008$
Trend score	4.76	5.46	4.41	ns

Interviewees perceive depth of professionalism to be adequate. A comment that was common across all of the participating towns was the difficulty of accessing continuing professional development, particularly among those privately employed. Issues of distance, time lost, cost and absence of back-up staff were all mentioned. Trends show a slight improvement.

Continuing professional development increases boundary-spanning activity, self-confidence, and a commitment to freshness and growth in ideas and practices. In other words, experts who work at growing their knowledge and skills, usually through some connections outside of the community, are able to diffuse that new knowledge and skill back into their community.

Q7. Technical expertise and knowledge: Do we have enough technical expertise?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.55	6.65	3.64	ns
Trend score	4.97	6.02	4.48	ns

Interviewees across all eight towns perceive available technical expertise to be just adequate, with a slightly improving trend.

The greater the technical knowledge resource, the more easily can new technical ideas be understood, and procedures for their development and implementation be taken up. The adoption literature suggests that more conservative people (the majority) value the reassurance of having technical experts to help them take up new technologies. Technical experts help in the 'translation' of technology into local application.

Q8. Centralisation/decentralisation of decision making: Are the big decisions in this town made by the Council, or are there a broad variety of decision groups?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	3.85	5.04	2.66	$p = .044$
Trend score	4.62	5.32	4.13	ns

Interviewees across all eight towns regard the level of decentralisation of decision making as just inadequate. In terms of trends over the last five years, the improvement score is modest.

The concentration of decision-making authority prevents innovative solutions, while the dispersion of power is necessary for innovation. A related concept is informality. Flexibility and low emphasis on rules facilitate innovation. Low formalisation permits openness, which encourages new ideas and behaviours.

Q9. Participation by community members in decision making: Can anybody easily participate in decision making in this town if they want to, and do they want to?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.69	6.02	3.50	ns
Trend score	4.41	5.74	3.78	ns

Interviewees perceive the current level of community participation to be just adequate, with a Trend score indicating slight improvement. A common comment across all towns was

that participation was welcomed, but that most people were passive and that community involvement remained with the willing few.

Participatory environments facilitate innovation by increasing community members' awareness, commitment and involvement. Sharing the load also increases opportunity to develop civic skills and it decreases the probability of 'burn-out' by the willing few.

Q10. Managerial attitude towards change: Is the management of this town innovative or conservative?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.55	5.88	2.52	*p* = .009
Trend score	5.04	6.09	4.27	*p* = .037

Interviewees generally regard their town's managerial attitude toward change as only just adequate, although there are significant differences between towns. The average Trend score shows a little improvement. New ideas in management often seem to flow from 'outsiders'. Council seems to contain higher levels of conservatism.

Managers' favourable attitude towards change leads to an internal community climate conducive to innovation. Managerial support for innovation is especially required in the implementation stage, when coordination and conflict resolution among individuals and community groups are essential.

Q11. Freshness of management and leadership: Do we have enough 'new blood' and new ideas in our leadership?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	3.64	5.04	1.47	*p* = .040
Trend score	4.48	5.88	3.78	ns

Freshness of management and leadership is perceived, on average, to be less than adequate. The Trend score is slightly positive. This measure is one with the lowest average level of satisfaction; it is also one on which towns differed significantly.

The longevity of managers in their jobs provides legitimacy and knowledge of how to accomplish tasks, manage political processes and obtain desired outcomes. In contrast, new management and leadership can usher in new ideas. Ideally towns need a combination of stability and freshness, with the two perspectives being able to work together in harmony, or at least in a state of productive creative tension.

Q12. Administrative capacity: Do we have enough administrative capacity to help turn good ideas into reality?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.27	6.09	2.66	*p* = .050
Trend score	4.55	5.88	3.50	*p* = .001

Interviewees perceive that the administrative capacity within the community, i.e. the infrastructural 'machinery' necessary to support whatever the community wants to do, as being just adequate, with Trend scores being also slightly positive. There are significant differences between participating towns on both Status and Trends for this measure.

A higher proportion of administrative capacity facilitates innovation because the successful adoption of innovations depends largely on the leadership, support and coordination that managers and administrative infrastructure provide.

Q13. Slack resources: Are the resources in the community stretched to the limit, or does the community have spare capacity to help out?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.27	5.32	3.15	ns
Trend score	3.99	4.83	2.80	*p* = .010

Availability of slack resources in a town is perceived to be neither adequate nor inadequate, with a Trend score showing no change over the last five years.

Whilst communities need adequate administrative infrastructure, the formal capacity to get things done, they also need slack resources, which provide informal capacity to get things done. Slack resources allow a community to afford to explore innovations, absorb failure, bear the cost of implementing innovations and generally just 'have a go'.

Q14. External communication: Do we have enough fresh ideas coming in from outside?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.55	5.81	2.87	ns
Trend score	4.90	5.88	4.55	ns

Interviewees perceive that external communication is just adequate and that it has improved slightly over the last five years.

Environmental scanning and visits by community members to areas that are quite different can bring in innovative ideas. Innovative communities effectively exchange information with their outside world, effectively reinventing themselves as they blend their attributes with those the external world requires.

Q15. Internal idea sharing: Do we share and support ideas enough with each other?

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.13	6.02	1.47	$p = .016$
Trend score	4.83	5.60	3.99	ns

Internal communication and idea sharing is perceived as neither adequate nor inadequate, with a trend that is slightly positive. Differences across all eight towns are significant.

Internal idea sharing facilitates dispersion of ideas within communities and increases their amount and diversity, which results in cross-fertilisation of ideas. It also creates an internal environment favourable to the survival of new ideas.

Overall innovation score:

	Average across 8 towns	Highest	Lowest	Significance of differences
Status score	4.41	5.32	2.87	$p = .005$
Trend score	4.69	5.46	4.13	$p < .001$

Overall, interviewees across the eight towns perceive their town to be just adequate across a range of measures of community innovation. They also perceive a slight improvement in the trend over the last five years. As one might expect, there are significant differences across the eight towns, on both Status and Trend scores.

Q16. Advice on what a community needs to do to become more innovative

As the last interview item, interviewees were requested to offer advice, based on their own thoughts and experience, to any rural community wishing to become more innovative.

Advice given by the 70 interviewees was examined for key concepts which were then tagged according to those concepts. Those concepts were then sorted alphabetically. The advice fell into three very broad concept chunks:

(i) general advice

(ii) the role of Council

(iii) issues for young people.

The full aggregation of advice, across 70 interviewees, appears in Appendix 3. Summaries of that advice, coupled with researcher's comments, follow:

(i) General advice

1. Arts/culture

The town that scored itself highest overall on innovation, and also the town unanimously rated highest by the three independent raters, is a town that celebrates its creative artistic dimension in a very public way—thereby allowing the town's folk to express themselves artistically or vicariously. Artisans in this town work hard to involve the broader community in the artistic/creative experience. The town that scored second overall on innovation, a town that on a number of dimensions is well ahead of the first, recognised a large artistic population scattered in its midst but had not brought that population into its mainstream communal life. The least innovative towns made no mention of artistic or creative aspects of their towns.

Richard Florida's (2002) book, *The Rise of the Creative Class*, which describes the link between community vitality and support for creativity, elaborates on the reasons for that link. Towards the conclusion of this research project, the authors became aware of the work of Richard Florida. His book examines in a macro US context what we were examining in a micro Queensland context. Although we used a different research approach to Florida (which was primarily based upon census data), his findings and ours show remarkable similarity.

2. Assets/attributes

An opinion broadly expressed is that a town needs to identify, recognise and promote the attributes that are unique to it.

You have got to have something that attracts people into the town in the first place, be it industry, lifestyle, facilities, services. You've either got to build it, or it is already here and you've got to promote it.

Locals often take their unique attributes for granted. For years, one community has actively discouraged tourism, despite having excellent local natural attributes. As a result there has been very little local investment in tourism infrastructure, such as motels. Other towns and/or the entrepreneurs within them, actively promote what they have, not just in a passive way of saying 'Here it is; come and enjoy it', but by offering a supported interpretive experience that makes the visitor feel intimately involved with that experience.

3. Bite-sized chunks

The general advice for any town wishing to become innovative is to start somewhere, learn from the experience and build on the confidence that arises from that experience. It is the

feeling of success—'We can do it!'—that is more important than the success itself. Hence, the desirability of initially only 'biting-off' small challenges, in order to ensure that feeling of success.

It is very important to establish some degree of success early, in order to keep enthusiasm and interest alive. The tasks that innovative communities undertake have to be bite-sized, rather than big unwieldy projects. That way, you keep the interest in the community.

4. Buy locally

Purchasing goods and services locally keeps money and hence employment in the town. When people have to leave town to purchase specialist goods or services, such as medical treatment, or higher levels of education, they also make other purchases whilst they are absent. Interviewees in several towns mentioned that it was not uncommon for a group of ladies to have a 'day out' in a larger adjacent towns, combining shopping, a meal and sometimes a film. Interviewees expressed annoyance, even anger, at those who: (a) assumed certain goods and services are not available in the town and hence did not ask. In many cases, they either are available, or the local retailer would happily order them in; (b) when Council employees were Monday to Friday residents and went home to their family in another town, with their pay packet, on Friday afternoon; (c) when teachers at a local school sent their own primary-aged children to boarding school.

5. Caring about people

New arrivals in a community have taken a risk in relocating. Those who have been made to feel welcome settle more rapidly and have a greater willingness to invest in their new community. Locals, when they experience themselves as being valued and cared about by others, are willing to contribute much more.

[Councils] *should be caring about their people. You have to make them feel that you value them. And then you get such a contribution out of them. People are amazing. It is just amazing how people open up if they think you care about them.*

6. Communication

Information flows are a recognised vital ingredient for innovation within a rural town. Local newspapers or even newsletters are hungrily devoured. Communication between separate organisational groups is essential to avoid timetable clashes with respect to community events. Because the potential attendee pool is limited, conducting any community event that clashes with another is to be avoided. One town coordinates its events calendar through a community notice board set up outside the main general store. The most innovative town has a vibrant local newspaper where the editorial policy is to publish only good news.

Communication is also essential between community groups and Council. Unless community groups establish open communication channels with their Council, opportunities for innovation are often thwarted. The most innovative towns have established very effective and regularly utilised relationships between Council and various community bodies.

7. Competition

The concept of 'competition' was mentioned frequently in a variety of contexts. In three of the towns, there is 'competition' in the sense that there are other towns in the same Shire and there is a perceived inequity in local government authority attention, expenditure and representation. In all of the eight towns involved in this research, there is competition between themselves and their nearest provincial city, particularly with respect to retail trade. There is also potential competition between service providers within the one town. A number of these have recognised that mutual support is a better option. For instance, in one town, the four motor service dealers support each other in the rapidly changing world of modern automotive technology. One retailer recognises that his competition is what keeps his service sharp, and hence keeps his customers coming back.

My competitor is my best ally, because he keeps me sharp. If you look around this town at the businesses that don't have competition, and by and large, you will be disappointed by the service you receive from them.

In another town, another retailer and community leader recognises that competition in his town would be beneficial for his customers and for the community, but that there was no way that he would permit it.

8. Diversity

If you are delivering a single line product or service it can be hard. You need diversity. Without diversity, you end up being a dinosaur.

This quote was uttered by a retailer with respect to his product range. However, the concept of diversity has much broader application in this research. The most innovative towns seemed to have the greatest diversity in every sense. The least innovative towns were more single industry towns, lacked variety and depth in their activities and in their thinking. Interestingly, this observation, which was derived from interview content, is not necessarily supported by the census data with respect to diversity of employment. Although some towns clearly had one dominant source of employment, all eight participating towns have census data showing a healthy spread of employment sources. Contrary to expectations, the most innovative town was also the one with the largest proportion of its employment in one industry—agriculture. Unfortunately the available census data did not enable disaggregation of the agriculture

component. Interview information suggests that agriculture for this town was itself highly innovative, diverse and non-traditional.

9. Funding

A number of interviewees in some towns saw innovation as being tied to funding. For some, the recognition that funding was available was a necessary first step towards taking responsibility for their own futures.

If we wanted something, you go out and raise the money and then you do it. Whereas, we are slowly coming around to the fact that 'Hey! There is a lot of money out there'. We've got to get our funding applications in and work smarter at it. We've all got a lot to learn I think.

For the more innovative towns, the issue of funding was not mentioned. It is an open question as to whether the more innovative communities are just further along the community capacity building path, and that funding is no longer as important as the ideas and the commitment, or it has perhaps never been. This question remains to be explored.

I've been amazed at how easy it is to get money. But you never get the money unless you first come up with the idea.

10. Getting people involved

This concept was one of the most frequently mentioned by interviewees and is seen to be one of the keys to building an innovative community.

You have to be able to get people involved in things. Because if people stay back in isolation, they don't mix. You never get any value out of them.

You've got to sort of find the people who are interested in whatever it is and you've got to try to bring them out. Once you get people that are interested in something, you can sort of try to expand on their talents and train them or do something. You find that ideas come out, and they start mixing better, and they feel involved and they feel important. You can then invite them to get involved in some other project. Oh, yes, they'll come along because they have been involved in one thing and they get satisfaction out of the interaction.

Getting people involved is also apparently one of the most difficult things to do. Perhaps the 'adoption curve' (Rogers, 1997), mentioned earlier in this report, explains why. In each of the eight towns, interviewees mentioned that there was only a small pool of willing contributors—the same faces were on many different committees, people were running out of energy and there was nobody, particularly younger people, stepping forward to take their place.

11. Human resources

It was widely recognised across interviewees that 'the people make the place' and that towns are innovative or not, largely because of the attributes of the people in the town.

Community is people. Innovation comes from skills and from synergy. Therefore we need to up-skill our people to work for themselves and for others.

Although interviewees mentioned the need for skills in leadership, communication, listening, promotion, etc., how those skills might be acquired was never mentioned. So whilst the skills gap between what existed and what was needed is recognised, there was largely no recognition that the gap might be closed. The most innovative towns seemed to either have the necessary skills already, or acquired them through net inward migration.

12. Invest locally

The level of investment in a town, whether it be by 'bricks and mortar', or voluntary civic responsibility, is a proxy measure of innovation. One of the least innovative towns, one that does not have the diversity mentioned earlier, is one in which, over many decades, investment outside the town has been widely encouraged, particularly among those with most capacity to make substantial investments. Interviewees report that, for many years, investment within this town has been discouraged by its accountants and financial advisors. In contrast, the most innovative town has attracted considerable investment by both locals and recent arrivals.

13. Leadership

Interviewees recognised the importance that leadership played in a town's efforts to be innovative, recognising in particular, the importance that Council and the Mayor played in that leadership. Being too long in a role was perceived as both common and undesirable.

I think there needs to be a revamp of the qualities needed in leadership. Shire Councils need to become much more fussy about the quality of their leaders. So, that is down to the voters isn't it? We get the leaders we deserve. People need to think about the quality of the people they are electing. The first thing a leader needs to do is to make sure that they are replaced [by building the skills and knowledge of potential successors].

Other towns found leadership outside of their elected councillors—leadership that in some cases formed productive partnerships with the Council. In another case, the informal leadership and the elected leadership seemed to walk parallel paths driven by creative tension between them.

14. Nurturing ideas

The concept most commonly offered by all interviewees is that innovative towns need an environment within which ideas can be nurtured.

You need to get people to be involved, to be game to speak, to put their suggestions across without being intimidated.

This quotation suggests that ideas are, in their early stages, very fragile, and easily discouraged. And they are fragile and easily discouraged, particularly by people in the strongest position to discourage them.

Those in power need to create the climate in which people can be listened to, and opportunities explored. The power brokers need to believe that an idea or suggestion is not a personal affront to their power or their position. There is a little bit of that in [this town], *but we are not Robinson Crusoe.*

Whether the climate is always encouraging for the open exploration of those ideas might depend upon whose perspective is being considered. Consider this quote from one community leader.

An outsider visiting the [community body] would get a good hearing from the people that are there. As long as they go through the right channels and get a spot on the agenda, they'll get their five minutes. The [community body] and the Council are quite open to people coming in with new ideas, depending upon how they do it.

According to another interviewee in the same town, this effectively translates as …

*We welcome new ideas provided they do it **our** way!*

Interviewees generally agreed that the generation, exploration, sharing, selection and actioning of ideas were essential for the ongoing vitality of their towns. There was also widespread agreement this was not done well enough.

15. Partnership

The more innovative communities recognise multiple sources of energy and influence, and establish open and effective partnerships between them.

Need trust and respect for one another to be able to sit down and work through issues together. It needs to be a partnership between the Council, the community organisations, plus the movers and shakers within the community—the informal community leaders.

In several communities, an established body recognised that another independent body was necessary to move things forward. In one case, it was the Council creating a Chamber of Commerce, nurturing it through its infancy and then stepping right back. In another case, it was a service club that established an economic development group, free from the constraints under which the service club was obliged to operate.

16. Pride and passion by locals

The essential agreement for success, bar none, is self-belief. The most innovative towns have it; the least innovative do not.

What makes a town innovative is a belief in itself. In our own experience of going to talk to other communities, people are always coming up to us and asking 'How did you start? How do we get something happening?' Inherent in that question is a basic disbelief in their own abilities. The community has just got to say to itself, 'We can do it. With enough support, we can do anything.' In essence, that is what it comes down to. Then the administration and the power brokers being able to let go of the apron strings. Council needs to get out of the way and just help you. 'You people put in your best efforts. We'll help as we can.' If, at the end of the day, it doesn't work, it is not the end of the world.

'The confidence we got from [a series of large and successful events], and those sort of things—they involved everybody. Five years ago, if you'd said you were going to do stuff like that, people would have said 'We don't have the talent; nobody will come, etc'. Communities who aren't innovative and who can't change, that is what they say about themselves. It is a self-fulfilling prophecy. If you are a disbeliever in your own abilities, you'll never do anything. It doesn't matter whether you are a gardener or a brain surgeon.

17. Promotion

Coupled with internal self-belief, innovative towns draw on resources from the larger world, attracting ideas, visitors and investment. They do this by shameless promoting themselves and their attributes at every opportunity. The more innovative towns are doing it; the least innovative towns recognise the need to do it.

You have to market the product. We have to run and sell our product [the town] as a business.

Yet, for some, the recognition of the need to promote is coupled with reluctance, as this quote from a conservative town leader and retailer sitting on a highly nostalgic marketing opportunity illustrates.

[Our town] doesn't do it [promotion] very well. Because when they get here, everything is closed. There are some really nice parks and walks and nobody tells them about it. We can certainly do lots of things lots better. I just resist it, because I don't want to be working Sundays. I think we can get people to town. Towns do it. We can make it a destination.

18. Recognising the past

Effective change agents not only have visions for the future; they have empathy for the past and those who would wish to hang on to it. Giving positive recognition to the conservative majority and the legitimacy of their perspective serves to reduce resistance to the new.

You've got to recognise the past; that people have been doing a lot of things for a lot of years and they have a vested interest in it. They don't like to see their little world fall down around their ears. You've got to recognise the past as well as identify some reasons why you've got to change things. You've got to try to take some of the good out of what they have been doing in the past and integrate it with some new ideas, building upon it positively rather than throwing out the baby with the bath water.

19. Trust

People are firstly social animals whose past experiences with each other determine their willingness to enter into future experiences together. Establishing positive interpersonal experiences increases the probability of future cooperation.

The key to economic development is not more government money, it is more interpersonal trust.

20. Vision

Innovative towns have a sense of their own future, and they talk about it. The least innovative towns deal with the future, by implication, as though it is a hoped-for recovery of a more glorious past. The more innovative towns are active in pursuit of their vision; the least innovative towns are passive, expecting salvation through government largesse or to the return of ailing industries.

There is always an expectation that you'll come up with something new and different. We have become very, very brave in what we'll try.

We need to get together as a community and have a visioning exercise, work out what we want to do, what we want to be, in 10 years time and establish a firm action plan. Above all, everyone needs to commit to it. It is not a document to put on a shelf and be ignored.

Any action or activity that any of the community groups do needs to be cross-checked against that vision and the goals, to make sure they are not wasting the precious time, resources, energy that we have in the community on something that does not help us reach our vision.

To illustrate the power of vision, the most innovative town has a strong community group that is bringing to reality a vision that is courageous anywhere; namely that no child in Year 12 will finish school without either a further education opportunity or a job. And they have plans in place, through dialogue with the school, to ensure this happens.

(ii) Role of Councils

21. Age and gender

Across the eight towns, there is an apparent disparity between the characteristics of the general community and their councillors. Women are significantly under-represented; younger people (below 40) are significantly under-represented and primary producers are significantly over-represented. The aging primary producer male is often regarded, by interviewees, as being 'out of touch' with the views of their constituents and issues of general relevance.

In terms of age and gender balance in the Council, there is only one woman and there are two younger councillors. The only woman that got in, she did a doorknock around the whole shire.

There are a couple of new councillors since the last election but they get bawled down by the other ones. The ones that have been there for a long time just give the new ones a hard time. The enthusiasm of the new people gets suppressed.

22. Attracting families

Families with young children are economic and social pump-primers for innovative communities. Interviewees commonly expressed the view as to how safe they felt country towns were for their children, and how much fun and freedom the lifestyle provided. The pressure on the families' continuing residency arises during and after high school years, in terms of higher education and youth employment. Councils and community groups were seen to have a responsibility to attract and retain families to their towns.

As a Council, we should not be putting in big efforts to keep young people in this town aged between 17 and 25. There are reasons for them to get out of here and go away. We are much better off trying to attract the married couples with a couple of kids. At the other end of the scale we want to attract people who are retiring, who want a safe community, affordable housing, a golf club. All of those facilities are here at very cheap rates to use. They are our growth points. We can't worry about the youth leaving here. They really should go away and come back. We'd be a lot better off as a community that way.

One town took the initiative of converting nursing quarters at the local hospital, quarters which were no longer required, into dormitory accommodation for local, non-town, Years 11 and 12 students. By providing an opportunity for these young people to remain in the district, school numbers remained high, permitting the school to remain above a certain threshold of service provision, whilst allowing young people from outlying areas to continue

their education locally, rather than cease school altogether or, for those that could afford it, go away to boarding school.

23. Council to engage with constituents

Interviewees frequently lamented the lack of connectedness between councillors and general community. This even occurred in the most innovative towns, but was less detrimental since the more innovative towns had multiple sources of leverage and influence. The problem of lack of connectedness is exacerbated when the Shire has a number of towns of unequal representation.

I think the Council needs to understand that they [the Council] are there for our community as much as our community is there for them.

It becomes very difficult when it is one big Shire because you have councillors for [several towns], yet they all make the decisions. These impact upon each town, yet each town has different needs. You hardly ever see councillors [from the other town] over here, to meet with this community to hear what we need and why we need it.

24. Council to communicate effectively

Interviewees commonly mentioned not knowing what the Council's vision was for the town, what Council's strategic priorities were or why it made certain decisions. Those Councils that issued regular newsletters or communiqués and that ran open transparent processes were more highly regarded.

I think there needs to be a serious element of transparency in the Council. We elected these people to be our local political representatives. As such there should be adequate communication. I don't feel that there is.

They need to let their rate-payers and their community know what they are intending to do. I think they probably do that now. They are putting a newsletter in with the local paper, what's happening and what has been decided. People are asked to go along to Council meetings if they have got an objection or an opinion they want to put forward. I think they are pretty well on track there. At least, the rat- payers now know what is going on. Once upon a time, never.

25. Consultation

Whilst residents elect their councillors to manage local issues, those same residents want to have their say on issues that affect them. They do not want to have their views disregarded or taken for granted.

Big initiatives should be consulted on more. And so many times, government brings down these strategies where they are supposed to do needs assessments and consultation and they

don't do them. We have been accessing a lot of these strategies lately and we know that Council don't do the work. They write the plans but they haven't consulted.

Yet, from a Council perspective, attempts at consultation with their communities are often met with apathy.

I've seen things where the Council has gone out to consult with the community on their town plan, or similar. Very few people turn up. That has got to be very disappointing for the people who are trying to organise [the consultation].

The most innovative communities consult well.

You hear stories from other Shires and communities and you know that there just can't be the consultation process going on that we have the advantage of here. Because you don't get revolts when it comes to putting on a waste levy on every rate-payer in the Shire. People understand why it is required.

26. Investment attraction

The most innovative towns are proactive in attracting investment by outsiders. Through provision of Council and private sector partnerships; through the establishment of residential estates and industrial estates, and through the general fostering of infrastructure, towns make themselves attractive to outside investment. Firstly, towns gain attention through external promotion; they then nurture the interest of those that are attracted to that promotion; they invite interested parties to come and look; they then invite them to stay. In so doing, towns in general, and Councils in particular, need to ensure that the investment has the right fit with the town and its people. One town presently has, in the middle of its town centre, a failed investment that is an *eyesore* and reminder of the folly of a Council attempting to attract an investment without 'due diligence'.

You can only extract so many dollars from within a town. So, you've got to look outside the town to draw in money.

27. Job creation

Allied to the attraction of outside investment by Council is the concept of job creation, either by the Council itself or by private employers. People reside in a town largely because there is associated employment. Tensions arose in two of the towns examined in relation to Council decisions that impacted upon employment. In one, the Council let a tender to service providers who came in just below the local providers, thereby reducing the local income of the latter. In another, Council took a similar economic decision and divested itself of a number of pieces of heavy equipment, each of which had a designated Council operator. In both cases, there was tension between the Council's fiscal responsibility and its perceived

social responsibility. In both cases, the tension may have been ameliorated by improved communication between Council and its constituents: *Here is what we are doing and why.*

The responsibility for Council here is that they work on providing those opportunities, particularly with regard to skill development, such as apprenticeships and traineeships; even if they don't keep them on at the end of the training.

28. Leadership

It is broadly agreed by interviewees that Council needs to play a keen leadership role. That leadership can be manifest in the Mayor, in the councillors or in the civic administration. The most innovative towns have Councils that are proactive and that are staffed by excellent and visionary administrators.

When rural communities are in a downturn and there is not a lot of money around, things are not going well, people need something to lift their spirits. Sometimes it's the Council's role to do that. Councils focus on core aspects such as roads, sewerage, water supply and so forth, but there is more to community well being than that. And, I think Councils have a broader responsibility to look after the overall of community health and well being.

Some Councils have a vision that is largely confined to roads, rates and rubbish. Others are more progressive and strategic, sometimes to their own cost. In several of the towns examined, the Council has demonstrated leadership beyond the capacity and grasp of its constituents, resulting in criticism and, in one case, virtual abandonment of an initiative where the Council's leadership overstretched its capacity to fund its own initiative. Now, it is a case of *once bitten, twice shy*.

29. Promotion

Promotion of the town is a responsibility that is perceived to fall to Council. One very innovative town ran a promotional display at the RNA's Brisbane Exhibition that was perceived to be a great success (a) because it received an award for the quality of the display, and (b) because it generated considerable interest in the town. Promotion of a town is perceived by interviewees to include beautification, signage, brochures, joining regional tourism consortia and employing promotion officers, and economic development officers.

In other places where I have lived and worked, the Council tends to put a lot of focus on tourism and the first impressions of the town. I personally feel we don't do that so much here.

30. Representation

In three of the eight towns participating in the research, the level of representation their town received relative to other towns in the Shire was perceived to be an issue.

What we are trying to do is to get them to not focus completely on [another town in the Shire], which is what seems to have happened over the last couple of years. And I know they have got some problems and they need some focus down there, but there are also other communities in the Shire that need their focus as well.

31. Funding and other support to rural towns to be made available to a variety of recipients, not only Councils

The innovation literature identifies that entities with multiple decision points can be more innovative than those where all decisions are centralised. The present research identifies that Councils are often not representative of their constituents, and that the councillors often have less breadth of experience and lower levels of education than those 'people with expertise' who move into town from elsewhere. It is these talented outsiders who offer the greatest potential for innovation in a town, working in partnership with others. Therefore Federal and State support should be made available to any groups within a town who can put up an appropriate case to funding bodies. It would be a mistake, given the current composition of Councils, for them to act as the single gate-keeper to innovative ideas. Councils act as the 'legitimate leader'; they may not be the 'effective leader'. The previous and following recommendations about 'leaders' and 'leadership' apply.

32. Seed support

There was consistent agreement among interviewees across the eight towns that a major role of Councils is to provide seed support for innovation within their respective towns. In fact, it was seen to be more important to nurture any small sparks of initiative from within the broader community than to create the initiative within Council. The most successful and innovative communities were those who nurtured an idea or a need, funded it, built it into a Council-community partnership and then backed away as the project developed its own operational capability.

If a person comes to a Council and says would you do this for us, the less innovative Council would say 'Yes'. Whereas the more innovative Councils would say, 'Yes, on condition that we work with you. Then we give it back to you'.

Another reason for being a nurturer of the ideas of others, and working in partnership with the community, is that projects are less subject to community criticism. During the course of this research, any criticisms of Council generally arose where the Council initiated projects that were not seen to be in the best interests of the broader community. In one case, the Council was hoping the community would come with them, but they underestimated the disparity between their level of innovation and the general conservatism of the community.

(iii) Issues for young people

All of the eight participating towns struggle to keep young people in their towns. Figure 3 portrays a typical age profile, clearly illustrating the problem. The young adult population is substantially less than the teenage population and the trends are deteriorating.

One measure of the vitality of a town is the extent to which it attracts and retains young people. A town with a vigorous younger population is seen to be thriving; a town without such a population is seen to be dying. Three factors in attracting and holding the young are 'education', 'employment' and 'facilities'

33. Education

Innovative towns need to be able to provide (a) educational opportunities up to Year 12, and (b) the variety and quality within the curriculum that provides the necessary foundations for the diversity of possible future work or tertiary education requirements. Education facilities in smaller towns struggle to obtain the critical mass necessary to support either.

In the school, it [the curriculum] is very limited. So if anyone wants to go to uni and become qualified in a profession, they really have to go away a couple of years before the end of school, so they have still got their options open. And that is what happens. All of the good kids with potential and a bit of desire, they usually go away to school. And then they go off to uni or training of some sort; and they usually don't come back.

34. Employment

Employment opportunities are critical in keeping young people in a town. Apart from the one very innovative town, mentioned earlier, that developed a policy of full employment for its youth, it is an issue central to each of the participating towns. As mentioned later, under the researcher's recommendations, it is also an area that State and Federal Governments are able to do something about.

Availability of work for young people is the big thing. The majority of work that is in the town is government-based. You've got the school, the hospital, Q-Gap and the Shire that are all government employers of people, many of whom are younger people. Other than that, there are only a few private enterprise places in town that employ people, not enough to entice someone to come here. The big issue is employment and economic welfare. It is always sad to see people have to go because they don't have opportunities locally.

35. Facilities/activities

In addition to education and employment, young people need social activities. Sport plays an important role in rural communities, and many of the participating towns had taken advantage

of the funding support available to build adequate, in some cases excellent, sporting facilities. Other than sport, however, there is often not enough for young people to do. The ubiquitous skate park provides some diversion for younger males but is limited in its broader appeal. *We've got a lovely sports complex. But whether that is enough for them, I don't know. Really for young people in [this town], there is only the pub. And that is not a good environment for kids to do things. People say there is not a lot to do. I know there is a lot of under-aged drinking. There **are** drugs. The young people are sexually active from a very early age. I know for a fact that one father has sent his child away to relatives in Victoria, because after he had approached the police and the school telling them what a mob of little girls were doing across the road with older men. He was told that no one had complained, so 'pull your head in'.*

Several towns are developing youth 'drop-in' centres, generally low key. The most innovative town caters for its youth in a number of ways. Apart from excellent community recreation facilities, apart from guaranteeing employment for its youth, apart from the community funding its own youth counsellor at the local high school, it also has a very strong creative/artistic dimension. The arts community conducts modern dance classes, there are youth forums with one annual event attracting several thousand young people from across the State, and the social hub of the town is a very trendy café run by two young entrepreneurial brothers.

(d) Survey data

Surveys were mailed out to 300 residents of each town, chosen randomly by the respective Councils from their records. Response rates varied from 10% to 31%. Two separate types of findings are reported: (a) those where respondents from one town differed significantly from the respondents of any other town, and (b) where a subset of combined respondents differed from another subset of combined respondents (e.g. where men differed from women). Findings are reported that reach statistical significance, even though a number of these findings may have no specific implication for creativity or innovation. Full details of differences with respect to both (a) and (b) can be found in the Appendixes of this main report. In addition, subsidiary findings with respect to any individual participating town are detailed in individual confidential reports made available to those towns only.

Investigating differences

Results from the surveys were subject to statistical analysis. We were interested in knowing if there are any real differences between any two groups of people; e.g. between those who lived

in Town A and those who lived in Town B, or between those who regard themselves as leaders and those who regard themselves as support people.

Results are reported as probabilities. Science can never 'prove' anything; it can only fail to disprove it. Scientific convention expresses results in terms of the confidence scientists have in them; what is the probability that this result was a fluke or accident, and we would not get it again if we repeated the measurement? To this end, scientists are prepared to accept a difference that if the probability of that difference is greater than 95% (which is expressed by $p = .05$, the probability of no difference). Such a result is said to be 'statistically significant' and we can have confidence that the differences between any of the classifications being measured are real differences. The lower the p value, the greater our confidence can be that there is a real difference. The higher the p value, the less confidence we have that there is a real difference. For example, a p value of .3 would mean that there is a 70% chance there is a real difference and a 30% chance that the difference found was an accident or a fluke. A p value of .3 might be of conversational interest but it would not be of scientific interest. Scientists, by convention, are only interested in p values of .05 or smaller.

Because of the very small size of some of the sub-groups on which some of the statistical analyses have been conducted, results must be treated with considerable caution.

For the statistically minded, the ANOVA results across all variables, for those reaching or approaching significance, for the eight participating towns are included in figure form in the Appendixes.

Comparing differences between towns

1. Age: $p = .003$. On average, the more innovative towns had a younger population. Younger people generally have higher levels of education and greater exposure to and comfort with modern technologies—factors important in fostering innovation.

2. Number of siblings: $p = .041$. There is no known relationship between family size of respondents and their town's level of innovation. Yet the respondents from some towns come from significantly larger families than respondents from other towns. This result is a statistical curiosity for which we have no explanation.

3. Highest level of education attained. $p =.025$. The two most innovative towns also averaged the highest average levels of education. Innovation correlates with higher levels of education.

4. Frequency of overseas travel: $p = .031$. The first- and second-most innovative towns reported the second and third highest levels of travel. Research has demonstrated a strong positive relationship between travel experiences and radical innovation.

5. Average duration overseas: $p = .007$. The previous comment applies.

6. Average number of years in this town: $p < .001$. This measure differentiates the most innovative town from all the others. On average the respondents from the most innovative town had lived there the least number of years. A large proportion had moved to this town from elsewhere, bringing with them a diversity of experiences and networks.

7. Average need for power: $p = .070$. Results here are mixed. Three of the least innovative town have the highest need for power. The most innovative town scores fourth highest on need for power. The fourth least innovative town has the lowest need for power. Whilst power can drive innovation, those with a preference for exercising power can inhibit creativity and innovation in others.

8. Average openness: $p = .016$. Again the results are mixed. The third-most innovative town scores lowest on openness; the second-most innovative scores highest. The least innovative town scores second highest. Openness is strongly correlated with creativity.

9. Moved or not: $p < .001$. The two most innovative towns are differentiated from the rest by the percentage of people that moved into them from elsewhere. For the least innovative, it is the reverse. New blood is vital for innovation.

10. Size of prior community: $p = .001$. Coming from a larger prior community aids innovation—only if enough people do it.

Differences within towns

Civic roles: Respondents could be differentiated by civic role. Respondents were 476 citizens (score 1), 12 executive (score 2), 22 councillors (score 3).

11. Gender: $p = .001$. Local authority executives are predominantly male. Gender bears no necessary relationship to creativity and innovation.

12. Highest level of formal education: $p < .001$. Citizens have a Year 11 average level of education, local authority executives have a degree level or above, while councillors have a Year 12 average level of education. Higher levels of education provide a greater pool of information from which new ideas can be drawn. Hence executives can bring potential for innovation. This may be tempered by councillors who have lower average levels of education.

13. Number of years in this community: $p = .001$. Citizens average 24, executives average 14 years and councillors average over 30 years. The less exposure to outside ideas, the less potential there is for councillors to foster innovation and the higher the trend towards conservatism.

14. Social status in this community: $p < .001$. Citizens are more inclined to see themselves as support people or as experts; executives are more inclined to see themselves as experts, while councillors are more inclined to see themselves as leaders. The higher the level and diversity of expertise, the greater the potential for innovation.

15. Average need for affiliation: $p = .083$. The higher the score, the weaker the orientation towards affiliation. Scale is 1–7 from always to never. Since all are above 4, none have an orientation towards affiliation. Yet, on this measure, citizens are weakest. A need for affiliation may mediate against the introduction of new ideas, since these ideas might be met with resistance, even rejection.

16. Average need for power: $p = .027$. Councillors have a stronger need for power than do citizens. Whilst power is useful in driving change, research suggests than power in leaders can inhibit creativity in followers.

17. Average extraversion: $p < .001$. Councillors are more extraverted while executives are more introverted. There is a positive correlation between introversion and creativity.

18. Average openness: $p = .029$. Councillors are more open than citizens. Openness is strongly correlated with creativity. If there are considerable differences in the innovation scores between Council and citizens, Council innovations might be met with community resistance.

19. Moved or not: $p = .008$. Councillors are the least likely to have moved into their town from elsewhere; the majority have lived nowhere else. In comparison, executives are the most likely to have lived elsewhere and moved into their present town. Exposure to outside experiences and influences is positively correlated with innovation.

Social status differences: Respondents were asked to indicate whether other people would regard them as (a) one of the community leaders, (b) somebody with knowledge and expertise that could be called upon or (c) a support person. Respondents were 50 leaders, 221 'experts', and 231 support people.

20. Age: $p = .042$. 'Leaders' averaged 56 years of age, technical/professional people averaged 52 years, while respondents defining as 'support' averaged 50 years. All else being equal, there is likely to be a positive correlation between youth and innovation, in that younger people have higher levels of education, greater uptake of technologies and are less wed to old ideas.

21. Gender: $p < .001$. Leaders are predominantly males while support people are predominantly females. There is no known relationship between gender and creativity or innovation.

22. Highest level of education attained: $p < .001$. Leaders average Year 12, technical/professional experts a little higher, while citizens a little below Year 11. The previous comments about education and creativity and innovation apply.

23. Average number of times travelled overseas: $p < .001$. 'Leaders' travel overseas twice as often as respondents who identify as 'support'. Exposure to external ideas increases the source pool for innovation. Research suggests that the greater the differences in mindset between the leaders and the led, the more difficult it is to sell a new idea (Rogers, 1995).

24. Average duration of time overseas: $p = .015$. Leaders average 3 to 4 weeks, while support people average about half that. The previous comment about exposure to new experiences applies.

25. Number of years resident in this town. $p = .005$. Leaders average 28 years, experts average 21, while support people average 23. Previous comments apply.

26. Average need for affiliation: $p = .062$. None have an orientation towards affiliation. Yet, on this measure, support respondents are weakest. A need for affiliation can mediate against promotion of new ideas.

27. Average need for achievement: $p = .019$. Leaders have the strongest orientation towards achievement, citizens the weakest. This measure does not differentiate between two forms of achievement—achievement via conformity (which is conservative) and achievement via independence (which is innovative).

28. Average need for power: $p < .001$. Leaders have the strongest need for power, and support people the weakest. Earlier comments about need for power apply.

29. Average extraversion. $p < .001$. Leaders are more extraverted; support people are more introverted on average. Earlier comments about extraversion apply.

30. Average emotional stability: $p = .027$. While leaders are neutral on this score, support people are more relaxed and emotionally stable. Research suggests a slight negative correlation between creativity and emotional stability. In other words, creative people, on average, are less emotionally stable.

31. Average openness: $p < .001$. Leaders are more open-minded than support people on average. The earlier comments about openness apply.

32. Civic role: $p < .001$. Leaders are more inclined to hold civic responsibilities of local authority executive or councillor. The most innovative town had the fewest respondents who nominate as leaders. This may suggest that, despite self-reporting as innovative, and despite being more innovative than those who define as 'support', those who see themselves as leaders may still be somewhat conservative.

Gender differences: Respondents comprised 220 males and 282 females.

33. Age: $p = .002$. Mean age of males is 54, mean age of females is 46. Previous comments about younger people and innovation apply.

34. Number of siblings: $p = .052$. Male respondents come from larger families. [I have no idea what this means; probably nothing.]

35. Average need for power. $p < .001$. That males have a higher need for power is a finding commonly reported in the research literature.

36. Average need for autonomy. $p = .002$. That females have a lower need for autonomy is a finding commonly reported. Women are more collegiate and cooperative, less independent.

37. Average agreeableness: $p < .001$. That females are more agreeable is also a widely held finding. However, agreeableness may mediate against creativity and innovation, since the latter two require offering something contrary to the status quo.

38. Average conscientiousness: $p < .001$. Female respondents report a higher level of conscientiousness than do male respondents. I have not come across prior research that indicates any gender effect for conscientiousness. Yet, the community literature suggests that in small and struggling communities, women often demonstrate a higher sense of responsibility for their communities and social consequences.

39. Civic role: $p = .009$. Women respondents are less inclined to be councillors and local authority executives. The finding with respect to agreeableness explains.

40. Social status: $p < .001$. Women respondents are more inclined to see themselves as support people and less inclined to see themselves as leaders. The previous comment applies.

Mobility: Differences based on whether or not respondents had lived here all their life or had moved into their present town. Of the respondents, 150 moved into the town from elsewhere while 360 had lived nowhere else.

41. Age: $p < .001$. Those who have moved into the town are younger, on average, than those that have not. The previous comments about younger people and innovation apply.

42. Common parents: $p = .001$ People who do not share common parents have a greater inclination to mobility. This makes intuitive sense, since they may have lived less stable lives, and hence have had more experiences in moving house.

43. Highest level of education attained: $p < .001$. Those who have moved into town from elsewhere have an average education level above Year 12, while those who have lived nowhere else have an average highest education level of just below Year 11. Previous comments about levels of education apply.

44. Frequency of overseas travel: $p =.059$. Those who have come from elsewhere have also travelled overseas more frequently. Previous comments apply.

45. Average extraversion: $p = .073$. Those who move are more extraverted than those who do not. Since a score of three represents the cut off between introversion and extraversion, both are introverted. Introversion is more highly correlated with creativity than is extraversion.

46. Average openness: $p = .001$. Those who move into the subject town are more open-minded than those who do not. The latter are more conservative. Openness is strongly correlated with creativity and innovation.

Differences based on prior community size. Of those respondents that had moved into their present town from another town, 26 had come from a smaller town, 26 from a town of similar size and 98 had come from a larger town.

47. Frequency of travel overseas: $p =.002$. People who have come from larger towns are also more inclined to travel overseas more frequently. Earlier comments about frequency of travel and exposure to a broader range of experiences apply.

48. Time overseas: $p =. 031$. As well as travelling overseas more often, the excursions of people who come from larger towns are of longer duration. Previous comments apply.

49. Number of years in this town: $p =.013$. People who come from larger towns are likely to have lived in their present town for the least amount of time. Hence, for these people, ideas and previous experiences are more likely to be fresh in their minds, permitting them to perceive more opportunities.

50. Average need for power: $p = .053$. The lower the score, the stronger the orientation towards power. Scale is 1–7 from always to never. Those who came from smaller towns have a greater need for power than those who came from similar or larger towns. [I have no explanation for this finding.]

51. Civic role: $p = .064$. (1 =citizen; 2 = executive; 3 = councillor). Executives and councillors are more likely to have come from smaller towns. For local authority executives, their logical career progression would explain this. For councillors, this result does not bode well for innovation in their present towns, since they come with a narrower set of experiences.

6. The research findings

The purpose of our research is to test two hypotheses:

> **1.** *There are relationship between an individual's community role and his or her individual differences such that (a) those in leadership, managerial and executive roles differ on a range of variables to those in technical or support roles; (b) those in non-supervisory technical and professional roles differ on a range of variables to those in leadership, managerial/executive roles or in support roles; and (c) those in administrative and support roles differ on a range of variables to those in leadership, executive/managerial roles or in technical/professional roles.*

The analysis classified respondents in two ways; firstly by social status of leader, expert and follower, and secondly by civic roles of councillor, executive and citizen. The first hypothesis is substantially supported by the number of the differences between these two sets of classifications across many measures.

> **2.** *The nature and distribution of the variables examined serves to differentiate more innovative towns from less innovative towns.*

This second hypothesis predicts that innovative communities and groups will have a significantly different profile mix from conservative ones. If this hypothesis holds, the three distributions in Figure 3, for example, would have a greater degree of overlap than presently illustrated. In the 'ideal case', these three distributions would tend to one, with the achievement distribution being strongest. This second hypothesis is partially supported.

Contrary to expectations, the most innovative town is not differentiated from the least innovative town by the strength of the measures in each part of Figure 3. It is not the case that, in the most innovative towns, the three social role groups tend to merge into one. However, what was not anticipated prior to the research commencing, and which did differentiate the most innovative town from the least innovative towns, was the number of people within each of those three social roles. **The most innovative town had a larger proportion of 'experts' and a smaller proportion of 'leaders' and 'support people'; the least innovative town had a larger proportion of 'leaders' and 'support people' and a smaller proportion of 'experts'.**

There are two sets of observations arising from our research. The first relates to the hypotheses we were testing; the second relates to emerging ideas during the course of the research.

7. Observations and recommendations

Based on hypotheses

Consistent with our hypothesis, we did find significant individual differences between members of the three social roles, and between members of the three civic roles. These differences were strongest in relation to the important sociodemographics of age, education, extent of travel and duration of residency. In addition, psychologically, power, achievement, extraversion and openness are important differences. The greater these sociodemographic and psychological differences, the more likely it is that the collective civic body will be fragmented in its vision for the town and how it might best get there.

Contrary to our expectations, we did not find any statistically significant birth order differences between people in the three social status groups, or in the three civic roles. For civic roles, executives are lower in average birth order than citizens, as expected, though the difference does not reach statistical significance. For social status, leaders are lower in average birth order, as expected, than either experts or support people, though again the difference does not reach statistical significance.

Failure of birth order effects to be apparent is not surprising at this level of analysis. Previous birth order research has been criticised for failing to control for differences in socioeconomic status, age gaps and family size. This present research has the same shortcomings in its design. Plowman, Gardner and Ashkanasy (unpublished research), using a more rigorous methodology, found a clear and systematic relationship between birth order and motive preferences. Using adult participants, but confining their sample to those who were one of three siblings, they found that firsts have a preference for the power motive, firsts have a preference for the achievement motive and lasts have a preference for the affiliation motive. Further, the same researchers examined the relationship between motive preference and occupational role preference, finding that those driven by the power motive most preferred jobs that involved influencing the thoughts or activities of others, those driven by the achievement motive most preferred a role where they could undertake personally challenging tasks and receive feedback on their performance, those driven by the affiliation motive most preferred a role where they could establish and maintain friendly relations with others.

With respect to our second hypothesis, that more innovative towns can be differentiated from less innovative towns on the basis of sociodemographic and psychological characteristics, our propositions were largely supported. The more innovative towns can be differentiated from the less innovative on these variables. Again average age, levels of education, extent and duration of overseas travel, and duration of residency all appear to be important variables.

Contrary to our expectations, we did not find that the more innovative towns could be differentiated from the least innovative towns on the basis of the psychological differences between the three social roles. However, to our surprise, and with a result that was effectively the same as we did hypothesise, the more innovative towns could be differentiated by the proportion of their people who were regarded as having expertise, relative to the proportion who were regarded as leaders. A large critical mass of experts provided the 'leadership' that was widely distributed throughout the more innovative towns, rather than being solely vested in a recognised few.

This is an interesting and counter-intuitive finding. It supports the idea, mentioned later in the report, of *effective* or *situational leadership*, as opposed to *leaders*—i.e being what is required. This is a point that warrants emphasis. Interviewees often made mention of lack of *leadership* among their *leaders*. As the most innovative town has demonstrated, their leadership is widely distributed, and in that, the experts play an important role. Most critical is the diversity and independence of thought that these experts bring to a town. In the least innovative towns, those where more respondents identified as leaders and as support people than identified as experts, it might be a case of too many chiefs and not enough proactive Indians.

From participants and researcher

A total of 65 interviewees contributed to this report. These are people who were nominated by their peers as being 'movers and shakers' in their particular towns. As such, they are passionate supporters of their towns and of rural communities in general. Further, from their vast depth of experience in civic contribution, they offer their thoughts and recommendations towards fostering innovative towns.

The principal researcher, one of the authors of this report, has had an academic and professional interest in individual differences, personality, innovation and continuous improvement that spans many years. His research interests are a part-time adjunct to his full-time role as an organisational psychologist and consultant working with rural communities and rural industries. Researchers are known to 'immerse' themselves in their work, something

that is impossible to avoid in the current research, having transcribed audiotapes of 65 interviews and statistically analysed responses to over 500 surveys. As a result, the researcher gained a number of ideas, potential insights that grew out of his immersion in this research, coupled with the cross-fertilisation of other research and consulting experience. The combined observations and accompanying recommendations of interviewees and researcher, which are not in any order of importance, follow.

For community bodies

1. **Encourage the development of a vision for the town and the planning and activity to get there.** None of the interviewees mentioned a clearly articulated vision for their town, yet many mentioned the need for one. In the most innovative town, although no mention was made of an articulated vision, what was mentioned often was a strong belief by the community members in the town's capacity to achieve anything it chose to achieve, coupled with a constant desire to put itself on the map and a constant vigilance for opportunities to do so.

2. **Encourage diversity in every dimension.** Extensive research into community social and economic vitality suggests the desirability of technology, tolerance and talent. Tolerance for diversity of new arrivals differentiated the most innovative town from another that beat it in terms of technology.

3. **Encourage the public celebration of creativity and achievement.** The most innovative town has, over the last five years, established for itself a strong artistic and creative dimension, harnessing both newly arrived and already established talent in a multiplicity of ways that showcase the talent. A highpoint is an annual street parade that gives public celebration to this talent and fosters a sense of pride. Celebrating achievement of any form develops confidence and self-belief.

4. **Encourage continuing education, formal and informal, for all residents.** The respondents of the most innovative towns reported a higher average level of formal education than those from the least innovative towns. Of particular issue is continuing professional development for commercial private sector enterprises within rural towns. Continuing professional development is often difficult for local professional and tradespeople. Yet their clients have an expectation that these service providers are on top of their game. Those who work in State and Federal Government spheres have more opportunity for such development since the funding for same does not have to be earned locally; those in Shire employment a little less so. Those in private sector find continuing professional development much more difficult to obtain. Reasons include

tyranny of distance, non-income-earning time lost in travel and up-skilling, unavailability of somebody to 'mind the shop' and the actual availability of relevant training. The Council or community might consider providing a pool of money to fund such skill enhancement for local people privately employed. Local business people could apply competitively to the Council for (a) funds to go to skill development, and (b) funds to employ somebody to 'mind the shop'. Local businesses that applied would be seen to be keen to be progressive.

5. **Encourage the development of home-grown talent.** If a community believes that it needs a particular suite of services (builder, hairdresser, doctor, dentist, for example) to retain its core, it should consider ways of fostering or sponsoring those people into the town, or, better still, grow some of their own. Precedents exist for towns funding one of their youth as a medical student.

6. **Encourage the development of a town community resource centre.** The availability of 'slack resources' seems to be an issue for a number of communities. There are not enough available. A possible idea is for a community to establish a community resource centre, with one very competent administrative person involved to help any community group that needs secretarial, computing, treasurer or similar support. An observation from some of the towns is that the community library might be an appropriate location, and that the community librarian, already employed by Council, may have some spare time capacity to support this community role.

7. **Encourage holders of all civic positions that those positions be held for a short and fixed period, and that leadership be rotated as often as possible**. A recurring theme in relation to 'participation' is that community groups are run by the willing few for the benefit of the apathetic many. Staunch supporters of any community body are frequently involved in a number of organisations with their town. The consequence is that some people gain the experience, skill and subsequent confidence for public office, while others who view the task as onerous and/or daunting, don't gain that experience, skill and confidence. Office bearers often report feeling 'locked in', carrying a sense of responsibility that if they don't nominate again, their club, organisation or society will fold, because no-one else has put their hand up. Paradoxically, people will not put their hand up when there is an experienced incumbent, unless there is general dissatisfaction with that incumbent's performance, which there rarely is. It is not necessarily the case that potential participants are excluded or discouraged—though this research did find one critical example where

this was the case. Rather, that people exclude themselves through disinterest, lack of confidence or perceived lack of opportunity. The result is that organisations, run by long-serving office bearers, lose their vitality. A second, less visible, though more severe result is that encumbrance prevents any other members of the community gaining skills and experience in civic duty.

A solution to this declining vitality can be found in ancient history, from one of the world's first democracies, the city/state of Athens. In ancient Athens, every citizen had a duty and responsibility to be on the various civic bodies. Part of the condition of service was that tenure was limited to *one year* (Manville & Ober, 2003). Further, no citizen could occupy the same public office more than twice in his lifetime. The modern international service organisation, Rotary, operates on exactly the same basis. All positions of office are voluntary, honorary and limited to *one year only*. In the world's largest modern democracy, the United States, the incumbency of the President is limited to two terms only.

8. **Encourage any mechanism that helps build** a **broad base of civic skills and experience**. Imagine what might happen if every community organisation amended its constitution to limit the term of incumbency of any office bearer. At first, people would be fearful that there would be no person to replace the incumbent when they stepped down. If this is actually proven correct, that organisation probably deserves to die anyway. More likely, citizens would be willing to take up any role, knowing that they were not going to be locked into it. Most valuably, citizens would learn civic responsibility, increase their understanding of social complexity, build networks and would gain greater appreciation of the duality of leadership and followership.

9. **Encourage the concept of 'leadership' and discourage the concept of 'leaders'.** The concept of 'leadership' and the concept of 'leader' are often regarded as related. This research has shown the two concepts have no necessary relationship with each other, as illustrated below:

	Leadership	No leadership
Leaders	*Leaders with leadership*	*Leaders without leadership*
No leaders	*Leadership without leaders*	*No leaders or leadership*

The most innovative of the participating towns had the fewest number of respondents identifying as 'leaders'. Yet that town has an impressive array of leadership

distributed amongst its citizens. In other towns, it was clear that there was less leadership emanating from the leaders.

Being a 'leader' is an act of denial. In fact, the same applies to anyone holding a position of social responsibility. The position brings responsibility, public profile, hard work and the opportunity for influence. For the incumbent, being a leader denies the opportunity for someone else to gain the same experience. The more others are denied that opportunity, the less innovative and competent the town and its people are able to be. As the innovation literature reveals, and as reflected in the interview questionnaire, innovative entities have multiple decision points and multiple sources of leadership, operating in a fluid and organic fashion.

10. **Encourage travel away from the town in order to bring ideas back**. A number of interviewees lament what might be called the 'brain drain' from their towns. It is inevitable that talented people will seek opportunities within which they can develop and apply those talents. So those people that the town most needs are the people more inclined to leave. However, having gained those talents, some people from rural towns, having been away, are now able to see the opportunities that smaller towns offer. In the more innovative towns in this research, the majority of their 'immigrants' came from larger towns, bringing with them a 'brain gain'. In the less innovative towns, their immigrants were more inclined to come from smaller or similar sized towns.

11. **Encourage any mechanism that fosters the exchange of ideas**. The most frequent recommendation, across all interviewees, as to how to help a town to become more innovative, was to foster mechanisms within which ideas might be non-judgementally exchanged. The more the diversity within a town, the more that diversity is tolerated, the more talent there is in a town, the higher the level of innovation.

12. **Encourage any mechanism that helps newcomers feel needed and welcome**. In Australia in the 1950s, communities were invited to set up 'Good Citizen Councils' to welcome and support immigrants. The same concept might be explored with respect to treatment of new arrivals in rural communities. People that are made to feel welcome and included are more willing to invest, and to invest earlier.

13. **Encourage every form of investment, financial, commercial, social and civic, back into the town.** A recurring theme is whether or not people are willing to invest in their own town. This theme has a number of strands of which the following are examples: (a) whether the town's professional experts actually live in the town and choose to

invest in the commercial and social fabric of the town;

(b) whether those employed in the town, and hence draw their income from there, actually live in the town or elsewhere;

(c) whether those who live in the town choose to support their retailers and service providers or shop elsewhere;

(d) whether professionals in the town put their children through the local schools or send them of to boarding schools; and

(e) whether those who have generate savings locally are prepared to invest them in local enterprises (as opposed to investing in larger centres).

The more people are willing to invest locally, the more the town develops a sense of its own worth and has a vested interest in its own future.

14. **Foster the development of opportunities for shared relaxation and play.** Play among children is what fosters social skills, problems solving skills and a sense of playful cooperation. Work among adults is often a more solitary and serious endeavour. The more that communities can foster opportunities for social interaction and relaxation—parks, festivals, cinema, theatre and restaurants are examples—the more social cohesion is likely to develop.

15. **Encourage self-help and discourage dependence upon outside agents or funders.** Towns with the highest levels of innovation had a mindset depicted by the constant implied question 'How can we …?'. The less innovative towns were more inclined to be asking 'Why don't they …?, generally in reference to some higher authority from whom they wanted something. The most innovative towns gained funding support as a matter of course, and its receipt was a bonus that success was not contingent upon. The less innovative towns saw receipt of funding as a necessary prerequisite to project success.

For Councils

16. **Foster the development of a vision for their town through active participative dialogue.** Some of the towns that participated in this research, in the main, seem to live day-to-day without any collective sense of active responsibility for their own future. Others have the capacity to make things happen. Towns that engage in dialogue with their citizens about their aspirations as a community and the means of getting there, give themselves a sense of purpose and direction. It is strongly recommended that Councils and community groups foster active, participative dialogue on this theme and that this dialogue is as inclusive as possible, as transparent

as possible, that it occurs in a time and manner that permits everyone an opportunity to participate and that it be constantly recurring. For the community to be role-modelling active dialogue about its desired future, and then to be publicly seen to be managing towards that future, would send positive signals to every enterprise, community body, family and individual to be doing the same.

17. **Engage in dialogue with constituents with respect to clarifying precisely what the role of Councils are, and what they are not.** The research revealed variability and tension over the perceived role of Councils. Some Councils saw their role as confined to rates, roads and rubbish, whilst their citizens had expectations that Councils would exercise a more strategic and holistic role. In other cases, Councils had exercised a more strategic role but had then backed away under criticism that they were too centralised and not sufficiently consultative. Tensions are also created when Councils act with fiscal responsibility and out-sources supply with a resultant cost in their own labour force. Tensions in the community over the ambiguity of Councils' responsibilities—where they start and where they stop—can be resolved through ongoing active public dialogue. Where role responsibilities start and stop is not half as important as both Council and community having reached a joint agreement on that issue.

18. **Create multiple avenues by which constituents and Councils can interact, including opportunities after hours and weekends.** Councils may regard their governance as open and transparent. They may encourage active citizen participation. Yet if the means within which that is possible— attendance at Council meetings, for example, or the available times restricted to between 9 am and 5 pm, then much of the community is circumstantially excluded. Means might easily be found to overcome this invisible barrier.

19. **Ensure that the composition of Council represents the diversity of the town's constituents.** Age, gender, domicile and occupational background are areas presently not seen as representative. There is tension in those towns that do not regard themselves as adequately represented on Council. Those towns perceive themselves to be neglected, despite their relative proportion of the Shire's population. Where a Shire contains several towns, tensions can arise over who is getting a fair share. In many Shires, there is a perception that councillors are over-represented by 'old farmers', whose interests are perceived to be different from those of the townsfolk. They are perhaps more inclined to bring to the Shire's decision processes those mental models

that are more appropriate to agriculture than to community capacity building. Further, with over-representation of 'old farmers' as councillors, the visions for rural communities is often oriented towards recovery of former agricultural strength rather than recognising the diverse range of sources of vitality that a more prosperous community seems to have. It is strongly recommended that local authorities, or the State Government responsible for their guidance, examine the system of Shire wards with a view to improving equity. Further it is strongly recommended that, as a component of the communication mechanism mentioned in 21 below, that Councils take pains to keep issues of equity clearly in view.

20. **Seek every opportunity for young families to move into and be welcomed by their town.** Interviewees with young families described the safety and freedom for childhood that small rural towns offered. Parents of young families have a high propensity to invest in the social fabric of a community. The more innovative communities invested heavily in quality child-care facilities. The presence of children provides a multiplier effect for schools, shopping and health care services.

21. **Find multiple ways of communicating their plans and activities with their constituents. Local newsletters and newspapers are particularly effective.** Distrust of Councils increased in those communities where there was an information vacuum. A regular Council newsletter to its constituents was seen as an important vehicle for keeping the community informed as to the rationale of particular decisions and, most particularly, as a vehicle for building trust. Tying the Council newsletter to a journalism course at local schools would also build skills and trust, and offer a further bridge for citizens to engage with the Council in a more positive way.

22. **Foster every opportunity for investment by outsiders and by locals in the town.** The more innovative towns encouraged investment by outsiders. One innovative Council developed an industrial precinct with high tech infrastructure, advertised it widely and sold off individual lots at cost.

23. **Ensure their town is adequately promoted to the outside world and to its own citizens.** To attract outside investment, including new residents, prospective investors need to have the opportunity brought to their attention. Further, to retain their own citizens, towns need to create a perception that they are as attractive as an alternative town. The most innovative town finds a myriad of ways to paint itself as progressive, vibrant and attractive.

24. **Foster, fund and reward those private sector businesses that invest in their own continual education and development for the benefit of their clients.** As indicated in Recommendation 4, private enterprise faces particular challenges when it comes to lifting and maintaining critical skills and knowledge. An innovative Council will find ways to respond to this need.

25. **Nurture initiatives, foster capability and reduce dependencies (on them). 'Help them grow; then let them go'.** Councils in the more innovative towns see themselves as incubators and catalysts. They see a need, or one is drawn to their attention; they work in partnerships with community groups to develop a response to the need; they collectively source resources and funds, often acting as underwriter; they set up the operational infrastructure; they nurture the early establishment, then they disengage, handing over responsibility to the citizens, acting through community groups.

26. **Explore all avenues to make their towns attractive for young people.** Education facilities, recreational facilities and employment opportunities are all vital. Educational opportunities, particularly for Years 11 and 12, technical and tertiary, coupled with recreational opportunities and employment opportunities, are what commonly cause young people, with their families, to leave town. The most innovative town invested heavily in supporting their young people, funding youth counselling services, running a large annual youth festival, and putting systems in place that guaranteed that no young person would finish Year 12 without being able to walk into a job or a higher educational opportunity.

27. **Consider development policies that are based on best practice of developing countries.** There are strong parallels, particularly with respect to resource availability, between small country towns and stronger agencies, on the one hand, and developing countries and aid-donor countries on the other. Council are advised to consider adopting best practice relationships drawn from that international environment, ensuring that they grown through, rather than be impoverished by, that unequal relationship. Similarly, there are policies used in developing countries with respect to the attraction of their 'ex-pats' that may have parallels in the context of rural towns.

28. **Form partnerships with State Government agencies.** Those agencies that have a presence in the town, could use their collective resources for the holistic benefit of the town. Interviewees, who were State government employees delivering services in the rural town, report that they have little to do with the local Council and are not influenced by it in any way with respect to their services. And yet, those agencies

often have the best resources and the most highly educated people compared with the rest of the town. There is considerable potential for an increased level of dialogue between Council and senior local representatives of Government agencies, aimed at building partnership benefiting the town. However, a caution is also offered. Any partnership that a town forms with an external body should always ensure that the town, not the partner, is in the 'driver's seat'. Self-determination and local skill development, not passive submission to patronage and external largesse, are necessary for self-esteem and sustainability.

For State and Federal Governments

29. Government agencies to deliberately act as economic and social pump primers.

(a) At the organisational level, agencies often have resources that have potential application beyond the purpose for which they were installed. For example, a town hospital has excellent videoconferencing facilities that have been used to upskill local mechanics using instruction from the provincial TAFE. This requires the agency to shift its thinking beyond its primary purpose and, without compromising that purpose, to ask itself how the resources in its local presence or its broader agency might be used for the benefit of this town. Collaboration between agencies for the benefit of the local community is also possible. One agency, which enjoys visiting IT technical expertise, makes that expertise available to other agencies operating in the town as well as to community bodies. In another example, as an act of civil service, a senior officer in one agency, a resident of the town, looks after the computer problems of the local doctor.

(b) Government agencies often have a 'silo' culture, whereby the sense of identity lies more with the agency than with the Government as a whole. Similarly, they sometimes tend not to see themselves as an integral stakeholder in a town. There is potential for the creation of strategic partnerships between the Government agencies represented in a town and the local Council. In partnership, these bodies could consider how their respective capacities might be combined holistically for the benefit of the town as a whole.

(c) At the individual level, agency officers posted into a rural town often have the benefit of higher levels of education and access to greater resource networks. Having served in a number of centres, they also have the capacity to cross-fertilise ideas between communities. Agency officers and their families, because of these characteristics, and because of an assured income, often have more potential to invest

in communities than local people. And many of them do. And a number of them don't. In the international corporate world, when a family is being offered an overseas posting for several years, it is common for their employer to provide information sessions as to the cultural norms into which they will moving, and some advice on how to get the maximum satisfaction from the experience. It seems logical for Government agencies to do the same for their staff and families who are about to be exposed to the particular characteristics of a rural town. A police sergeant in one town explains how he counsels new constables to get involved socially in the town, to shop in the town, to play sport or act as sports coaches, to send their children to the local school, etc, and not to ever regard themselves as visitors or transients. Point 13, about investing in one's own town as a means of creating trust and confidence, is obviously relevant here.

30. **Governments to consider basing their policies towards rural communities on the best practices of international aid towards developing countries.** An observation by an interviewee . . . *Anything that requires State or Federal expenditure does not appear to be given the same weight of consultative process. For those types of ventures, the degree to which the community seems to influence the process is limited once the discussions move up into the realm of control, notwithstanding that people's views are very important in that process as well.* If this is true, then it contributes to the community's sense of helplessness. Extending that concept, projects that occur locally using outside expertise in their construction and where the financial benefits flow out from the community are arguably not local projects at all, other than in a physical sense. It is recommended that, as far as is practicable, projects be developed, operated and managed at the local level, so that psychological and financial benefits are retained locally. Where this is not possible, for example where the issues are much broader in scope (natural resource management might be an example), Councils need to be included in a project partner role, acting as a key local player.

A macro recommendation for Government agencies dealing with smaller, less economically and socially endowed rural towns is that the relationship between a Government and a local community is analogous to the relationship between an aid-donor agency and a developing country. In the latter case, the aid donor country seeks to facilitate capability development in the recipient country to the point where the services of the recipient country are increasingly self-supporting. At the moment, the Government agency resources are often currently present in the rural towns but are not

being used in such a strategic sense. Prudent agencies foster and respect the doctrine of self-determination among their clients, and assist the client to achieve the client's own objective at the organic pace of that client. At the other end of the scale, imprudent agencies foist their patronage onto their client, fuelled by their vision of what they, the agency, believes is 'needed' and 'helpful'. To avoid the potential risk of the latter inadvertently occurring, open and frequent dialogue between agency and client is essential.

31. **Government agencies can contribute to local employment by funding cadetships, to be served in these towns, in occupational areas of greatest local need.** Employment opportunity for young people in rural towns is an issue. Attracting professional people to take up positions in rural towns is an issue. A strategy to address both might be a tailored Government program where 100 professional cadetships per year are offered to young people in rural towns of less than, say, 1000 people. These cadetships or scholarships could be in areas where current and potential skill shortages are looming. These would include nursing, medicine, dentistry and construction trades.

General

32. **Use the research interview questions as a diagnostic tool to measure the strengths and weaknesses of a town's innovation potential.** The 15 topic areas on which the interview questions are based provide a framework against which any town or community might assess its own need for improvement. It is recommended that it might be beneficial for them to do so, in some public and participatory way.

33. **Ensure that a town is adequately endowed with the three forms of leadership it requires.** Leadership literature suggests any group unconsciously looks for three types of leadership. First is *legitimate leadership*. This normally attaches to the titular head (say Mayor), and it is this leader who generally represents the group in external environments or on symbolic occasions. Second is *effective* or *situational leadership.* Effective or situational leadership is contextual and is based upon skill and knowledge appropriate to the moment and to the specific issue at hand. Therefore the effective leader in an educational context is unlikely to be the effective leader in a health context or in a community emergency context. Effective leadership is about choosing and following the best person for the job, regardless of position, status or title. As observed earlier, the most innovative town seemed to enjoy the highest level of effective leadership through having the highest number of participants who identified

as *experts*; the least innovative towns seemed to have substantially less. Third is *empathic leadership*, which is the form of leadership people look towards when they need encouragement, support or nurture. This is a role often filled by religious organisations. It can also be filled by any individual or body that is perceived as compassionate. Rarely, if ever, are these three forms of leadership embodied in the one person or body. Nor are they necessarily static. Public understanding of these three important roles would be beneficial, with communities paying attention to the presence and adequacy of all three.

34. **Ensure clarification of role responsibilities and boundaries of all entities operating within or having influence upon a town**. The previous point gives rise to the idea of roles, their definition, their boundaries and how widely they are understood. Consider, for instance, the roles that Council only can legitimately perform; the roles that should be performed by community groups other than Council, and the roles that might be performed by State Government agencies. It is suggested that some form of public debate on these roles and boundaries within a community would be beneficial.

If one were distil the strongest theme coming out of the 65 interviews conducted with prominent citizens in eight towns, a theme that was not given public expression, but which was never-the-less not far below the surface, that theme would be:

'Whose job is that?'

In the least innovative communities, the answer is '***theirs'****;* in the most innovative communities, the answer is '***ours'***.

8. Limitations and contributions of current research, and suggestions for further research

There are limitations to the generalising of our research findings. Firstly, the towns that participated constitute a convenience sample; these towns responded to a press release requesting volunteers. Though the eight towns cover a fairly broad geographic, social and economic cross-section of Queensland towns, we have no evidence that they are a *representative* sample. Therefore caution is needed in extrapolating from the findings for these eight towns to Queensland rural towns generally.

Secondly, though the three hundred survey recipients in each town were selected randomly from the civic records of each town, and hence might be regarded as representative, the response rates varied between 10% and 30%. These response rates, even at the upper end, are not sufficiently strong to provide assurance that they are representative. So caution is necessary in interpreting the findings, even within the subsidiary reports being provided to each town. An associated limitation is the low response rates from councillors and local government executives. The number of replies actually received from members of these two groups renders our observations with respect to them problematic.

Thirdly, the instrument used to measure motives, Steers and Braunstein's (1976) *Manifest Needs Questionnaire*, was found to be psychometrically weak with respect to its factor structure. Though the *power* factor was sound, *affiliation*, *achievement* and *autonomy* were not. As a result, we were forced to represent each of these last three variables by the one item in each that loaded cleanly on its expected factor and did not cross-load onto other factors. Of these three variables, two, *affiliation* and *achievement*, proved significant in differentiating social or civic roles. Any findings based upon a single item scale must be interpreted with caution.

Our research has made several contributions. Firstly, we have demonstrated the utility of the Damanpour (1991) organisational innovation framework for analysis of rural towns. Secondly, we have demonstrated the importance that individual characteristics, particularly the diversity in those characteristics, play in differentiating between more innovative and less innovative towns. Thirdly, in what we believe to be an original contribution, we have demonstrated the value of considering different personality variable, motive, social role and civic role clusters within the demography of a town, and how the size and nature of those clusters may have some relationship with the level of innovation in a town. We find support for our work in that of Florida (2002) and Manville and Ober (2003). Fourthly, the

observations and recommendations of both interviewees and researcher provide, to communities and to the three tiers of government operating in Australia, policy ideas that will support innovation within rural towns.

This research does offer suggestions for further work. Firstly, we suggest that replication studies, using a different sample of towns, be carried out. In doing so, we suggest replacing the Steers and Braunstein (1976) instrument, for the measurement of motive preferences, with other measures with sounder psychometric properties. Jackson's (1987) Personality Research Form or Sokolowski, Schmalt, Langren and Puca's (2000) Multimotive Grid are suggested.

Secondly, we suggest that any replication needs to work harder at lifting the response rate at the citizen level, the local government executive level and at the councillor level. Profiling of a town's citizens needs to be more fully inclusive of a representative sample of both the leaders and the led.

In concluding, we encourage rural towns, and those responsible for policies affecting them, to assess the findings of this report against their own context and to encourage widespread dialogue among their own constituents. In doing so, the investment made by the ARC in funding this research, by the 65 interviewees and by the 500 survey respondents will be honoured.