The Long Term Viability of Regional Development Organisations in Rural Areas

Jean McRuvi & Wallace J Taylor

Economic Development Officer, Central Highlands Promotions and Development Organisation, Emerald, and Regional Manager, Agribusiness Group, Department of Primary Industries, Rockhampton, respectively.

Introduction

Declining terms of trade and the narrow economic base in rural areas have exacerbated the problems facing rural economies in Australia. Such things as population decline, over reliance on a narrow economic base, a focus on production of raw commodities rather than product development and marketing, and the withdrawal of public and private agency services are having a major impact on the long term viability of rural communities.

Failure to address these issues will inevitably lead to the disappearance of many rural communities. The problems outlines are not confined to the Australian situation and the issue is a cause of concern to rural communities in both North America and Europe.

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To ameliorate these problems there is a requirement to increase our ability to earn more money from the world market. Increasingly the world market is requiring bilateral trade and joint ventures along the production and distribution channels. With competitive advantages such as political stability, large tracts of productive agricultural land and a recognised clean environment, it is imperative we build on these strengths and promote their adoption.

In Australia, both state and Federal Governments have recognised the seriousness of the rural situation and directed increasing resources to address the problem over recent years. (Garlick, 1993; Anon (a), 1993).

One consequence of these initiatives has resulted in the emergence of Rural Development Organisations (RDOs) in small rural communities around Australia.

The Working Environment

In an attempt to provide local decision making both Commonwealth and Queensland Governments have placed increasing demands and expectations on local authorities. However, because of adverse seasonal conditions and declining terms of trade in these economies, the available rate base as a proportion of total outlays is declining markedly. In recent evaluations of Western Queensland, rates accounted for only 20 percent of total revenue. Increasing calls on local authorities for services and provision of facilities have been made without the provision of the necessary additional support. Under this scenario, local authorities are finding it difficult to meet the demands on their limited resources while at the same time fully developing a skills base to meet the extended roles. (Greg Hallam - Queensland Department of Housing & Local Government, pers. comm.)

To compound this problem, small communities often do not have direct access to the full range of public agency services and facilities nor do they have access to substantial corporate support. There is also a common concern in rural communities that public agencies operate under strict departmental parameters which fail to address the needs of rural communities. Overseas experience indicates that the needs of these communities are diverse, and many attributes are interconnected. (Gertler & Baker, 1989)

There is an increasing perception that public agency personnel servicing rural areas tend to be overcommitted and under-resourced with the inevitable consequence in service delivery. This can create a climate of uncertainty and confusion which is detrimental to maintaining confidence and vigour in rural areas.

There is an obvious need for a local group which has credibility, to act as an interface between public agency services, the community and potential investors needed to
increase the economic base in rural areas. This service needs to be provided in a recognised single point within a district. RDOs are attempting to fill this role.

The Role of Rural Development Organisations (RDOs)

Recognition of these problems and the realisation that effective solutions need to be community driven, has led to the emergence of many RDOs. However, there is considerable variability in the strategies and operations of these organisations depending on community perceptions, the skills base and the local economic environment.

Generally these organisations have as a basic premise the need to raise community perceptions and attitude towards economic development and trade. The Central Highlands Promotions and Development Organisation (CHP&DO) is an example. This organisation, based at Emerald in the Central Highlands of Queensland, was developed as an initiative of five local authorities who realised that they could develop a community consciousness and promote their area more effectively if they amalgamated rather than if they all worked alone. The group received $15,000 seed funding from the Department of Business Industry and Regional Development (DBIRD) to establish an office and ongoing funding is provided by the local authorities and corporate membership.

All shires have agriculture as the basis of their future long term economic stability with coal mining providing an immediate economic return. Although covering a geographical area of 82,614 sq kms, the population base is only 32,500 people.

The mission statement of the CHP&DO outlines the role the organisation feels is vital for the Central Highlands.

“To initiate projects for responsive support to the Central Highlands region’s businesses, industries and communities to aid development of a strong and diverse economic base which is conducive to ongoing economic development.” (Anon (b) 1993)

Experience with this organisation over the last five years, indicates that rural development organisations have a key role to play in every aspect of community life. The attitudes and structure of a community have a direct bearing on the economic viability and long term sustainability of a rural area. Rural areas can only survive if there is a strong community base encompassing adequate community facilities and community enthusiasm.

An increasing role of RDOs is to act as a catalyst agency to maintain community vigour, initiate and sustain projects, maintain enthusiasm, obtain information, co-ordinate data acquisition and develop networks.

Without RDOs, initiated projects often fail to come to their useful fruition due to the lack of an independent co-ordination role.

Barriers to Success

From experience with RDOs in Central Queensland, a major problem appears to be perceptions of the role of Rural Development Organisations in public agencies and the dichotomy of opinions regarding the most effective delivery mode relevant to small rural communities.

This has specific impact on the method of funding RDO activity. From experience to date, it is suggested that an over emphasis on short term project funding and segregating community and economic development can result in reducing RDO effectiveness and the loss of the professional skill base required for the long term viability of this initiative.

A high component of short term funding results in an over focus on high profile short term projects which do not necessarily address the underlying longer term strategic needs of the community. The constant need for short term ‘runs on the board’ can result in poor utilisation of scarce resources and an over reliance on being ‘seen’ to do things as opposed to actually doing them.

Current interest from those involved in local rural development supports overseas experience in that it is inappropriate to
segment community development from economic development in rural areas because of their interdependence. (Robinson & Heinze Silvis, 1993). New industries will be deterred from establishing in rural areas without the necessary community and social infrastructure being in place.

An example of this in Central Queensland, is the location of the Gordonstone Mine workforce in the town of Emerald rather than the neighbouring Capella because of the existing community and social facilities available in Emerald but not in Capella, the closest town to the mine site. This created extra costs for the company but the well being of the workforce was of paramount importance to the long term viability of the operation. The increasing use of 'fly in fly out' labour forces by the mining industry in remote areas bears testimony to the inter relationships between economic and community development. This practice is having a detrimental effect on smaller communities that aspire to develop their economies on the backs of the mining industry.

Experience around the world, particularly in North America and Europe, indicates that economic development is but one step along the path to community self actualisation. (Robinson & Heinze Silvis, 1993; Murray 1993; Morse 1993; Phillips 1993)

There is a common experience that the first step in economic development is conflict resolution within and across communities. This is expressed in the preponderance of parochialism, territorialism and conditional self esteem of many community opinion leaders.

A major limitation in achieving rural economic development is the thin layer of leadership skills available in many of these communities. These skills have been defined as local to global perspective, appreciation of common good, conflict management skills, visioning, able to work with diversity, empathy, effective communication, convincing others to see win/win and effective financial management. (Baker 1993)

Overseas experience suggests that once conflict resolution and leadership issues are addressed, the satisfaction of community development needs is essential to economic development. Their experience also highlights the need for the goal to be community self actualisation which will produce sustainable economic development.

The method of achieving success needs to be planned and developed in an integrated manner. Many examples of how this can be achieved exist in North America. Programs at Wisconsin – ‘Preparing your Community for Economic Development’; Georgia – ‘Community Economic Development Program’; Iowa – ‘Multi Community Development: A Rural Community Development Strategy’; and Illinois – ‘Strategic Planning for Community and Economic Development’; offer models which may have application in Australian rural communities. Observations with Rural Development Organisations in Central and Western Queensland would strongly support such an approach.

Because public agencies are almost entirely focused on segmented program delivery, a whole of government approach to addressing client needs, can be difficult to achieve in rural areas.

Whilst it is vital to have clear guidelines for accountability of the distribution of public monies, inappropriate funding program guidelines can have the effect of stultifying project outcomes and mitigating much of the work of RDOs. Frustration from the experiences outlines thus far and lack of long term tenure of Economic Development Officers (EDOs) will inevitably lead to a continuing degradation of the skill base required for the successful functioning of RDO’s.

While public agencies have recognised the need for regional development, local authorities do not universally share this view. The new Local Government Bill due to be enacted shortly, attempts to devolve to local authorities responsibility for economic development, but the reality of the situation is that most local government authorities have neither the resources, skilled personnel nor the inclination to take on another role. Considerable education of staff and councillors is needed to integrate this role into the recognised work of local authorities.

**Proposed Solutions**

Without a recognition from Federal, State, local and corporate bodies that the effective role for RDOs is facilitating across the
continuum outlined above, only limited sustainable economic development can be achieved in rural areas.

The successful operation of RDOs is heavily dependent upon the development of true partnership arrangements between local government, state and federal public agencies and the local business community. There needs to be greater understanding by public agency decision makers as to the real role of Rural Development Organisations and the development of programs which recognise the specialised needs of rural areas as opposed to metropolitan areas.

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Achieving success in this area may involve the development and application of integrated programs along the lines of those in operation in Northern America. Particular attention may be required to address the needs of local authority staff and councillors to ensure they are able to provide the necessary support and community leadership.

Better funding mechanisms need to be put in place to provide sustainable career paths for Economic Development Officers (EDOs) so that the best skills are attracted to the role. This process need not cost any more public agency funding but could be largely achieved through the rearrangement of existing public agency funding commitments.

Conclusion

The programs already in place indicate Government’s recognition of the need for support to achieve economic development in rural areas. Our contention is that there is a requirement to better co-ordinate these programs and to re-evaluate perceptions of the role of the RDO’s with a view to building on successful approaches in other countries.

References


