

THE CONVERSATION

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Election 2016: the issues in non-metropolitan Australia

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While politicians like Malcolm Turnbull and Barnaby Joyce do the traditional photo-ops, fewer people than ever are taking on farming, which can no longer support vibrant rural and regional communities on its own. AAP/Tracey Nearmy

Rural and regional Australia is a big place. That's obvious enough. Still, it's easy to forget that the communities and industries of non-metropolitan Australia are diverse. They face a variety of challenges and often have different, if not competing, stakes in government policy.

But what are the issues that deserve attention leading up to the 2016 federal election? While not everyone living in rural and regional Australia will see eye-to-eye on how these issues should be resolved, I will return to this list closer to election day to see just how many have made their way onto the national political agenda.

Infrastructure

Government investments in transport, energy, telecommunications and water infrastructure are fundamental to the productivity of rural and regional industries.

Made well, these investments can enhance economic and social participation, minimise negative environmental impacts, and support adaptation to climate variability and

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change.

It follows that, when it comes to evaluating the case for public investment, one eye needs to be on the business case while the other needs to be on the potential for social and environmental co-benefits. This is where most of the issues listed below come into play.

Unemployment

Nationally, unemployment rates in non-metropolitan Australia are similar to those in the capital cities. However, rural and regional labour markets are volatile, with extremely high unemployment in particular locales. Place-specific strategies to assist these locales deserve consideration.

The loss of over 55,000 mining jobs nationally since late 2012 hit a number of regional cities hard. In Mackay, unemployment rose from 11.7% to 18.9% in 2015. In Muswellbrook, it went from 9.8% to 14.9%. The sector is expected to shed another 31,900 jobs by late 2020.

Other non-metropolitan regions experience particularly high youth unemployment. In March 2016, young people aged 15-24 were unemployed at rates of 31.3% in western Queensland, 22.3% in Cairns, 19.7% on the NSW mid-north coast and 19.5% in the Hunter Valley. The national average for this age group was 12.2%. For all workers the unemployment rate was 5.7%.

Nowhere in the country, though, are unemployment levels higher than in predominantly Indigenous townships like Aurukun, Palm Island and Yarrabah. Unemployment today in these former forced relocation sites hovers above 50%. That's nearly three times the already high national unemployment rate for Aboriginal and Torres Strait Islander people.

Diversification and new economy jobs

Changing workforce profiles mean that growth in the value of traditional rural and regional industries won't necessarily solve the problem of unemployment.

Agricultural produce recorded an increase in value between 2010-11 and 2014-15 of about 13%, or A\$6 billion. Over roughly the same period, though, agriculture, forestry and fisheries shed nearly 40,000 jobs. Another 9,400 jobs are expected to go by late 2020. Innovation is driving improvements across many aspects of primary production, including labour productivity.



The same pattern is likely to be replicated in mining. Even if we assume a recovery in mineral and energy markets, we must equally assume that investment in labour-saving technology will continue to rise.

Innovations in remote sensing, ITC and robotics will enable the automation of more and more jobs on site, favouring a concentration of operational jobs in metropolitan control centres.

By contrast, jobs in health care and social assistance and professional, scientific and technical services grew 20.3% nationally in the five years to November 2015. More than one-third of healthcare and social assistance employees (more than half-a-million people) are located in non-metropolitan regions. Of these, 45% work part-time and 79% are women.

Other human service industries, such as education and training, are also significant and growing regional employers.

Meanwhile, only 18% of professional, scientific and technical services employees (184,200 people) work regionally. Of these, 22% are part-time and 40% are women.

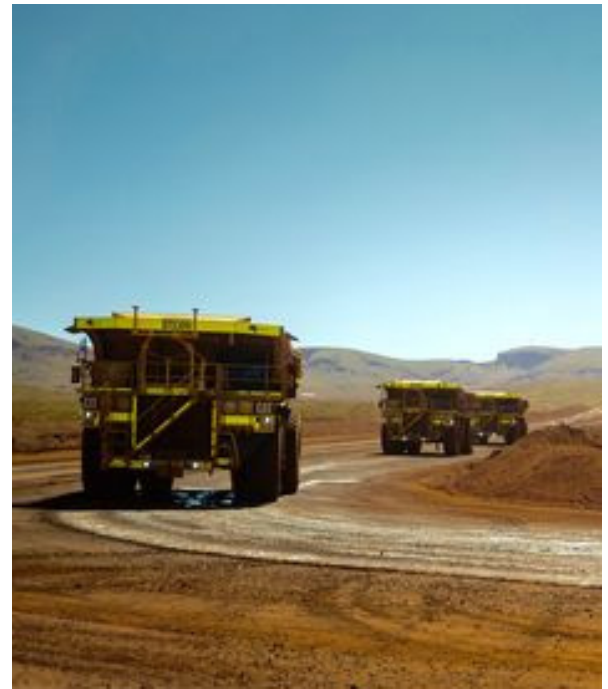
The national shift to professional, scientific and technical services is helping compensate for declining employment in traditionally male, blue-collar industries like manufacturing. However, the benefits of a rapidly growing professional and scientific workforce are concentrated in the major cities. This needs to change.

Both existing industries and industries of the future require access to high-level scientific and technical expertise. The more such expertise can be nurtured within non-metropolitan areas the better placed they will be to sustain their competitiveness, participate in the knowledge economy and diversify employment opportunities.

Aboriginal and Torres Strait Islander participation

Two-thirds of Aboriginal and Torres Strait Islander Australians live in rural and regional areas.

Closing the Gap reports demonstrate little progress against commitments to do so something about the disadvantage many experience. I will focus here on two issues with particularly direct implications for economic and social participation: incarceration and native title.



Automation of mine work, including these self-drive haul trucks, means more jobs are concentrated in metropolitan control centres. AAP/Will Russell

The rate at which Aboriginal and Torres Strait people were imprisoned rose 57.4% between 2000 and 2013, while the rate for non-Indigenous Australians remained steady. This suggests multiple policy failures related both directly and indirectly to the criminal justice system.

By contrast, the last decade has also seen multiple native title determinations. More than one-third of the Australian land mass is either owned by Aboriginal and Torres Strait Islander peoples or has those peoples' interests formally recognised.

Indigenous Ranger programs have proven extremely promising as means to care for these lands and create meaningful employment opportunities. The opportunity to utilise native title assets to build businesses and yet more jobs is immense. Realising that opportunity will require genuine partnerships with native title rights holders and creative approaches to investment.

Health, education and social services

Coupled with unemployment, inadequate access to services is a key dimension of rural disadvantage.

It is no secret that access to services such as health and education diminishes the further you get from capital cities. The cost of delivery goes up and the task of recruiting high-quality staff gets harder.

The situation may not be so bad in large regional centres, but in rural and remote locales it is estimated that lack of access to GPs, dentists, pharmacies and other primary health facilities results in about 60,000 preventable hospitalisations every year. The National Rural Health Alliance identifies access to mental health, dental health, Medicare Locals, aged care and Indigenous health as urgent priorities.

Climate change

Almost certainly, climate change will prove a major disruptive force for agriculture and other rural industries. Existing strategies for dealing with climatic variability will help land managers adapt to low levels of temperature rise. As climate change intensifies, though, they will need to consider more fundamental shifts in land use.

Just as importantly, global efforts to reduce greenhouse gas emissions could increase the cost of fossil-fuel-based inputs or create barriers to the sale of produce seen as emissions-intensive.

Rural industries will need to work with government and research institutions to reduce

their emissions, adapt to changing environments and develop new income streams.

Natural resource management

The environmental impacts of rural land use attract consistent media and political interest. Land clearing, habitat loss, damage to iconic ecosystems, water allocations etc make regular front-page news.

Natural resource management policy has been most successful when it has been less about penalising land users and more about long-term collaboration in support of environmentally and economically sustainable use.

For several electoral cycles, however, natural resource management programs have been renamed, reprioritised and/or replaced. Regardless of the merits or limitations of individual programs, rural and regional Australia needs a return to coherent and stable resource management policy.

Agriculture

Agriculture utilises more than half the land mass and contributes more to the economic vitality of Australia than most people appreciate. Despite decades of declining terms of trade and periods of intense drought, the productivity and value of agriculture have continued to outperform many other parts of the economy.

At the same time, however, thousands of farmers have been forced out of the industry. Fewer people than ever are taking on farming as an occupation.

It is no longer reasonable to expect agriculture alone to support vibrant rural and regional communities. It is reasonable, though, to position Australian agriculture to capitalise on population and income growth in the Asia-Pacific region.

Policy needs both an eye to this potential and a sensitivity to the very real challenges those in the sector face.

To the election

Already in this campaign, a handful of non-metropolitan electorates and issues have attracted attention. It will be interesting to see if former independent MP Tony Windsor can pick off Deputy Prime Minister Barnaby Joyce in New England, but the dynamics here tell us little about what is going on in rural and regional electorates more generally.

The Great Barrier Reef has emerged as one of the more prominent election issues so far. Politicians of all hues have been visiting North Queensland to announce or defend


natural resource and climate policies relevant to its health.

The audience for these announcements is probably more national than local.

Electorates within the Great Barrier Reef catchment have lost numerous mining jobs and voters there will be just as keen to know the plan for employment growth. Can reef health and employment growth be reconciled?

I'll comment more on how these issues are playing out closer to election day on July 2.

A month is a long long time in politics.

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