9 The emerging patterns, 1995-2005

In Chapter 9, I consider the events of the crisis years in the context of developments since 1993, and apply the findings of the preceding chapters to the search for an altered accommodation between society and space, through which a modified and regrouped but still essentially intact rural society can survive into the future The chapter is divided into three sections. The first assesses whether a series of key trends set in train or speeded up during the rural crisis were short-term effects, or persistent trends that require policy responses. The second outlines the national and State political reaction to the serious problems in rural and regional Australia resulting from the radical restructuring of the economy. In particular it reveals the confusion of thinking about a suitable framework of regions within which the neo-liberal project of 'helping the regions to help themselves' could be made to work. The final section seeks to *apply* the knowledge gained in earlier chapters to resolving the tension between community and region to achieve social sustainability, including consideration of a viable governance structure.

From the 1990s to the 2000s: adjustment, recovery or relapse?

Among the important trends arising from the crisis years that I have identified in previous chapters, six stand out as particularly important. Before seeking to apply the results of this research to future policy in a globalised, neo-liberal environment, I believe it is essential to show what has happened since 1993 in these selected key areas. Is the patient on the road to recovery, or is all that remains to smooth the dying pillow of South Australia's rural communities of the 1980s? I deal with each of the six trends by answering (as far as the evidence permits) a specific question posed at the outset of the appropriate section.

Time-lagged demographic adjustment to crisis conditions

1. The rural areas of the state, particularly the core and intermediate zones, were subject to major demographic change, especially ageing and rural dilution. Have these trends continued in the most recent inter-Censal period?

Lag effects

By 1996, most of the direct impact of the crisis had run its course, but after-effects were still in train. In a rural community with farming as a major part of the economic base, the impact of a serious downturn in agriculture transmits a negative multiplier effect through the economy. This flow-on process has been traced in detail for the District Council of Cleve, Eyre Peninsula (Smailes 1989, 1991, 1993). A protracted collapse of farm income triggers a turnover drop in businesses selling producer and consumer goods to farmers and their workers. Owners of these businesses then stop recruiting, lay off workers, put them on short time, delay pay rises, reduce purchases from other businesses or perhaps even close down. These measures in their turn impact on non-farm wage and salary earners, who also have to cut expenses and may need to leave town or travel long distances for work. Their loss feeds through to public sector employment in services such as schools, hospitals and police. Finally,

even the age- and disability-pensioner element of the population is affected. Social repercussions such as sporting team amalgamations accompany the economic impacts. The initial round of direct effects is followed by further rounds of indirect and induced effects, so that a considerable time-lag is to be expected before a new equilibrium is arrived at.

Population trends between the 1996 and 2001 Censuses serve as a barometer. The spatial units used here in the inter-Censal comparison are the social catchments of 84 significant country towns, corresponding to their communities as defined through the postal and field surveys. To use these units is to jump ahead a little; their derivation is described later in this chapter.

Rural population trends in the State as a whole

For non-metropolitan South Australia as a whole, the "rural balance" population element (dispersed houses and small clusters not forming a Census C.D.) maintained very slow growth at an average rate of 0.26% p.a. throughout the period 1981-96, and continued practically unchanged to 2001[1]. For the urban element (towns and statistically identifiable clustered localities), the equivalent rate was faster at 0.78% p.a. up to 1996, then dropping very slightly to 0.71% p.a. up to 2001. Thus over the whole 20-year period non-metropolitan settlement gradually become more clustered. However, in both the clustered and dispersed elements, it is the old-settled core zone that has accounted for the aggregate growth, offsetting a very slow negative growth in the intermediate and outer zones.[2]

The farm workforce

As we have seen, the farm-based population was the first casualty of the crisis, but (taken in aggregate) by 2001 it was beginning to recover. Between 1996 and 2001 the State's primary industry (agriculture, forestry and fishing) workforce actually rose from 33,100 to 36,900, or 11% in round figures. Some part of this may simply be due to better reporting of the female farm workforce. However, a major factor has been the boom in viticulture and huge areas of new plantings of vines[3], with some new jobs in aquaculture and niche markets; even broad acre farming had recovered some employment (Figure 9.1). There were some continued losses along the northern outposts of Eyre Peninsula, but the greatest falls in the farm workforce were now in the wheat/sheep and marginal country in the State's Upper North, settled in the 1869-1895 period. Farm employment had stabilised in the rest of Eyre and Yorke Peninsulas, the Murray Mallee and Kangaroo Island, all of which suffered severely during the crisis. The impact of the viticulture boom, and the availability of

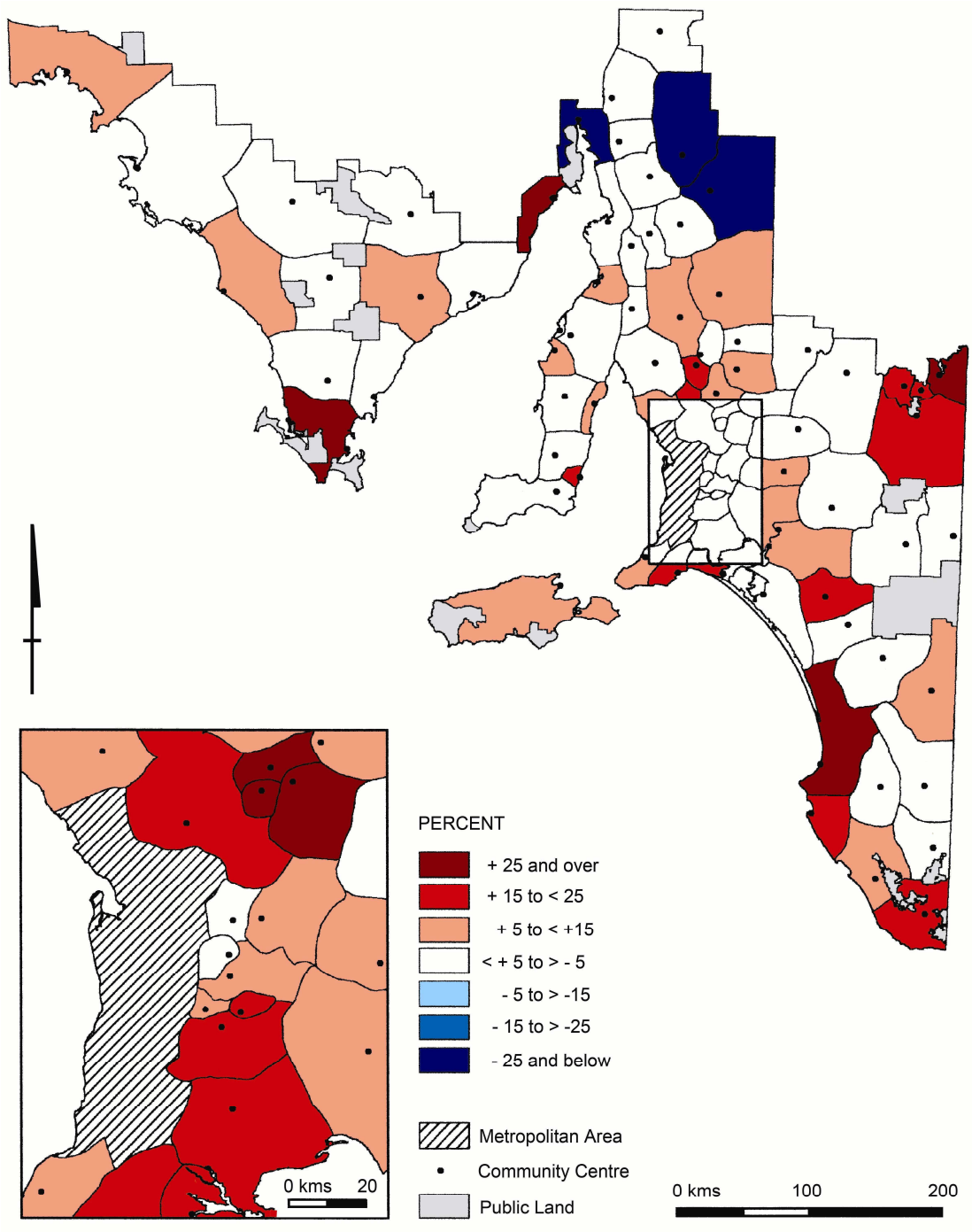
[1] Annualised growth rates were calculated from the census data, taking the urban and rural components of the study area population separately for each of the three settlement zones. For these calculations I am indebted to my colleague Trevor Griffin.

[2] For the three zones, the annualised growth rates were as follows, treating the urban (clustered) and the rural (dispersed) elements separately. In each case, the rate for 1981-96 is given first, followed by the rate for 1996-2001. Core zone urban: +2.02, +1.54. Core zone rural: +1.11, +1.08. Intermediate zone urban: –0.39, –0.69. Intermediate zone rural: –0.80, –0.88. Outer zone urban: –0.69, –0.13. Outer zone rural: –0.59, –0.73.

[3] The rush to plant vines, practically everywhere adequate water could be got, was astonishing to the critical observer. The totally predictable wine grape glut and price collapse it produced had not yet eventuated at the 2001 census.

supplementary employment for part-time farming is clearly visible in the Adelaide Hills, Upper Murray and Barossa Valley region. Indeed farm jobs in the three main Barossa communities together (Tanunda, Nuriootpa and Angaston) increased by 50% over the five years. In some of the coastal communities (Whyalla, Stansbury, Wallaroo) absolute numbers in farming are so small that the percentage change means very little, but elsewhere jobs in a new wine region (the "Limestone Coast" of the Southeast), plus fishing employment, saw a healthy increase.

Fig. 9.1 Change in the primary production workforce, 1996 to 2001.

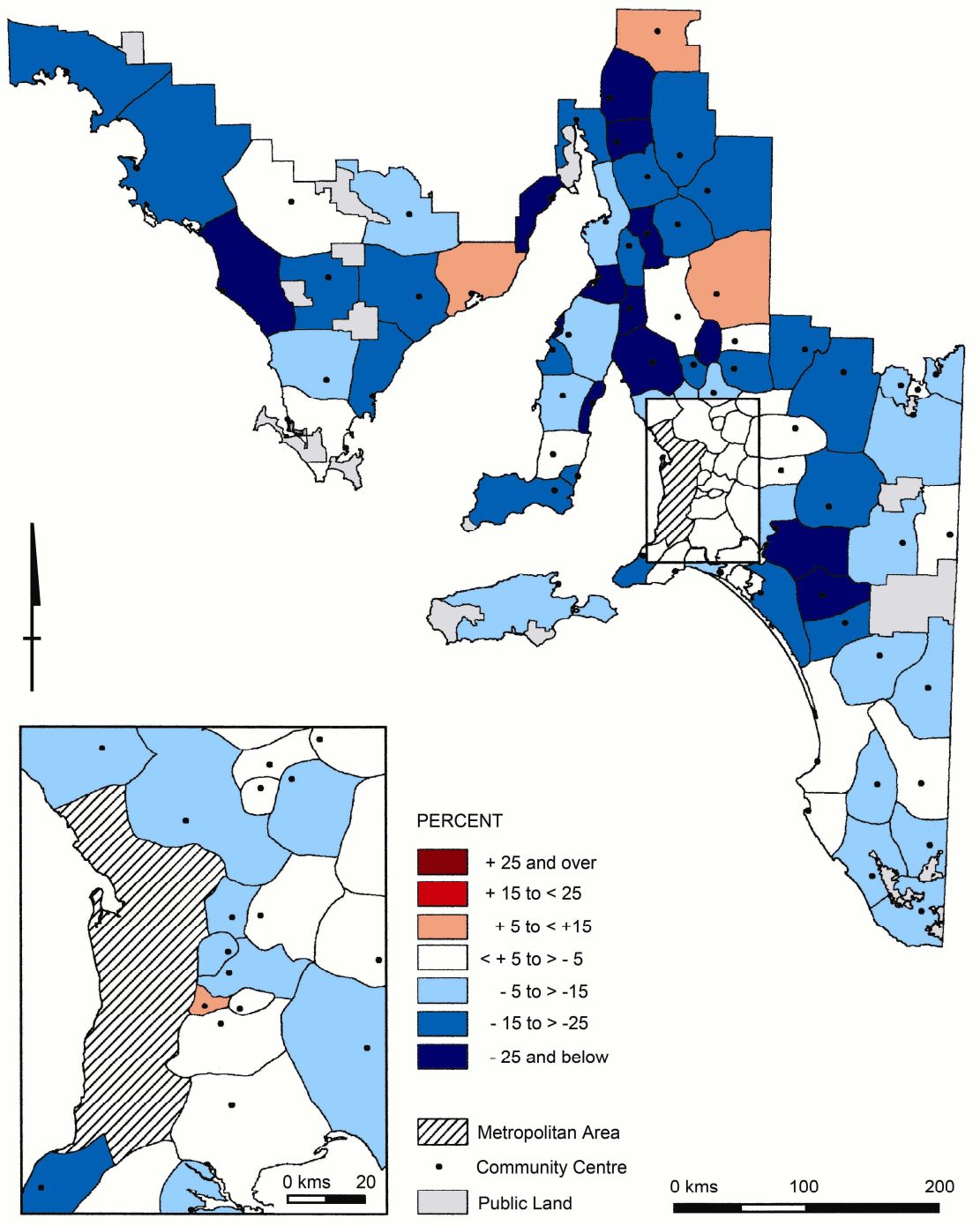


Source: Australian Bureau of Statistics, Censuses 1996 and 2001.

The young adult age group

Despite this partial stabilisation of the primary production workforce, the demographic shockwaves unleashed by its initial collapse were still in progress by 2001. By this time, the 'shadow effect' of the post-war baby boom was making its way through the age structure as children of the 'boomers' entered their twenties. However, in the rural areas this effect was countered by the exodus of young people in their late teens and early 20s, especially in the crisis period 1986 to 1991.

Fig. 9.2 Change in the young adult (20-34 years) age groups, 1996 to 2001.

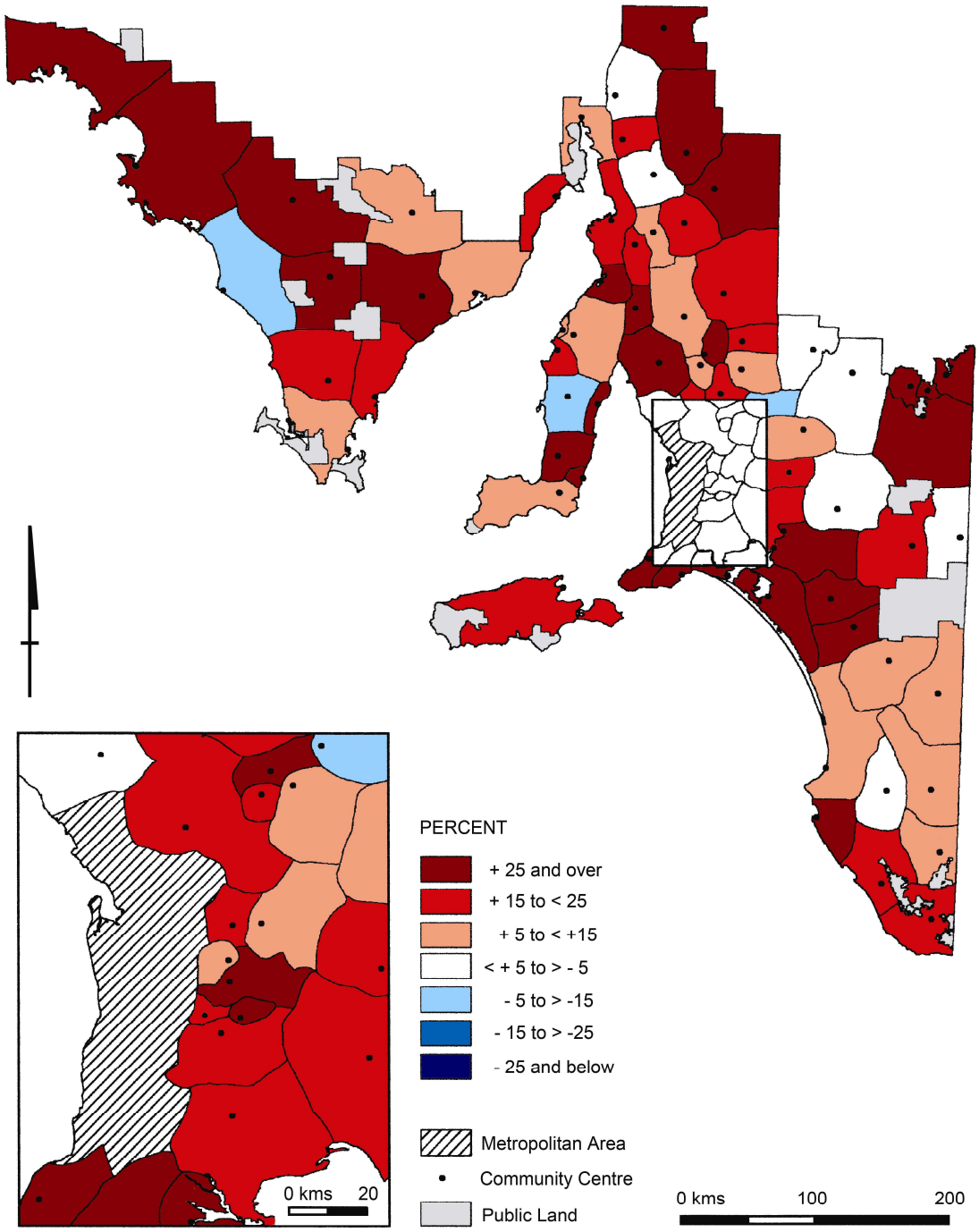


Source: Australian Bureau of Statistics, Censuses 1996 and 2001

Although some of those who left to find alternative jobs during the crisis had clearly returned to the farms by 2001, the young adult age groups (20-34) were still thinned out by the exodus. Thus by 2001 the serious losses in this age group, which were already so marked in 1981-91, had now spread to most of the non-metropolitan area, even including about half of the old-settled core zone (Figure 9.2).

The retirement and 'old-old' cohorts

Fig. 9.3 Change in the oldest (75 years and above) age groups, 1996 to 2001.



Source: Australian Bureau of Statistics, 1996 and 2001 Censuses

Meanwhile, the growth in the retirement age groups (60-74 years) which was so widespread throughout the settled areas over the 1981 to 1991 period (see Figure 6.15) was much more spatially concentrated at the 2001 census. Most of the core zone was still showing growth in these age groups, but was much more muted and patchy through the other two zones. This patchiness, particularly in the inland communities, partly results from 'ageing in place'. The cohorts which had been in the early retirement ages in 1991 had largely remained *in situ*, and moved up into the 'Old old' age groups of 75 and over, while the cohorts moving up the age pyramid to replace them (born about 1926 to 1941) were generally fewer in numbers. Retirement migration from the metropolitan area of people in the 60-75 age groups was of course still going on but appears to have become increasingly spatially selective. Thus the most striking growth pattern affecting most of the study area at the 2001 census was that of the oldest cohorts (Figure 9.3).

This Figure, along with Figure 9.2, speaks eloquently of the need for renewal of the rural population and the increasing difficulty of small communities in providing adequately for the needs of the aged. At the same time, it is very important to rural communities to retain their retirees and aged dependants, both from the viewpoint of their valuable contribution to social capital, the modest but important drought-proof income and superannuation payment transfers they bring in, and the employment generated by the care of the frail and age-handicapped among them.

Rural dilution

The evidence of continued rural dilution since 1993 is unmistakeable, both from census data and field work. Evidence is drawn from two field studies undertaken in 2000 (southern Yorke Peninsula, abbreviated to SYP) and 2001 (Gilbert Valley, in the Lower North). These studies, situated in the intermediate and core zones of settlement, replicated and extended earlier studies of exactly the same areas in 1984 and 1990 respectively. The results of these studies are reported in some detail elsewhere (Smailes, 2002; Smailes and Hugo, 2003); here only selected key evidence is given to make the point. In the Yorke Peninsula, it was demonstrated that a near-stable total population masked heavy out-migration in the younger, mostly local-born age groups up to the 30-34 year cohort, balanced by heavy in-migration in every age-group from 35-39 to 64-69. Low net migration was coupled with high gross migration, giving a substantial change in the population composition without much numerical change. Most in-migration was directed towards small coastal towns and holiday 'shack' colonies. The proportion 'not in the workforce' had increased substantially since the 1970s, and the farm workforce had dropped.

The inland area (to which the 2000 field survey was restricted) remained almost entirely rural in appearance, but the traditional farm population was nevertheless being infiltrated. Table 9.1 compares the age and motivation of household heads who moved to rural SYP in the five years preceding each of the two surveys. At the time of the 1984 survey, farming was still relatively prosperous in Yorke Peninsula, and marriage migration (of brides from other addresses joining their husbands on farms, or newly-weds moving in to start a new farm household) was a significant feature of in-migration. There was some evidence of lifestyle factors influencing moves (escaping urban disadvantages, the desire for more space), but very little specifically retirement-guided migration, and nobody had moved in to start hobby or part time

farms. In all, the in-migration flow over the period 1979-1984 included only eleven out of the 96 households, or 11.5% of the sample. The tables are based on individual answers given by the male and female household heads, and in some cases more than one principal reason was given.

Table 9.1 Reasons for moving to Southern Yorke Peninsula: household heads who moved in 1979-1984 compared with those who moved in 1995-2000, by age group.

A. 1979-1984

	Age groups													
Reasons for move	20-29		30-39		40-49		50-59		60-69		70+		Total		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	(all)
Take up full time job	1	-	4	-	1	1	-	-	1	-	-	-	7	1	**8**
Escape urban disadvantages	-	1	1	2	-	-	-	1	2	1	-	-	3	5	**8**
Start hobby/part time farm	-	-	-	-	-	-	-	-	-	-	-	-	0	0	**0**
Retirement move	-	-	-	-	-	-	-	-	1	-	-	-	1	0	**1**
Desire for more space	-	1		1	-	-	-	1	1	-	-	-	1	3	**4**
Move due to marriage	1	4	1	2	-	-	-	-	-	-	-	-	2	6	**8**
Other	-	-	-	-	-	-	-	-	-	2	-	-	0	2	**2**
Total	**2**	**6**	**6**	**5**	**1**	**1**	**0**	**2**	**5**	**3**	**0**	**0**	**14**	**17**	**31**

B. 1995-2000

	Age groups													
Reasons for move	20-29		30-39		40-49		50-59		60-69		70+		Total		Total
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	(all)
Take up full time job	2		2	2		1	1						5	3	**8**
Escape urban disadvantages	1		1		2		1		1				7	0	**7**
Start hobby/part time farm		1	2	1		2			1				3	4	**7**
Retirement move				1	2					1			2	2	**4**
Desire for more space		1	1		1								2	1	**3**
Move due to marriage						1		1					0	2	**2**
Other		1	1	4	3	1				1		1	4	8	**12**
Total	**3**	**3**	**7**	**8**	**8**	**5**	**2**	**1**	**2**	**2**	**0**	**1**	**23**	**20**	**43**

Source: SYP surveys, 1984 and 2000. Note: some respondents gave more than one reason for moving.

By 2000 rural dilution was in full swing, and the pattern of in-migration had changed. The proportion of recent in-migrants in the sample had more than doubled: of the seventy-nine households interviewed in 2000, twenty-one (26.6%) had moved in the last five years, including eleven couples and ten single-parent or single-person households. This gives 32 household heads (male and female), of whom fourteen (44%) had moved *within* Southern Yorke Peninsula, and nine (28%) from the Adelaide metropolitan area. The majority of relocatees of both sexes were in the ages 30-39 or 40-49, with only eight movers aged 50 and above. As in the 1984 survey, retirement migration was very limited in this inland area. A totally new phenomenon at this distance from Adelaide, however, was the rise of hobby and part time farming and the presence of a large and miscellaneous 'other' category. Eight respondents (25.8%) cited taking up full time work as a reason for their move, the four next most popular reasons for moving could be grouped together as "lifestyle moves", with just two respondents (both female) moving due to their marriages, and twelve (38.7%) others having a wide variety of miscellaneous reasons for their move.

While the non-farm or part-time farming element was increasing, the farm population proper had been weakened by the loss of the young and the delay in generational change of ownership in the crisis years, as described in the previous chapter. By 1992 the occupants of 40% of the farm homesteads consisted only of 'empty nest' couples or widowed survivors (Table 9.2) – though this does not necessarily mean that there was no successor generation resident off-farm.

Table 9.2 Southern Yorke Peninsula: Farm households by stage in the life-cycle, 1984 and 2000

Stage in life cycle	1984		2000	
	No.	Percent	No.	Percent
Young couple, no children yet	12	16.7	0	0.0
Couple with children , all under 16	10	13.9	3	6.7
Couple with children, some over 16	38	52.8	21	46.7
Couple (or surviving spouse) in 'empty nest' stage	9	12.5	18	40.0
Relict household *	3	4.2	3	6.7
Total	72	100.1	45	100.1

Source: Smailes 2002, 87. Based on Southern Yorke Peninsula surveys, 1984 and 2000.
* 'Relict household' includes farm occupied by a lone person, cases where the farmer has failed to marry, sibling households etc.

The Gilbert Valley, also experiencing rural dilution, provided an interesting insight into change in the composition of incoming ex-metropolitan residents. Being much closer to Adelaide (about 90 minutes drive as opposed to 2½ to 3 hours in SYP) by 2001 the Gilbert Valley had experienced a recent rise in house prices, with the result that the former influx of the much resented welfare-dependent 'urban refugees' described in the previous chapter had been replaced by rather better-off ex-metropolitan in-migrants, particularly retirees. One of the community leaders interviewed commented

> It's stabilized a bit, but earlier it was just people on benefits coming out for the cheaper housing. They were using the system. A lot of them were more or less dole bludgers, I think. But the last two or three years, it's been more the people that have lost their job, been retrenched, and looking to do something. They are the ones that are interested in the community. (Taped interview transcript, Riverton 2001)

Despite the price rise, houses were still very affordable in comparison with the metropolitan area, and the Gilbert Valley community was deliberately targeting new residents. Its retirement homes attracted many outsiders as well as local residents. Just under a quarter of the surveyed householders had been in the Valley less than five years, but stability was assured by a strong core of some 44% of males and 35% of females who had been in the area at least 20 years (Smailes and Hugo 2003, 80).

Family farms, subsumption and the dispersed settlement pattern

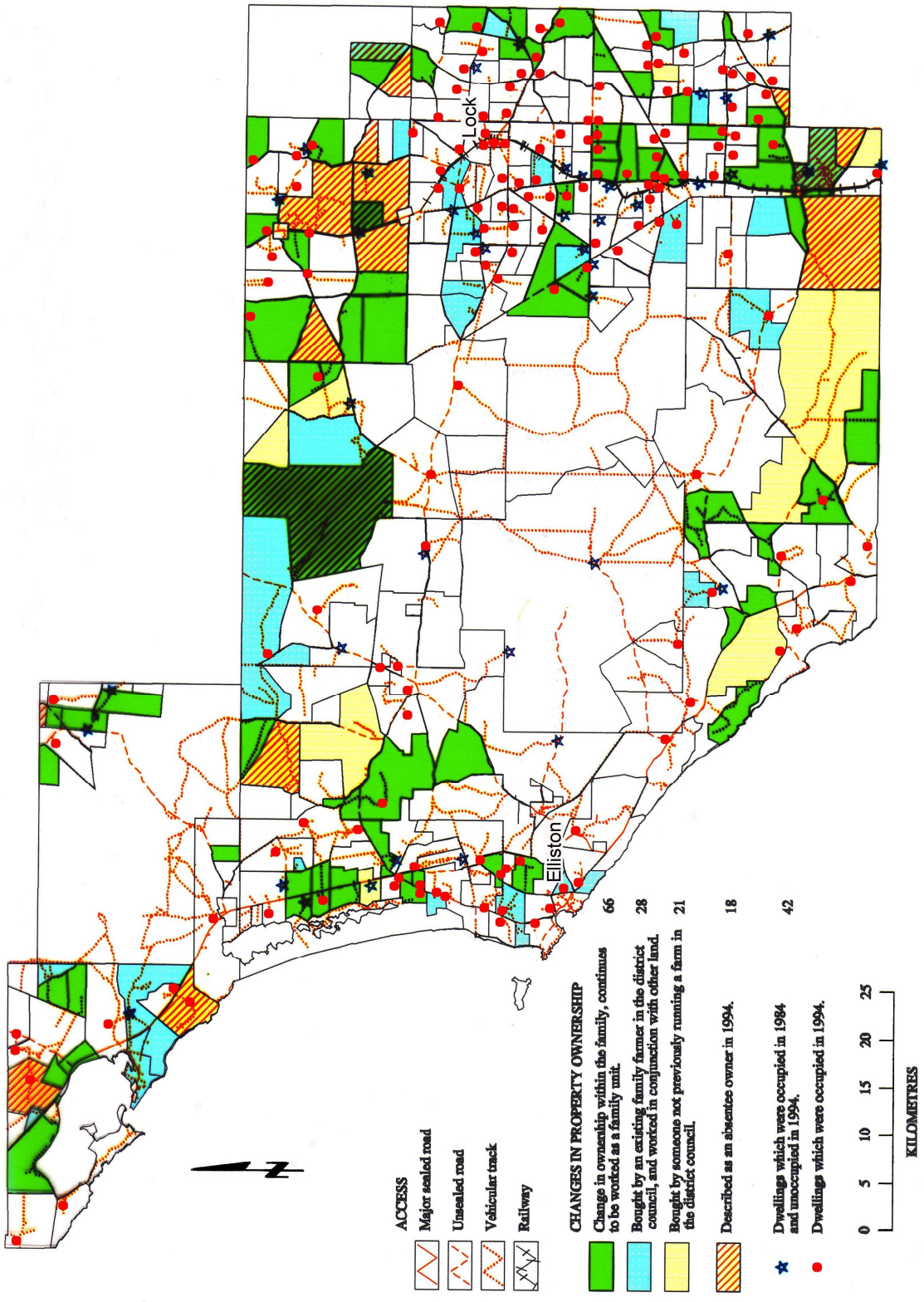
2. The family farming system was put under extreme pressure during the crisis years, and showed great resilience. But after the recession eased, has it survived more or less intact, or has major subsumption occurred?

While many intensive farming enterprises have been subject to heavy subsumption and rationalisation, by far the largest part of the study area is occupied by broad acre farming, still essentially in family farms in 1993. The region where this system has been under the greatest and longest stress is Eyre Peninsula (Chapter 6). By 1994, 16% of its farms with bank loans were rated non-viable (equity levels of below 30%) as against only 6% in the State as a whole (Durham and Kidman, 1994). Outside the regional capital of Port Lincoln, the region has very little diversity of employment beyond the primary production and service sectors. Its small urban centres are therefore highly dependent on the fortunes of agriculture. Despite some localised diversification (including viticulture, quondongs, oyster and tuna 'farming', fishing, abalone harvesting) by far the greatest proportion of holdings are based on broad-acre cereal/sheep farming (often incorporating other crops such as lupins, beans, field peas in a rotation). It thus presents an archetypal case of simple commodity production by family farms embedded within the capitalist economy. To what extent has this system survived the crisis?

To examine the impact on the settlement pattern first, a case study from the District Council of Elliston is helpful (Smailes and Mason, 1995). Elliston is the most sparsely peopled LGA in the State's settled areas, and one of the most remote. It is home to two distinct communities, Lock and Elliston (Figure 9.4). The two are separated by an almost empty area, parts of which have been dedicated to conservation through heritage agreements entered into by farmers during the above crisis period. As well as being physically separate, the two communities are based on different farming systems, Elliston being characterised by large, mainly grazing farms supported by some cropping (median property size in the sample survey 5850 Ha.) and Lock by a more typical cereal/sheep belt economy (median size 1600 Ha.). The widely scattered nature of settlement in the Elliston community, and its distinctive separation into neighbourhoods, are evident on Figure 9.4, which also shows the pattern of farm holdings. The formal structure of land ownership is very different from the practical pattern of operational units (eg. a holding can consist of many sections on separate titles, some in the name of one family member, some another, some in joint names, some in company names etc.). Thus even to identify the number of functioning family farms requires substantial fieldwork, a significant part of which was undertaken as part of an Honours project (Mason, 1994).

A great variety of permutations was found in the way families owned, leased, or shared land. In 1984, 196 operating units were identified; by 1994 this had fallen to 168. Not only the number but also the structure and spatial composition of farm holdings was highly fluid during the period, with the proportion of spatially fragmented farms rising from 34% to 43% as distant blocks were acquired. (Farm fragmentation has long been common in Eyre Peninsula, partly due to the vagaries of the land market, and partly as a risk-splitting strategy against sporadic and capricious rainfall distribution: Hill and Smith, 1977). There were in all 119 ownership changes over the ten year period, of which 46, or 39%, were transfers within the same family due in part to generation shifts. Of the other 73 ownership changes, 52 were bought or taken over by other Elliston D.C. residents, leaving only 21 sales to "outsiders", of whom only 6 were absentee owners. Thus, while crisis conditions have most certainly enforced structural change and have thinned out the number of holdings, the family farming *system* as such has so far remained resilient, though with fewer, larger and more fragmented farms.

Fig. 9.4 Elliston District Council: farm holdings and occupied dwellings, 1994 and changes in occupied dwellings, 1984-1994



Source: based on Smailes and Mason (1995). Map produced by G.L. Mason

The demographic impact of the above loss of farm units is not a simple equation where one farm has one house occupied by one family. The labour resources of a farm may be drawn not only from the main homestead but from members occupying another house on the property or elsewhere, semi retired parents living in a local town, or co-operative arrangements between farms. The 168 units operating in 1994 had between them 263 habitable dwellings, of which 62 were unoccupied. The occupation of dwellings is of course always in a state of flux, some of them being rented or lent to non-farm families, but the net trend has certainly further thinned the dispersed population, with important repercussions for costs per head of such services as school bus provision and road maintenance, mustering of CFS crews and so on. Figure 9.4 shows that 42 dwellings became unoccupied between 1984 and 1994. The losses were particularly heavy among the smaller, wheat/sheep farms around Lock, which was particularly badly affected in the first half of the period, while the more pastoral-based farm economy in the Elliston community suffered most in the second half of the period, with the wool price collapse of the early 1990s.

The above example suggests that little subsumption of family farms had occurred. A similar conclusion comes from the records of the rural counsellors on the eastern side of the peninsula. Table 9.1 shows the outcome of 64 farm sales between 1992 and 1995.

Table 9.3 Farms in eastern Eyre Peninsula which changed hands, 1992-95, by type of purchaser

Type of purchaser	Sold as a unit	Subdivided	Total
Son, family member or family trust	15	0	15
Farmer, from same or adjacent L.G.A.	17	11	28
Farmer, from elsewhere in Eyre Peninsula	8	2	10
Farmer, from outside Eyre Peninsula	1	0	1
Investor	6	4	10
Total farms	47	17	64

Source: Smailes 1996, 317. Based on data supplied by Eastern Eyre Rural Counselling Service.

Most of the farms sold were heavily indebted, with very low equity levels. As discussed in Chapter 3, in South Australia it was the intersection of the family farm system with the capitalist land and capital (rather than labour) markets that provided the greatest impetus for subsumption of family farms in the crisis years.

It may be asked why, in the face of such debt, so little change to the family farming system occurred. The majority – over two thirds – of the farms changing hands were sold as units. In some of the cases of subdivision, farmers sold of some land but retained part of the holding, including the homestead. About a quarter of all the sales were in fact stratagems to achieve direct reproduction of the family farm under a different type of formal ownership, such as a family trust or a company with mainly family shareholders. Once sold, and the lender repaid as far as the sale price permitted, the ‘new’ owner started with a clean slate. Most of the 28 cases on Table 9.1 of amalgamations through sales to local farmers resulted in reproduction of the

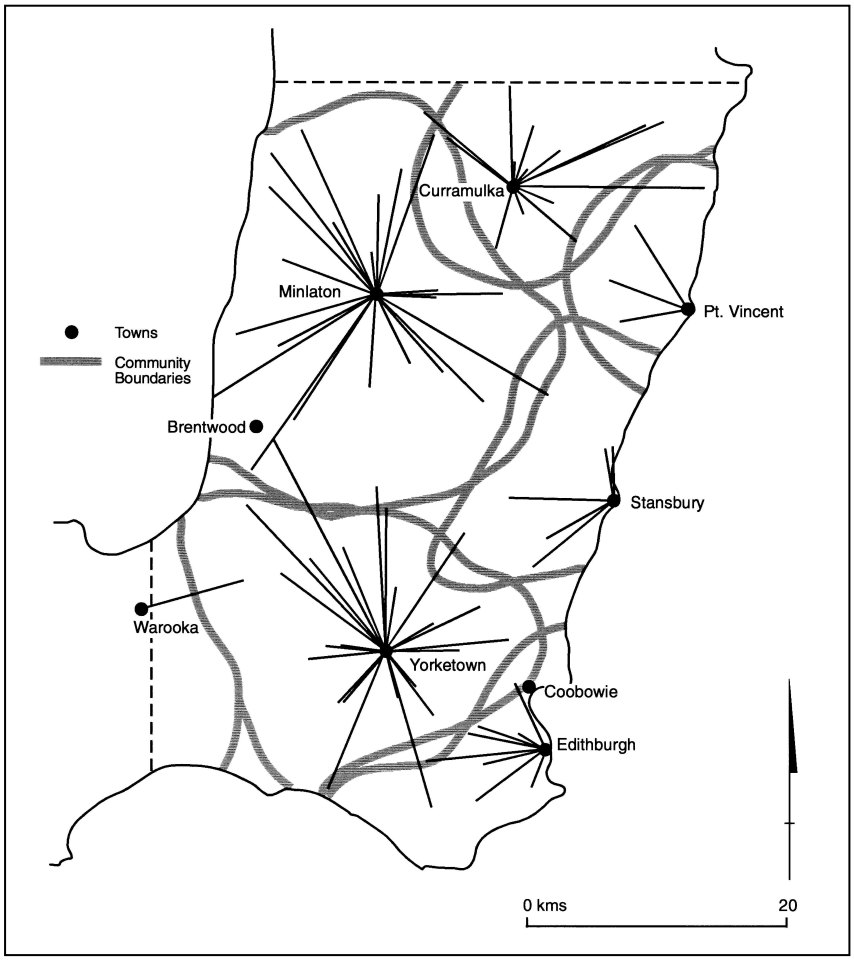
system, if not of the original household. However, ten of the sales were made to speculative investors, and here genuine subsumption has taken place: but even then, shades of grey apply, depending on the specific agreements: in four of the ten cases the land was leased back to the original operator, who became manager rather than owner-occupier. Reasons why so little subsumption occurred include the dogged determination to hold on to the family farms; the intense efforts of the rural counsellors, farmer action groups, local clergy and politicians and others; various rescue packages negotiated with the financial institutions; and not least, the prevailing low or negative real rate of returns to capital (S.A. Farmers' Federation, 1994)

The spatial pattern of local community attachment and belonging

3. The geography of belonging, identity and social interaction was shown to have great stability and inertia up to 1993. Has this weakened or changed in the last dozen years, or has it remained stable?

The answer to the above question is crucial to the use of the methodology and findings of this thesis in attempting to achieve a sustainable rural system. The evidence I have suggests basic stability, with very minor adjustments.

Fig. 9.5 Stated community of Southern Yorke Peninsula respondents in 2000, compared to community boundaries as defined in 1984.



Source: author's Southern Yorke Peninsula surveys, 1984 and 2000