



Catholic Social Services
Australia

IV World Congress on Rural Life

June 2012

Area Report for Australia:

Rural Australia and globalization

by

Paul O'Callaghan
Executive Director
Catholic Social Services Australia (CSSA)

Rural Australia and globalization¹

In recent decades, Australia has become a major trading nation. At the centre of this development stands your country's agriculture. What began nearly two hundred years ago as a humble enterprise for supplying food and clothing to convicts, soldiers, administrators and other has developed into a major industry. In the past two centuries, you have not only supplied your own basic necessities, but you have clothed and fed millions of people around the world.

Pope John Paul II

Each Australian farmer produces enough food to feed 600 people. Of those 600 people, 150 live in Australia and 450 live overseas.² As our Asian neighbouring countries continue to increase in both population and wealth, Australian agriculture has an important role to play as a provider of food. As Pope Benedict XVI explained last year, interdependence between nations fosters global solidarity. It is not a threat but an advantage.³

According to the national umbrella body for Australian agriculture, the National Farmers' Federation, Australia's comparative advantage lies "in broad-acre agricultural products that are produced with the extensive use of land and limited inputs of labour."⁴

The development of Australian agriculture over the last 40 years has gone hand in hand with a reduction of the number of farming families and the decline of many small rural towns. The dream held by some Australian leaders in the late nineteenth century of a densely populated countryside have faded as Australia's farmers have grappled with the vagaries of Australian soil types and climate and with the impact of technological and economic change.

Improvements in agricultural efficiency and higher farm incomes have resulted mainly from the use of innovative methods, new machinery and the adoption of new technology. In many cases, this is linked to relatively large farm size. In 1961, Pope John XXIII insisted that "farmers must be given up-to-date instruction on the latest methods of cultivation, and the assistance of experts must be put at their disposal." Since the mid-nineteenth century, Australia farmers have been rapid adopters of improved farming and animal husbandry methods. Compared to some other regions, they have used advances in science and technology to actively adapt farming techniques.

¹ I wish to thank my colleague Don Arthur for his research support in preparation of this paper.

² National Farmers' Federation (2012) *NFF Farm Facts 2012*, Barton ACT.

³ Benedict XVI (2011) *The logic of power breaks up society*
http://www.vatican.va/holy_father/benedict_xvi/speeches/2011/december/documents/hf_ben-xvi_spe_20111215_ambasciatori_en.html

⁴ McElhone, Charles (2012) *White Paper on Australia in the Asian Century*, National Farmers' Federation.

The Australian agriculture sector has thrived despite the regular occurrence of droughts, floods and other natural disasters. At the same time, as with other substantial economic and social change, these changes in the agricultural economy have been accompanied by challenging social problems. In Australia's case, these include a higher incidence of family break-down, high levels of youth mental health problems and other issues related to social isolation as fewer people live on the land. The Catholic social services agencies which are represented by Catholic Social Services Australia provide support and services to people in most parts of rural and regional Australia and also in some remote Indigenous communities. Serving the needs of people across very large geographical areas presents special challenges to these agencies and it is common in some areas for professional social workers, psychologists and counselors to travel up to 500 or more kilometres per week to meet with their rural clients.

Agricultural reform in Australia

By the 1970s Australian agriculture was at a crossroads. While the incomes of farmers in other developed countries often lagged behind people in the towns and cities, the average Australian farmer was better off than most wage earners and enjoyed much the same level of income as other self-employed people.⁵

Before the reforms, producers had been regulated and supported by a complex system of subsidies, price supports, quotas and trade barriers. But by the end of the 1970s the organizations representing Australian farmers came to believe that their members would be better off if they moved away from government protection and embraced free markets. As a recent submission by the National Farmers' Federation submission explains:

Over 30 years ago, Australian farmers realized that in many cases, Australia's protectionist policies were reducing the competitiveness of the rural sector and indirectly placing upward pressure on farmer's costs which farmers were unable to pass on.

Farmers also realized that the market distortions were breeding inefficiencies and dulling market signals – a real danger for a sector so dependent on the highly competitive international market. With this knowledge, the sector embraced a large scale reform process. This has resulted in the sector being more open to the international market and more responsive to changes in consumer demand.⁶

Established in 1979, the National Farmers' Federation (NFF) quickly became a leading advocate for economic liberalization. In the struggle between free trade and protection during the 1980s and 1990s, the NFF emerged on the winning side.

The NFF is the umbrella body representing farmers and agriculture across Australia. Outside the federation and its member organizations there are few places that farmers can go to have their interests represented. As academic Linda Botterill writes: "the agricultural

⁵ McKay, D. H. (1967) 'The Small-Farm Problem in Australia', *The Australian Journal of Agricultural Economics* Vol 11 no 2.

⁶ McElhone, Charles (2012) *White Paper on Australia in the Asian Century*, National Farmers' Federation.

policy community in Australia is virtually closed to those who disagree with the prevailing economic approach.”⁷

As an industry, Australian agriculture is highly efficient and export oriented. Australian farmers are among the least subsidized in the developed world. According to the OECD, producer supports make up over 50 per cent of gross farm receipts in Switzerland, Korea and Norway. In Japan it is 49 per cent, the European Union it is 27 per cent and the US 10 per cent. In Australia producer supports make up only 6 per cent of gross farm receipts.⁸

The NFF has been a consistently strong critic of the government subsidies and trade protection used by many other countries. The NFF President argued in 2003 that subsidies tend to benefit big farm operators and the countries that pay them “hold world agricultural markets to ransom and deprive developing countries of the opportunity to grow.”⁹

Australian farmers have chosen to pursue higher incomes by producing goods that consumers want at competitive prices. They spend less of their effort attempting to increase their incomes by persuading government to redistribute wealth generated in other sectors of the economy or by forcing domestic consumers to pay higher prices. While small and less efficient farmers might see things differently, Australia’s organized farm sector regards *free* trade as *fair* trade.

Agrarian dreams

Australia is a mostly dry land with ancient and mostly low yielding soils. Relatively little of the countryside is suitable for the kind of small-scale, intensive agriculture traditionally practiced in parts of Europe. Practices such as tree clearing, overgrazing, over cultivation and irrigation have degraded the soil and damaged the environment.

Today there is a better understanding of the limits of the Australian environment. But since European settlement in the 1780s, many Australians imagined that the countryside could be transformed through closer settlement so that it supported thousands of small family farms and dense networks of towns and villages.

Until the end of the nineteenth century, much of the Australian inland remained undeveloped. From the 1850s onwards, huge areas of the sparsely populated Australian inland were used for sheep grazing. From the 1860s until the end of the Second World War, governments sought to break up the land holdings of the large scale farm owners, called graziers, in order that the countryside be developed through closer settlement.

The drive for closer settlement came from political leaders in the cities who were convinced that rural development was in the national interest. They saw the opening up of land for farming as a way to attract urban dwellers and migrants and thereby expand the Australian population. After both of the world wars, governments provided returned soldiers with the opportunity to take up small farming blocks. In addition to meeting the

⁷ Botterill, Linda (2005) ‘Policy change and network termination: The role of farm groups in agricultural policy making in Australia’, *Australian Journal of Political Science*, Volume 40, Number 2

⁸ OECD (2009) *Agricultural Policies in OECD Countries: Monitoring and Evaluation*, Paris

⁹ AAP (2003) *Farmers Better Off With Free Trade*, *The Age* Tuesday 22 June.

need by many returned soldiers for a means of income, this policy was seen as diffusing any potential post-war discontent which could translate into political unrest.

Most efforts at closer settlement ended in failure. Settlers often lacked the knowledge and skills needed to farm successfully. The blocks of land were often too small to be viable. And as improvements in efficiency pushed down commodity prices, small, capital-constrained farmers struggled to take advantage of new farming methods and technologies.

Even though there was mounting evidence that the policy of closer settlement was unworkable in Australia, some prominent, city-based, Catholic leaders became proponents of that policy. Their vision of rural Australia was one based on a dramatic increase in the number of independent family farms, where hundreds of country towns would become a significant part of national life.

From the late 1940s until the 1970s, one of those leaders, Bob Santamaria, led the National Catholic Rural Movement's drive to shift population growth away from the cities and towards the country.

Santamaria was the son of Sicilian migrants and he became the Catholic Church's most influential layperson over a period of 40 years. A staunch anti-communist, he played a key role in driving communism out of the national trade union movement. This political campaign led, in turn, to one of the biggest political developments in the post-war period. It produced a split within the left-of-centre Australian Labor Party and saw the creation of the Catholic-based Democratic Labor Party. That split was the principal reason that a Conservative party remained in power for the 23 years.

Deeply suspicious of cities and industrialization, Santamaria imagined an Australia modeled on what he knew of places like northern Italy. His vision was of small family farms that saw to their own needs first and only then to production for the market. The movement sought to attract European migrants to the country. By remaking Australia in the image of a land the Church was familiar with, he hoped to advance the cause of the Church and strengthen Catholic families.

Most commentators regarded the National Catholic Rural Movement's plan as a backward-looking attempt to establish peasant farming in Australia. As a former Governor General was overheard saying in the 1950s "All they want for a rural policy is a sheep; a goat, three acres and a migrant."¹⁰

Santamaria did not adequately understand the reality of Australia's rural industries. Those industries were already prosperous and his agrarian vision was more likely to generate poverty and dependence on government support than continuation of such prosperity. As with the poor results achieved by the returned soldiers who had taken up small farms, Santamaria did not see that most of the new, small-scale farmers he had hoped for would struggle to become self-sufficient. His agrarian vision would have led to those rural communities becoming highly dependent on the rest of the nation.

There is an enduring strand of agrarianism within Australian thinking which conceives of rural life as being more virtuous or natural. Even so, as historian Judith Brett points out,

¹⁰ The Sun-Herald Sunday 17 October 1954 p 31

this strand has never been enough to win over the vast majority of Australians, who are urban people:

*It may have given comfort to country people doing it hard to believe that they were more virtuous than others, but city people would not have appreciated rural demands for special treatment.*¹¹

As the 1950s gave way to 1960s, it became more obvious that it was not in the interests of city people or the nation to continue to subsidize the settlement of rural Australia or to shield farmers from the market. And gradually, many of those in the farming community came to believe that it was not in their interests either.

Economic liberalization and its consequences

Up until the 1970s, the Australian manufacturing relied heavily on tariff protection. Wages were regulated and agricultural producers were protected by a complex system of subsidies, price supports, quotas and trade barriers. But by the end of the century most of this would be dismantled.

During the 1980s and 1990s, successive Australian governments implemented national policies of deregulation and privatization of public sector assets. They sought to create an Australian economy which could survive against international competition. This meant removing hidden subsidies and industry supports that came with government intervention in the market.

Australia's shift towards economic liberalism had a significant effect on rural Australia. A number of newly privatized government enterprises, such as the national postal service (Australia Post), closed unprofitable offices in many country towns. At the same time, the major banks closed many of their rural branch offices and, as in the cities, moved to using Automatic Teller Machines as a principal mechanism for dealing with customers.¹²

Rural people protested at these bank and post office closures and when their passenger trains were replaced with less frequent bus services. But, amidst the major structural change underway across all sectors of the economy at that time, the political response was clear: "don't look to the government to bail you out; you're on your own."¹³

A key reason for the decline of the size of rural towns was the steady decline in the farming population and the ability of rural communities to access regional cities more easily than before. The number of farming families in Australia fell by almost 30 per cent between 1986 and 2006. Farms grew in size and not necessarily because farmers were forced off the land by hardship. According to a 2001 report by the Australian Bureau of Statistics, "the number of farmers leaving agriculture was greatest during periods of high commodity prices, as land values were high and neighbouring farms had the financial capacity to expand."¹⁴

¹¹ Brett, Judith (2011) 'Fair Share : Country and City in Australia' *Quarterly Essay* 42, Collingwood.

¹² Brett, Judith (2011) 'Fair Share : Country and City in Australia' *Quarterly Essay* 42, Collingwood.

¹³ Brett, Judith (2011) 'Fair Share : Country and City in Australia' *Quarterly Essay* 42, Collingwood.

¹⁴ Australian Bureau of Statistics (2003) *4102.0 - Australian Social Trends*, Canberra.

Only four per cent of Australia's workforce is now engaged in any way in agriculture. An increasing proportion of people living in rural areas are engaged in service industries like tourism, health or community services or are outside the workforce. In many farming families, farmers and their spouses are supplementing farm income with earnings from off-farm work.

Australian farmers are getting older. Between 2001 and 2006 the proportion of farmers aged over 65 increased from 15 per cent to 18 per cent.¹⁵ While smaller in number, the next generation of farmers is likely to be better educated and more business oriented. According to the Australian Bureau of Statistics:

With the operation of family farm businesses becoming more complex and being seen as a job rather than a 'way of life', more farm operators and managers are seeing themselves less as farmers and more as managers with skills that have much in common with other business managers outside agriculture.¹⁶

While government policies towards the country have changed over recent decades, the main factors leading to the decline in the farming population relates to the long-standing pattern of farmers investing significantly in new technology and farming techniques, which require far fewer people on any farm than was the case 30 years ago.

Rural disadvantage

Some of Australia's most disadvantaged populations live outside the major cities. But, in considering the causes of such disadvantage, it is not primarily related to inadequate government support. Indeed, had Australia implemented the Santamaria plan for closer settlement, Australia's rural and urban populations would have a far lower standard of living than it does today.

New technology and the growth of scientific knowledge have allowed farmers to produce more food and fibre with less labour. This means human effort has moved to other pursuits and has enabled the growth of services like education, health and aged care.

An Australian government inquiry into poverty in the early 1970s uncovered small farms that had yielded inadequate incomes ever since they were established.¹⁷ And many of these were the product of government efforts designed to increase the number of farms. The main examples of these were in creating new river irrigation systems to establish new agricultural industries areas and the post-war soldier settlements.

The poverty inquiry demonstrated that farms which were unable to achieve even modest profitability put families under great stress. In these circumstances, problems of alcohol abuse, domestic violence and suicide have been found to be prevalent. Such complex social issues cannot be readily solved by increased government income support, subsidies or protection from market forces. Moreover, rural Australians have a strong ethos of

¹⁵ Australian Bureau of Statistics (2006) 7104.0.55.001 - *Agriculture in Focus: Farming Families, Australia*, Canberra

¹⁶ Australian Bureau of Statistics (2006) 7104.0.55.001 - *Agriculture in Focus: Farming Families, Australia*, Canberra

¹⁷ Henderson, Ronald.F. (Chairman) (1975), *Poverty in Australia First Main Report April 1975*, Commission of Inquiry into Poverty, AGPS, Canberra (p 184–5).

independence and do not wish to become dependent on government “hand outs”. Far from threatening healthy rural life in Australia, the experience in Australia has been one in which the large majority of farmers are able to compete in the global marketplace. This enables their families to achieve independence and share in the prosperity of the cities. They greatly value their autonomy and also recognize the inevitable interdependence between city and country. While they are not advocates of a larger rural population, they acknowledge the benefits of the large, modern regional cities which have emerged over recent decades.

Rural communities in Australia today

While life in the country is often seen as healthier than in the city, in Australia there are indications that the reverse is true. More people are killed or injured on the roads, rates of alcohol abuse and smoking are higher, occupational safety is poorer and problems like obesity are more common.¹⁸ Educational attainment levels, and therefore future employment opportunities, for children are also lower than for their city counterparts.

Mental health problems are a major problem for rural families. According to the Commonwealth Department of Health:

There is evidence to suggest that the higher prevalence of mental health problems in rural communities is due to socioeconomic disadvantage, a harsher natural and social environment, loneliness and isolation, and fewer available health services.¹⁹

The recent extended period of drought placed many farming families under extreme stress. And the decline in population in many rural areas contributes to isolation. There is considerable variation across regions but a 2007 study of farmers in southern Queensland found that some farmers felt abandoned by government and society.²⁰ Similarly, as our Catholic agencies in the state of Victoria experienced in the aftermath of the devastating 2009 bushfires, natural disasters have not only an immediate physical impact on people and property, but lasting, detrimental social and emotional impact. Australian people and governments are quick to respond generously in the short-term; but it takes the long-term commitment of agencies grounded in the community to ensure a long-term pathway to hope and recovery is maintained.

Of Australia’s 458,000 Aboriginal and Torres Strait Islander people, 69 per cent live in rural, regional or remote locations. Overall, the health, education and life expectancy outcomes of Aboriginal and Torres Strait Islander people are lower than for other Australians. In all of these Indigenous cultures, links to traditional land are of profound importance and are closely tied to perceptions of identity and social and emotional wellbeing. For social service providers working with Aboriginal and Torres Strait Islander peoples, it is essential for staff to respect these traditional links to land and to learn about the particular impact of European settlement on the communities with which they work. It

¹⁸ Rural and Regional Health Australia, Australian Department of Health and Ageing
<http://www.ruralhealthaustralia.gov.au/internet/rha/publishing.nsf/Content/NSFRRH~HealthStatus>

¹⁹ Rural and Regional Health Australia, Australian Department of Health and Ageing
<http://www.ruralhealthaustralia.gov.au/internet/rha/publishing.nsf/Content/NSFRRH~HealthStatus>

²⁰ Hossain, Delwar and Eley, Rob and Coutts, Jeff and Gorman, Don (2008) Mental health of farmers in Southern Queensland: issues and support. *Australian Journal of Rural Health*, 16 (6).

has only been since 1992 that formal recognition of the prior ownership of land by Indigenous people occurred.

Another looming pressure is Australia's ageing population and increased demand for care facilities. At present, older people are forced to move to larger towns—away from family, friends and support networks—to gain access to aged care facilities. In 2012, however, the commencement of a government-driven aged care reform process offers opportunities for social service agencies to respond more creatively to people's health, social, emotional and spiritual needs as they age – within their own homes and communities.

For the large part, however, decline in the number of farming families and the shrinking of most small country towns, unlike the expanding regional cities, has exacerbated problems of isolation for many rural families. In rural towns which have been steadily declining in population over recent decades, many young people are moving to regional cities or larger urban areas. For these towns, there has also been change in the traditional pattern of voluntary community organizations.

Even among farming families, many (female and male) spouses of farmers, as well as townspeople, typically work in those towns. This factor, combined with the declining population, has led to change in the informal mechanisms of community support. One symptom of this is fewer local volunteers are coming forward to play the vital leadership roles for organizations that support the elderly, disabled and other vulnerable people. This is the first time in more than a century that such a pattern has emerged. Social services agencies are increasingly called upon to fill these emerging gaps. However, despite the injection of (welcome but inadequate) government funds and the back-up of substantial (but limited) infrastructure, such organizations face significant challenges to providing a level of assistance that truly reflects their mission of *caritas* and justice.

The tyranny of distance means that staff are required to travel lengthy distances for this work, as their offices are mainly in larger rural centres. While some clients can travel to access services, this “outreach work” is important to maintain relationships with families who may not access services in larger centres.

Where populations are spread over very large areas, outreach work is time consuming and expensive. Agency staff spend a large amount of time travelling, yet government funding support for such work is normally inadequate. Catholic Social Services Australia has advocated for better funding to support outreach and community development activities.

Another organizational challenge in providing high quality services to rural communities relates to the problem of attracting and retaining appropriately skilled and qualified staff. People with qualifications in fields such as social work and psychology often prefer to remain in the cities where there are more career options, better job opportunities for spouses and educational opportunities for children.

Catholic Social Services Australia continues to advocate with national governments for improved investment in services for rural families, as well as better financial support for social service agencies which seek to assist rural families.

Catholic Social Teaching as a guide to engagement with rural communities

Many member agencies in the Catholic Social Services Australia network work in rural areas. They are also members of these communities and understand the need to work alongside people, helping to promote resilience and other capacities to overcome

difficulties and build on inner strengths. They actively support social networks and foster supportive relationships in communities where these are under stress.

Catholic social teaching provides the guidance within which these agencies operate. Drawing on those vital principles, staff in these agencies develop and implement professional support and facilitation programs for individuals and families who are experiencing major challenges. Among the many types of challenge, isolation, poor self esteem and a lack of hope for the future are notable. For many young people in rural communities, as in other countries, there is also a common, if mistaken, belief that moving to a city could solve these difficulties.

As our Catholic social service and health care agencies work alongside people in rural communities, it is imperative that they listen to the voices of young people, engage positively with Aboriginal people (and with Aboriginal spirituality) and promote respect for cultural diversity. Much of the work of Catholic social services in rural locations is *not* about providing assistance under a passive welfare model. To the contrary, it is about bringing hope, and life and opportunity to people and communities through loving service, and through transformation of unjust structures. That approach is *caritas* in action.

In *Deus Caritas Est* Pope Benedict says “a Christian knows when it is time to speak of God and when it is better to say nothing and to let love alone speak. He knows that God is love (cf. Jn 4:8) and that God’s presence is felt at the very time when the only thing we do is love.... It is the responsibility of the Church’s charitable organisations to reinforce this awareness in their members, so that by their activity – as well as their words, their silence, their example – they may be credible witnesses to Christ.”

The Churches have always had a role in supporting the social fabric of Australian rural communities, and congregations in all major church networks have provided the backbone of many volunteer groups. With volunteer numbers in decline, it is the social service arms of Christian and other faith-based networks that play a more overt role in assisting those who are most vulnerable and isolated.

Australia’s own saint, Mary Mackillop, had a particular vocation for serving people who were marginalized and living on the fringes. Today, Mary MacKillop Rural Community Services continues Saint Mary’s work in the country. With an underlying belief that the community in which people live is at the heart of the Australian rural experience, the organisation is committed to upholding the dignity of individuals and families; overcoming the isolation that remains a continuing feature of Australian rural life; developing and delivering community services and renewing hope in Australian rural communities. It seeks to be “a transforming force by the many ways it endeavours to be of service to rural people and communities in this young embryonic nation but ancient land.”

All Catholic social services proclaim a similar mission, and seek to build resilience and capacity in rural communities by listening, building on existing strengths, enabling connections between people and organisations and fostering opportunities for personal growth and community development. These organizations face significant challenges to providing a level of assistance that truly reflects their mission of *caritas* and justice. In addition to the obvious challenges of distance, money, staff retention and adequate infrastructure, our services are challenged to ensure a *continuity* of care that truly reflects Catholic social teaching principles of respect, dignity, participation, stewardship and protection for the most vulnerable. A key to meeting that challenge is good leadership, coupled with induction for all staff and volunteers to understand and embrace the values underpinning Catholic Social teaching and *caritas* in action.

The Australian Catholic Bishop's Conference Social Justice Statement for 2001 focused on Rural and Regional Australia and took as its theme 'A Just and peaceful Land'. It stated that "Catholic Social Teaching regards the problems of rural communities in the context of social justice based on human dignity rather than in the framework of mere economic activity. It focuses repeatedly on rural-urban equity, the personal worth of farmers and rural people and the requirements of stewardship of God's creation."

The statement notes that "displaced rural people can overstretch city infrastructure and large scale agribusiness does not take as much care with the land as do those individual families who own and work it. Catholic social teaching regards the problems of rural communities in the context of social justice based on human dignity rather than in the framework of mere economic activity. It focuses repeatedly on rural-urban equity, the personal worth of farmers and rural people and the requirements of stewardship of God's creation."²¹

Assisting people to re-gain their sense of dignity and respect as full members of a community is an important theme of much social service engagement with clients. People typically take on a more active and responsible role in their community when they feel connected and perceive themselves to be respected as full and contributing members of the community. This is one reason why Catholic social teaching has tended to put emphasis on the role of the family farm. In his 1961 encyclical *Mater et Magistracy* Pope John XXIII said: "We are bound above all to consider as an ideal the kind of farm which is owned and managed by the family." He argued that the ownership of productive assets needs to be as widely spread as possible. Ownership is not just about sharing the material wealth produced by society; it is also about encouraging autonomy and responsibility.

One of the themes of this encyclical is the need to improve efficiency in agriculture. More than anything else, it is inefficiency that depresses farm incomes and leads to a gulf in living standards between city and country.

Describing farming as a business, John XXIII spoke about the way in which agriculture should constantly draw on developments in science and technology. He insisted that it "must be allowed to make use of the same reforms in the method and type of production and in the conduct of the business side of the venture as are permitted or required in the economic system as a whole."

For farms to run successfully as businesses, John XXIII argued that "farmers must be given up-to-date instruction on the latest methods of cultivation, and the assistance of experts must be put at their disposal."

This is an important idea because instruction, or education, is rightly understood as an investment in productive capital. In the same year as John XXIII's encyclical, economist Theodore Schultz wrote:

Laborers have become capitalists not from a diffusion of the ownership of corporation stocks, as folklore would have it, but from the acquisition of knowledge and skill that have economic value. This knowledge and skill is in great part the

²¹ Australian Catholic Social Justice Council Social Justice Sunday Statement 2001: http://www.socialjustice.catholic.org.au/content/pdf/2001_just_peaceful_land_rural_regional_australia.PDF

*product of investment and combined with other human investment, predominantly account for the productive superiority of the technically advanced countries.*²²

Schultz understood knowledge and skill as a productive resource, as important as land itself or the machinery in a factory. Along with health, knowledge and skill make up what economists call human capital. It is a view that supports Catholic teachings on human development.

John XXIII understood that as the economy developed, the number of people engaged in agriculture would fall. But people leave the land for many reasons and not all of them serve the common good.

The drift from agriculture to the city tends to accelerate when people are unable to develop their skills and improve their earnings on the land. This is also the case when they can only gain access for their families to high quality education, health care and communications in the cities. John XXIII argued that governments needed to invest in rural infrastructure and services not only to improve the efficiency of agriculture but to give people access to a similar standard of living to that available in the towns and cities.

While the principles outlined in *Mater et Magistra* remain relevant, many aspects of the world have changed over the last 50 years. One of those changes is that the standard of living in developed countries like Australia has increased substantially due to developments in technology, in human capital and in the effective way in which farmers have adapted to international agricultural trade. Another change is that, in countries like Australia, labour costs are very high. This helps to explain why Australian farmers principally rely on mechanised techniques.

Indeed, the only way in which most Australian farmers can compete is by using capital intensive, rather than labour intensive techniques. Indicative of this, sales of farm machinery in Australia for a relatively small number of farms are valued at over \$3 billion per year²³ and an individual piece of machinery, such as a harvester for wheat crops, can cost US\$500,000 or more.

John XXIII foreshadowed the growing importance of science, technology and education. Education to deal with the requirements of increasingly sophisticated agricultural industries has put an even greater emphasis on human capital in the 50 years since his writing on this theme. This has also led most Australian farmers into updating their knowledge of global futures markets for their products via internet on a regular basis. In many ways, farmers are at the very front of Australia's international business engagement with the world. In practical terms, their choices about which crops to plant or which livestock to grow are informed by immediate knowledge from international commodity markets.

In Australia we are grateful that our farmers and their contribution have not been forgotten by the Church. When Pope John Paul visited Australia in 1986 he addressed rural communities by saying:

From the beginning, you have had to adapt and to experiment; you have frequently known hardship and sacrifice; but through perseverance and prayer you have gone

²² Schultz, Theodore (1961) 'Investment in Human Capital', *The American Economic Review* Vol. 51, No. 1

²³ Tractor and Machinery Association, <http://www.tma.asn.au/>

on. The obstacles and challenges have not broken your spirit. On the contrary, among other achievements, they have led to the development of new agricultural technology which is benefitting people in countries far beyond your shores. And you are now among the most efficient dry land farmers in the world.²⁴

John Paul's advice was apposite. Given the environmental fragility of much of the Australian landscape and the historical pattern of an emerging, urban-based settler economy throughout the 19th and 20th centuries, the greatest strength of Australia's rural sector was the combination of efficiency and innovation by farmers. Those farmers were always aware of their interdependence, initially with European markets, and later with global markets.

They have also shown themselves to be highly adapted to the vagaries of changing global markets for their products. Their success as competitors in world markets explains why the National Farmers Federation has been such a strong proponent of market liberalization policies. Although the rural population will remain a small percentage of Australia's total population, it is likely that its economic base will remain strong.

Catholic social services, as well as our professional colleagues in the health and education sectors, continue to base our work in rural Australia firmly on Catholic social teaching. Those principles guide how we support and work alongside rural families and communities which are experiencing particular hardship and will continue to inspire all our staff as they reach out to assist those in need.

A final reflection from

A Just and Peaceful Land: Rural and Regional Australia²⁵

The river red gum is a beautiful tree. The thick sturdy trunk supports a number of weighty branches that give a healthy covering of foliage. As it grows older, it always contains some dead or dying branches amid the flourishing growth. The new shoots spring from unexpected places, like the break points where a branch has fallen off. The river red gum can live for a long time in water when floods engulf it, but can also survive long periods of extremely dry conditions when the rivers don't run and water is hard to find.

The river red gum is not a bad image for rural and regional Australia: a sturdy, solid base holding weighty branches that provide homes and nourishment to a wide variety of species. Like the river red gum, parts of rural and regional Australia are flourishing and growing strongly, while other parts are dead or dying.

²⁴ Address of John Paul II to the representatives of rural Australia at the Festival Centre Melbourne (Australia), 30 November 1986

²⁵ Australian Catholic Social Justice Council Social Justice Sunday Statement 2001: http://www.socialjustice.catholic.org.au/content/pdf/2001_just_peaceful_land_rural_regional_australia.PDF

Rural and regional Australia is resilient—the people know the vagaries of the environment in which they live and they have developed ways of surviving the floods or the long periods of drought. They band together in times of disaster and danger and use the sap of close community ties to renew their lives and livelihoods. And, like the river red gum, rural and regional Australia consistently breaks out in new growth—sometimes from the most unexpected quarters and in quite new and spectacular ways.

Of course, every river red gum is unique—as are the people and communities of rural and regional Australia. Many urban Australians accept the myth that rural and regional Australia is a single entity, or that conditions are similar in all parts of the country. While ‘the bush’ on the whole is suffering as its people adapt to globalisation, centralisation and withdrawal of services, many regional cities are prospering, although the small towns or communities now served by them are paying the price. Many urban, and some country, Aboriginal people are living a comfortable, stable life, while others are existing in third world conditions.

Still, from the densely populated archdioceses of the eastern seaboard to the vast, sparsely populated Kimberley diocese in the north-west of the country, there is the same variety of problems, for the churches as well as society in general. Rural and regional Australia has a remarkable diversity—social, economic, environmental, workplace, and, especially, the people. For many, it is simply the best place in the world to be.

But there are issues facing rural and regional Australia that need to be addressed if we are to continue building a truly fair and just Australia, broadly based on the principles embodied in Catholic social teaching.

By acknowledging the problems of ‘the bush’, albeit in breadth rather than depth, we may awaken the minds and hearts of city dwellers, and consider the way forward to a just and peaceful land, based on the principles of Catholic social teaching.