

Journal of the Department of Agriculture, Western Australia, Series 3

Volume 5 Number 2 *March- April,1956*

Article 21

3-1956

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Recommended Citation

McKinnon, A. (1956) "Rural statistics - Why they are needed.," *Journal of the Department of Agriculture, Western Australia, Series 3*: Vol. 5: No. 2, Article 21.

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Fig. 1.—The staff of the Agricultural and Pastoral Section of the Government Statistician's office, preparing forms for despatch to farmers and pastoralists.

RURAL STATISTICS

Why They Are Needed

By A. McKINNON, Government Statistician's Office

Towards the end of March or early in April you should have received an envelope containing two copies of a Statistical Form A.P. 19, one of which you were requested to complete and forward to the Government Statistician with particulars of your farm, orchard or station. I wonder whether your first thoughts on opening the envelope were "What's the use of all these details" or "Why can't they make the period coincide with my tax return" or perhaps "Well, I had better fill it in to avoid getting into trouble." I hope you did not adopt that negative attitude because this inquiry can have important bearing on you as an individual and on the well-being of the rural industry which plays such an important part in the Australian economy.

I would like to tell you something of the reasons behind the collection of this information and the uses to which it is put. I will also try to dispel any doubts that may have arisen in your mind as to the confidential nature of your individual particulars and explain why the collection is made at March 31, instead of June 30.

PRINCIPAL USES OF FARM AND PASTORAL STATISTICS

Although secondary industry has progressed rapidly in the post-war years and important establishments such as the Kwinana Oil Refinery have been constructed and commenced operations, there is no doubt that the prosperity of this

State still depends largely on the volume of wool, wheat, meat and other primary products which you farmers and pastoralists can grow for sale overseas and the prices realised for your commodities.

Decisions on policy affecting your industry and possibly your own income can only be made confidently and intelligently if reliable and up-to-date statistics are available.

FINANCIAL POLICY

Statistics of farm production are used in compiling estimates of national income and of revenue and expenditure for use in the preparation of the Federal Budget. It is not possible for the Federal Government to determine what revenue it can expect to collect during the coming year from income tax, customs duties, sales tax, etc., without forecasts of what the people's income is likely to be. In arriving at these estimates it is essential that we have reliable and up-to-date records of primary production with which to work.

For instance, the volume and price of wool, wheat, meat and other primary products which will be sold on world markets directly influence, not only your income, but also that of the very large section of the community which provides services for you. In fact, any sharp downward movement in farmers' income from these sources would be reflected in Federal revenue and, as far as possible, the Government must be in a position to forecast changes in revenue collections when budgeting for the coming year.

An assessment must of course be made of commitments in regard to subsidies and guaranteed prices for primary products, and this can only be made on the basis of statistics of production and disposal of the commodities affected.

Since the introduction of uniform taxation, which is collectable by the Federal Government, all Australian States are dependent on Commonwealth reimbursements in lieu of income tax. This has not meant, however, that the State Government could afford to plan its expenditure without consideration of seasonal conditions and the progress of both primary and secondary industry. Firstly, it is well aware that prosperity or depression in this

and other States has a direct bearing on Federal revenue and eventually on reimbursements to the States. Secondly, in budgeting for the coming year the State must estimate earnings and expenditure for its many public utilities such as the W.A.G.R., State Shipping Service, etc. The finances of these concerns are, of course, influenced considerably by seasonal conditions in country areas and a bad season for farmers and pastoralists can mean a sharp fall in earnings. The State Government therefore in preparing its budget and formulating financial policy for the year has regard for statistics on rural production.

In the case of the claimant States (South Australia, Western Australia and Tasmania) additional special grants are made by the Commonwealth Government under Section 96 of the Commonwealth Constitution. These grants are assessed each year by the Grants Commission and in preparing Western Australia's case for assistance our representatives deal not only with the State's disabilities (huge area, sparse population, etc.,) but they also take into consideration seasonal conditions, crop prospects and the general progress of primary and secondary industries. In this work current statistics on all phases of the State's economy are essential to provide the members of the Commission with a true picture of agricultural and industrial development.

OVERSEAS TRADE AND BALANCE OF PAYMENTS

The recent alterations to the structure of the Federal Cabinet highlight the importance which the Government places on oversea trade and its effect on the country's balance of payments and subsequent repercussions to our internal economy. In the recent moves the administration of the Department of Trade was separated from Customs and placed under a senior Minister who will be responsible for the task of maintaining or expanding overseas earnings. Any improvement in our external funds could, of course, be taken into account in determining Government policy on import restrictions which were imposed in 1952 to arrest the serious deterioration in Australia's overseas finances.



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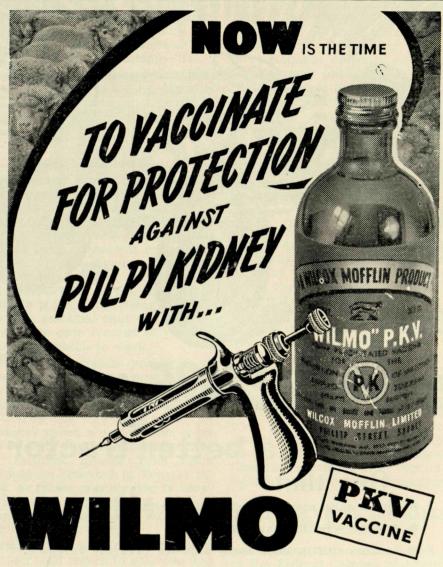
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Federal officials who are responsible for policy in regard to trade development require up-to-date statistics of primary production and reliable forecasts for the coming season to assist them in planning on sound lines.

NATIONAL PLANNING AND DEVELOPMENT

Loans from Government sources or from financial institutions for expenditure on new public works do not receive Loan Council approval without careful consideration of all facts which could help to arrive at a decision on the soundness of the project under consideration. In Western Australia projects for the development of land settlement, irrigation, water supply, power, etc., are planned and carried out by the State Government. most instances, however, the State is dependent on the Commonwealth for financial assistance for these projects and in preparing a case for submission to the Federal Government it must have statistics of the activities of the area to be covered by the scheme under consideration in order to arrive at estimates of the possible increase in productivity.

As an instance of this, the committee which planned the Comprehensive Water Supply Scheme and prepared the case for Commonwealth assistance made extensive use of farm statistics relating to the area which the scheme will finally cover. In February last the pipeline which now brings water to Narrogin from the Wellington Dam, 80 miles away, was opened by the Minister for Works and Water Supply. This pipeline is the first link in the Scheme which will eventually alleviate the water problem of a number of country towns.

AGRICULTURAL RESEARCH AND ADVISORY POLICY

The valuable work of the Commonwealth Scientific and Industrial Research Organisation on the technical problems of your industry is well known to you. Farm statistics have been most helpful in assessing the results and value of some of the discoveries of this Organisation. The Commonwealth Bureau of Agricultural Economics which confines its research

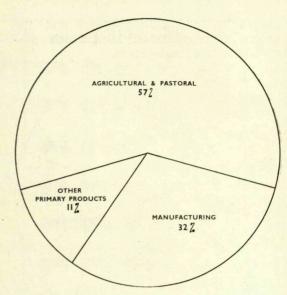


Fig. 2.—The importance of primary production in Western Australia's economy is shown by this diagram. Of the State's net value of production, 57 per cent. comes from Agriculture and pastoral products and 11 per cent. from other primary industries such as mining, fishing and forestry.

mainly to the finances of your industry uses agricultural statistics extensively in its investigations and is most anxious to have up-to-date information.

You are no doubt aware of the extensive research conducted by the Agricultural Department into the many problems of your industry, the nature of advice tended and help available to you. However, their work is made much more valuable when they know, by reviewing practical results obtained, how their advice has been followed. For instance, they have done very valuable work on the development of new cereal varieties suited to this State's climatic conditions and soils, and statistics of cereal varieties actually sown have assisted them to measure the extent to which their advice in this field has been accepted by farmers.

In recent years the Department of Agriculture has advocated the establishment of sub-clover in the wheat belt and as a result the total area of established pasture in the State has grown from about 2,000,000 acres at the end of the war to 4,750,000 acres in 1954-55. On your "Cereal Varieties" form for 1955-56 you are asked to answer two simple questions which we hope will provide the Department of Agriculture with valuable information on the

area actually under sub-clover and the extent of cropping on land which previously carried sub-clover.

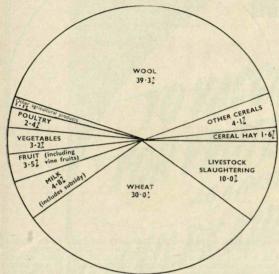


Fig. 3.—A diagram showing the relative gross values of the chief agricultural and pastoral products. (Average 1949-50 to 1953-54 seasons.)

DIVISIONAL ACTIVITIES OF DEPART-MENT OF AGRICULTURE

Dealing with Divisional activities of the Department of Agriculture, I have a strong feeling that the Departmental Officers. who are fairly constantly in touch with you, would be better able to tell how they use the wide range of statistics supplied to them by this office. I do know that the results of the annual collection of agricultural and pastoral statistics are impatiently awaited by Officers of that Department who are keen to know whether their particular section of the industry has progressed. I am sure the information we are able to give them from your returns helps them to review their past work and plan their programme for the current year.

SOIL CONSERVATION

In a previous issue of the Journal of Agricultural, Mr. G. H. Burvill, Commissioner of Soil Conservation, summarised results of the 1955 Salt Land Survey which was based on five questions asked on the "Cereal Varieties" Form. The response from farmers was very satisfactory. Returns were summarised in this office and provided valuable information on a pro-

blem which has concerned the Department of Agriculture and the Farmers' Union for some years. I have no doubt the information will be of value to the Commissioner in assessing the extent of the problem and formulating Departmental policy with regard thereto.

FARMERS' ORGANISATIONS

Executives of your own organisations find current information on farm and pastoral activities most useful in their work of carrying out policy, in keeping themselves advised on progress of the industry, and even on matters such as wage fixation. For instance, in preparing cases for presentation to the Arbitration Court in connection with the fixing of shearing awards both the Farmers' Union of W.A. and the Pastoralists' Association have used statistics obtained from the Statistical Office. The Salt Land Survey mentioned above, which was actually the result of a motion carried by the Annual General Conference of the Farmers' Union expressing concern at the seriousness of the soil salinity problem, was an example of a special statistical survey being done at the specific request of a farmers' organisation.

MARKETING OF PRODUCTS

Successful planning for marketing rural products is helped considerably by up-todate statistics for forecasting and estimating production. To assist in meeting this need this office, in collaboration with the Department of Agriculture, prepares two pre-harvest forecasts of wheat production which are based on "areas intended to be sown" given on your annual returns. The current difficulties of disposing of our exportable wheat surplus has created an acute storage problem which will not ease until there is a stronger overseas demand for our wheat. In the circumstances it is most important that reliable crop forecasts be available to those responsible for marketing the harvest.

Although wool is not subject to Government control, advance forecasts of receivals and production are most-important to brokers and the Government, and two meetings of interested bodies are held each year in every State to make forecasts

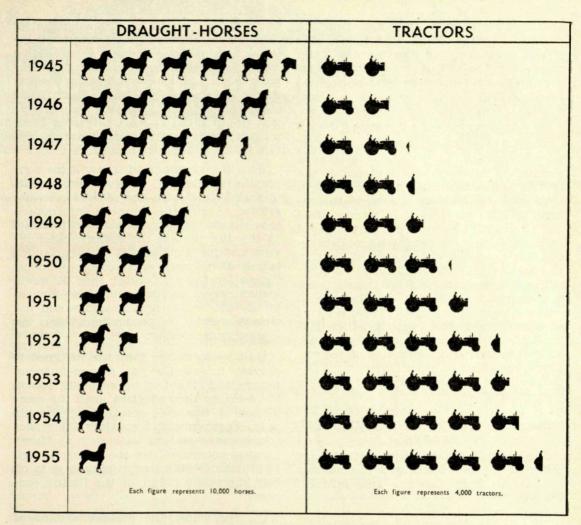


Fig. 4.—This diagram, based on the official statistics, shows the decline of the draught-horse population of the State over the period 1945-55 and the corresponding increase in tractors. From 54,759 draught horses in 1945, the numbers dropped to 8,521 in 1955. There were only 6,624 tractors in 1945; the 1955 figures were 21,166.

for the current selling season. In Western Australia the meetings are attended by representatives from the four wool-selling brokers, Farmers' Union, Pastoralists' Association, Bureau of Agricultural Economics and a Statistical Officer is present to submit current statistics. The results of the State meetings are later reviewed by a Federal conference and final estimates of wool receivals are determined which are used by the National Council of Wool Selling Brokers in organising sales throughout Australia. The forecasts are also most important to the Commonwealth Government in estimating national income for budget purposes.

PRIVATE INDUSTRY

Manufacturers, wholesalers and tailers who are doing business farmers continually use agricultural statistics to help them in determining production and distribution policy. They are particularly interested in current district statistics which can be used to direct their sales staffs into areas where they are most likely to do business. Machinery manufacturers and distributors, for instance, are constantly seeking from us statistics on the numbers and types of agricultural implements and machinery in Local Government areas. This information, studied in conjunction with crop and livestock statistics, assists them to estimate the potential market for new machines and replacement parts and provides them with a guide to the proportion of sales handled by their firm.

SECRECY OF RETURNS

Section 18 of the Statistics Act says that no return shall be published in such a manner as to reveal the contents of the return, without the previous consent in writing of the person who made the return. It also provides that returns shall not be sighted by any person not engaged in the collection or compilation of statistics. As an additional safeguard, Section 19 provides that the Statistician or other officer having custody of returns shall not be required by subpoena or otherwise to produce them to any court. These sections of the Act are most strictly adhered to by Statistical Officers, all of whom are obliged to sign an undertaking of secrecy. This means that no other Government Department or authority may have access to your returns.

PERIOD TO WHICH ANNUAL RETURNS RELATE

The period for which rural statistics are collected has been the subject of a number of queries from farmers and farmers' organisations.

Firstly, I want to make it quite clear that agricultural and pastoral statistics are collected at March 31 by all States and that no movement in the date could be made without agreement between States. The matter was last discussed at the 1949 Conference of Statisticians when it was unanimously agreed that a season ended March 31, was most suitable for the varying seasonal conditions of all States. The Statisticians decided that any later date would seriously affect the value of statistics to the many persons and authorities who use them.

In this State all cereal crops have usually been harvested and delivered by the end of March. This date therefore is quite satisfactory for this collection, which is designed to provide information on cropping and livestock as early as possible after the end of the cereal cropping season. The

postponement of the collection until after June 30, would mean that information relating to a particular season would not be collected until some time after the commencement of the succeeding season. Apart from the possibility of confusion regarding data required, such an alteration would cause at least a further three months' delay in the release of information which is urgently needed.

With the exception of a few items concerning wages and costs of production, financial figures are not asked for on the return. Again, the financial information required on the form is intended to relate to the activities of the season under review and for that purpose the year ended March 31 is most satisfactory. Similar figures for the year ended June 30 would include wages and costs for three months of the succeeding season, and would not strictly relate to production from the season under review.

Most items on the form are designed to provide information of a non-financial nature and there is no adequate reason for delaying the collection until the completion of financial returns for the tax year. Furthermore, I consider the choice of a between-seasons date, such as March 31, most convenient for the farmer as well as providing this office with early data on this important aspect of the State's economy.

On the whole the present system of postal collection of farm statistics has been well received by the farming community and, in comparison with the old method of police patrol, we feel it has the advantage of allowing you reasonable time in which to study and complete the form.

In a final appeal I would ask you, when filling in your return, to pay strict attention to the accuracy and completeness of the information submitted as this is the only means of obtaining reliable District and State particulars.

In thanking you for past co-operation I would like to add that the Statistical Office welcomes any constructive criticism of the form or the method of collection. Our staff at all times will be pleased to answer your queries and, if necessary, assist you in completing your return.