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SPEECH

<p>Date Tuesday, 28 February 1967 Page 174 Questioner Speaker STREET, Anthony</p>	<p>Source House Proof No Responder Question No.</p>
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Mr STREET (Corangamite—) (NaN.NaN pm) - **Mr Deputy Speaker**, as another new member I should like to add my congratulations to the many which have been offered to **Mr Speaker** and to you on your elevation to your high and responsible offices. Today I am very conscious of the outstanding record of service given by my predecessor, **Mr Dan Mackinnon**, not only to the electorate of Corangamite, but also to this Parliament. In addition, he had a gift for speaking and writing clear, concise English and he has set therefore a very high standard for me to live up to. I am sure that all honourable members will join in wishing him well in his new appointment as Australian Ambassador to the Argentine.

On several occasions in this House **Mr Mackinnon** spoke on the problems facing the man on the land, and it is one aspect of this subject that I should like to discuss. The honourable member for Robertson (**Mr Bridges-Maxwell**) recently spoke eloquently on how vital was the need for Australia to make the best use of scientific knowledge in industry. I fully agree with what he said. I believe that the need is equally vital for our rural industries, because Australia still relies heavily on her primary industries for export income. I propose to speak on the prospects for increased production, with particular reference to the value of extension services.

It will be remembered that in his policy speech the Prime Minister (**Mr Harold Holt**) announced that the Government would increase the amount available for rural extension services from \$1.4m by an extra \$4m. I thought at the time that this was the most welcome news that primary producers had heard for some time, because it is my firm conviction that extension work in its broadest sense is probably the primary producer's most valuable weapon in his continual battle against rising costs. This conviction has been reached, not only as the result of personal experience of the benefits this work can bring, but also by watching its effects on other primary producers and by reading of its effects in other districts.

It has often been said that a breakdown occurs between the results of successful scientific research being made public and the adoption of the new techniques by the man on the land. A most interesting survey was done on this subject some time ago and I should like to tell honourable members of the results. A small proportion of farmers - about 5% to 10% - were prepared to try out new methods immediately and were called 'innovators'. The great majority of these men were well established, in a strong financial position, and all possessed managerial ability well above the average. Next came the largest section - some 50% to 60%. The members of this group were well acquainted with all the latest scientific data available but preferred to wait and see how the 'innovators' in the district got on. In other words, before committing capital and labour of their own they wanted to see whether someone working under broadly similar conditions to their own could use the new knowledge successfully. If the result was favourable the members of this group then gradually adopted the ideas on their own farms. The survey made it clear that many in this group did not deserve criticism. Their resources were probably such that they could not afford to make any major error in spending money and therefore had to be certain that before embarking on any scheme it would succeed.

Incidentally, this reminds me of a conversation I once had with a young extension officer who was complaining that he could not get his recommendations adopted by farmers. This man said: 'I can get a man to spend \$100 for a \$200 return but I cannot get him to spend \$100 for a \$120 return'. I pointed out to this young man that the farmer was not the fool he apparently thought he was. From bitter experience the man on the land knows that a substantial drop in the price he gets for his product - over which he generally has no control - adverse-seasonal conditions, or a combination of both, can very often turn a hypothetical return of \$120 into an actual return of \$80. To be widely accepted therefore, an extension officer's recommendation must have a wider margin of profitability than perhaps the scientist considers necessary.

Members of the third section of farmers in this survey - a substantial minority - were largely unaware of the latest scientific advances and were extremely slow in adopting new or improved methods. Obviously it is to this section that a large proportion of extension work must be directed. The members of this section represent a huge loss of potential income and production, not only to themselves but also to Australia. Considerable work has been done in the United States of America in evolving methods to try to get the message across to such people,

and I know that our authorities are carrying out similar investigations. However, probably not enough research of this sort is under way at the moment. Professor J. L. Dillon of the University of New England has defined this requirement as:

Research aimed at understanding and overcoming the barriers that retard the farmer from performing as well as he might in the face of an already given technological array.

This would seem to be a branch of extension work which could be a suitable recipient of Commonwealth funds. Primary producers here of course are very fortunate in having the Commonwealth Scientific and Industrial Research Organisation. In fact I think it would be fair to say that but for this Organisation primary industry could be in a bad way. One of the reasons for the success of the CSIRO in rural work has been its research farms, such as those at

Trangie and Gininderra. These farms help to bridge the gap between successful laboratory research and the adoption of the results of such work by farmers.

At the research stations primary producers can see for themselves how new knowledge is being applied and assess its economic implications. This naturally gives them more confidence to try the new methods on their own farms. This is extension work at its best, made possible very largely by funds allocated by the present Government. The 'innovator' farmers I spoke of earlier naturally take a keen interest in the work done on these stations. I have found that nearly everyone in this group personally known to me is either a member of a farm management club or employs a farm manager consultant, so obviously this sort of extension work is extremely important. A good many years ago when I first heard of farm management consultants, it appeared to me that they offered one of the best and quickest ways to increase profitable production in the higher rainfall and irrigation areas of Australia. My experience since then - much of it from a personal viewpoint - has confirmed me in that belief. Undoubtedly one of the reasons for their success is that owing to the strangeness of human nature a man is more likely to take notice of advice he pays for than of advice he gets free. I think that various surveys have now confirmed the fact that, on average, farms employing the services of a farm management consultant have a higher return on capital than those that do not. For this reason alone it would appear profitable for the Government to support work which has been proved to get results. It is estimated that some 5,000 primary producers all over the country are now benefiting from the advice of farm management consultants. Inevitably such work has a snowballing effect. In view of the growing influence and importance of farm management consultants - they have increased from one practitioner in 1956 to sixty in 1966 - it is to be hoped that some way can be found for them to participate in the new increased extension funds. I have a suggestion to make on how this may be done, which I shall mention in a moment.

Another field of extension work is just starting in this country. It is the use of computers in agriculture. With the increased complexity of farming operations, and the vital need to have as much information as possible on the effects of many variables on any given enterprise, computers will eventually come to play a very important part in the making of managerial decisions. Computers are of course in use overseas for this sort of work, and one of the most dramatic results has flowed from their use in evaluating possible hybrid crosses in the broiler poultry industry in the United Kingdom. Hundreds of genetic variations can be fed into the computer, which will give the answer as to which is the best cross, thus eliminating the need for a long, involved and costly breeding programme.

In Australia some beef cattle-breed societies are now doing work on selection of sires for weight gain by computer, and the same thing is happening in New Zealand with fat lamb sires. However, the use of computers in agriculture is by no means confined to genetics. Recently I spoke to an American agricultural consultant who is engaged in a large cotton growing enterprise involving about 10,000 acres, with nearly all managerial decisions being taken after reference to a computer. I know that work is already being done here on the use of computers, particularly at the farm management centre at Armidale. Because of the cost and complexity of computers, they will probably find their most economic application at centres such as this. Data received at the centre from farm management consultants is processed by computer and evaluated by experts. The results are passed back to the consultants. The high speed of the computer makes it possible to spread the services of relatively few highly trained men over many thousands of farmers. Because of the wide dissemination of knowledge made possible by this arrangement, Government assistance to the centre would benefit a large and growing number both of consultants and primary producers and at the same time stimulate interest in the latest extension techniques.

One of the requirements for a centre such as 'this is to have all information presented to it in a standardised form. We in Australia have much to learn from New Zealand in this respect. The publication Farm Accounting in

New Zealand' sets out in detail how to prepare farm records for computer processing. This in turn brings up the problem of educating accountants in the data needs of farm management analysis as distinct from purely taxation requirements. Here is another field worthy of investigation. For the farmer, however, having all the necessary information and advice on new enterprises or -improved methods is only half the story. Information or advice by itself will not increase production. In primary Industry, as in all forms of industry today, the demand for capital is constantly rising and it is extremely difficult to provide the capital from income. It is therefore very necessary to have access to adequate finance on realistic terms so that the advice of the extension officer can be translated into production. Obviously, requests for such finance will stand a much better chance of success if they are properly presented with a carefully documented budget, arrived at after a thorough investigation of all the facts. Here again the farm management consultant can be of great assistance to the primary producer in preparing his case. I think more and more people are realising this and taking advantage of the experience and skills that these men provide. This may be pertinent in view of a question asked by an honourable member earlier today.

The Government has clearly shown its awareness of the need for finance by making credit available through the Commonwealth Development Bank, the term lending fund and the Farm Development Loan Fund. The Government is to be congratulated on its decision to enlarge the scope of extension services. However, I believe that the decision is just the start. The closest consultation is necessary between the government departments, the primary producer organisations and other interested parties to ensure that the money is spent to the best advantage. Australia is short of capital and now depends to some extent on foreign capital for development. In common with most Australians, including those in the Government, I would like to see as much as possible of Australia's development and industry in Australian hands. However, in order to maintain and increase our rate of growth, which is important not only for us but for the entire South East Asian region, we need more capital than is available locally. We have been very fortunate indeed that overseas interests have provided this for us. Perhaps 'fortunate' is not the right word: it is not just luck that these companies have been so eager to invest in Australia; it is the result of a long period of strong, stable and progressive government by the present coalition.

However, it is still true to say, as I mentioned a moment ago, that Australia needs more of its own capital. To get this the gross national product must be increased. Therefore, a rise in the value of primary production, a major contributor to the gross national products, has implications far beyond merely improving the financial position of primary producers, important though that undoubtedly is both to themselves and to the economy. I should like honourable members to keep these wider implications in mind because I believe that the election undertaken of the Prime Minister intelligently and imaginatively applied will have far-reaching results and bring to the national economy benefits out of all proportion to the amount of public money involved.