

Future Directions for Rural Australia

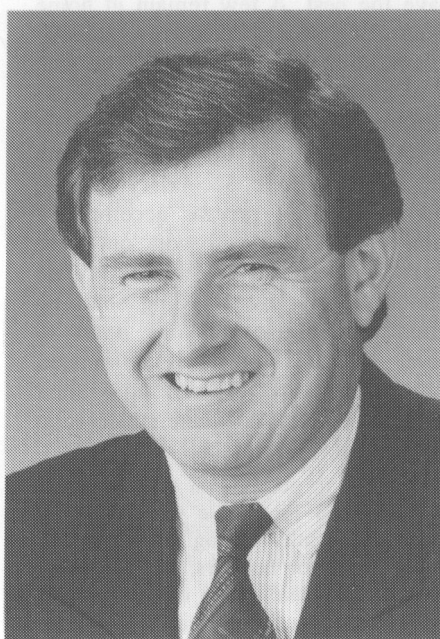
An interview with Simon Crean

The following is an edited interview with Simon Crean, Minister for Primary Industries and Energy, conducted by John Edwards, Executive Director, National Children's Bureau of Australia on December 5, 1991.

J.E. *What major social and economic changes do you believe Australian rural communities are confronting and will have to continue to deal with through the 1990s ?*

S.C. I think what rural communities have got to be involved in over the next ten years is fundamentally diversifying the regional economic base, and that means not being so reliant on the jobs and the opportunities that simply come from the farm gate. If you like there has to be a more value added dimension to the natural resource base, be it the processing and distribution of fibres or grains, or the production and distribution of high quality, in demand, agricultural products in the dairy, meat, fruit or vegetable lines. I therefore think there needs to be a cultural and attitudinal shift in the approach that the farm sector is prepared to take in the future.

In a structural sense the Government has created, for the first time, an environment which is focused on making the manufacturing sector far more efficient. Indeed a great deal has been done to improving the infrastructure necessary for an efficient manufacturing sector, including improving the stevedoring side of shipping, working towards a more efficient freight transport network and minimising the cost of providing the energy necessary for manufacturing. At the same time the Government is working very hard to establish an overall agenda and strategies for providing development opportunities for rural communities across Australia.



Naturally there are still some issues that have to be worked through, like the need to improve rail freight arrangements, if the necessary restructuring and reform are to be achieved. An important aspect of enhancing the rural sector is to get farm communities – not just farmers, but communities and especially the kids that are going through school and contemplating their future – developing strategies that are going to bring about the changes that are required.

The new directions required in the rural sector have to be industry driven and regionally focussed. The role of the Government in this process is to assist in establishing a context that can facilitate appropriate action and encourage private sector initiative.

While a number of programs were introduced in the last budget to assist in rural planning and development, I must say there is a limit to what governments can do. They can set the agenda, set the vision, encourage and support initiative, but in the final analysis real progress is very much in the hands of individuals and communities who are closest to the issues and ultimately stand to benefit from re-thinking and re-structuring.

J.E. *In the context of your forecasts for rural Australia, how does the Government intend to ensure that principles of social justice (access, equity, opportunity etc.) are realised in rural communities? How does the Government intend to ensure there is a proper balance between economic and social development in rural communities?*

S.C. I have given considerable and detailed attention to social justice issues related to the rural community, with some success. The budget extended the family allowance supplement by easing the asset test, and some special provisions have been introduced that will specifically benefit farm families. In my discussions with Social Security, I've been at pains to convey the difficulties faced by the rural community. The easing of the asset test and the extension of the family allowance supplement represent positive recognition and gains for rural families.

There have also been some special provisions introduced in relation to unemployment benefits for farm families. They still have to meet the work

test, but the assets test does not include assets like their farm property, equipment, or other assets that are necessary to secure their future viability as a rural enterprise. In addition they will not be denied unemployment benefits simply because they are deemed to be self employed. This approach will benefit many farm families because they can now get unemployment benefits where they are judged to be viable in the long term.

J.E. *What initiatives is the Government taking to meet the special needs of rural communities and families in dealing with the changes you envisage?*

S.C. Apart from those measures I have already mentioned there is additional significant money being put into the rural adjustment scheme. There was 100 million dollars in 1991 just before I took the portfolio, and an additional 140 million dollars is being put into the scheme over the next two years. This support is being provided to ensure that good farmers can continue on the land and establish an efficient, innovative and viable rural base for Australia.

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At the same time the support measures that have been provided are intended to ensure that where a farm is not viable, the family has sufficient breathing space, income security and opportunity to make the necessary transition. There is always some difficulty in establishing the necessary balance of government support and individual or commercial initiative, but every effort is being made to be as compassionate as possible under the current economic circumstances. For instance, where rural families are in receipt of social security benefits, Austudy is no longer means tested.

This is intended to relieve some financial pressure on the family while at the same time encouraging rural children and young people to take advantage of the educational opportunities that are available.

Overall the Government is developing a whole range of strategies and programs aimed at securing the rural base, while at the same time recognising the social justice dimension and the impact change and the recession is having on farm families. Nonetheless I do recognise that there is still a great deal of work to be done in meeting rural needs and establishing positive direction for all areas of the rural sector, whether it be in the area of farming, manufacturing or mining, or indeed, rural infrastructure.

J.E. *What vision of the future does the Government offer to rural Australia?*

S.C. The vision I have for the rural community embraces the concepts of diversification and value adding. The fact is, if the farm sector is going to compete in world markets and remain internationally competitive, it will have to, among other things, move towards farm consolidation and economy of scale. What is required is a preparedness to look beyond the farm gate and a willingness to establish stronger links between the supplier of raw materials, the manufacturer and the market place. This does not mean farmers have to be manufacturers or wholesalers, but it does mean they have to be more closely attuned to the needs of the market than has been the case to date.

There is great potential to develop the rural sector. For example, I believe there is an enormous opportunity to promote this region, ie. the whole of Australia, as the supplier to the world of both fresh and processed, clean quality food. Australia is close to the growth economies of Japan, Taiwan, and Korea, just to mention a few, and we have to plan to exploit this market advantage. However to effectively take advantage of this opportunity there has to be a preparedness on the part of farmers, as well as others, to invest in the processing and marketing of Australia's produce. If such an initiative is to be successful, planning has to start now, so that those in the rural sector can undertake a range of ventures

to better position themselves to obtain returns from a number of sources other than just the raw commodities.

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It is more difficult to take the initiative in the context of a recession, but there are now a number of examples where regional small to medium size business opportunities, close to the source of the produce, have been developed - for example, the dairy produce of King Island, Tasmania's salmon and the dried fruits of the Sunraysia District.

The thing that I want to reinforce is that I believe there is a strong future in agriculture but it's not going to be anywhere near as strong if it continues to rely on just trading in commodities. Clearly the efficient producers of rural Australia will undoubtedly have to compete, to a greater or lesser degree, with both low input developing countries that don't have the same the same cost structure or heavily protected and subsidised developed countries. Obviously while there is no simple solution to this problem, there is some optimism about, that some of the protectionist approaches currently prevalent among our overseas competitors and markets, may change over time to become increasingly fairer and more favourable to Australia. A positive outcome from the current GATT talks would certainly be helpful to Australia, but market opportunities are not generated overnight and long term strategies need to be put in place. Nonetheless, we need to be prepared to take advantage of the opportunities as markets open up.

Except in sharp spurts (and then it has been commodity-specific like wool in the late 80s) Australia has never really been able to manage a continuing upward trend in terms of trade. However, the countries that export manufactured

the countries that export manufactured products and services are the ones whose terms of trade are going in their favour. The simple conclusion is not that we get out of commodities, but rather that we do more with them. We have a natural resource base, far exceeding that of many of our competitors on the world market, we just haven't done enough to take advantage of the resources available to us.

J.E. Specifically, what future do you hold out for young people who are looking for employment, and lifestyle opportunities in rural Australia?

S.C. As I indicated earlier there is a good future for the children, young people, families and communities in rural Australia, provided it is recognised that the rural sector needs to be more diverse and driven differently. The rural culture has to change and recognise where the market opportunities are and what the real demand is

going to be. Segmented demand, premium price demand, all of those opportunities have got to involve a marketing dimension, a processing dimension and efficiency beyond the farm gate.

What we've developed to date, is a culture and a commitment that produces efficiency at the farm gate. What we have got to do, is to move that commitment from solely the primary producing sector, across into, and marry it with, the manufacturing and services sector. This has to be done in the context of strengthening our international competitiveness beyond the areas of primary production. Job and community opportunities will ultimately come from having a diverse rural sector that is market driven.

With respect to young people who are looking for vocation and job opportunities, and thinking about what they are going to do with their lives, in

addition to the traditional agricultural orientation of rural young people, I believe they ought to be looking to the sciences, economics, business management and marketing for their futures. Marketing, manufacturing and service industries, including tourism, are increasingly set to be major components of rural life in Australia. It is imperative for the rural sector to build off the base of wool, grain, horticulture or mining, and be prepared to think laterally.

There is much still to be done to secure the future of rural Australia and I think the current government has demonstrated its capacity to balance the economic imperatives with a compassionate approach to those children, families and communities in rural Australia that need support in times of change. A start has been made and constant attention is required if steady progress is to continue. ♦

NCBA INFORMATION SERVICE

– some available books relevant to issues raised in this journal



Read, Peter
The stolen generations : the removal of Aboriginal children in NSW 1883 to 1969
Ministry of Aboriginal Affairs (NSW), undated.

Keywords Aborigines; child welfare; children in care.

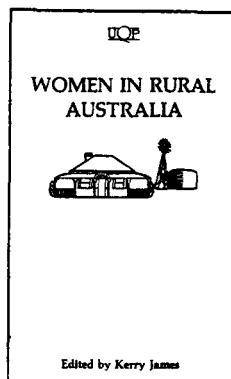
Farley, O. William et al
Rural social work practice
New York, The Free Press, 1982.
Field of Practice series.

A discussion of problems faced by social workers in rural areas, including aspects of sociological, therapeutic and administrative areas.

Keywords rural conditions; social work; administration.

James, Kerry (ed.)
Women in rural Australia
University of Queensland Press, 1989

Keywords rural communities; women; migrants; Aborigines; local government; working women; rural conditions.



Australian Red Cross Society
Home alone: a personal safety program for children.
Red Cross, 1989

Keywords safety; child welfare; accidents; traffic accidents; emergency services.

