

Rural Health Information Paper No: 5

“A Blueprint for rural development”

August 1998

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Rural Health Information Paper No. 5

**“A Blueprint for
Rural
Development”**

- discussion paper -

August 1998

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Introduction

Rural development is a national issue. It has the capacity to improve the quality of life of all Australians. It would strengthen the fair tax base and give governments greater capacity to provide infrastructure, services and safety nets. It has the capacity to increase the goods and services available to Australians. Rural areas contain a large proportion of the natural resources of the nation. Those who live in rural areas contribute a substantial amount to the Australian economy and, in particular, a substantial proportion of goods that earn export income. Rural development is about enhancing the quality of life in rural areas, maintaining the ecology of those areas and increasing the returns to Australia from rural resources.

Rural development is a health issue. Without it there are declining communities, with little sense of direction, an uncertain future and poorly motivated leaders. These result in poor health directly through the stress, frustration, and alienation that people feel. They also result in poor health indirectly through the difficulty for governments and the private sector of providing health services to areas that have small, sparse or declining populations.

Rural development is achievable. This Information Paper provides a blueprint for rural development. At its heart is a Rural Development Commission which uniquely receives References from Federal, State and local Government and which receives representations and information from people in rural communities. The Commission would provide integrated views from social, economic, ecological and demographic viewpoints on selected topics which affect rural development. The main topics would include tax policy, pricing policy, issues in the transport, health, finance, telecommunications, energy and education sectors, local employment initiatives and projects in infrastructure, tourism, ecology, the arts and culture.

Throughout this Paper, the term ‘rural development’ refers to joint action by communities and governments to improve the well-being and conditions of people living in rural and remote areas of Australia. This comprehensive improvement will be achieved through a unified approach to all sectors that impact on rural communities and will achieve more lasting and more economical results than can be achieved by targeting selected problems and dealing with them in isolation. The benefits of rural development will be enjoyed not only by people in rural and remote communities but, ultimately, by all Australians.

We hope this Paper will contribute to an important debate about how Australia’s non-metropolitan communities and businesses can best contribute to the nation’s future, and how their people can be properly rewarded for that contribution.

John Lawrence
Chairperson

Gordon Gregory
Executive Director

A Blueprint for Rural Development

- discussion paper -

Executive Summary

“Here is Edward Bear, coming downstairs now, bump, bump, bump on the back of his head, behind Christopher Robin. It is, as far as he knows, the only way of coming downstairs, but sometimes he feels that there really is another way, if only he could stop bumping for a moment and think of it.”

Winnie-the-Pooh, AA Milne

The focus on rural affairs in Australia during 1998 has highlighted an opportunity that has long existed: to develop non-metropolitan parts of the nation in ways which are in the national interest and which are quite different from the current ways.

Rural development is joint action by communities and governments to improve the well-being and conditions of people living and working in non-metropolitan areas.

Rural development is in the national interest and it affects health. Through rural development the national economy can become bigger and stronger. The human and material resources of rural areas will be better used.

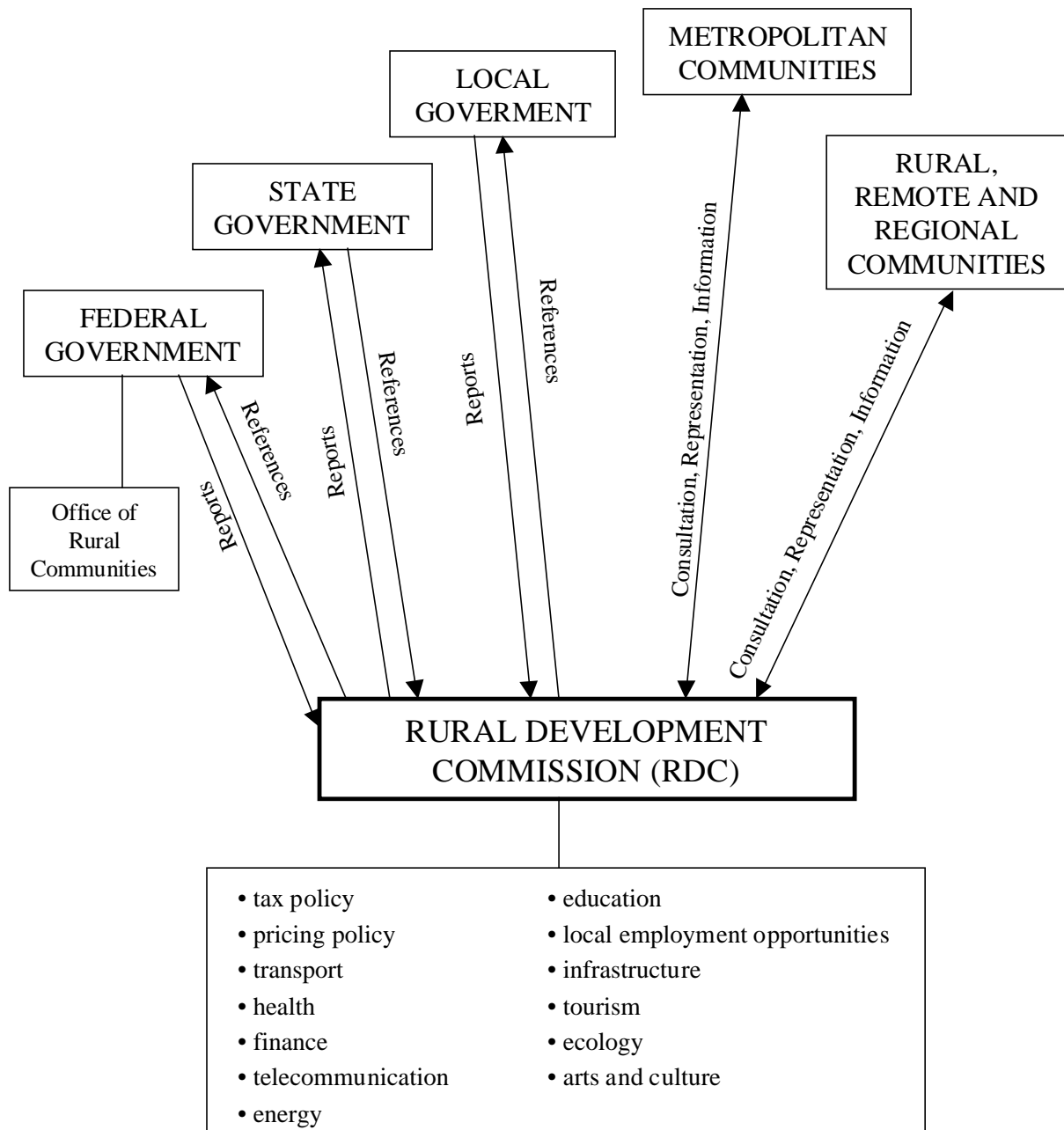
The NRHA defines ‘rural’ as all parts of the nation excluding the capital cities and Townsville, Gold Coast, the NSW Central Coast, Newcastle, Wollongong and Geelong. Rural Australia as defined is very diverse. It includes mining towns, retirement towns on the coast, agricultural service centres, rail nodes, Aboriginal outstations, remote islands, major regional centres, alternative communities, dormitory towns and tourist resorts. The revised National Rural Health Strategy will refer to this diversity as ‘regional, rural and remote Australia’. The Alliance’s normal phrase is ‘rural and remote Australia’. To combine either of these terms with ‘Development’ would result in a cumbersome phrase. ‘Rural Development’ is therefore used throughout this Paper. Its impact on the various types of rural area will vary from place to place and from element to element of the proposed Blueprint.

The assumption of this Paper is that rural and regional development policies that currently exist are not maximising the potential of non-metropolitan communities and industries. This means that the nation as a whole and rural people in particular are missing out on income and quality of life that could be theirs.

A large number of existing Federal Government programs are drawn into the Budget Paper on ‘Regional Australia’, but rural development is still under-performing and rural people are still frustrated.

The key proposal in the Blueprint for Rural Development is that a Rural Development Commission (RDC) be established. Given the need to integrate the policies of the three levels of government, it is intended that the RDC be uniquely positioned with respect to Federal, State and local Government. The relationship of the RDC to governments and communities is summarised in Figure 1.

Figure 1



The relationship between the RDC and governments is based on References and Reports. The relationship between the RDC and metropolitan and non-metropolitan communities is through consultation, representation and a substantial two-way flow of information.

The business of rural development is complex. As well as the efforts of rural communities themselves, it potentially involves many of the major systems of the Australian economy and society. In particular it involves (or should involve – that is the case argued in this Paper) the taxation system, pricing policies of public and private utilities, and policies and programs of a number of key sectors. These include the transport, health, finance, telecommunications, energy, education, infrastructure, tourism, ecology and arts sectors.

This means that the RDC will need high level intellectual and policy skills relating to all of those systems and sectors. It will also require high level communication skills to undertake its job and to win and retain the confidence of the Australian public.

The Aboriginal and Torres Strait Islander community in Australia represents a much under-utilised economic resource for the country. Aboriginal communities in many parts of Australia have a significant stock of land, other capital and income flows. It has been shown, in many areas, that Aboriginal communities can run commercial enterprises such as cattle stations and fishing operations with success.

What is needed is to combine the resources of Aboriginal and Torres Strait Islander people, non-Aboriginal people and agricultural development into a broader rural development framework.

In this Paper a number of specific issues which may be the subject of References to the RDC are briefly discussed. Some of them, such as the transformation of Travelling Stock Routes, irrigation channels and existing Crown Land to a network of public walkways and wildlife corridors, are ambitious long-term projects which, to be successful, will require a ‘Call to Arms’ to those parties involved. To this extent, those proposals are ambitious. However, the good news is that they need not be expensive. They can be achieved through a combination of massive local effort and some incentives in the taxation and pricing systems.

These are examples of projects which will only succeed with broad community involvement and bi-partisan political support. Like broad-based reform of the taxation system, such proposals will flourish best outside the competitive environment of election campaigns. They need to be considered as national programs of fundamental importance, not as the transitory offerings of a pork barrel.

The ideas in this Blueprint are directed at all levels of government. A number of the proposals for change, such as those concerning power supply and land rates, are State or local responsibilities. For example, the Medical Director of a major hospital, referred to in this Paper in the context of developing stronger career paths, is appointed by health

services controlled by the States. Nationwide recognition of training and uniform national standards of registration for professionals, are improvements which will only be achieved with the full co-operation of the States.

Proposals for rural development should be seen as a part of national development. Their overall purpose is to develop a nation in which every part can be settled to the fullest extent compatible with its ecology. It is to maximise the richness of the nation through diversifying its use of physical and human resources – by spreading the risks associated with location.

One of the specific areas in which changes are proposed relates to the production, pricing and use for transportation of energy.

Australia has the opportunity to become and remain a ‘clean fuel’ country, a choice which it would be extremely hard for many other developed countries to exercise. Australia also has the chance to develop a taxation system second to none in terms of its fairness, suitability for the ecology of the nation, and its support for business and employment.

Rural development involves rural communities themselves and many of the major systems of the economy and society.

It is hoped that this Blueprint will make a contribution to agreement among interested parties about the need for a new direction for national policy on rural development. It also offers a view about what the new direction should be.

In Attachment B there are references to a number of reports and studies which have canvassed various aspects of rural development in Australia in recent years. These are included to illustrate the fact that most of the ideas in the Blueprint are not new. The overall proposal in this Paper is, therefore, not as radical as might initially be thought.

Indeed, a few correspondents of the Alliance responded to an earlier draft of the Blueprint by pointing out that some of the States, including New South Wales and Western Australia, have regional development bodies which are working on fairly broad fronts (see page 29). The Blueprint calls for that work in the States to become truly effective by being integrated with national policies and local efforts on rural development. Some of the existing governmental ‘regional development’ activity (that is the common term used) is broad in aspiration but is poorly resourced and commands little political support. It is therefore not making a fundamental difference. Rural people are still frustrated. Rural services are still being rationalised. Rural businesses are still relatively expensive to operate.

As well as the existing public sector (government) activity, there are also many community groups working in the area. Some of them are referred to in this Paper (see box next page). This is a source of encouragement and excitement. If even just the existing community initiatives were coupled with stronger national leadership (some

new programs, funds, incentives, rhetoric), there would be greater help, more success and better health in rural areas.

There has been much work in Australia about how the nation and its non-metropolitan communities can find ecological, social and economic sustainability. The challenge is to translate such work into good policies and programs. Hopefully this Paper will help that translation and result in more people asking the right questions about rural development.

Ms Crystal Stark has a plan to establish a Resource Association in every Shire in Queensland. Ms Stark is the Program Director for the Resource Association in the Crow's Nest Shire. She plans to help more local authorities to establish internet cafes and to organise video conferencing related to urgent health issues like suicide and truant children. Fifteen small industries have been established on the industrial land site in the Crow's Nest Shire and there is a local sense of 'can do' in the Crow's Nest area, as well as several others in rural Queensland.

The emphasis on a Rural Development Commission should not be seen as giving governments a pre-eminent place in the future of rural communities. The proper roles of government are critical but, overall, they should facilitate community effort, not replace it. Governments cannot and should not fix the rural development challenge on their own.

The ideas in the Blueprint will succeed if there is a groundswell of support for them from both country and city people.

POST SCRIPT

“I have today asked the Productivity Commission to report within twelve months on the impact of competition policy reforms on rural and regional Australia.”

**Media Release
The Treasurer
Canberra, 28 August 1998**

A Blueprint for Rural Development

- discussion paper -

ACHIEVING RURAL DEVELOPMENT

Both Australia as a whole and its rural people will benefit from a more activist approach to rural development. The proposals in this Blueprint for Rural Development chart a course to build new social and physical capital for rural areas, and so to improve the morale, income and health of all Australians.

Rather than creating better band-aids for rural people and the communities in which they live, the opportunity should be used to lay the basis for major development in rural areas over the next two decades. Many of the specific proposals in the Blueprint are long-term, but governments, researchers and community leaders can begin the process immediately by expressing their support for the directions outlined and beginning the job.

People in rural and remote areas are looking for strong leadership on the issues that concern them. They are looking for bipartisan political support for a new deal for rural communities. They want to make their own contributions to a brighter future for rural communities.

It is not sufficient for leaders to agree that there has to be a major (but poorly-defined) 'development push' for country communities. Nor is it sufficient to identify, say, health, education, transport and telecommunications as the most important areas for renewed attention.

What is required is a comprehensive approach to rural development, broken down into specific proposals for identified players to act upon.

A new Rural Development Commission would take the lead in that part of a national development program which is based on improved use of the human and capital resources of rural areas. Work to improve the strength and sustainability of rural communities is an integral part of national development. Through diversification of the nation's economic and demographic bases the nation can enhance its use and its placement of physical and human resources. A revised and activist approach to rural development is an important part of overall national growth.

People in rural and remote areas are looking for bipartisan political support for a new deal for rural communities.

There has been some consideration in 1998 of specific proposals for rural development which could be funded by the proceeds of the privatisation of public assets. These have highlighted the need for all such proposals to be properly funded. Rather than wish-lists, what is needed is a suite of costed proposals, supported for clear reasons within the context of the real budget positions of Federal, State and local governments.

Part of the role of the RDC would be to develop and cost the proposals, taking a broader view than a cost-benefit framework which fails to cost properly such things as pollution, urban sprawl, the loss of prime land to building, road rage, traffic congestion and other largely 'city' phenomena.

At the centre of the Blueprint outlined here are changes to the tax system, and changes to pricing policies for certain goods and services. Together, these changes would provide 'relative incentives' to rural settlement, business and services.

"I learned that, in the United Nations System of National Accounts, the things that I valued about life in my country – its pollution-free environment; its mountain streams with safe drinking water; the accessibility of national parks, walkways, beaches, lakes, kauri and beech forest, the absence of nuclear power and nuclear energy – all counted for nothing. They were not accounted for in private consumption expenditure, general government expenditure or gross domestic capital formation. Yet these accounting systems were used to determine all public policy."

Counting for Nothing, Marilyn Waring, Allen & Unwin, 1988

Those who doubt the underlying wisdom of such a fundamental change in national policy are asked to consider three points.

- An activist and interventionist approach to rural development is justified by the economic, social, health and political benefits to the nation of allowing rural areas to play a fuller and happier role in national affairs.
- The policy changes proposed are fundamental, but they come at a time when there is unprecedented support from many quarters for radical intervention in favour of rural communities and business. This is because there is now widespread understanding of the real problems in the rural business, health and transport areas (to name a few). At the same time, there is support for wide-ranging reform of the taxation system.
- If 'relative incentives' to rural areas are not put in place, people in those areas will continue to experience worse economic, social and health status than those in the cities. This would be economically wasteful, socially inequitable, and politically dangerous.

WHAT THE BLUEPRINT WILL DELIVER

The proposals in this Blueprint for Rural Development are unashamedly interventionist. They are intended to place the economic and social interests of rural people nearer the heart of the national agenda for change. That will appeal to many Australians.

The proposals will build a strong physical and social infrastructure for the existing industries of rural Australia, including farming, mining, tourism and services, and for the new industries of the future, including those based on information technology.

“Major banks may co-operate to provide services to rural and remote areas through a jointly-owned company which could offer multi-bank facilities. The Australian Competition and Consumer Commission has told banks informally it would be unlikely to block such collaboration.” ...

“All 27 members of the Australian Bankers Association agreed to the voluntary code, under which they ‘will endeavour to leave reasonable access to banking services when closing a branch in areas where there are no other providers of similar services’”. ...

“Inquiry chairman, Mr David Hawker, welcomed the proposals as a ‘constructive response’ which indicated ‘at long last the banks are willing to look at the needs of rural customers’. But former Labor Treasurer, Mr Ralph Willis, criticised them as inadequate because they failed to make any provision for continued business banking services in rural communities.”

Australian Financial Review, 3 July 1998.

The fundamental purpose of the package can be met without attracting ‘foot-loose’ firms in traditional existing industries, an approach that has been discredited in Australia and elsewhere in previous rural development plans.

Many of the proposals include elements of redesign of the business taxation system. They could be considered in the context of the fundamental review of that system which most people now accept as being necessary.

When implemented, the proposals in the Blueprint will increase economic growth in rural areas. They will reduce unemployment in rural areas.

It is difficult to establish precisely the extent of poverty in rural areas. The definition of a ‘poverty line’ is difficult because, although most goods and services are more expensive in rural areas, housing is cheaper. Many families in agriculture are income poor but asset rich.

What is clear is that the proportion of people in the workforce who have low income is higher in rural areas than in the cities. A study in 1990 showed that, for most States, Federal electorates in rural areas all had above average rates of ‘working poor’.

The Blueprint as a whole provides a vision for the development of rural areas over a generation. But the direction it charts and some of the specific proposals can be

endorsed immediately by political parties, community leaders and the media. This is what people in regional, rural and remote communities would like to see.

Through increased employment and growth, the proposals would directly benefit the unemployed and other people on low income in rural areas. Benefits could also be expected to flow to the most disadvantaged groups in rural areas, including indigenous Australians.

The package would have a beneficial impact on service delivery, including in the employment and health arenas. Service delivery would be co-ordinated through the work of the Federal Office of Rural Communities and its State equivalents, some of which are already operating successfully.

The positive impact on services and growth would be particularly strong in areas within and affected by the Regional Development Corridors, should they be created.

CENTREPIECE OF THE BLUEPRINT: A RURAL DEVELOPMENT COMMISSION (RDC)

The proposals in the Blueprint encompass economic, social, environmental and political aspects of rural development. The body which drives the proposals will therefore have to have expertise in all of these areas.

It is proposed that a Rural Development Commission be established to provide the intellectual, administrative and public service leadership required.

The Commission would be a well-resourced and professional organisation with strong political support. What is envisaged is an organisation that would develop a level of status and credibility equivalent to that of the Productivity Commission.

[Note: The Productivity Commission now covers the areas previously dealt with by the Industry Commission, the Bureau of Industry Economics, and the Economic Planning and Advisory Council.]

The Rural Development Commission would require people with policy and research expertise in all of the areas of its operation – economic, social, ecological and political (the last relating to intergovernmental relations in particular).

Overall the Rural Development Commission would take the lead in national development and application of a new approach to regional and rural development in Australia.

“... ‘Community Development’, as a term, is largely missing from the Australian literature. Instead, references to ‘regional development’ or the slightly more authoritarian ‘regional planning’, with its own shift in focus, are more likely to be encountered. This effectively shuts out from the process the rural heartland – by this I mean the dispersed population.”

“A Shift in Focus: Community Development in the Australian Context?”, Ivan Searston, paper for the 28th Annual Conference of the Community Development Society International, Melbourne, July 1996.

It would bring a new structure to pricing policies, particularly in relation to fuel, pollution and the environment. It would bring a new structure to taxation policy, including in such areas as capital development in country and metropolitan areas, gifts to the non-government sector, regional development programs and tourism.

The new structures for pricing and taxation policies would, in a number of cases, include provisions which discriminated positively in favour of business development, capital investment and service delivery in rural (cf metropolitan) areas.

Operations of the RDC

The Rural Development Commission would have a unique national relationship with all three levels of Government. For this to be achieved, the References to the Commission could come from the Council of Australian Governments (COAG). Local government, often a forgotten partner in national and rural development work, has a place on COAG, albeit a less important one than the State, Territory and Federal Governments.

A 'Reference' to the Commission would be an instruction to investigate and report on a clearly-defined issue. That issue might be 'Policies to Support Community Transport Schemes in Rural Areas', 'The Capacity of Local Financial Institutions to Support Local Enterprises in Rural Areas' or 'Employment in the Environmental Tourism Sector'.

The formal process of References could be similar to that which has existed in the past for the Productivity Commission and its forerunners. References would clearly be on issues of high priority and would require the Commission to consult widely with interested parties, in particular those who live and work in rural areas. They would also require the Commission to hold hearings in rural areas, similar to those which the Human Rights and Equal Opportunity Commission (HREOC) has been undertaking in its 'Bush Talks' during 1998. Rural people would be encouraged to make formal or informal submissions to the Commission on the subject of its inquiries.

To provide the Commission with added credibility for rural people, and to help ensure a close relationship with rural issues, it should have representatives of rural areas and rural industries on its board of management.

Specific Programs for the RDC

The work of the Rural Development Commission would turn a general commitment to rural people and rural development into specific proposals for action. The main areas for the development of specific policies would include the following:

- **taxation**, including options for carbon taxes and credits, polluter-pays systems and environmental taxes;
- service and commodity **pricing policies**;
- **transport policies** for rural and metropolitan areas;

- the operation of **Community Service Guarantees** in the commercial and government sectors;
- rural and remote **health** issues;
- **telecommunications**;
- **local employment initiatives**;
- **infrastructure** development and maintenance;
- national and international **tourism**;
- **‘regional development policies’** in Australia and overseas;
- **energy** policy, including on alternative sources of energy;
- **intergovernment relations**;
- the **finance** sector;
- the **arts and culture**;
- **indigenous affairs**;
- **ecological** programs in Australia, including feral animals; and
- **rural social policy**, including as it relates to young people, women and the elderly.

There is great expertise on these subjects in Australia, as well as experience overseas, some of it relating particularly to rural areas. The task of the Rural Development Commission would be to capture the best of this and apply it in the interest of rural people and their communities.

There is a wealth of experience in Australia and overseas on ways to expand rural economic development. The United States’ current experience includes, among many others, the following:

- *‘Community Economic Analysis’* – the Wisconsin/Western Development model;
- *‘Community Economic Renewal’* – the Rocky Mountains Institute model;
- *‘Community Development Network’* – the Nebraska model.

The potential topics of References to the RDC could include:

- Regional Development Corridors, which could be established through policies in a number of the areas listed above;
- in the tourism and ecological policy area, a new network of public trails and wildlife corridors;
- in relation to health, education and transport (as well as telecommunications), extension of the application of Community Service Guarantees;
- in the financial sector, extension of local financial institutions including co-operatives, credit unions and banks;
- how to improve ‘food security’ in remote areas;
- in the intergovernment relations area, work on cross-border issues and development of uniform standards, for example, for health professionals and health services; and
- in the taxation and infrastructure areas, refurbishment of irrigation works for agricultural production.

AN OFFICE OF RURAL COMMUNITIES

One of the specific proposals the NRHA has already promoted is the establishment of an Office of Rural Communities (ORC).

The new Office should be within the portfolio of Primary Industries and Energy. There should also be a Minister for Rural Communities to assist the Minister for Primary Industries and Energy on matters affecting rural and remote communities.

The ORC would bring a more co-ordinated approach to the issues affecting people in rural and remote communities. It would provide a focal point in the Federal bureaucracy for the development of integrated policies and programs for health, education, telecommunications, aged care, transport, education and social and community services in rural areas.

There is a two-way relationship between agricultural businesses and rural regions. A stronger and more profitable agriculture will certainly flow through to more business and better quality of life in many rural regions. On the other hand, if a rural region can grow because of developments in tourism, manufacturing, and other sectors, it will provide agriculture with a better supply of labour and services. Also it will increase the chances of that region attracting new businesses.

The NRHA has also proposed that rural impact statements be included with all submissions to Cabinet on new policies and programs affecting country people.

These are not new ideas (see Attachment C "A Coalition Supporting a 'Forum for the Development of Rural Australia' – 1994"). The fact that the proposal persists suggests that it has underlying value and credibility.

CHANGES TO THE TAX SYSTEM

It is widely accepted that Australia's overall taxation system needs to be revised. What is required is a system that has a broad base (to guarantee the level of the total tax take) and which is fair. Most of the discussion about 'fairness' has related to the extent to which people pay tax in proportion to their total earnings ('closing the loopholes') and the extent to which Government expenditures flow to various need groups in society.

A tax system which has a broad base, which is fair, and which encourages industry and development (including exports) is bound to be complex. It should include taxes on income, on goods and on services. The inclusions and exclusions, and the rates, would be set differentially with fairness and productivity in mind.

... the tax system should be restructured to give 'relative incentive' to rural businesses, services and settlement. ... There is already a complex system for rebates through the tax system, using arbitrary definitions, to help compensate people for the high costs of living in remote areas.

Arguments against the radical re-design of the tax system include the suggestion that complexity should be avoided. Such an argument should be rejected for two reasons. First, it has to be complex to meet the criteria set for it. Secondly, there are numerous examples of complexities which have become accepted parts of the tax system. These include the regimes relating to negative gearing, fringe benefits tax and capitals gains.

There is already a complex system for rebates through the tax system and higher payments of Social Security benefits, using arbitrary definitions of places, to help compensate people for the high costs of living in remote areas.

Effort on rural development would reduce some of the dysfunctional aspects of further metropolitan settlement. One of the reasons for this is that researchers and policy makers have been keener on, or better at, measuring the costs of rural development programs and cross-subsidies from metropolitan to rural areas than on measuring the real costs of such things as pollution and congestion in metropolitan areas. In addition to these two, the costs of settlement and business in major cities come from:

- declining air quality;
- declining water quality;
- declining physical quality of parts of the cities;
- poor links between jobs, housing and services;
- traffic congestion;
- inefficient and costly service provision, particularly for new housing areas;
- lags in the provision of infrastructure;
- declining levels of safety, particularly for women and older people; and
- increasing problems of dealing with solid and liquid waste.

One of the main proposals in this Paper is that the tax system should be restructured to give 'relative incentive' to rural businesses, services and settlement. This proposal will be countered on grounds of the complexities that would be involved, and on the grounds of the arbitrary distinctions that would be required between what is 'metropolitan' and what is 'rural'. The matter of complexity has been addressed above.

On the question of arbitrary 'lines on the map' being built into the tax system, the Zone Rebate in the income tax system and the Remote Area Allowance under the Social Security Act provide precedents for this. Under the provisions of the Tax Act, there are four specified 'Remote Areas'. They are Zone A, Zone B and Special Zones A and B. Zone A consists of places in which "factors of isolation, uncongenial climate and the high cost of living are more pronounced". Zone B consists of "less badly affected areas". The Special Zones are 'really remote' places, usually listed specifically.

These Zones are all defined arbitrarily by lines on the map or selection of specified places. There is a reference in the Act to places that are "more than 250km by the

shortest practical surface route” from the nearest centre. The Act also includes arbitrary criteria relating to population size.

These provisions are used to deliver income tax rebates. For Special Zones A and B, the rebate is \$1173 plus 50% of “the relevant rebate amount” (which relates to deductions for children and the like). For Zone A the rebate is \$338 plus 50% of “the relevant rebate amount”).

Such complex and arbitrary provisions are presumably retained because they meet a real need and are effective. There are also provisions in the Social Security Act which mean that recipients of benefits provided under the Act also receive a slightly higher rate.

FISCAL IMPACTS

The overall fiscal impact of the package would be determined by the timing and order in which its elements were implemented, and by the detailed structure of each element. What is certain is that, over time, the total package would entail the following transfer payments:

- overall, from those who live in the capital cities to those live in country areas;
- overall, from those who invest in the major cities to those who invest in country areas;
- from ‘clean industries’ (non-polluters) to ‘dirty industries’;
- from those who use private transport in the capital cities to those who use public transport;
- from high income families who benefit from current savings incentives to families who want to save with a regional or local institution;
- from those who consume power generated from coal or hydro to those who buy power generated from wind or solar power; and
- from those outside the proposed Regional Development Corridors to those inside them.

Many Federal commentators agree that the Commonwealth has an important role in rural development. Some may question direct Commonwealth involvement in local issues and service delivery for historical and constitutional reasons. Departments with overall responsibility for Government expenditures see the potential to tap the resources and commitment of voluntary groups as one way of limiting and complementing Government expenditures.

The overall net impact of the Blueprint on the fiscal position of governments is difficult to predict.

Whatever the net effect, there would be fiscal savings from the package. They would be both ‘costed’ savings (such as reduced payments of income support and unemployment benefits, and reduced expenditures on other forms of ‘rural adjustment’) and ‘uncosted’ benefits, such as reduced stress and better health in rural areas.

RURAL DEVELOPMENT IN THE CURRENT POLITICAL SITUATION

The NRHA defines 'rural' as all parts of the nation excluding the capital cities and Townsville, Gold Coast, the NSW Central Coast, Newcastle, Wollongong and Geelong. Rural Australia as defined is very diverse. It includes mining towns, retirement towns on the coast, agricultural service centres, rail nodes, Aboriginal outstations, remote islands, major regional centres, alternative communities, dormitory towns and tourist resorts. The revised National Rural Health Strategy will refer to this diversity as 'regional, rural and remote Australia'. The Alliance's normal phrase is 'rural and remote Australia'. To combine either of these terms with 'Development' would result in a cumbersome phrase. 'Rural Development' is therefore used throughout this Paper. Its impact on the various types of rural area will vary from place to place and from element to element of the proposed Blueprint.

People who believe that 'the market' will produce the best results fail to recognise its deficiencies in areas of small or sparse populations. But their point of view is still very influential.

"Existing and new shareholders (of Telstra) would no longer see the company's share price and dividends hamstrung by a Government prepared to saddle it with community service obligations and wasteful cross-subsidies."

Australian Financial Review, Editorial, 13 July 1998.

The Coalition has an 'Integrated Regional Australia' strategy and a Ministerial Working Group on Regional Affairs.

The Commonwealth has a clear and valuable role to play in enhancing the prosperity of regional Australia ... Policy and programme initiatives are being taken across all portfolios to achieve this objective: initiatives promoting economic growth; initiatives generating jobs; initiatives that renew and extend regional infrastructure; initiatives that ensure equitable access to services to people living in regional Australia; and initiatives that ensure environmental sustainability. ... These initiatives include the \$1.25 billion Natural Heritage Trust, \$33 million for regional labour market assistance, the Work for the Dole initiative, CreditCare, trade initiatives and the Agriculture-Advancing Australia package.

Regional Australia: Our Commitment, Statement by the Minister for Transport and Regional Development and the Minister for Regional Development, Territories and Local Government, Budget 1998/99

Tim Fischer, Leader of the National Party, is a great enthusiast for the development of rural areas ...

"I want to lay out a vision of the future for non-capital city Australia which is realistic and upbeat. It is a vision of a robust and growing rural and regional Australia interconnected to the world with jobs growth and a superb quality of life." ...

"The social, technological and economic trends in our society are creating a renaissance in rural Australia." ...

"New technology in computing and communications and continuing improvement in efficiency of all spheres in the economic world are creating a platform whereby geography will no longer be a constraint for many industries." ...

"Our cities have advantages in the past – the economies of scale. Nowadays, though, more people are recognising the problems or diseconomies involved in living in a big city, the high costs of congestion – of traffic jams, bumper to bumper traffic, sardine standard public transport in peak hours are becoming more and more of a disincentive to urban living. Notwithstanding recent media coverage, crime rates in most rural communities are lower than for their urban counterparts. The social climate provides a better lifestyle for rural Australia than in the big cities. The economics of location no longer demand concentration in the cities."

Tim Fischer, Deputy Prime Minister, March 1998

... and the ALP has proposed a National Development Authority.

"Labor will replace the Productivity Commission with a National Development Authority, based outside the Treasury portfolio, to advise the government on national industry and development policy, as well as to focus on rebuilding the nation's infrastructure.

As with its predecessors, the new body's name will reflect its prime concern – national development – across the whole spectrum of measures available to government.

Through the National Development Authority, for example, we will rebuild support for regional infrastructure, not just through the re-establishment of the infrastructure fund but also by doing something more in terms of the cap and scope of the Infrastructure Rebate program."

Address to CEDA by Simon Crean, Shadow Industry and Regional Development Minister, 21 July 1998.

If real rural development does occur in a major way, it will help to grow the economy and free up options for community and government activity.

"But the greatest danger to the GST-selling job is the Government's failure to construct a growth-oriented program of economic reform. ... [The Government should] be the purveyor of positive change that would expand the size of the nation's economic pie. With little forward momentum, the politics of reform have degenerated into a

It has been suggested that the absence of reasonable access to services and reasonable incomes is a human rights issue.

The sort of rural development proposed in this Paper would turn some aspects of national policy on their heads.

But, as Edward Bear felt, there are different ways to do things and some of the 'givens' can, in fact, be altered.

zero-score game of winners and losers, rather than a growth pay-off that lets most people win and which provides the resources to more easily look after the losers.”

Australian Financial Review, Editorial, 12 August 1998.

“At the heart of social rights, set out in the International Convention on Economic, Social and Cultural Rights, is the right to an adequate standard of living. The health of rural and remote Australians is inextricably bound up with their human rights to social and economic equality.

“**Human Rights for Rural and Remote Communities**”, Sue Walpole, Federal Sex Discrimination Commissioner, *Rural and Remote Australia: Health for All by the Year 2000*, NRHA, Canberra, 1998.

“Quite serious and genuine human rights concerns are being expressed to me very regularly. Rural people are not receiving the guarantees of basic entitlements at anything like the level that we in the cities would expect to get them. In part the answer must be to actually start setting for the first time appropriate benchmarks of service delivery to people in Australia.”

Chris Sidoti, Human Rights Commissioner, August 1998.

“We need a population policy. We need a view about the size, distribution, age projection, skills level of an Australian population. And population policy has disappeared from the Australian agenda. Or, in so far as it exists, it gets tied up in the annual immigration intake. And we have got to separate it out from that debate and to get a debate going that makes all Australians comfortable with it. I mean, everybody sits around and talks about the aging of the population. Let me tell you, the aging of our population is a matter of choice. It is not a matter of inevitability. It is a matter of choice. And if it is wrong that that should occur then we can correct it. We can develop policies to correct it. The question of the level of our centralisation in capital cities is a matter of choice. We can pursue regional policies which change that if we choose to do so. The question of the skills of our population is a matter of choice, not a matter of inevitability.”

Kim Beazley, interviewed by Terry Lane, ABC Radio National, 17 May 1998.

SOME SPECIFIC AREAS OF ACTIVITY FOR THE RURAL DEVELOPMENT COMMISSION

Taxation and Pricing Policies

In an unfettered market system, taxation and pricing policies are the means by which allocations of goods and services are made. They therefore determine the access of individuals to goods, services and overall quality of life. They determine equity and human rights.

It is now widely accepted that an unfettered market produces poor outcomes in rural areas because of the small and/or sparse population. This is one of the premises of this Blueprint. The proposals in this Paper assume that 'authorities' will intervene, whether through governments' decisions on taxes and charges, or through decisions in the private sector on pricing policies.

This will be an area of major contention in this Paper. Interventions in tax and pricing systems produce anomalies, economic inefficiencies, distortions and 'winners and losers'. All this is true: the purpose of this Blueprint is to make rural people the winners so that, in the long term, Australia's national welfare is improved through growing, contented and productive rural areas.

Transport

Transport is a huge issue for rural Australia. It is hugely complex and hugely difficult. Even if information technology will mean an end to the 'Tyranny of Distance', there is still a critical need for personal contact and for goods and services which can only be available through physical movement.

The transport challenge in rural areas is seen in this Blueprint as an opportunity, as well as a threat. Some positive discrimination in favour of rural areas through taxing and pricing policies, including for fuel, will build dramatically on the community effort that already exists in transport. It would impact positively on the cost of goods and services, and so reduce inequity. It would create jobs in city and country areas. It has the capacity to become the key part of rural infrastructure which will support and enable settlement, business and quality of life for the future.

The Rural Development Commission will have access to expertise, either from its own staff or through close liaison with other organisations, on all transport sectors: road, rail, air and sea. Its References on transport will be intertwined with economic, social, business, employment and ecological considerations.

Community Service Guarantees to Involve the Commercial Sector

The Rural Development Commission would publicise the importance of Community Service Obligations (CSOs) in telecommunications, postal services and the finance sector. Existence and maintenance of the CSOs would be guaranteed by legislation.

Allowance in the taxation system could be made for organisations which formally costed their Community Service Obligations and put them 'on-budget'.

- for example, if a telecommunications carrier shows that one-fifth of its cost of operation is attributable to meeting its specified CSOs, it could be eligible for preferential tax consideration for one-fifth (or twice that proportion) of its declared taxable income.

There would be taxation incentives, similar to those applying to investment in research and development, for businesses which provided financial and other material support to aged care and health facilities in rural areas.

- for example, if AMP or BHP agreed to provide financial or in-kind support to an aged care facility or a hospital at Bourke or Brewarrina, the company could write that amount off (or 150% of it) against tax.

Major commercial institutions would receive incentives for collaborating with each other and with regional and local organisations to enhance their level of service to country communities in the finance, retail, transport and telecommunications sectors.

Consideration could be given to a system of differential indirect taxes to complement the zonal allowances in the income tax system. Under the current tax regime, it is substantially cheaper for people who can afford to do so to fly to their capital city to purchase a computer than to buy it locally. A differential sales tax would be a strong incentive for people to buy locally and therefore an incentive for local suppliers to stock a wide range of products.

There may be a strong argument against such proposals on the basis of the leakage from the tax system, but not on the basis of the complexity or arbitrary nature of the proposals. A society which can construct, largely accept and administer a tax benefit for negative gearing based on the shortage of housing stock can certainly construct tax incentives of the sort proposed here.

Health Policy

The NRHA has a particular interest in new policies for health. The Rural Development Commission would have a legitimate interest in innovative policies in the area. These could include a differential Medicare rebate for different areas, and a program under which country towns would 'adopt' a postgraduate medical trainee, and pick up the cost of their training in return for a stint in practice in their town.

Telecommunications

Pricing and taxing regimes would be amended so that the cost of hardware, software and access to telephony and data transfer was cheaper for rural businesses and consumers than for those in the major cities.

The debate in 1998 about telecommunications carriers and products illustrates the importance to country businesses and families of access to new telecommunications systems at affordable prices.

Local Employment Initiatives

Local employment initiatives (LEIs) take a number of forms but all are productive alliances of the public, private and community sectors. They are either new enterprises themselves, locally originated and controlled, or intermediary organisations that facilitate the creation of local businesses. The latter could be a coalition of a local Council, Chambers of Commerce and individual entrepreneurs.

Recommendation 9

That the development and management of a community's human, environmental and business resources be based on partnerships between governments, the private sector and individual citizens and that women play a vital role in this partnership.

**Executive Summary, *National Rural Women's Forum*,
(Revised Edition) Canberra, 1995.**

LEIs should not be regarded as the only, or even the principal, answer to the problems of rural areas. But as part of a multiple policy response they should have the potential to make a genuine impact on a region's employment problems and to address the issue of building confidence in a community and a regional economy – two factors that are essential components in economic revival.

The sort of employment-generating enterprises that community-based intermediary organisations have tried to foster have varied considerably. The OECD identified self-managed companies, community business ventures, self-employment ventures, companies created by and for the unemployed, collectives of craft workers, small and medium-sized businesses, self-help networks, worker co-operatives, producer co-operatives, and local social and economic development agencies and networks.

The Aboriginal and Torres Strait Islander Commercial Development Corporation is a Commonwealth Statutory Authority involved in a range of commercial and investment activities.

As well as investment action, the Corporation is required to assist Aboriginal and Torres Strait Islander communities in their economic development goals by identifying and assessing opportunities for investment, and monitoring those investments.

Annual Report 1996-97 of the ATSIDC

Infrastructure

When implemented, the proposals in the Blueprint will enhance the social and physical infrastructure of rural areas. Infrastructure is a big word. It is a big issue. Decisions on infrastructure are threshold decisions: they come first, require major inputs of resources, commitment and energy. But once they are established, all they require is maintenance. They lay the basis for sustainable rural communities in the future.

Many of the references elsewhere in the Blueprint relate to improvements in the social and physical infrastructure.

National & International Rural Tourism

The Rural Development Commission would provide national leadership to enlarge and promote Australia's rural tourism industry. A part of this would be to establish a comprehensive and sophisticated network of tourist farms, catering for a range of visitor from backpacker through bed and breakfast to upmarket farm stays. The aspiration would be to have a rural tourism facility in Australia of the same quality as that run by the Irish Tourist Board in that country¹.

Part of the resources for this would be diverted from existing Rural Adjustment Programs. The emphasis would therefore switch from two options for farmers experiencing financial pressure, normally characterised as "get big or get out", to three options, being "get big, get out or get into tourism".

Regional Development Policies

This Paper proposes a major emphasis on rural development, which is one part of the broader issue of regional development. Regional development includes attention to the regions of the major cities.

A selective decentralisation or nodal development model has only selective benefits for rural areas. Instead, a system of Regional Development Corridors is proposed.

Regional Development Corridors

When regional or rural development policies are based on nodes, one of the consequences is to 'bleed' the smaller towns which are close enough to be affected by the 'central' growth, but not close enough to become dormitory towns. One of the alternatives to nodal development is corridor development. This has the effect of stimulating ribbon development for all of the places between two selected nodes, and from them out along their branches.

An example of potential corridor development is that related to the Very Fast Train project. This has the potential in its construction phase to stimulate commercial and community development along the whole path from Melbourne, through Canberra, to

¹ *There is a well-developed Farmstay network already with an estimated turnover in excess of \$33 million, but there is believed to be a still greater capacity in this area.*

Sydney. For this reason, it would probably be supported by the Rural Development Commission. Once operational, its impact along the corridor will be limited by the absence of stops.

Other corridor developments would be selected for their strategic impact on the places in between the two nodes at their ends, as well as for the nodes themselves. It might be, for example, that a development corridor from Bendigo to Wentworth would be a priority because of the benefits for towns in between (including Inglewood, Wedderburn, Charlton, Wychebrook, Culgoa, Sea Lake, Nandaly, Ouyen, Red Cliffs, Mildura, Dareton and Wentworth), as well as other places not on the direct route but part of the ribbon development. Another possibility in Victoria would be a development corridor from Ballarat to Mt Gambier (including Linton, Skipton, Lake Bolac, Dunkeld, Hamilton, Coleraine, Casterton and Mt Gambier).

In Queensland, potential corridors are from Townsville to Mt Isa, from Rockhampton to Longreach, and from Brisbane to Charleville. These would be selected because of their impact on a large number of small to middle sized communities, rather than on the basis of connecting producers to sea ports.

The key elements to development of these corridors would be rail services and business incentives. Where there is an existing rail line through the corridor, as is the case from Mt Isa to Townsville, the service would be significantly upgraded². In addition, a variety of price and tax incentives could be offered to new and existing businesses in the selected corridor.

Energy

A differential would be created and maintained, through the price and tax systems, so that fuel for transport would be cheaper in rural areas. The only practicable way to overcome 'the tyranny of distance' is to reduce the cost of transport in sparsely settled areas. Higher fuel prices in the major cities would force more people to use the public transport which is available in those cities. Lower fuel prices in country areas would help to offset the large distances that businesses and citizens have to face in those areas.

A regime of carbon taxes could be developed and applied. This would provide recompense to future generations for the use of fossil fuels and be supported by environmentalists. The revenue from such taxes would help maintain or increase the total tax take in the light of the tax incentives to be provided to users of fuel in rural areas.

Revenue would also be increased through the application of taxes on pollution. These would be part of increased attention paid to the real costs incurred by settlement in the major cities, in particular Sydney and Melbourne. There would be increased

² *Currently the rail service between Townsville and Mt Isa runs twice a day in each direction at a cost of \$75.00 per person one way. This is a good example of a piece of rural infrastructure that would be used more intensively if the service were upgraded and if a greater number of people and business were located along its route. The upgrade would mean services that were more frequent, faster and/or more comfortable (food services etc).*

understanding by the public and policy makers of the relative costs and benefits of new settlement in small country towns as distinct from the major cities.

The price schedules for business and home consumption of electricity, and the tax system related to research and development and commercial operation, would be structured so as to give positive discrimination to alternative means of electricity generation and to consumption of electricity generated from that sector. As with other revised price and tax schedules, there would be positive discrimination in favour of generation by alternative means that was located in country areas.

Intergovernment Relations

The Rural Development Commission would lead work to minimise the unintended consequences of cross-border issues, caused by different laws, regulations or standards in different jurisdictions. It would analyse anomalous situations and encourage governments at all levels to make the necessary changes to end them.

A National Professional Standards Council would be established.

The proposals in this Blueprint would create new anomalies, caused by the arbitrary nature of 'lines on the map'. Petrol would be cheaper in the major cities than outside them, and there would be a 'border'. Further business incentives would be available within the Regional Development Corridors than outside them.

Although such border issue are undesirable, the new ones envisaged would favour and support rural businesses and rural communities over metropolitan ones.

A National Professional Standards Council could be established to collect information about the different standards of accreditation, certification and practice which relate to various professions, including in the health and education areas. The ultimate aim would be to have a system of professional standards and practice which would enable individuals to move from State to State with greater ease and without the need for new training or accreditation. This would need to be accomplished without any decline in the quality of standards and practice.

The National Professional Standards Council would have equivalent status and authority to those of the National Competition Council.

The Finance Sector

For the sustainability of rural business and communities it is essential to counteract the loss of banking and other financial services in small country communities. Recent announcements about the major banks and possible arrangements offer some encouragement in this regard (see box on page 9).

The Rural Development Commission would provide the intellectual and policy underpinnings for the development of more widespread programs for retaining and circulating finance within country regions. This would be part of a program to increase

national savings through local credit unions and local banks, rather than through such things as superannuation schemes. The tax incentives provided for existing superannuation schemes could be switched to local schemes.

In this work there would be an emphasis on ethical investments, co-operative credit and other innovative ways of identifying and utilising financial resources.

Arts and Culture

Just as rural incentives could be provided for the establishment and operation in rural areas of energy and other industries, so could incentives be provided to arts and cultural activities. They would cover both companies based in rural areas and those from the capital cities for their work in rural areas.

Major arts institutions could have a CSO relating to the provision of their ‘services’ to rural and remote areas inserted into agreements with public sector supporters.

There could be additional specific allocations to arts organisations for rural and remote services.

The ‘true costs’ of such incentives should be written down by the benefits that such quality of life programs have on the recruitment and retention of professionals to country towns, and on the health benefits that accrue to people in country towns as a result. Currently this is not the case and one of the long-term tasks of the Rural Development Commission would be to increase the awareness of such ‘unpriced’ benefits and the research interest in actually pricing them.

A New National Asset: Public Trails and Wildlife Corridors

Some countries have a long history of public access to footpaths and other areas designated for public usage, in addition to their public national parks. Australia has relatively few such assets. Well known exceptions include the walking trail along the high country in the Eastern States (the Great Dividing Trail), the Heysen Walking Trail in South Australia and the Larapinta Trail in the West MacDonnell Ranges near Alice Springs. The development of more would lay the basis for a new form of recreation and holiday in rural areas which has the capacity to benefit the national income as well as regional and rural areas. It would lay the basis for a significant national asset to be owned and enjoyed by the public for generations to come.

<p>... a significant national asset to be owned and enjoyed by the public for generations to come.</p>

The Rural Development Commission would provide the intellectual and administrative support for the establishment of a network of new public footpaths and public ways. They would be based on public ownership of selected travelling stock routes (TSRs), refurbished irrigation ditches, and existing Crown Land. (The refurbishment of irrigation ditches is referred to below.) The new public ways would, wherever possible, join existing National Parks and so enhance them as an asset.

Wherever possible, the public ways would also include major revegetation programs resulting in a new network of ‘wildlife corridors’.

This part of the Rural Development Commission’s work would lay the basis for a major new national asset which would underpin an increase in rural tourism by both domestic and overseas visitors. It would receive strong support from environmental and ecological interest groups.

Altered Expectations in Sydney and Melbourne

This part of the Rural Development Commission’s work would effectively be about designing palatable or hidden disincentives to existing and, especially, further settlement in the major cities.

One of the major planks of this would be to measure the cost of such things as crowding and pollution and to institute pricing and taxing systems in the cities to account for them.

“More people are recognising the problems or diseconomies involved in living in a big city.”

Tim Fischer, Deputy Prime Minister, March 1998

Governments could also move to the situation in which they publicise their intention to cap resources made available in the major cities for selected services. For instance, it might be that governments could put in place differential financial support for hospital beds, university places, cinema seats and RSL Clubs in Sydney or Melbourne compared with rural areas. At the same time, governments would indicate their intention to give special support to the provision of such services and places in towns in the Regional Development Corridors.

Professional associations and governments would co-operate to establish career paths which would reward rural service. For instance, senior positions in all State Departments would be allocated by a process which recognised, among other things, service in country areas. An applicant applying for the position as Medical Director in a metropolitan teaching hospital would receive credit for the fact that he or she had served as Medical Director of a regional hospital.

The logical extension of this approach would be to make government, industrial and commercial entities pay relatively high prices in metropolitan areas. The Commission could investigate this.

Refurbishment of Irrigation Areas

Some parts of Australia’s irrigation areas have a degraded infrastructure which is reducing their international competitiveness and threatening the employment and vitality of the regions. A national program to refurbish them could have a positive cost-benefit ratio if all items (costed and uncosted) were counted, including the transformation of the old open channels to public ways and nature corridors.

This is the kind of rural development project which can be invested with a sense of a “call to arms for rural Australia”. Such proposals are likely to win the support of a very broad constituency. In this case it would include farmers and other agricultural interests, conservationists, Landcare Groups, National Parks and Wildlife, Chambers of Commerce, suppliers of inputs to the refurbishment, local government and regional media.

<p>Feral animals: for compost or profit?</p>

Another example of a project in the “call to arms” category relates to the eradication of feral animals. It has the capacity to be beneficial to the nation in the long-term and to rural areas immediately. The Rural Development Commission could provide the intellectual and policy leadership for a national program to convert all feral animals to garden compost. A nationwide effort would be made to eradicate rabbits, foxes, feral cats, cane toads, water buffalo, goats, pigs, starlings and European wasps. The benefits to the ecology of rural and remote areas would be substantial. The immediate benefits to the economy, society and morale of rural and remote areas would also be substantial.

In some cases, management of feral animals for commercial gain might be more practicable and even ecologically sounder. This is the sort of policy decision the work of the RDC would inform: feral animals – for compost or profit?

Definitions of Rural and Remote Areas

Much concern has been expressed about the appropriateness of the Rural, Remote and Metropolitan Areas (RRFMA) Classification and its precursor, the RaRA Classification. Among those proposing other systems of classification are **Denis Griffith**. He has pointed out that in the old classification systems, Mildura and Nhulunbuy are in the same class. Mildura had a population of 20,512 in 1986, a direct rail link to Adelaide and Melbourne, major arterial road access to Adelaide and Melbourne, is on a major waterway and has 65 flights per week to capital cities. Nhulunbuy, on the other hand, has a population of 3,515, is 1,310km from a railway station and 368km from a bitumen road. The nearest city, Darwin, is 646km away, and there are seven flights a week to either Darwin or Cairns. An alternative classification system would be based on direct comparisons between communities over the whole range of census data to establish relative need.

Attachment A

What Some Rural Organisations Say About the Blueprint

WESTERN AUSTRALIA'S REGIONAL DEVELOPMENT COMMISSIONS

The objectives of the nine Regional Development Commissions are to:

- maximise job creation for people working in regional WA;
- develop and broaden each region's economic base;
- identify and promote infrastructure services provision to enhance economic and social development;
- provide information and advice to enhance business development;
- seek to ensure that regional government services are comparable to the metropolitan area; and
- facilitate co-ordination between relevant agencies aimed at economic and social development outcomes.

Each commission has a board of management made up of three community, three local government and three Ministerial appointments.

The commissions each have a director who is responsible for day to day operations and is also a member of the Board.

The commissions report direct to the Deputy Premier as Minister for Regional Development.

FEEDBACK FROM VICTORIA

“The community spirit in much of rural Australia is much of hopelessness, alienation and marginalisation. Until very real incentives are provided to encourage young, vigorous, professional people to go to, let alone stay in, rural and remote areas, the quality of life and genuine options will continue to decline.

Rural and remote communities should be an integral part of the evolving Australian community. They make a major contribution to national economic wealth and the maintenance of traditional cultural values.

In order to achieve this, some degree of governmental intervention will be necessary to ensure a balance of social and commercial objectives.

There must be decentralised decision making. New interactive models for networking allow policy and practice decisions to be made by those people most affected by them. A Rural Development Commission would have a co-ordinating role.

It is also worth considering a reversal of existing CSO requirements. Funding to rural communities could be dependent on the input of knowledge, time and energy. Rural communities have remarkable knowledge to offer and are not just commodities for space.

An example of marketable knowledge comes from leading-edge technology. A specific example is a sewerage waste disposal system which is ecologically sound can be developed in a remote rural area but have direct application in new metropolitan dormitory suburbs. This is also an example of potential interaction between rural and urban LGAs.

Some changes must be implemented immediately, such as telecommunications, legislation to ensure equity of access especially for people in remote rural areas.”

Kay & Nick Thurbon

THE COUNTRY WOMEN'S ASSOCIATION OF WESTERN AUSTRALIA

“While the content of this Blueprint may be well intentioned, it is viewed as being an unrealistic ‘wish list’ for the rural sector. It is believed that neither the method to implement the proposals nor the financial framework have been addressed. Although the wealth and strength of Australia is generated in the rural and remote areas of the nation, the majority of the population and therefore the voting strength is situated in urban areas. It is believed that government would not find sufficient support for the creation of a Rural Development Commission.

Road safety is an ongoing concern and encouraging the greater usage of existing rail facilities is viewed as an effective method to reduce the number of heavy transport vehicles on rural and city roads.

However, it is believed that developments such as short rail links would not be economically viable in Western Australia. Rural rail lines are only profitable when there is a guaranteed regular product to transport, such as minerals or grain. With the exception of the Melbourne to Sydney ‘fast train’, investment may not be returned.

Rural tourism is a reality in Western Australia. Many farmers have established accommodation for farm buildings which have become surplus to farming operations. Nanga Station at Shark Bay has operated a successful caravan park for many years.

The Bibbulmun track which wends its way between Perth and Albany has been a well received and population initiative with Western Australians and visitors to the State.

Many country towns are establishing retirement units and utilising disused country hospitals as aged care facilities in order to enable long term residents to stay close to family, friends and familiar surroundings.

A tax write-off for aged care and health facilities over a longer period, perhaps as a depreciation write-off, may encourage the placement of facilities by the commercial sector where they are needed in the long term and not just placement to receive a tax benefit.

In addition to those issues listed under the section about a Rural Development Commission, it is suggested that salinity be included. As an incentive farmers could be paid or given taxation concessions to reduce ground water recharge and existing ground water.

Western Australia has successful irrigation schemes operating. However, salinity is a cause for concern in Western Australia and a threat to the future of farming in many areas of the State.

On feral animals, the cane toad and water buffalo must be included on the list of species of terrestrial feral animals which are extremely damaging.

Shark Bay in WA has a successful scheme to rid the area of the fox. This has worked well for the reintroduction of small native species.

The Blueprint has not referred to the destruction caused by introduced plant species such as prickly pear and Patterson's Curse, nor of the cost to the environment of introduced animal and plant aquatic infestations.

The Blueprint must involve investment on the part of the rural community itself, as well as some sacrifice by the urban sector, if there is a possibility of change being implemented.

The community of Hyden in the Central Great Southern region of Western Australia has demonstrated what can be achieved through the initiative of the local community. The community has worked to entice tradespeople and small business to the town. This will only be successful if those businesses receive the continued loyalty and support of local people."

COUNCIL OF REMOTE AREA NURSES OF AUSTRALIA (CRANA) MEMBERS

“There are only a certain number of farms suitable for tourism, for various reasons. A lot of problems would be solved if farmers could just get a bit better price for commodities.”

“Rural people are sick and tired of weak gestures that are half-hearted and never completed.”

“There should be a package to enable ‘dirty industries’ to become more environmentally sound. We should not be disadvantaging industries attempting to become ‘clean’.”

“Feral animals and rising salinity in waterways area already major problems for all of Australia.”

“Any changes to the costs of public transport must not disadvantage the urban poor and the unemployed who could wear the bulk of this cost.”

“The Regional Development Corridors need branches to maximise their value to rural and remote areas. The ripple effect of development works both ways – in and out.”

Ideas, resources and organisation are the elements of the social process. The outside facilitator can become ‘the legs’ of local social development, but must not become the brains.

UNIFYING THE NATION – ANONYMOUS CORRESPONDENT

“The politics of rural Australia have been dominated by the demands of agricultural production and by a combination of social conservatism and hard line market economics. Much of the media has fortified the view that non metropolitan Australia is about primary production to the exclusion of people in other sectors. Many people in non metropolitan areas now plead for a slowing of the pace of macro and micro economic reform.

There are only two directions for agricultural policy, either hard line market policies which favour the 20% who produce 60% of the product or an approach to facilitate rural development on a regional basis. The overall effect of globalisation and economic rationalism is to redistribute income to those who already have it. Unless governments reject economic rationalism and compensate for the effects of globalisation, there will be more poor people in all rural areas and more regions of social and economic disadvantage.

People in the western suburbs of the major cities are also experiencing hard times and are not willing to pay more tax to look after people perceived as being able to live more cheaply and with greater job security.

Before all public assets are sold, a fund should be established to finance the Rural Development Commission and channel funds directly or via service agencies to regional, rural and remote Australia.”

Attachment B

Evidence for the Blueprint from Recent History

The NRHA defines 'rural' as all parts of the nation excluding the capital cities and Townsville, Gold Coast, the NSW Central Coast, Newcastle, Wollongong and Geelong. Rural Australia as defined is very diverse. It includes mining towns, retirement towns on the coast, agricultural service centres, rail nodes, Aboriginal outstations, remote islands, major regional centres, alternative communities, dormitory towns and tourist resorts. The revised National Rural Health Strategy will refer to this diversity as 'regional, rural and remote Australia'. The Alliance's normal phrase is 'rural and remote Australia'. To combine either of these terms with 'Development' would result in a cumbersome phrase. 'Rural Development' is therefore used throughout this Paper. Its impact on the various types of rural area will vary from place to place and from element to element of the proposed Blueprint.

1996

the Commonwealth's Rural Development Program

The McKinsey Report found that the Commonwealth's Rural Development Program (RDP) had the potential to make a significant impact on the growth of regions and through them on national economic growth. It was critical of some aspects of the Program and recommended that the Commonwealth play a continuing role in regional development through co-ordination, data collection and dissemination of best practice. "Just as some parts of the RDP could be delivered jointly by State Governments and the Federal Government, we believe that others can only be delivered efficiently and effectively at the national level."

The McKinsey Report, Supporting Regional Leadership: Unfinished Business, 1996.

'Rebuilding Regional Australia'

"The Commonwealth has a clear and valuable role to play in enhancing the prosperity of regional Australia. This role derives from its responsibilities for national economic management, its leadership role in economic reforms, and the need to ensure that its policies and programmes meet the needs of regions.

The Government's strategy for regional Australia will maximise our regions' potential by:

- ensuring that regional communities have the support and services they need;

anti-competitive arrangements

- building an environment where businesses have the flexibility, cost structure, and incentive to invest and grow;
- getting the economy working so there are fewer constraints on sustained growth; and
- providing a sound basis for development through better management of the land, water and resources and by providing greater investment opportunities in regional Australia by addressing the causes of economic uncertainty.

In applying the competition principles, the Government will carefully assess the costs and benefits. Where it can be demonstrated that anti-competitive arrangements are the best way to serve the public interest they can still be used.”

Rebuilding Regional Australia, Budget Statement by John Sharp, Minister for Transport and Regional Development, 20 August 1996.

‘women in rural Australia’

“The stakeholder’s workshop yielded a number of outcomes.

Agreement on the major goal for all stakeholders

- that a more integrated approach be developed between governments and industry bodies towards ensuring sustainable rural, remote and isolated communities.

Agreement on five priority issues for immediate attention

- advancing women in decision-making positions
- supporting women as managers of change in rural communities
- developing a positive image for rural Australia
- improving access to an integrated delivery of services
- improving access to telecommunications in rural Australia.

...

Economic Issues

Decentralisation benefits the broader community. The development of regional centres offsets the problems of urban/metropolitan growth. ...

To sustain rural economies, occupations and lifestyles other than farming and pastoral need to be developed.

The emergence of diversified, rural-based enterprises is creating opportunities for employment and relocation of people to new areas.

Rural policy needs to recognise the impact of the Hilmer Report on rural women and their families. ...

women as managers of change

Social Issues

A community impact statement is needed on the Hilmer-initiated 'reforms'. The statement should include the perspectives of women.

Women in Rural Australia, A Report from a National Rural Women's Stakeholders Meeting 23-24 January 1996, Canberra.

1995

the Australian Rural Health Research Institute

The Commonwealth and the States and Territories provide financial assistance for the Australian Rural Health Research Institute, which is a focal point for research into all aspects of rural health.

The Institute has four main objectives:

- to act as a 'clearing house' for information about rural health research (including training and education initiatives for the rural health workforce) and to play an active role in disseminating research outcomes;
- to develop methodologies, strategies and priorities for rural health research;
- to carry out research itself and to encourage research connected with health in rural and remote areas;
- to develop, promote and evaluate models for rural health programs.

The Commonwealth Government set aside \$1.5million for the Institute's work for the three years from 1994 to 1996.

Rural Health, The Office of Rural Health, Department of Human Services and Health, Canberra, 1995

"This Forum will ultimately be seen as an important turning point in the quest for 'different rural policies' and a 'different' approach to involvement of the community in shaping its own destiny.

... the way in which we think about social justice must be made more central to our policy framework – it is not something off to the side but a way of defining new relationships within the community. This has implications for competitiveness and the way we see and think about the economic system. Another example of the meaning of 'community'. Re-establishment of true concepts of community requires co-operation at all levels and truly participative decision making processes. This has implications for the scale of our organisation, the direction of technological change and concepts of work. Again, there

the implications of true 'community'

are subtle implications here for the way in which we think about our economic system and how it works.

I could make similar arguments in areas of planning, empowerment, the financial system and ecologically sustainable development.”

Onko Kingma, Department of Primary Industries and Energy, “Closing Comments”, *National Rural Women’s Forum*, (Revised Edition), Canberra, 1995.

1994

‘beyond the conventional wisdom’

‘decoupling’

economic diversification

an explicit rural development policy

“The story continues with an analysis of what we regard as Australia’s three real rural crises. The first such crisis is the radical decoupling of the fate of the primary industries from the fate of traditional primary producers. We show why the day is fast approaching when Australia will confront the bitterly ironic dual reality of record profits/export earnings from the primary sector and record numbers of traditional primary producers (and of the businesses dependent upon them) battling just to survive.

The second rural crisis stems from the unwillingness of governments to seriously support rural Australia’s latent economic diversity. While ‘diversification’ rhetoric abounds, we note it has not been matched by effective strategies for turning these good words into equally good realities.

The final real crises can be found in the complacency on all sides that allows the long-standing combination of industrial and social policies/programs to function as a de facto rural development strategy. From failing to solve the problems of rural employment, to perpetuating social policies with notably anti-social consequences, this odd patchwork approach to rural policy is wearing thin. We argue that it needs to be supplanted by an explicit, comprehensive, community oriented, rural development policy.

Our examination of the current de facto rural policy convinced us that it is fatally flawed and unworthy of continued support. We think Australia should construct a rural development policy giving priority to six goals: (a) a growing rural population base; (b) rural people and communities reaping an equitable share of the reward derived from rural resources; (c) a growing and diversifying rural economic base; (d) a growing rural employment base; (e) an improved quality of rural life; and (f) stronger, more cohesive rural communities. While they sound rather innocuous at first, acting upon these six goals would entail fundamental changes in rural policy and programs.

key alliances

The story then shifts from *what* needs to be accomplished to *who* will be responsible for breathing life into these six goals. A case is made for a major organizing effort both by and among rural people themselves. The key alliances that should be created and activated are within rural communities, across rural communities, between rural communities and governments, between the public and private sectors and, last but not least, across the urban-rural divide. The point is made that forming and sustaining such alliances is not merely a pre-condition for change. It is also one hallmark of genuine and lasting rural development.

Finally, the story concludes with our responses to the question of *how* these five groups of allies should proceed in implementing the six rural development goals already outlined. The basic recommendation is to focus action on four main clusters of activity – what we refer to as the four Es: empowerment, environment, entrepreneurship and education.

Australia's opportunity

Here, as throughout the paper, we remind readers that the rural development challenges facing Australia cannot be met effortlessly or painlessly. However, we have no doubt that a major renewal and improvement of rural communities and economies can be accomplished successfully. Australia has some very important advantages and assets, from comparatively strong human resources to a stunning array of natural resources, that make the recommended rural development goals far more likely to be obtained here than virtually anywhere else in the world.

Our recurring theme is that the key to unlocking Australia's rural potential can be found in the democratic design and effective *local* implementation of a new *national* rural development policy.

Sher and Sher, "Beyond the Conventional Wisdom: Rural Development as if Australia's Rural People and Communities Really Mattered", *Journal of Research in Rural Education*, Volume 10 No. 1 Spring 1994.

young people, hope and optimism

...the absence of hope or the loss of optimism were more likely than unemployment to lead to the conclusion that this community is unable to offer an acceptable 'quality of life'.

perceptions

Hope and optimism are clearly matters of perception and our study would suggest that in those surveyed, hope and optimism lie in matters as indefinite as the appearance of the town, the quality of social interaction and the extent to which their community is able to 'see' a future for itself. ...

**shift decisions to
locals**

While not ignoring the need for positive strategies which can be seen to promote economic activity in small rural communities, our study clearly confirms the need to embrace strategies which also work to change the perceptions of young people in declining rural communities.

Our strategies therefore reflect the need for a two-pronged attack aimed at both:

- stimulating economic activity, and
- rekindling community belief in its future.

Equally important in our assessment is the need for a joint approach to the satisfaction of these objectives on the basis that neither can be pursued independent of the other.

We therefore conclude with a belief in the need to achieve a real shift in decision making, resource management and the determination of community destiny to the local community.

Pervading all aspects of our study is the sense that young people are crippled by their sense of powerlessness and their scepticism about local leadership.

Accordingly, we have concluded;

- that the lip service which is given to decentralisation must ultimately translate into the transfer of power and decision making.

(One way in which this process might be advanced is detailed in our notion of brokerage and the possibility that communities might be enabled to purchase those services which they themselves determine to be of high priority.)

**potential growth
sectors**

- that government initiatives in relation to enterprise support be reaffirmed, on the basis that improved access should be available to those seeking leadership training, business management skills or venture capital, but that the tendency to use community size as a reason for denying access, particularly in the fields of marketing and training for diversification, be rejected.

- that much more can be done to assist rural communities in identifying potential growth areas, especially in relation to conservation, human services and tertiary industries associated with information management through the development of telecommunications infrastructure and expertise. A wealth of overseas experience is readily available in industries as diverse as retirement, telecommunications and tourism.

the need to retain services

- that particular attention must be given to activities that are conducive to the promotion of 'civic pride' and recognise the hidden benefits which conceivably flow from town beautification, cultural programs, and the like.
- that 'best use' may not be being made of existing community resources and we would again encourage consideration of international experience. Despite the existence of much economic hardship, a good deal of wealth abounds in many of Australia's small rural communities. Given the opportunity to invest in the future of their local community (through Community Development Bonds and the like) it is conceivable that some communities will have access to resources far beyond their wildest imagination.
- that a community's belief in itself can only emerge when goals and ambitions are shared by old and young alike. All too often, government and non-government agencies have seen their role in terms of the provision of services determined at a distance from the community concerned.

We accordingly support the concept of 'community visioning' and those processes which facilitate the determination of local priorities. Young people are prepared and willing to participate in the future planning of their communities. Community leaders have a responsibility to ensure that those who are part of the community's future have a commitment to that future through having shared in its determination.

- that the fundamental importance of retaining services which not only work to support the local economy but also shape community belief in its own importance be recognised by politicians in all spheres of government and those responsible for submissions to government. In this regard, we have attempted to extend the work of Deller and Walzer by attributing a value to the various services which are inevitably in jeopardy at times of imminent decline.

These services are detailed in terms of:

- those services essential to sustaining a minimal quality of life for young people in rural communities
 - hospital/health care facilities
 - police
 - fire protection
 - water quality

- local school
- local employment opportunities
- public transport
- recreation opportunities
- those services necessary to sustain personal relationships and sense of place
 - road/communication networks
 - local shopping
 - environmental cleanliness
 - housing
 - infant welfare centre
 - aged care services
- those services which are seen to limit disadvantage in comparison to their provincial and urban counterparts.
 - Austudy
 - library
 - service to disabled
 - transport to services subsidies
 - parks and gardens
 - dental services
 - child care

The regular plea of young people throughout this study is encapsulated in the words of one of our young researchers.

People moan and whinge a lot but you don't hear many alternatives, maybe they've been kicked in the guts too many times. Young people have got alternatives and they should be listened to and tried. We are really a creative force for local government but we need leading and training to really get involved.

People often forget that it's our community too.

"It's Our Community Too..." A Study of the Impact of Declines in Rural Communities on Resident Young People, Bruce McKenzie, Anne Somerville and Vernon Knight, 1994.

1991

Public Infrastructure

Australia has more habitable land per person than perhaps any other country, yet an exceptionally high proportion of our population lives in large cities. Since our residential properties are comparatively large, our major cities cover greater areas than many more populous cities in other countries. Our facilities for rapid public or private transit

infrastructure priorities

within large cities are, however, comparatively poor. Employment opportunities are excessively centralised, thus causing unnecessary economic inefficiencies and social costs.

... The priorities for public investment should be to redress existing inefficiencies and inequities in urban areas, and to stimulate the development of employment and living opportunities outside the major cities. Special attention should be given to the provision of services (especially public transport) in urban fringe areas, and to increasing the availability of low-income housing in well serviced inner and middle-ring areas.

The Federal Government should play a leading role in planning and financing the renewal and expansion of infrastructure, but State and local governments as well as non-government organisations should also be involved in setting priorities on the basis of the potential social and economic benefits.

restraining urban sprawl

... As well as addressing the urgent needs created by the rundown in our public infrastructure, a range of policies should be adopted to restrain urban sprawl, encourage moderate and equitable urban consolidation, and most importantly, increase substantially the proportion of Australia's population which lives outside the major cities, especially Melbourne and Sydney. Considerable progress in these directions could be achieved by removing distortions in public taxes and charges which disguise and subsidise inefficient and inequitable patterns of urban development. Other necessary measures include designation of growth centres based on existing provincial cities and large towns, transfer of suitable government agencies to these centres, financial incentives for establishment and consolidation in the centres by private enterprises providing substantial job opportunities, and substantial investment in physical infrastructure (especially to improve transport facilities). ...

Tax Reform and Economic Development

Greater national productivity and social justice both require more adequate, and more rationally determined, patterns of funding for economic and social infrastructure.

- A comprehensive Tax Rationalisation Package should be implemented over the next two years, in order to remove wasteful and inefficient distortions, particularly those arising from – capital gains tax loopholes; absence of wealth and inheritance taxes; excessively favourable treatment of corporate borrowing; income-splitting loopholes; and badly targeted superannuation subsidies.

ACOSS Budget Submission, 1991.

1990

agriculture and rural areas are 'uncoupling'

The economic links between agriculture and rural communities are weakening.

It is true that the long-term decline in the terms of trade for agriculture has contributed to declining population and economic activity in many rural towns. Closer analysis reveals, however, that there are many other important factors resulting in changes in population and economic activity in rural towns. It is an oversimplification to couple the fortunes of agriculture with the fortunes of the towns that are located in agricultural areas. In recent years, in spite of agricultural terms of trade which continue to decline, there has been a 'turnaround' in the familiar long-term net migration of rural population to the major cities, in many industrialised countries, including Australia. As Hugo and Smailes (1985) have discussed, the tendency for many rural towns to experience population growth and in particular net migration gains over the last decade can be explained by factors other than the changes occurring in agriculture. Musgrave (1987) has also summarised the factors which are likely to have been most important in effecting changes in population and economic activity in rural towns. Otto (1986), and Pulver and Rogers (1986) discussed the weakening of the linkages between agriculture and rural communities in the United States, citing several factors which are also relevant to the Australian situation.

A number of factors can be cited which have reduced the traditionally assumed linkages between farming and the rest of the local economy in many rural areas.

the location of agricultural value-adding

1. The gradual replacement of labour-intensive farm-based inputs by more technologically complex purchased inputs has resulted in a shift of the location of value adding processes from on-farm or near-farm to the more economically diverse regional centres or to metropolitan areas. Even where farm inputs are purchased nearby, the local value-added component is usually limited to retailing margin. ...

'retail therapy'

6. Many consumers now view shopping less as a utilitarian task and more as an experience which has social, recreational, and entertainment elements. These expectations may be better met in the larger centres.

7. There have been centralising tendencies in the professions, especially health, in which the value professionals place on access to specialist colleagues and increasingly costly equipment has

policy implications

tended to favour the larger centres. Specialist professional services have become more important for both farm and non-farm businesses. Since these services are more likely to be available in the larger centres, this has increased the frequency of visits to these centres, and thus the opportunity for conducting other retail spending at the same time. Better roads and motor vehicles have facilitated this change.

8. There has been a 'turnaround' of the traditional population drift from rural to metropolitan areas (see Hugo and Smailes 1985), for reasons quite unconnected with changes in agriculture. This internal migration has favoured several different types of rural settlements, and has reduced the importance of changes in agriculture as a determinant of economic changes in rural towns.

The economic and social welfare of rural people is affected by a complex web of factors, of which changes in the economic performance of agriculture is only one. Changes in other specific sectors such as retailing, the professions, and community services may now be more important than changes in agriculture and policy changes which affect these sectors will therefore have significant effects on rural people. Changes in macro-economic policy in such areas as deregulation, privatisation, general fiscal policy, and monetary policy, can also be traced through to rural people.

It is incumbent upon rural people to have an understanding of these linkages, just as it is incumbent upon governments to take into account the possibility that changes in a wide range of policies can have differential effects on rural dwellers.

There is evidence that both Commonwealth and State governments recognise the importance of these non-agricultural policy areas to the economic and social welfare of rural people, and are attempting to develop the necessary mechanisms to integrate the various areas of policy-making in ways that take the diverse interests of rural people into account.

Less well developed, though, are integrated strategies aimed at the economic development of rural regions.

'UNCOUPLING': Relationships between agriculture and the local economies of rural areas in New South Wales, Richard Stayner and Ian Reeve, The Rural Development Centre, University of New England, Armidale, September 1990.

1989

support for community business enterprises

Community-Based Employment and Training

Recommendation 6

That a Community Initiatives Resource Unit (CIRU) be established, building on the experience and expertise of the VCOSS Employment Unit. This Unit would provide a range of services to support the development of community-based employment initiatives.

Recommendation 18

That the Government investigate the use of unused government buildings in regional areas as work spaces or incubators with an initial leasing period on low rent of 5-7 years.

Recommendation 26

That the State Government's Supported Employment Program be expanded to include resources to encourage the development of innovative community-based enterprises and initiatives providing award wage employment for people with disabilities.

Recommendation 34

That the Victorian Government establish two regional economic development funds:

- a Local Government Economic Development Fund through the Department of Local Government; and
- a Regional Enterprise Development Fund through Victorian Business Centres or Regional DITR Offices.

Creating Opportunities, An Overview of Community-Based Employment and Training Initiatives in Victoria, Employment Unit, Victorian Council of Social Service, June 1989.

Conserving Heritage

The Australian Heritage Commission in its 'Handbook for Local Government' recognises the crucial role of Local Government in helping to conserve Australia's National Estate.

Many Local Governments recognise the value of the heritage resources in their areas. However, when it comes to administering our heritage, some Local Governments can find the array of government bodies and regulations confusing.

OLG Newsletter No 6, 1989.

ROCs**Regional Organisations of Council**

There are voluntary regional organisations of councils (ROCs) in all Australian States. The first recorded ROC (North West Tasmania Municipal Region) was established in 1922. Now there are some 34 regional organisations of varying sizes, such as the Macarthur ROC (NSW) with four members, and the Green Triangle Council for Regional Development (VIC/SA) with 26 members.

ibid.

1988**Rural Enterprise**

The Rural Enterprise Victoria (REV) Scheme, announced in the 1988-89 State Budget is a Government initiative to assist enterprise and employment creation in small towns. The REV Scheme, to be co-ordinated by the Office of Rural Affairs, will involve the placement of 6 enterprise facilitators in rural areas. The facilitators will be responsible to community-based committees and will work with individuals and groups to stimulate local economic development.

The Rural Enterprise Victoria (REV) Scheme Guidelines,
Department of Agriculture and Rural Affairs, December 1988.

1987**rural Australia is not a by-product of agriculture and mining**

Rural Australia is a complex and distinctive part of society and needs to be considered as such, not merely as a by-product of the agricultural, mining or other industries. This does not constitute a diminished recognition of the crucial importance of these industries but it is an additional and complementary perspective.

Perceptions of values and desired outcomes by society will determine the appropriate role for government in facilitating and managing rural change.

Discussion of the roles of the three levels of government identified the need for more co-operation between them in providing services and programs in rural areas. Such an approach would avoid the development of highly centralised democracies and will provide the opportunity to make more efficient and effective use of the skills and facilities available at all three levels.

government role

Rather than attempting to solve problems for communities, it may be wiser for governments to encourage and assist communities to solve their own problems. In changing their focus in this way, government programs need to be flexible enough to meet the individual needs of local communities.

the conditions for business creation

The 'top down' (government initiated and controlled) and the 'bottom up' (community initiated and controlled) approaches to community development need to be better integrated. If a compromise can be reached, then perhaps the best advantage can be taken of both approaches. The relationship between local communities and government organisations needs further clarification if an effective middle ground is to develop.

Rural Australia – Looking Ahead, Proceedings of the Rural Australia Symposium held in Albury, NSW, in July 1987.

Towards Locally-generated Development

Numerous studies show that business creation results from a process of interaction between actual or potential entrepreneurs (unincorporated or corporate) and a fairly favourable local environment. Entrepreneurs operate in this environment, using the support of back-up facilities it provides. Very often it is the local environment that provides the funds, resources and market. It is thus at this local level that the rationale of entrepreneurship and the main factors underpinning the economic development process should be sought.

New Roles for Cities and Towns, Local Initiatives for Employment Creation, Organisation for Economic Co-operation and Development, Paris, 1987.

Impediments, Doubts and Criticisms

There is convincing evidence and more and more frequent examples of the active and expanding role played by local authorities in employment-creation initiatives.

ibid.

State programmes

Local Authorities as the Executants of National Employment Measures at Local Level

In Australia, where local authorities have autonomous decision-making powers, the federal and state governments have provided funds for community employment projects of training schemes sponsored or managed by local authorities, and encourage the latter to promote such projects. The government of South Australia, for example, has been trying for some time to get local authorities and various interest groups to recognise and tackle the problem of local employment development. Programmes such as the Home Assistance Scheme or the Local Government Training Programme subsidise local authorities that set up community programmes for the unemployed and provide sandwich or pre-job courses. The Co-action Programme in Western Australia subsidises local authorities that give

unemployed people an opportunity to design and implement their own project, acquire new qualifications and make a contribution to the local community. The Local Employment Development Programme in Queensland provides subsidies to local authorities or local groups that have taken measures to improve job opportunities for young people, and so on.

ibid.

1986

Rural and Provincial Affairs, 1986 Style

Given the depressed circumstances in the rural sector, this Government is determined to sharpen significantly the focus of its economic and welfare policies in relation to people who live in rural and provincial areas, in addition to those whose livelihood is in agriculture.

Australians in rural and provincial areas have special needs which vary widely. These needs may relate to isolation, distances and communication. They may concern aspects of Government policies and services which affect country people in a different way to those in the cities. They may reflect anxiety that country people are missing out on benefits which are taken for granted by other Australians.

Rural labour markets are always generally 'thin' in demand for specialised skills, and prospects for skilled employment are sometimes poor.

... assistance to the rural [farm] sector is not always the most direct and effective way of addressing particular problems of rural towns. The 'trickle' down to local communities cannot be guaranteed. Certainly it will not reach all those most adversely affected.

To facilitate a greater sensitivity to rural concerns, the Government has established a Rural and Provincial Affairs Unit within the Department of Primary Industry. The unit was established in 1985 to assist the Government to develop, provide and integrate policies and programs for rural and provincial Australia and to increase awareness of these policies and programs in rural and provincial areas.

*Economics and Rural Policy, a Government Policy Statement,
AGPS, April 1986*

1983

intervention in structural adjustment

Adjustment in Agriculture

Structural change in the economy is a continuing process which occurs in response to changes in supplies of resources and other factors of production, in technology, in incomes, in international economic forces and in social factors such as peoples' preferences. Structural adjustment is inevitable and occurs autonomously as an integral part of economic and social development without the need for government intervention. However, government intervention can alter the nature and path of adjustment.

... Assistance on welfare grounds may be motivated by poverty or equity considerations which are essentially subjective in nature and hence resolved by the political process. Assistance to offset poverty requires the normative judgement that the standard of living of a particular group in society is insufficient. Alternatively, intervention may be on equity grounds where it is judged that any inequalities between groups inhibit equitable distribution of income and wealth among these groups.

Government Intervention in the Process of Long-run Rural Adjustment, Submission to the Industries Assistance Commission Inquiry into Longer Term Rural Adjustment by the Bureau of Agricultural Economics, Canberra, July 1983.

Attachment C

A Coalition Supporting a “Forum for the Development of Rural Australia” - 1994

In October 1994, the following letter was sent to Bob Collins, then Minister for Primary Industries and Energy. It was signed by nine peak bodies representing the majority of rural interests:

- **Australian Council of Social Service**, *Robert Fitzgerald*, President
- **Australian Local Government Association**, *Cr Wal Mitchell and Cr George Bennett*, Executive Council Members (Rural)
- **Australian Mining Industry Council**, *David Buckingham*, Executive Director
- **Australian Women In Agriculture**, *Dorothy Dunn*, President
- **Country Women’s Association of Australia**, *Sylvia Laxton*, President
- **Isolated Children’s Parents’ Association**, *David Houston*, Federal President
- **National Farmers’ Federation**, *Donald McGauchie*, President
- **National Rural Health Alliance**, *Sabina Knight*, Chairperson
- **Rural Adjustment Scheme Advisory Council**, *Neil Inall*, Chairman

Dear Senator Collins

Congratulations on the recent package of assistance measures to help those placed in great difficulty by the drought. The widespread welcome these measures have received is well deserved and you and others associated with the package's development and passage through Cabinet are to be congratulated.

The purpose of this letter is to put to you, from a broad cross-section of rural interests, a proposal that you may think has sufficient merit to be considered in the lead-up to the next Budget.

Briefly, our proposal is to establish a modest Secretariat for an umbrella organisation which would help improve communications between the large number of professional bodies, government and private sector agencies, and community groups which all have one thing in common: involvement in work which will strengthen the economic, social and environmental wellbeing of rural Australia.

Officers of your Department were involved in discussions about the establishment of such a body a couple of years ago. At that time the proposed new peak organisation went under the name 'Forum of Rural Organisations' (FORO). An alternative name

could be 'Forum for the Development of Rural Australia' (FDRA), but it's the concept, not the name, which is important.

Your recent package of assistance measures focussed on the drought which, we are all hoping, will be temporary. But what the package has done also is to raise again the issue of getting those who live and work in rural areas to collaborate on their common purpose.

There are very many organisations working on different aspects of the development of rural Australia. They include:

- industry bodies, such as the NFF, AMIC and NAFI;
- departments of the Federal and State Governments, and the numerous programs they run (one of relevance which has just come to our attention is the proposal for DEET to establish Area Consultative Committees to promote employment in the context of regional development activities);
- statutory bodies such as ATSIC, Landcare Australia, and the research, marketing and policy advisory bodies associated with farm products (in the meat industry, for example, we mean the trifecta of the Meat Research Corporation, the AMLC and the AMLIPC);
- local authorities;
- local and regional industry development bodies of various kinds;
- many of which have support from State or Federal Governments;
- community groups, such as Chambers of Commerce, Rural Counselling Support Groups, and local Landcare groups; and
- national associations, such as the Australian Council of Social Service (ACOSS), the Australian Chamber of Commerce and Industry (ACCI), the ICPA, the CWA, and the National Rural Health Alliance (NRHA). The NRHA comprises twelve national bodies, including those of rural doctors, nurses, allied health professionals, Aboriginal Medical Services, health consumers, the RFDS and hospital managers.

Communication between all of these private sector, community and government organisations is haphazard. Yet it is becoming increasingly well understood that the needs and characteristics of rural Australia are such that the best results will be obtained where the various professional groupings co-operate with each other to achieve an improvement in the wellbeing of rural people and their communities.

In brief, this is because the distribution of population in rural Australia, particularly in remoter areas, is such that a comprehensive range of professional support for

communities cannot be provided. There are 'threshold problems' and unit cost problems associated with the provision of all services, be it a school, a hospital or a telephone.

Organisations such as ACOSS and the NRHA have been arguing for some time that improvement of the well-being of rural Australia demands of individuals a whole-of-community focus, not a focus on their own profession or functional area.

This is what makes better communication between different professional and functional organisations potentially so beneficial for rural people.

Our proposal is therefore for the establishment of a peak body to help to bring together the various professions and functional areas involved with securing a stable and healthy future for rural people and their communities.

The proposal is for a Secretariat based in Canberra. Its mission would be to effect for all bodies involved with rural development the sort of over-arching communication effected by ACOSS for community service agencies, by the ACCI for business interests, and by the NRHA for rural health bodies.

We believe that Canberra is the logical location for such a body as we envisage, but the work and philosophy of the body would emphasise community participation and control. This would be important, particularly because some people in rural areas feel that there is a danger of too much of the direction of rural economic and social development being determined by the centre, whether that be Canberra, Melbourne or Brisbane.

Through the operation of the new body, the input of local individuals and agencies would be given a high profile, helping to ensure that the views of the wider rural community become the basis on which actions are taken. This sort of activity would help provide co-ordinated input from the various agencies, recognising the extent to which every profession and industry in rural Australia is mutually dependent

The work of the new body envisaged could also provide a boost to the regional focus of rural development programs and provide advice to government on rural economic development issues in the context of the new Regional Development Strategy. We understand that a more integrated regional focus is successfully developing in south-west Queensland through co-operation between Federal and Queensland agencies. We also understand that a decision has been made to increase the regional focus of the Rural Adjustment Scheme, a move which we fully support. .

Such an organisation as we envisage would also be of great potential value to governments, providing them with a simpler means of contacting and 'reading' the views of organisations representing all regions and functional areas in rural Australia.

An 'Office of Rural Affairs'?

On a separate but related matter, we know that consideration has been given in the past to the establishment of a Federal Office of Rural Affairs, to improve the communications between the Federal Departments and their many programs which are

related to the economic, social and community development of rural areas, and their environmental status.

We raise the issue here because it may well be that the time is right for further consideration of this idea. The great range of measures for 'rural development' must be closely co-ordinated.

We are aware of the real difficulties involved in collaboration between different government agencies and programs, given the pressure of work of the people involved and political differences between the States, Territories and the Commonwealth.

The Federal Government is already leading the way on the closer coordination of regional development activities through such things as the Commonwealth Programs' Regional Impact Committee. We welcome such initiatives but you are obviously aware of the disparate 'regional' entities which will be the focus of effective development in non-metropolitan areas. Some of the best work on the development of rural areas will take place in catchment areas, individual communities or amongst a group of local industries. All of these may be defined as being sub-regional and they are smaller, geographically, than defined regions. They are nevertheless important focuses for the management of natural resources and community development in rural areas and need to be effectively drawn into the Regional Development Strategy.

The task of an Office of Rural Affairs would be to play a role in the coordination of all Commonwealth agencies and programs which affect rural and regional development at all these levels.

We noted with interest your colleague Brian Howe's reference in his speech in Hobart to the importance, in the context of social justice, of "Vocational disadvantage" - something which you would appreciate more than most others.

The Deputy Prime Minister's commitment in the same speech to the development of social benchmarks "around a regional framework" is something which will further encourage those who believe that rural programs could be made even more effective through greater co-ordination and collaboration, and through a regional focus where appropriate.

Should an Office of Rural Affairs or its equivalent be established, it would have its hands full contributing to the improvement and further integration of Federal policies and programs. The task we envisage for FORO or the FDRA is larger, but personnel from an ORA would be key contacts for FORO/FDRA.

We are sending this letter 'out of the blue', as it were, because there has not been time to consult with you about it prior to what we understand is the deadline for new policy proposals.

If the FORO/FDRA idea is of potential interest, the organisations in support of this proposal would be prepared to take part in further discussion, or a working group, to help agree on the objectives and operational procedures for the new body. Further

consideration would lead to indications of the resources such a new national organisation would require; we are confident that with a quite modest level of resources, significant benefits would flow to both rural communities and governments from implementation of the idea.

Because of their commitment to these issues, we have sent a similar letter to the Prime Minister and the Deputy Prime Minister for their consideration.

[signed]

Attachment D

Selected Past Federal Government Initiatives for Rural Australia

(Note: This was compiled by the Parliamentary Research Service in Canberra and so includes national initiatives only.)

- 1973 Commonwealth Schools Commission (CSC), Karmel Report Schools in Australia, drew attention to low levels of education participation & achievements of rural students.

Assistance for Isolated Children Scheme introduced.

- 1976 Senate Committee report, Education of Isolated School Children, recommended upgrading rural schools' facilities, teacher preparation, boarding facilities and correspondence education.

Unemployment benefit made payable to primary producers.

- 1977 Disadvantaged Country Areas Program (later became the Country Areas Program in 1982).

Rural Adjustment Scheme introduced.

1981-

- 1985 CSC Reports on aspects of rural education: *Review of Assistance for Isolated Children Scheme; Study of Living Away from Home Facilities for Isolated Children; Quality and Equality; Review of the Country Areas Program.*

- 1984 Telecom commenced its Rural and Remote Areas Program.

- 1986 Commonwealth Government Economic & Rural Policy Statement.

- 1987 CSC Report *Schooling in Rural Australia.*

- 1989 Commonwealth Government released, *A Fair Go: The Federal Government Strategy for Rural Education & Training.*

Rural Education & Training Program. Joint DEET & DPIE initiative which provides funding for industry groups, educational institutions and community bodies to help develop courses in education and training for rural Australians.

Distance Education Centres established within eight universities across Australia.

- 1989 National Aboriginal and Torres Strait Island Education Policy agreed to by State, Territory and Commonwealth Governments.

Multi-Purpose Centre pilot projects established.

- 1990 Aboriginal Education (Supplementary Assistance) Act passed in Parliament. Provided funding for Aboriginal Education Strategic Initiatives Program which is the major AEP delivery mechanism.

Rural Health Support, Education and Training Program.

- 1991 National Board of Employment Education and Training report: *Toward a National Education & Training Strategy for Rural Australians*.

National Rural Health Strategy evolved in principle from National Rural Health Conference in Toowoomba.

- 1992 Assistance to Isolated Children and Correspondence allowances increased.

Rural Incentives Program established.

Multi-Purpose Services pilot program announced in Budget.

Assets test for family payment introduced.

Review of Rural Adjustment Scheme.

- 1993 Farm Household Support Scheme commenced in place of Part C of the Rural Adjustment Scheme.

New Rural Adjustment Scheme commences in January.

- 1994 National Rural Health Strategy revised.

Commonwealth Drought Relief Package announced in September.

Senate inquiries into the Rural Adjustment Scheme and impact of the assets test on farming families access to social security payments.

*Social Issues for Rural and Remote Australia, Background Paper No 26 1994/95,
Parliamentary Research Service, Canberra, 1995.*

The National Rural Health Alliance

The National Rural Health Alliance is the peak non-government body involved in action to improve the health of people living and working in rural and remote Australia. Its nineteen Member Bodies represent the consumers of rural and remote health services and most of the professions involved directly with health services in country areas. One of the aims of the Alliance's work is to increase the profile of issues that matter for rural health, and the level of discussion and understanding about them.

This Rural Health Information Paper was produced and edited by Gordon Gregory, Executive Director of the NRHA, and prepared and designed by Lexia Smallwood, Publications Manager.

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NRHA Publications

Rural Health Information Papers (RHIP):

Best Practice for Rural and Remote Health Services, RHIP 1, NRHA, Canberra, December 1997.

Fighting Rural Decay - Dental Health in Rural Communities, RHIP 2, NRHA, Canberra, June 1998.

Community Service Obligations - Meaning, Impact and Application, RHIP 3, NRHA, Canberra, June 1998.

Drugs and Alcohol in Rural Australia: Developing Policy Proposals for Young People, Lifestyles and Prevention of Harm, RHIP 4, NRHA, August 1998.

A Blueprint for Rural Development – discussion paper, RHIP 5, NRHA, August 1998.

Other Publications:

A Fair Go For Rural Health, Proceedings of the 1st National Rural Health Conference, Toowoomba, 14-16 February 1991; Department of Health, Housing and Community Services, Canberra, 1992.

A Fair Go For Rural Health - Forward Together, Proceedings of the 2nd National Rural Health Conference, Armidale, 12-14 February 1993; University of New England, Armidale, 1993.

The Politics of Rural Health: How Far Have We Come? Proceedings of the 3rd National Rural Health Conference, Mt Beauty, 3-5 February 1995; NRHA, Canberra, May 1995.

Rural and Remote Australia – Health for All by the Year 2000, Proceedings of the 4th National Rural Health Conference; NRHA, Canberra, March 1998.

Rural Public Health in Australia 1997, Proceedings of the National Rural Public Health Forum, Adelaide, 12-15 October 1997, NRHA, Canberra, June 1998.

Action On Rural Health: Proposals for the Review and Revision of the National Rural Health Strategy; NRHA, Canberra, June 1997.

Forum Overview, National Rural Public Health Forum, Adelaide, October 1997; NRHA, Canberra, 1998.

Advanced Nursing Practice for Rural and Remote Australia, Consultant's Report, NRHA, Canberra, February 1998.

The NRHA's Homepage is at <www.ruralhealth.org.au> Included on it are details about the NRHA, as well as full texts of some of its publications.

“The thing that hath been,
it is that which shall be;
and that which is done is
that which shall be done;
and there is no new thing
under the sun.”
Ecclesiastes 1:9