THE DYING TOWN SYNDROME
A SURVEY OF URBAN DEVELOPMENT IN THE WESTERN DISTRICT OF VICTORIA, 1890–1930
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The experience of urban settlement in the Western District of Victoria suggests that the pattern of growth and decline in small towns is tied to the pattern of land use. This, in turn, is determined by the economic and technological factors which influence farm management and practices. At times, these factors have encouraged urban development and small towns have flourished. For the most part, however, these forces have not been conducive to sustaining long-term growth and prosperity and small towns have been trapped in a cycle of growth and decline.

INTRODUCTION

Recent debate surrounding the future of country towns has raised the issue of the historical process of growth and decline in the small towns which service rural communities. To many, the current deterioration of country towns is symptomatic of the dominance of large urban centres and the indifference and neglect of government. The debate has generated many emotive responses which indicate that the underlying long term causes of decline are not fully understood.

Viewed from a historical perspective it becomes clear that what may appear as a recent and worrying trend has been in fact been an intrinsic feature of regional development. An illustration of this can be seen in the history of urban growth in the Western District of Victoria. The pattern of development in this region suggests that the prosperity of small towns is linked to the nature of land settlement and use in the surrounding area. This, in turn, is influenced by the economic and technological factors operating at the time. At certain stages these factors have supported growth and expansion in small towns. For the most part, though, these forces have not been conducive to promoting long term urban prosperity. Thus, a cycle of growth and decline occurs.

This experience is not a unique feature of Western District history. Instead, it reflects the process of urbanisation in Australia. A characteristic of economic development in this country has been the growth of capital cities and the concentration of population in these centres (McCarty 1974 p. 13; Frost 1998 pp. 45–47). Between 1861 and 1891, for example, the population of Melbourne, as a percentage of the total population of the colony increased from 23 per cent to 41 per cent (McCarty, p. 23). In the same period, population growth in Victorian country towns stagnated in relative terms. Around one fifth of the colony’s population lived in country towns in 1861 and the proportion was the same in 1891 (Richmond 1969). These figures suggest that the problem of sustaining the population and economic viability of Victorian country towns has been ongoing and systemic, arising from the nature of the functions of these towns.

The pattern of development in the Western District provides a good example of the way in which the relationship between urban centres and their rural hinterland impacts on a town’s economic viability and longevity. In the early years of settlement there was little urban development because extensive techniques of land production resulted in limited linkages between town and country. A period of change occurred after 1890 when a combination of technological advances...
in farming and transport made closer settlement more viable. Urban centres grew as changing patterns of land use led to subdivision and the intensification of farming. The cycle reversed, however, in the 1930s when further advances in farming and transport promoted the aggregation of small properties. Townships that had prospered as the demand for farm services increased, fell into decline as farmers and farming responded to changing economic circumstances.

**Figure 10.1 The Western District of Victoria.**

**PATTERNS OF URBAN DEVELOPMENT TO 1890**

The experience of urban growth in the Western District of Victoria highlighted the basic economic problem of many country towns; namely, as service centres, they were dependent on the demand generated by the surrounding rural hinterland. The Western District is one of the oldest areas of white settlement in the state of Victoria. The accompanying map indicates the location of the area. At the end of the nineteenth century the region was a well-established pastoral economy based on an extensive system of farming in which agricultural production was increased by increasing the amount of land in use. The District had some of the largest holdings of freehold land in the state. In 1890, 68 per cent (3.2 million acres) of the land was in the hands of men who owned properties of more than 5,000 acres. This pattern of land use epitomised by the pastoral system had a particular influence on the growth of urban centres in the region.

From the period of first settlement in the 1830s to the 1890s the impetus for urban development in the region was not strong. The emergence of a pastoral industry, focussing on wool growing, defined the structure and growth of the regional economy. It did this in two ways, firstly through the influence of forward and backward linkages with local industry. Secondly, in the manner in which the income and wealth created by wool production was distributed (McCarty 1964 p. 6).
In the Western District, the regional linkages created by the wool industry in this period were weak. As a result the demand for the types of services provided by country towns was limited and urban growth was constrained. Unlike other agricultural pursuits, wool producers did not require the types of localised services that were the key functions of small towns. The pastoral estates were generally equipped to provide for basic needs and the services, which small farmers might rely on townships to provide, were catered for on the property. Blacksmiths, saddlers, butchers and carriers for example, were all employed on large estates. Other requirements of the wool industry were adequately met by agents and merchants resident in the larger urban centres of Melbourne and Geelong. As a result there was little need to provide them at a more local level. Wool, the staple product of the region was transported to auction houses in Geelong, Melbourne or London to be sold. This led to the development of a strong complementary relationship between the Western District and capital city (McCarty 1974 pp. 11–16). Melbourne, as the largest commercial centre in the colony, was the link between output of pastoral estates and international markets. Apart from providing access to wool markets, the city, as a financial and manufacturing centre, provided the other services necessary to the pastoral estate (Merrett 1978 pp. 180–182). Small country towns existed basically to assist the flow of goods and services from the dominant metropolitan centre to the rural population (Bowie and Smailes 1988 p. 234; Frost 1998 p. 49). As a consequence the pattern of growth of towns and townships was determined by the simplistic nature of the regional economy. This was a fairly typical of the pattern of urban development in the colonies where the metropolitan centre came to dominate the urban hierarchy.

It led to a substantial gap between the size and complexity of the large city and the remaining smaller urban centres. It promoted the centralisation of services which further perpetuated the focus on the capital.

The pattern of urban growth in Victoria after the 1870s concentrated largely on the expansion of Melbourne at the expense of other centres. As a result by the 1890s a hierarchy of towns in Victoria had evolved with a least four levels of importance. The metropolis of Melbourne was at the pinnacle, the second level incorporated the regional centres of Geelong, Ballarat and Bendigo. Warrnambool, the largest town in the Western District, formed part of the third level, whilst all other Western District towns belonged to the lowest order.

In 1890, there were 69 urban settlements in the Western District. 58 of these had less than 500 inhabitants, the majority of settlements had populations of between 100 and 500 (Keneley 1999a pp. 90–93). Four of these had populations between 500 and 1000. This was also fairly typical of the pattern in the rest of the colony where 80 per cent of non-metropolitan settlements had populations of less then 500 (pp. 90–93). In addition to the small townships there were seven larger settlements which could be classified as towns, defined as having populations of more than 1000. The cut off of 1000 is appropriate as there was a marked difference in the economic functions of settlements with 500 to 1000 inhabitants compared to those with greater populations.

In evaluating the importance of urban settlements and analysing their role it is useful to identify the types of functions these settlements performed. The activities of an urban centre can be categorised into basic and non-basic functions (Alexander 1959 pp. 87–88). The basic functions are those which form the town’s economic foundations – those relationships and activities which generate income for the town and provide the impetus for growth and economic development.
Non-basic activities are those that support the town itself. They are the service industries which develop as the town grows and improve the quality of life of the urban population. They are non-basic because they are not the primary function of the town or the purpose for which it was initially established. Whilst they are important to the residents of the town they do not provide the rationale for its existence (Alexander 1959 pp. 87-88; Richmond 1969 pp. 146-148).

The ability to diversify basic functions was a major factor contributing to the long-term growth and prosperity of the urban centre. Analysis of the structure of business in Western District towns with populations greater than 1000 highlights the nature of their basic function as service centres and highlights the lack of diversification in basic functions. Table 10.1 illustrates the structure of the manufacturing and tertiary sector of the District's towns in 1890. The types of occupations pursued in each town are used as an indicator of the services provided.

The profile presented indicates that in all towns the tertiary sector was the most significant sector, supporting the argument that these towns were basically service centres for the surrounding hinterland. Little processing of pastoral products was done. Instead, they were instrumental in providing transportation and commercial links between the countryside and the larger urban centres. Simpler versions of this structure are apparent in the pattern of business in the townships and smaller settlements of the Western District. The focus of urban centres was limited. They catered primarily for local needs on a limited scale and had no industry which serviced markets beyond the boundaries of the immediate region. In this sense they did not cross the 'urban threshold', that is they did not grow to the point where the needs of the surrounding countryside were no longer vital in determining the viability of the town. Of all the urban settlements in the District only one, the town of Warrnambool, could be said to have passed this threshold with an economy large enough to sustain itself. Warrnambool, one of the three port towns in the District, was the largest and most self-sufficient. By 1891 it no longer relied specifically on its commercial port activities for prosperity. As the major town in the District it had evolved into a sophisticated urban centre. In 1891 there were 90 commercial businesses in the town. A large proportion of these were general merchants as opposed to storekeepers. The development of the commercial sector is evidenced in the number of local public companies in existence in the town. They included the Warrnambool Woollen Mill Co., the Warrnambool Lighting Co., the Warrnambool Permanent Building and Investment Society and the Western Steamship and Navigation Co. The manufacturing sector in Warrnambool was also more extensive than any other town in the District. There were 65 manufacturing operations which included 61 factories employing 627 people. Since incorporated in this number were the small enterprises which were found in many country towns in 1890. They included three flour mills, a biscuit factory, coach builders, aerated water factories, cordial factories, two breweries and soap and candle works. It was the woollen mill and newly opened butter factory which came to be the most important industries in the town. Warrnambool was also the regional centre for government services. In addition to local government offices for both the town and Shire of Warrnambool, it was the regional centre for police and the court circuit, as well as other government functions including the registration of births and deaths, meteorological centre and customs and excise. By 1890 Warrnambool was a diversified urban centre capable of generating its own internal growth. Although it serviced the surrounding district, its prosperity was not dependent solely on this function, or that of the port trade. Its basic function had diversified beyond that of service centre which made it less
dependent upon the relationship with its hinterland for survival. The same cannot be said of the other two port towns of Portland and Port Fairy.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Camperdown</th>
<th>Casterton</th>
<th>Hamilton</th>
<th>Koroi</th>
<th>Pt. Fairy</th>
<th>Portland</th>
<th>Warrnambool</th>
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<tr>
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Table 10.1: The structure of business in Western District towns, 1890.

Note: this table is not a reflection of total employment but rather an indication of the relative importance of the various industrial and commercial businesses in the towns.


Portland's potential for development was impeded by the lack of a strong farming base in the surrounding district. Its major function in 1890 was as a commercial centre for the port trade. Its manufacturing sector was limited with only ten factories employing 93 people (Logan 1967, p. 322).

Port Fairy also depended on its port facilities, but unlike Portland, it had a rich rural hinterland which it serviced. The Victorian Municipal Directory reported in 1891 that 'Port Fairy depends on the well cultivated farms in the back neighbourhood for its support.' (p. 188) The Directory optimistically stated that a large and increasing trade in wool, grain and general produce was being done with the Penshurst, Coleraine and Hamilton districts. However, this optimism was
not founded in any general trend in growth and urbanisation evident in the town. WS Logan's analysis indicated stagnation in the commercial and port-oriented industries of the town (Logan 1967 pp. 338-339). He argued that the lack of specialist shopkeepers in the town in 1890 demonstrated a lack of urban maturity when contrasted with Warrnambool (p. 339). The type of secondary industry in the town focused on the provision of food and included millers, brewers, cordial and aerated water manufacturers and bakers. There was very little processing of pastoral products within the town, although some of these industries existed in nearby Rosebrook.

The occupational structure of the inland towns reflected their role as service centres. The town of Hamilton, for example, was a regional centre for the court circuit, including the magistrates court, court of petty sessions and criminal court. It was also a centre for the lands department and local government, having both town and shire offices in its precinct. Aside from government agencies, there were four banks and a number of insurance agencies. The small manufacturing sector again points to the dependence of the town on its hinterland. In 1891 there were sixteen manufactories in Hamilton employing a total of 120 people. Businesses included two breweries, a coach builder, flour mill, tannery, soap and candle works, gas works and rabbit preserving works. These industries catered primarily for local needs and there was no significant export of manufactured products from the area. Building and construction was one of the more important secondary industries in Hamilton, followed by food processing and crafts associated with transport. These industries provided services which supported the main function of the town and its local urban population. The industries associated with the processing of pastoral output were basically simple, not the complex value-added manufactories which were established in larger metropolitan areas. The demand for the products of these industries was not strong enough to ensure a bright future for many of them. The soap and candle works for example, closed in 1896 and flour milling disappeared after 1892. The rabbit preserving factory had to fight for its survival in the early 1890s (Garden 1984 pp. 132-33).

The basic functions of the three other inland towns reflect the model of Hamilton but on a smaller scale. The tertiary sector was the most important source of employment. Within this sector it was commerce that formed the basis of the town's profile. Breaking down this category further, the general shopkeeper formed the basis of the commerce sector. Whilst there were some specialty retailers there was a general lack of sophistication in the retail trade of these inland towns. In Casterton, for example, 10 of the 26 commercial establishments were general storekeepers. A further four were auctioneers, six were butchers, three were drapers, two were fruiters and one was a tobacconist. The same pattern of commercial establishments was evident in Camperdown and Koroi. Hamilton had a little more diversity, but it was only in the larger town of Warrnambool that any specialisation of significance occurred (Keneley 1999a pp. 378-382).

The size of the population in these towns placed a limitation on their ability to provide basic and non-basic functions. The returns from the basic functions in the three centres of Camperdown, Casterton and Koroi, were large enough to generate non-basic functions which gave the town its life and character, but were insufficient to provide the wider diversity of larger towns such as Hamilton. The limited manufacturing base reinforced the dependency of towns on the rural hinterland. However, the dominance of the pastoral economy with its weak forward and backward linkages meant that towns could not develop beyond a certain point unless the economic and technological parameters changed to allow an alternative use of the land.
THE EXPANSION OF URBAN SETTLEMENTS 1900–1914

In the late 1890s the culmination of a series of advances in agriculture created the environment for the expansion of local towns. Innovation and technical progress in agriculture which occurred at this time, encouraged new farming practices and increased the potential for more intensive forms of land use. In this respect, advances in two key industries led to a transformation in the farm sector and paved the way for further urban development. The application of crop rotation techniques and the use of small amounts of superphosphate together with the introduction of new wheat varieties revolutionised wheat farming practices. In dairying, the development of off-farm technologies led to the factory processing of milk and the opening of new markets which created the potential for the growth and transformation of the industry.

The significance of these innovations for country towns in Victoria was threefold. First, it led to the spread of small-scale farming and created a demand for more localised urban services. The linkages between agriculture and small towns were stronger than those with the pastoral estate. Small farmers did not have the same degree of self-sufficiency as these large estates and looked to urban centres to provide the necessary services. Second, it created new urban industries, particularly with the spread of the factory system of milk processing and butter production. Milk factories and creameries became an important feature of many small towns. Third, it added impetus to the push for closer settlement which became a major policy platform of Victorian governments with the passing of the Closer Settlement Act in 1898. Land subdivision and the application of scientific farming principles would, it was thought, turn the District into a thriving agricultural region.¹⁰

The spread of new methods of farming encouraged the subdivision of large estates and the growth of small-scale farming. In line with this, the decade between 1901 and 1921 witnessed a period of rapid urban growth in the Western District. New urban centres sprang up and those already established grew. The number of settlements increased fourfold between 1891 and 1921. The number of towns increased from seven to 11 and townships from four to 11.

The growth of urban settlements and townships in the period up to 1921 was largely associated with the expansion of the dairy industry. Townships expanded in the dairy counties of Hampden, Heytesbury and parts of Normanby. In other counties, populations in townships waxed and waned. However, the expansion in the number of settlements was not necessarily associated with a sophistication of their economic functions. No urban settlement of less than 500 inhabitants had any secondary industry of significance, aside from a creamery. Most small townships continued to primarily be service centres for the surrounding rural area. These services were limited to those connected with transport, communications and banking. Within the next level of the hierarchy – townships with populations between 500 and 1000 – there was a limited degree of manufacturing. However this was largely restricted to simple food processing, building and construction. The growth of butter factories increased the level of manufacturing in country towns but this in itself was not sufficient to allow them to cross the urban threshold. The extent of secondary industry remained limited, catering for local needs rather than a value added export market.

The most significant difference between townships and smaller settlements was that townships had some type of manufacturing base. Usually it was a butter or cheese factory. All townships, with the exception of Wangoom and Mepunga, had some small secondary industry.¹¹ Most
townships also had a rail service. Those that did not, such as Macarthur, Mepunga, and Wallacesdale experienced a significant population drift after 1911 and could no longer be classed as townships beyond that date. A picture of what the typical Western District township was like in the 1920s can be seen in Table 10.2.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Settlements with a population: 50 &lt; 100</th>
<th>Settlements with a population: 100 &lt; 500</th>
<th>Townships with a population: 500 &lt; 1,000</th>
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<td>Rail</td>
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<tr>
<td>School</td>
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<tr>
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</tr>
<tr>
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</tr>
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<td>Church</td>
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<td>Hotel</td>
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Table 10.2 Facilities in small settlements, 1920s.
Source: Victorian Municipal Directory, 1520.

The level of manufacturing was limited, but most had at least one type of secondary industry. Other services such as postal, rail and banking were well catered for. From a retailing point of view, opportunities appeared to be limited, with most townships having only one or two general stores. All townships however had a school and a Mechanics Institute, some of which had a library attached. These facilities provided a focus for community interaction, as did the churches and hotels. Most townships had at least one hotel and three churches. Law and order was also generally well provided for. Several towns had their own police stations, whilst there were courthouses at Coleraine, Skipton, Merino, Heywood and Penshurst. Three townships, Cobden, Coleraine and Penshurst had their own newspapers. This was a rarity in townships as the population base was generally not large enough to support such enterprises.

The smaller settlements provided very few services to the rural hinterland beyond that of basic commercial and communication services. Those with populations of less than 50 had very few, if any facilities. The larger centres in this category had a school and perhaps a post office,
but little else. It was not until a settlement reached at least 100 inhabitants that a broad range of commercial and recreational facilities appeared.

In tracing the growth of small settlements after 1891, it is apparent that those that expanded did so because they performed a specific function. It was this function that influenced their growth and prospects for development. However, although these settlements had a basic function which formed their economic foundation, it was not strong enough to generate sufficient growth to support the provision of non-basic services. Thus, many settlements were limited in both size and outlook.

The two major influences on the expansion of settlement were the growth of the dairy industry and the proximity of the settlement to rail services. Between 1888 (when the first butter factory was established at Cobden) and 1920, 30 butter factories were established in the District (Fenton 1985). The fortunes of many waxed and waned, but their existence provided a focus for the growth of small communities. Examples of these were the settlements of Glenormiston and Noorat. Both were a short distance from the much larger centre of Terang, yet both sustained relatively large populations. In 1911, 274 people lived at Glenormiston and 612 at nearby Noorat. Twenty years later the population of Noorat was 706 and that of Glenormiston had increased to 487. Both these settlements relied on the Glenormiston butter factory for their prosperity.

Whilst the majority of new settlements which emerged were situated in the expanding dairy region along the coastal fringe of the District, others developed around the expanding rail network. 61 towns and settlements were sited directly on rail routes. The rail link did not provide as much direct employment as the butter factory or creamery. However, it did provide a focus for other facilities, and in doing so, encouraged the proliferation of many small settlements. Of the 50 settlements on railway lines, 58 per cent had populations between 100 and 500 people. Public investment in rail transport had been undertaken with a view to encouraging closer settlement. While it has been argued that the growth of the rail system did not directly lead to urban expansion, it was the role of the railways in facilitating more intensive land usage that was important in promoting country towns.

Whilst the towns and townships of the District grew in response to economic stimuli, they were more than just service points for local farmers. Although the majority were small, they were thriving centres of community and social activity. The breadth of activity is evident both in notices in local newspapers and in almanacs and directories. In particular, sporting associations provided a cohesive focus for community interaction. The existence of many other societies and associations is indicative of the diversity and sophistication of these small centres. The small township of Willaura is an illustration of the extent of this community interaction. With a population of around 300 it had a range of sporting clubs including, football, racing, cricket and golf. It also had a debating society, a Ladies Guild, a squadron of the Light Horse Regiment, and various church and political associations. Willaura was not unique, many townships in the District had a similar range of associations. The level of social interaction belies the weak economic base of these centres and highlights the loss to the community as urban decline occurred.
URBAN DECLINE 1921–1930

The urban growth experienced in the period leading up to the First World War was largely reversed in the inter war period. The extent of the decline in rural towns can be gauged by comparing population changes between 1921 and 1933. In 1921 there were eleven towns with populations greater than 1000. By 1933, six of these had experienced significant population declines. In two, the population had fallen below 1000. 57 per cent of established settlements in the District experienced population declines in this period. Drifts of population such as this necessarily had a significant impact on the prosperity of the country town and the success of local business.

The vulnerability of these urban centres was reinforced by the link between town and country. This was particularly so in the economic climate of the 1920s which did little to further the fortunes of farmers and likewise local townspeople. However, it was a more fundamental change in the factors influencing the farm sector that impacted most on the outlook for country towns.

In the period prior to World War One, technological developments promoted small scale intensive farming and encouraged the spread of localised processing of farm output, particularly in the dairy industry. The spread of the factory system of milk processing was associated with the growth of butter factories and creameries. The function of the creamery was to separate the milk and cream. The cream was then transported to the butter factory and the milk returned to the farmer to be used as feed for livestock. Each butter factory had several creameries located in the surrounding district to service outlying farms. With the growth of creameries small townships also sprang up. Creameries were necessary because the farmer did not have an efficient method of separating the milk himself. However, the introduction of hand separators solved this problem. By the 1920s the creamery had become obsolete and many of these processing plants had closed leaving small townships with no secondary industry.

Technical innovations in the 1920s also promoted the potential for the aggregation of small localised processing plants into larger factories. Methods of milk processing improved as did the transportation network, encouraging milk factories to expand. Expansion was associated with the amalgamations of processing plants as some firms became more profitable than others (Godbold 1989 pp. 158–179). For example, between 1910 and the 1930s five butter factories located in small towns amalgamated with the Glenormiston factory whilst three amalgamated with the Camperdown factory (Brimsmead 1988). The Glenormiston factory was later to amalgamate with the Camperdown factory. As this happened rationalisation led to the closure of factories in outlying areas and a resulting loss of employment.

Meanwhile on the farm, further technical improvements created the potential to increase farm size. Labour saving machinery was increasingly used by farmers allowing them to farm greater acreages and reinforcing the trend to farm aggregation. The number of engines in use for example, nearly doubled between 1913–16 and 1933–34. Tractors began to replace horses in the 1930s. Technical innovation in agriculture encouraged an increase in farm size and as a result a reduction in the number of farmers.

However, it was the improvement in transport which had the greatest impact on local towns in the 1920s. Better roads and cheaper, more reliable vehicles brought the larger metropolitan centres closer at the expense of smaller towns. In 1924, the motor car brought Hamilton within five hours travelling time of Melbourne. For those that did not have access to cars, bus services became available. In the 1920s buses ran from Hamilton to Warrnambool twice daily (Garden...
1984 p. 206). Distances that once took days to travel could now be covered in a number of hours. By the mid 1920s it was evident that many local retailers were feeling the effects of closer transport ties and shifting patronage to larger retail centres. A bleak future was forecast for these towns if residents failed to support local business.18

Road transport also competed with the rail system leading to a fall in rail usage. The road building program of the Country Roads Board brought road transport into direct competition with the railways. Priority was given to rebuilding existing highways. These arterial routes which centred on Melbourne, had a twofold effect of reinforcing the commercial activity of that city, and reducing the viability of rail facilities in small country towns. The resulting decline in revenue called into question the profitability of some lines leading to a reduction in services. The down-grading of these services had repercussions for employment opportunities in small towns further aggravating the drift of population to larger centres.

The failure of small townships to grow beyond their prime function as service centres also made them vulnerable to changes in the farm outlook. In this respect, several factors impacted on the prosperity of urban settlements after the First World War. At this time the failure of the closer settlement scheme to generate a permanent increase in the number of small farmers became apparent. The problems faced by new settlers were further intensified by the downturn in the market for agricultural commodities that occurred in the lead up to the depression of the 1930s.

The closer settlement policy, introduced progressively after 1898 and culminating in the soldier settlement schemes of the 1920s, was based on an ideal with little practical foundation. It was assumed that with the advent of scientific farming techniques, the barriers to small-scale farming had been overcome. The overriding optimism which was reflected in the ‘Australia Unlimited’ philosophy led to the inappropriate subdivision of land which was not suitable for intensive farming on the scale envisaged.19 In the Western District this led to the acquisition and subdivision of grazing properties with very low carrying capacity on the assumption that they could be made to yield more productively. Prior to World War one, in a period of buoyant demand for agricultural products and rising prices, the fatal flaws in this approach were not immediately obvious. However as the scheme progressed, and more and more marginal land was acquired for settlement purposes, the problems inherent in the assumptions underlying the policy became apparent. The scheme attempted to push the degree of intensive land use beyond the point of sustainability. Basically, it encouraged the subdivision of blocks into units that were too small to farm repetitively to the extent expected. Even on estates where farmers were relatively successful it was recognised that farm sizes were too small. The result was that settlers began to aggregate their holdings in a bid to enlarge the size of their farms. Aggregation was a feature of farm land ownership patterns in the Western District in the 1920s. The number of holdings between 100 to 500 and 500 to 1000 acres grew by 37 and 66 per cent respectively.

Aggregation, and the associated reduction in the number of farmers, obviously had implications for the demand for services from local urban settlements. However the impact was masked in the immediate years after World War One by the implementation of the State’s soldier settlement scheme. Despite the inherent flaw in the closer settlement program, the Victorian government was determined to press ahead with another attempt at promoting intensive land usage. The aim of land policy after 1918 was to put as many soldiers on the land as quickly as possible. The pace of this settlement was associated with many mistakes in the implementation of the scheme.
Inappropriate land was bought at high prices. High land prices influenced the size of blocks allotted and many settlers were allocated blocks too small to generate an income sufficient to live on. Problems compounded as farm debts rose and battlers were forced off their farms (Lake 1987).

Closer and soldier settlement failed to impact significantly on the prosperity of local towns. Settlers, even when successful, had little surplus income to spend. Most settlers obtained goods on credit for at least the first few years. This left business very dependent on the tide of the agricultural trade cycle. The settlers themselves were, to a certain extent, isolated from the rest of the community and did not mix with local townspeople. Their experiences both in the war and as new settlers set them apart and created a bond between them. They became a cohesive group within themselves and tended to stick together rather than integrate into the community. They built their own facilities such as halls and tennis courts and organised their own social functions and entertainment. They were seen as a group distinct from the rest of the community.

As the agricultural sector responded to changing circumstances the importance of small towns in the link between farm and market was weakened. The failure of urban settlements to thrive was not generally understood. In the early days of the campaign for closer settlement, townspeople had been very vocal in their support of the plan. Local progress associations led by town leaders lobbied government and campaigned strenuously for the subdivision of large estates. Their motivation was that with a greater rural population, local towns would surely grow and prosper. This optimism was a characteristic of the approach to urban growth in many countries. It was generally expected that urban development would mirror that of the closely-knit British system (Denholm 1944, p. 37). This was a broadly held view and it was widely accepted that towns would flourish as the countryside became more settled. This view was held by government as well as the general populace. Premier Harold Lawson told Mortlake residents in 1922, that as a result of increased land settlement, new industries would spring up and country life would be much more attractive. However, these expectations were never fully realised in towns like Mortlake which remained a small urban settlement despite its proximity to large land subdivisions.

Even in the 1920s concern over the decline in rural areas was not new. In the 1890s local country newspapers such as the Coleraine Albian, bemoaned the decline in rural areas. In 1918, a government commissioned committee confirmed the overall drift of population to major urban centres and recommended the implementation of a 'country life policy' to halt the decline. The Select Committee's report highlighted the problems associated with the centralising influence of the capital city, and of encouraging local urban growth. Evidence given before the Committee when it visited Warrnambool and Port Fairy revealed a deep-seated concern over the centralising effects of Melbourne. Businesses felt that they were unable to compete on the same footing as Melbourne firms. Local residents were concerned about the loss of population to the capital and the lack of employment and educational facilities in the country. In rural areas there was resentment at the lack of initiative in tackling the problem. The Casterton Free Press attributed the lack of progress in the Casterton area to 'inefficient management at headquarters' (Melbourne) 'Centralisation' the paper claimed, 'is rampant in our midst: it is the lion in the path of progress; and we shall never progress till we kill that lion.' These sentiments reflected a failure to appreciate the importance of the causal link between the pattern of agricultural development and the prosperity of towns.
CONCLUSION

The experience of country towns in the Western District suggests that there was an inevitability in the process of development in small country towns. In this respect, they grew and prospered as long as the economic and technological factors which influenced the surrounding farm community worked in their favour.

The pattern of growth in towns was inextricably tied to the pattern of land use and as that changed there was a corresponding impact on urban settlements. It was this relationship between town and country that determined the viability of small towns. This can be clearly seen in the Western District. In the period of early settlement with the spread of land extensive industries, particularly wool growing, there was little demand for localised urban facilities. Large pastoral estates were virtually self-sufficient, there were few linkages to encourage local urban development. Wool was sold on an annual basis and exported overseas. It was transported directly to auction in Geelong or Melbourne. These centres also supplied the services necessary to run the estate.

The advent of a new approach to farming, particularly the adoption of scientific farming techniques and improvements in processing, created the scope for more intensive forms of land use. Between the 1890s and the First World War agriculture boomed. It was encouraged not only by technological improvement, but also by favourable economic conditions and government policy. Government supported closer settlement schemes which further stimulated the push for land intensification. With the increase in small holdings came a corresponding increase in the number of urban settlements. These townships evolved to provide a link in the chain between the producer and the market for agricultural products. They were essentially centres that supplied a limited number of services. As such, they did not have the scope to grow to the point of crossing the 'urban threshold'. They flourished within the technological and transport constraints of the time.

However, changes in these constraints after the First World War altered the relationship between town and country. Scientific farming techniques failed to deliver the degree of intensification expected. Whilst the number of acres required to make a productive farm had been reduced, it was not on the scale envisaged by authors of closer settlement schemes. The farm problem that resulted was intensified by the changed nature of agricultural markets following the First World War. As a result, there was an increasing trend to the aggregation of farm land and an exodus of unsuccessful farmers.

The pressure on small towns as a result of the failure of closer settlement was reinforced by further changes in technology, most notably improvements to the transport system. The spread of motor transport increased the importance of large regional centres. The development of a highway network reinforced the centralising impact of the capital at the expense of small towns many of which went into a long slow decline.

The experience of urban centres in the Western District points to an evolutionary process in the development of small towns. It suggests that unless a town can grow to a point of self-sufficiency, it is locked into a cycle where growth is inevitably followed by decline.29
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ENDNOTES
1 The debate was sparked by comments made by Gordon Forth at the First National Conference on the Future of Australia’s Country Towns in July 2000.
3 This is a reflection of the model of metropolitan primacy (Rose 1966, pp. 1–2).
4 For a discussion of this point in relation to New Zealand towns see Hamer 1979, pp. 5–20.
5 Logan (1967, p. 333) estimated that there were 58 general merchants in the town. Their activities embraced shipping and forwarding agents, produce dealers and auctioneers.
7 Hamilton Spectator Almanac, 1890; Warrnambool Standard Almanac, 1914.
8 Victoria Census, 1891.
14 For a discussion of the period of rail expansion see Frost 1986, pp. 40–55.
15 Richmond (1969 p. 73) argues that simple generalisations about a positive relationship between railway extension and town growth are insupportable.
16 Hamilton Spectator Almanac, 1913.
17 The Age 28 November 1921 p. 6; 5 December 1921 p.6.
The 'Australia Unlimited' hypotheses represented an overly optimistic view of the efficacy of science in promoting intensive agriculture. It argued that the boundaries to settlement in Australia were unlimited and that the country was capable of supporting a dense population. The potency of the vision can be seen in Brady 1918.

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