

**House of Representatives Standing Committee on Primary Industries  
and Regional Services**

**Inquiry into infrastructure and the development of  
Australia's regional areas**

Summary of points made at 'round table discussion', Armidale, 21 July 1999  
by

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**Meaning of 'regional'**

1. While the term 'regional' can be used in a number of different ways, in these notes I shall focus on *rural* regions. By 'rural' I mean those parts of Australia beyond the metropolitan areas, which may be defined as population centres with over 100,000 people.

**What are the Commonwealth's regional development objectives?**

2. It is important for the discussion of the role of infrastructure in regional development to be based on some prior consideration of the Government's development objectives for regional areas. When these development objectives have been clarified, questions concerning the analysis of infrastructure needs can be addressed.

2.1 At different stages of our history, different regional development objectives have been pursued, either explicitly or implicitly. These have resulted in a range of efforts to create various forms of infrastructure in rural regions. This is not the place to try to summarise the series of policies aimed at 'developing' our rural regions, but such a summary would include reference to the various land selection Acts, Soldier Settlement, 'closer settlement' and other land settlement schemes, the Snowy Mountains Scheme, other irrigation schemes, 'Northern Development', growth centres, and so on. This is not the place, either, to attempt to pass judgement on the achievements of these efforts; suffice it to say that their success has been mixed, and at times their (long-term) economic, social, and environmental costs have been high.

2.2 The development objectives for rural regions need to allow for a broader specification of the aspirations of rural people than might have been adequate during the 'nation building' or 'frontier' phase of our history. Conventional economic development objectives, which imply a certain set of analytical methods and infrastructure needs, should be broadened to recognise the ways in which rural regions have changed and are continuing to change, and to reflect the changing aspirations of rural people. In other words, a broader conception of rural development is necessary (see, for example, Galston and Baehler, 1995, Ch. 2). In brief, the emphasis on seeing rural regions as solely the location for the efficient production of food and fibre for the market (a perception which would lead to seeing its infrastructure needs in a certain way), needs to be modified by a recognition of the fact that there are now other dimensions to the values (environmental, cultural, spiritual) that attach to rural regions. Such a broader understanding of the role and values of rural regions will have implications for the analysis of its infrastructure requirements. These development objectives and aspirations are, of course, likely to be different in different regions, depending on a range of factors, such as their resource endowments, history, demographic characteristics, and so on.

### **Social capital as a form of rural infrastructure**

3. While in popular parlance 'infrastructure' implies built or physical capital, it is crucial to keep in mind the fact that increasingly, this form of capital has to be accompanied by the complementary inputs of human and social capital.

3.1 Social capital has been attracting considerable academic and popular interest, but at this stage remains somewhat oversimplified and conceptually imprecise. The American political scientist Robert Putnam has described it as *features of social organisation, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit*. It enhances the benefits of investment in physical and human capital, and can be the basis for socially and economically beneficial collective action in a rural region.

3.2 Rural places (communities, regions) are often assumed to have rich reserves of social capital. But these are being eroded and stretched very thin by a number of forces, not least the actions of governments in both withdrawing services which allow social capital to operate, or in the pursuit of policies which, on balance, favour mobility over attachment to place. The increasing delegation to 'the community' in rural areas of responsibilities for design and delivery of programs and services (eg., Rural Transaction Centres, the Rural Communities Program) implicitly assumes that rural communities have healthy reserves of social capital (the capacity to take purposeful local action through voluntary association). Effective operation of such programs, however,

will require governments to have a clearer understanding of the functioning of rural places and their social capital.

3.3 A range of policy-makers are attempting to determine how social capital can be factored in to the development of improved policies and programs for rural regions. The question of whether governments can do anything to positively enhance the quality and effectiveness of social capital, however, remains open.

## **Implications for research**

4. A number of key questions concerning infrastructure policy require further research. These include:

4.1 Refinement of an appropriate set of contemporary development objectives for rural regions, allowing for their diversity and for a revised understanding of the economic, social and cultural values of rural Australia.

4.2 Studies of the potential impacts and importance of the evolving information and communications technologies on rural regions. While high hopes are held for the effects of these technologies in rural regions, like any transforming technologies they will be used in unforeseen and unforeseeable ways, making the analysis of investments in them, and of their impacts, a case for careful research. The Rural Development Centre has recently become involved in such research.

4.3 Further research into the problems of service delivery in rural regions, in view of the changing economic, technological and social environments. Again, The Rural Development Centre has undertaken considerable research in this area (see, for example, Stayner and Foskey, 1997).

4.4 Refining the understanding of the nature and operation of social capital in rural regions. What activities help to build it, and what might be the role of government in helping to do this? What are the returns to social capital in rural regions?

5. The University of New England has considerable research capacity and track record in the applied research of rural and regional development issues. The interest shown in this Inquiry by members of the Rural Social Science Network, of which I am co-convenor, attests to a continuing desire to contribute to the improvement of the knowledge base for this crucial policy area.

## **References**

Galston, William and Baehler, Karen J. (1995) *Rural development in the United States : connecting theory, practice, and possibilities* Washington, DC., Island Press.

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