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REGIONAL DEVELOPMENT: TRANSLATING RESOURCE VALUES INTO REGIONAL BENEFITS

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ABSTRACT

Australia's rangelands are experiencing a radical re-evaluation of natural resources, with declining commodity values and enhanced amenity values. Pastoral dominance is being displaced by diversity in values, uses and ownership. Long-standing environmental and locational constraints on regional development are increasingly being expressed in new structural barriers with the new resource values either yielding little income or else susceptible to income transfer beyond the rangelands. Regional development strategies must address these structural problems, and must recognise the high regional multipliers in servicing directly the needs of peoples compared with commodity production. Regional strategies need to consider social, cultural and environmental as well as economic outcomes. Regional coalitions of diverse, previously antagonistic interests are essential if regional benefits are to be maximised.

TRADITIONAL STRUCTURAL PROBLEMS

As in other sparsely settled lands, Australian rangelands have persistently offered ever-enticing but ever-elusive prospects for regional development. The wealth yielded by mining has been grossly disproportionate to its immediate regional impact, and even this impact has been ephemeral, with the notable exceptions of Broken Hill, Kalgoorlie, Mt Isa, the Pilbara towns, and, indirectly, Whyalla, or the more modest service/mining centres such as Cobar, Tennant Creek and Weipa. More generally, the mining legacy has been an underutilised, decaying, obsolescent infrastructure, of declining regional significance.

Nor has agriculture fulfilled its much-heralded promise. The history of northern development is a lengthy chronicle of ambitious, failed agricultural projects.

Environmental constraints to development are well recognised, with the predominant influence being climatic disabilities. Less attention is given to locational constraints, arising from lack of population and low demand levels and reflected in poor accessibility, lack of infrastructure and high cost burdens, creating a severe impediment to development (Davidson 1966, Holmes 1988). Local economies are truncated, with very low cross-sectoral multipliers, reflecting an incapacity to capture the benefits from new enterprises (Jensen and West 1983, Mules 1985). Capital intensive developments exist as enclaves, detached from the local economy and closely tied to a distant metropolis. Accessibility gradients are of critical importance in assessing development prospects, and regional centres such as Darwin, Alice Springs, Kalgoorlie, Broken Hill and Mt Isa are of critical importance as pivots for current or potential regional growth.

NEW CHALLENGES IN A POST-PRODUCTIONIST ERA

As in other affluent nations, Australia's rural lands are undergoing a major re-evaluation, with agriculture's former dominance being selectively displaced by diverse values and uses. This is part of a wider trend by which lands surplus to requirements for commodity-outputs are increasingly in demand for their amenity values, broadly defined as values directly meeting human needs and wants. In the rangelands, these include tourism, recreation, wildlife preservation and Aboriginal traditional and contemporary uses.

Table 1. Australia's Rangelands: Goals, strategies and mechanisms for regional development in the productionist and post-productionist eras.

Goals, Strategies, Mechanisms	Dominant Within Productionist Era	Additional Within Post-Productionist Era
Economic Orientation	Market-oriented: income generation	Non-market: Aboriginal rights; human welfare; environmental; sustainability
Socio-Economic Goals	Maximise commodity output	Maximise amenity benefits: tourism, welfare, environment, community, cultural values
Marketable Outputs from Natural Resources	Minerals, pastoral products	Tourism, recreation, amenity values
Non-Market Outputs from Natural Resources	(Rarely recognised)	Aboriginal traditional uses, recreation, landscape, preservation (existence) values
Income Sources for Landholders	Pastoralism	Decline in pastoral income; prospective but elusive non-pastoral sources
Regional Multipliers from Mining	A few major urban centres; elsewhere modest and ephemeral multiplier effects	Negligible; economic enclaves linked to cities (fly-in, fly-out)
Development 'Frontiers'	Major pastoral and mining provinces; prospective irrigation areas	Arid and northern tropical margins of low pastoral potential but diverse amenity values
Private Investment Opportunities	Pastoralism, mining, transport, producer services	Tourism, Aboriginal services, communications, consumer services
Priorities in Public Investment	Physical infrastructure; roads, ports, airports, telecommunications, irrigation projects	Social infrastructure: education, health, housing, welfare, employment
Mechanisms for Regional Transfer Payments	Commodity subsidies and support; fuel subsidies; cross subsidies within service utilities	Direct payments for welfare; special assistance with education, health, housing and related services
Research Priorities	Production-oriented; selective resource inventories; specialized experimental research	Environmental- and people-oriented: inventories, appraisal and monitoring; multi-disciplinary survey research
Sources of Political Power and Influence	Producer groups; pro-developer advocates	Diversified but with prominent roles for Aboriginal people and environmentalists
Local Participation in Furthering Regional Development	Very limited: mainly through local government, political parties and producer organisations	Increasingly diversified, fragmented and conflictual; tentative moves towards regional coalitions

Source: Adapted from Holmes (in press).

In western Europe this switch in rural resource values and in public policies has been interpreted as the transition from a productionist to a post-productionist era (Commins 1990, p. 46). This transition offers new opportunities in the valuation and use of our rangelands, but it also poses major challenges. The nature and implications of this transition are summarised in Table 1. A perusal of this table reveals that, unfortunately, these new values do not readily translate into income streams for pastoral landholders and rangeland communities. These are two distinct, but related structural problems, namely the shift from market to non-market values and the geographical transfer of value (Holmes 1994).

The Shift Towards Non-Market Values

In more populated areas, new amenity values are incorporated into the local market economy, attracting new streams of capital investment and income. However, in the rangelands, the newly-recognised amenity values are not market-oriented. They include such major national concerns as preservation of biodiversity, sustainable range management and Aboriginal traditional uses. While these new values can generate income for local communities, current institutions do not accommodate these opportunities.

The Geographical Transfer of Value

The prospects are not much better for resources yielding marketable outputs. When combined with technological advances, the new emphasis on amenity and lifestyle values enables a functional and geographical disconnection of income streams from the resource locale. Even in the utilisation of immobile assets, the demographic and economic benefits are increasingly transferred to the major population centres. One striking example is the growing popularity of 4WD and bus-safari tourism, generating large expenditures in major population centres but with negligible economic benefits to outback locations. Another striking example is the trend towards capital-intensive mining operations, utilising a small fly-in-fly-out workforce, disconnected from the local economy but closely tied to distant metropolitan sources of labour, skills, equipment, management and other services. There are many other examples of the incapacity of remote regions to capitalise on economic opportunities generated by local resources.

EMERGING REGIONAL TRAJECTORIES

In Australia's rangelands, the pace of regional change, driven by the emerging amenity values, is more rapid than in more settled areas, leading to more pronounced interregional differentials in resource values, urbanisation, Aboriginal influence, land-tenures and development projects. In this differentiation, the most significant dimensions are tied to: urban accessibility; sustainability of pastoralism; pastoral productivity; amenity values; and Aboriginal influences. Many of these dimensions are imperfectly interrelated.

In turn, this is leading to highly differentiated opportunities and challenges in regional 'development', for example, between stressed pastoral regions (Mulgalands of south-west Queensland and north-west NSW), remote regions of highly diverse cultural and resource values (Cape York Peninsula, Kimberley) and core, urbanising regions (Darwin, Alice Springs).

APPROPRIATE REGIONAL STRATEGIES

Differential challenges and opportunities will also require differentiated priorities and strategies in pursuit of regional 'development', here broadly defined to embrace social, cultural and environmental as well as economic goals. Amid these differences, certain critical common elements can be discerned.

Strategies in support of resource-based regional development need to address the structural problems, already mentioned, notably the increasing significance of non-market resource values and of the geographical transfer of value.

Non-market resource values can nevertheless yield market-oriented regional economic multipliers, clearly shown by the local, economic benefits from well-frequented National Parks. Regional strategies need to identify and assess significant non-market resources capable of providing economic, social and cultural benefits in such sectors as: conventional and niche tourism; recreation; Aboriginal resource use and cultural activities; sustainable resource use; preservation of biodiversity; research and education.

Equally important is the need to adopt regional strategies to capture multiplier effects from resource development. With mining, the most potent force towards local capture of some benefits is through the emerging rights of Aboriginal traditional owners to negotiate royalties and other concessions from mining companies. These may yet lead to a significant reversal of the current minimal regional benefit from mining, with spin-offs for other sectors in the regional economy.

There are major potential regional benefits in attracting and servicing tourists and recreationists, but this will require targeted strategies according to the regional context. Diversified tourist destinations such as Darwin and Alice Springs already can obtain reasonably high cross-sectoral multipliers requiring a different strategic approach to those needed in more remote regions seeking to capture benefits from enclave resorts or from free-ranging, 'self-sufficient' modes of outback tourism.

The most urgent need is to ensure an ongoing co-ordinated, participatory approach in pursuit of agreed regional economic, social, cultural and environmental goals. This requires working partnerships between all relevant interests: public sector and private sector; Aboriginal and non-Aboriginal; conservationists and developers; pastoral and non-pastoral; local and non-local. These are needed to overcome existing fragmentation and conflict, which has a debilitating effect, given the very scarce human numbers and capabilities available in our sparsely settled rangelands. The need for such working, 'grass-roots' coalitions has been recognised in the recent regional agreement reached in Cape York Peninsula.

Finally, regional strategies will need to place less emphasis on the output of commodities and more on directly meeting human needs and wants. While people may be a scarce 'resource' in the rangelands, population-induced regional multipliers are exceptionally high, while commodity-induced multipliers are extraordinarily low. Furthermore, in this post-industrial era, regional growth is increasingly population-led. Our rangelands have very distinctive attributes which will become increasingly valued in meeting human needs, including both permanent residents and transients. We need to recognise these amenity-related assets and their increasingly important role in shaping regional development.

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