

# Changing rural communities: How do they affect farm businesses and families?

*Regional economies have undergone broad structural changes resulting from a range of causes. This has redistributed the economic and social roles amongst the towns in a region, usually favouring regional and metropolitan centres compared with the smaller rural towns. Continuing changes in the economic and social structures of rural regions may be weighing on the efficiency of farm businesses and the well-being of farm families.*

*Richard Stayner and Jean Sandall conducted a study which attempted to assess some of the effects of rural community change on the farm sector. This research was funded by the Rural Industries Research and Development Corporation.*

Structural changes in rural communities have altered the access of farm families (and other rural residents) to public and private sector goods, services and amenities. Given the growing complexity of both domestic life and farm business management, there is an increasing need to interact frequently with a wide range of non-farm agencies and service providers.

A combination of personal case study interviews (19) and mailed surveys (302 responses) were used. The research was conducted in two regions, the Northern Statistical Division in New South Wales and the Goulburn Valley in Victoria, representing a spread of farming types and farm-community linkages.

## RESULTS

### *Interviews*

Interviewees in NSW expressed few strong feelings about the negative effects of rural town change on either their farm business or their household. The issue did not rank highly as a factor determining their sense of well-being. Respondents seemed rather to view such changes as ones to be adapted to, rather than halted, reversed, or compensated for. Some of them lived within a reasonable distance of towns whose functions were stable or improving, although some of the places they had previously relied upon were losing their functions or capacity.

There were some marked contrasts between the views of interviewees in the two regions. These related to: their level of optimism regarding the outlook for their farm businesses; the incidence of adaptive and innovative activities regarding farm adjustment; the frequency and intensity of local interaction and collective action; the richness of information-gathering and -sharing activities; and the sense of control over their farm outcomes they expressed.

### *Use of towns*

Respondents visited their most-frequently-visited town quite often: 53 per cent going there at least 10 times a month. Most respondents regularly visited at least two different towns. About 26 per cent visited two towns at least five times a month each. Thus, farm families are not totally dependent on the functions and facilities in a given town, so changes in the capacities of a particular place might not be critical to farm performance and family well-being. Most respondents had markedly increased the frequency of their visits to towns in the previous five years.

Respondents were questioned about their use of towns for farm business-related services and, separately, for household-related services.



Respondents were generally positive in their views of their most-used town; 41 per cent said that it had improved in its overall ability to provide the things they needed in their farm business compared with five years before, while only 15 per cent thought that it was worse. Victorian respondents were more positive in this respect. Respondents who used small towns were no more likely to say that their access to these services was now worse than were those who used large towns.

Respondents rated their current access to specific *farm business-related* goods and services compared with five years earlier. For most of the services, respondents who believed their access had improved significantly outnumbered those who thought it was worse. The major exceptions were government services, (42 per cent thought their access was worse; 16 per cent better), machinery and equipment parts (36% v. 18%), and new machinery and equipment (23% v. 20%).

Only just over one-fifth of all respondents used a single place for all their *household-related* needs, although about half did at least 90 per cent of all such spending in a single place. Nearly half thought that their most-used town had improved its ability to provide household-related goods and services compared with five years before, while only 13 per cent said that it was worse now.

Of those who used small towns (under 2500), 55 per cent said that the town's ability to provide for their household-related purposes had improved over the last five years, compared with 40 per cent of those who used medium-sized towns (population of 2500 to 10 000), and 47 per cent of those who used larger towns.

Respondents also rated their current access to specific household-related goods and services compared with five years earlier. For most services, those who believed their access had improved significantly outnumbered those who thought their access was worse. The major exception was government services, where 38 per cent thought their access was worse compared with 17 per cent who thought it was better.

Statistical cluster analysis was used to group respondents according to the similarity of their ratings of (separately) farm business-related and household-related services compared with five years ago. The key conclusion drawn from these analyses was that farmers' views on the changes in the towns they use are quite heterogeneous, but that there are some distinct patterns which describe these different views.

### *Rating of the area compared with five years earlier*

Respondents rated the area they lived in compared with five years before. Nearly half rated the area as 'about the same' as it was five years earlier. Only 20 per cent thought that their area was worse, while 31 per cent rated it as better. This rating tended to be associated with the size of the most-used town. While only 20 per cent of those whose most-used town was small (under 2500 population) said that their area had improved, 32 per cent of those whose most used town had a population over 10 000 said their area had improved.

Those with school-aged children were more likely to rate the area as worse (26 per cent) than were those without such children (16 per cent). Respondents with school-aged children were also more likely to have had an equity level of below 70 per cent (25 per cent of those with school-aged children; 13 per cent of those without), and this may be an explanatory factor.

### *Influences on family well-being*

Respondents rated the importance of several influences on their general well-being over the past five years. Changes in the availability of goods and services locally, and changes in the local community were seen as 'very important' by only 14 per cent. By contrast, the factors seen as of greatest importance were those which directly influenced the economic performance of their farm business: commodity prices, increasing (farm) costs and climatic factors.

## IMPLICATIONS

While most farmers did not have strong negative reactions to the changing mix and spatial distribution of services and functions in rural towns, some were more sensitive to these changes. Further analysis of the data might identify the possible influence of characteristics of specific towns (for example, size, population and employment growth, trends in other industries) on farmers' perceptions of those changes.

The evidence suggests, however, that a farmer's sense of well-being is more strongly influenced by the economic and technological conditions of their industry than by changes in the structure of their local towns.

The relationships between rural community well-being and the economic and social condition of farm families are complex. Further research is needed on the factors influencing life satisfaction on Australian farms, the relationships between this satisfaction and the quality of life in rural communities, the involvement of farm people in rural community affairs, and the building of 'social capital' in rural areas.

It is unlikely that the impacts of structural changes in rural communities on farm businesses and households are sufficient *by themselves* to justify significant interventions in those changes. Nevertheless, the rationale for governments to assist in the building of local social capital in rural areas, and the question of how they might do this, are important policy issues relevant to the efficiency and well-being of the farm sector.

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Full report: *The Role of The Regional Economy in Farm Adjustment*. RIRDC Publication No 98/21, RIRDC Project No. UNE32-A. Rural Industries Research & Development Corporation. 1998.

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