Comparing individual and community wellbeing

Life satisfaction measures how a person feels about their own quality of life, while community wellbeing measures how they feel about the wellbeing of the community they live in. Communities whose residents have high levels of individual wellbeing are somewhat more likely to have a higher community wellbeing score compared to those whose residents have lower individual wellbeing scores. However, this does not always hold – there are some communities in which residents have high life satisfaction but report low community wellbeing, and vice versa. These communities are of special interest because their results point to underlying dynamics to do with community functioning and connectedness, and possibly to important heterogeneity within the community. Unusual cases like these are often able to offer important insights into processes that are amenable to intervention and are thus targets for more in-depth investigation. This will be a focus of future analyses of these data.

Figure 5.12 compares the average satisfaction with life as a whole and average community wellbeing score for different local government areas. While there is a general association between life satisfaction and community wellbeing, as for individuals and their local communities, there is also variation between regions. For example, people living in the local government areas of Goondiwindi Regional Council (QLD), Wagga Wagga (NSW) and Mount Gambier and Grant (SA) report similar average life satisfaction scores, but have differing community wellbeing scores; all of these regions had a large number of respondents and the difference in scores is meaningful and important.

These associations highlight the need to better understand what kinds of outcomes may result in a community with residents who have high levels of life satisfaction but who do not feel a strong sense of community wellbeing, or a community with high levels of both types of wellbeing.
Figure 5.12: Average life satisfaction and community wellbeing scores reported by residents living in different local government areas.
Factors that influence, and are influenced by, wellbeing

The remainder of this report examines a number of factors that can influence the wellbeing of individuals and of communities, and the ways in which wellbeing can influence other outcomes. These fall into two categories:

- Resources that help people and places adapt successfully to change and support their wellbeing. These include the degree to which people and communities can access financial, institutional, social, human and physical capital, and are discussed in Chapter 6.
- Specific types of change occurring in rural and regional communities, such as migration of residents to and from that community, difficult times in local agriculture, the emergence of new industries or changes in government policy. These may lead to changes in the resources available to people in these communities, and hence to wellbeing. Different changes are discussed in Chapters 7 to 12.

Figure 5.13 illustrates how these different factors fit together. In any given community, or an individual’s life, many changes will happen. In fact, at a given point in time, most people and communities will be experiencing multiple types of change simultaneously, some good and some bad. Figure 5.13 gives examples of some of the changes that are common to rural and regional communities; many more could be given and this is not an exhaustive list.

These changes, such as the establishment of a new industry in a rural community, occurrence of a natural disaster such as a flood, or a change in the services available in a community, affect the access people and communities have to different resources, often called capitals. These resources are critical to the adaptive capacity of individual and communities, and are described in this report as belonging to five ‘capitals’:

- **Human capital** – skills, resources and health of individuals, and how these are brought together in the form of leadership and collaboration to help communities adapt to change.
- **Social capital** – ‘…the processes between people which establish networks, norms and social trust, and facilitate co-ordination and co-operation for mutual benefit.’ (Cox, 1995, p.15)
- **Institutional capital** – the quality, representativeness and fairness of governance in a community, and the ability of an individual to participate in governance processes.
- **Financial capital** – the standard of living possible for an individual or community, resulting from strength of economic activity, access to financial resources, and cost of living.
- **Physical and natural capital** – the quality and accessibility of physical resources including natural environment, built infrastructure, and access to services.

Access to these capitals is believed to influence the wellbeing of people and communities, together with other factors that are not examined in this report. For example, the wellbeing of an individual will be substantially impacted by personal factors such as a relationship ending, winning or losing a large sum of money or the death of a loved one. These influences are critically important, but are not examined in detail in this report, which is focused on understanding how the broader changes occurring in rural and regional areas influence wellbeing, rather than personal events such as these.
Community wellbeing

Individual wellbeing

- Social capital
  - Social networks, community groups, volunteers

- Human capital
  - Skills, health, leadership

- Institutional capital
  - Governance, equity, participation

- Physical capital
  - Services, infrastructure, environment, liveability

- Financial capital
  - Jobs, economy, financial resources

Changes and challenges occur, interact, and affect access to resources (capitals)

- Market change
- Infrastructure, services
- Climate, weather
- Demographic change
- Disasters
- New industries
- Loss of industries
- Environmental degradation
- Water reform
- Other changes...

Figure 5.13 Pathways by which change in rural and regional areas may influence the wellbeing of communities and of the people living in them
References


6. Resources that make people and places stronger

Individual and community wellbeing are both influenced by a wide range of factors, as shown in Figure 5.13 in Chapter 5. One of these is a person’s or community’s ability to adapt successfully to change, sometimes considered equivalent to their resilience. The Regional Wellbeing Survey asked respondents about their access, and their community’s access, to key resources – often called ‘capitals’ – that are thought to influence adaptation to change. Box 6.1 explains more about some of the theory underpinning these concepts.

In this chapter, the access that individuals and communities have to different types of capital that can help them cope well with change, and support their wellbeing, is examined. Each type of capital is described, and the ways it may contribute to successful adaptation to change, and through this to individual wellbeing and community wellbeing, are identified.

Like any concept, there are many ways to measure access to different types of capital, and there is little consensus in the literature on the best measures of a person or community’s access to each capital. After review of the literature, specific measures of each capital were selected for the 2013 Regional Wellbeing Survey (further work describing this development will be published in future, and links to relevant reports made available on the survey website).

The approach we used differed to others in that we considered it likely that not all capitals would benefit individuals and communities in the same way, even though ‘individual’ and ‘community’ capital are likely to be strongly inter-linked. For example, having good education and skills may benefit an individual, but it may not automatically benefit their community unless that community

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Box 6.1: Wellbeing, adaptive capacity and ‘capitals’ frameworks

A large body of work in recent decades has argued that having access to a number of ‘capitals’ helps people adapt successfully to change and through this contributes to individual and community wellbeing. The ‘capitals’ can be conceptualised in different ways, but are often argued to include a mix of financial capital (local economy), physical capital (natural environment, infrastructure and services), institutional capital (governance), human capital (health, skills and resources) and social capital (the social cohesion, including trust and reciprocity, associated with social interactions and cooperation).

Having access to these capitals is argued to provide people resources which they can draw on, and transform, to adapt successfully to change, and more broadly to achieve the things that support a good quality of life (see for example Emery and Flora 2006, Preston and Stafford-Smith 2009, Brown et al. 2010; for the broader livelihoods framework from which the capitals approach emerged, see Scoones 1998).

For example, having access to social capital may provide a resource people can use to help generate financial capital – a simple example being when a person finds a new job as a result of word of mouth from a friend or colleague in their social networks.

However, while ‘capitals’ frameworks are used as part of studies like the Regional Wellbeing Survey, there remains limited evidence about when and how having access to each of these capitals supports wellbeing, and specifically which domains of wellbeing. One of the longer-term objectives of the Regional Wellbeing Survey is to provide better evidence in this area, and use this to provide more specific advice to communities about what ‘capitals’ they should invest most in supporting and building in order to improve their wellbeing and adaptive capacity.

Detailed analysis of the concepts we talk about in this report, using our own ‘Five capitals framework’ will be made available at www.regionalwellbeing.org.au as findings are published.

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8 The measures used in this section, where not based on existing measures, were developed by the authors, Dr Leonie Pearson and Dr Lain Dare.
provides opportunities for the people living in it to utilise their skills and resources for the benefit of the community. We therefore designed multiple measures of each capital, and identified whether each was likely to be available to individuals versus to communities. In some cases, a single ‘type’ of capital is likely to have benefits for both individuals and communities. The measures examined in the survey were:

- **Financial capital:**
  - Household finances: The financial wellbeing of respondents’ households (individual capital)
  - Local economy: Local jobs, economic activity and cost of living (community capital)

- **Human capital:**
  - Human capital – skills and resources: The confidence of individuals that they have access to the skills and resources they need to achieve what they desire (individual capital)
  - Human capital – health: Mental and physical health (individual capital)
  - Leadership and collaboration: The extent to which communities come together to cooperate to use skills and resources to adapt to change (community capital)

- **Institutional capital:**
  - Engagement in decision making: Ability to engage in local decision making processes (individual capital)
  - Governance: Fairness and inclusiveness of local institutions (community capital)

- **Social capital** (all measures are considered to be forms of both individual and community capital, although further work may identify more specific distinctions):
  - Informal social connectedness: How often a person spends time with friends, extended family and neighbours (individual and
  - Civic engagement: How involved a person is in organised activities such as taking part in local community groups and attending community events such as festivals
  - Political engagement and formal volunteering: How involved a person is in political activities. Details about their participation in specific types of formal volunteering (emergency services group, and environmental volunteering) have also been included here, as these are very important in rural and regional areas and can be closely related to political activity.
  - Social cohesion: The extent to which a person feels they belong to their local community, can access support and resources from their community and trusts others in the community

- **Physical and natural capital** (all measures can be considered community capital):
  - Infrastructure and service provision: Availability of key infrastructure like roads and internet access and key services such as health and education
  - Consumer services: Availability of retail, entertainment and recreation opportunities
  - Liveability of natural and built environment

Each capital is discussed in this chapter, looking at how different people’s access to the capitals varies. This is followed by exploration of the association between having access to different capitals, and individual and community wellbeing. There will also be strong interrelationships between the capitals: for example, in recent years research has focused on understanding how self-efficacy, social capital and mental health may all interact through complex associations (see for example Thoits 2011; O’Brien et al. 2012). These interactions are not examined in this chapter, but are being analysed as part of further research utilising Regional Wellbeing Survey data.
Chapter 6: Key points

- Individual and community wellbeing are influenced by many factors. This chapter examines selected factors often believed to help people and communities adapt to change, sometimes called their access to ‘capitals’

- The survey included questions that measured individuals’ and communities’ access to:
  
  o Financial capital: People’s experience of household financial stress and confidence in the local economic varied for people living in different regions, and among those of different ages: some people who experienced household financial stress lived in communities perceived to have strong economic activity, and vice versa, highlighting the complex patterns of financial advantage and disadvantage in different communities

  o Human capital – skills, resources and leadership: While most people were confident that they could personally access the skills and resources needed to achieve their goals, in many communities, respondents were not so confident that these skills could be brought together in the form of leadership and collaboration to help their community successfully adapt to challenges. Younger people and farmers reported lower confidence in their own skills and resources compared to older people and non-farmers

  o Human capital – physical and mental health: Consistent with many other studies, younger people reported better general health, but higher levels of psychological distress than older people; women reported better health than men on all measures; and farmers reported poorer general health than non-farmers, most likely due to being older on average

  o Institutional capital: Most residents living in rural and regional communities were confident in the quality of their community’s governance, although confidence varied by region. At the same time, most people were less confident in their own ability to contribute to local decision-making processes, particularly younger people and women

  o Social capital: Dryland farmers reported higher levels of social capital than irrigators, and all types of farmers reported higher levels than non-farmers. Higher levels of social capital were reported by older people and women, and lower levels by younger people and men.

  o Physical capital: Rural and regional residents were mostly very satisfied with the overall liveability of the natural and built environment they lived in, somewhat less satisfied with their access to consumer services, such as retail shops, and least satisfied with their access to built infrastructure (e.g. roads, internet) and community services

- Regions in which residents reported high levels of community wellbeing also reported high levels of leadership and collaboration (human capital), social cohesion (social capital), confidence in local governance, and liveability. Other types of capital were linked to community wellbeing but less strongly

- People who reported high levels of life satisfaction (individual wellbeing) also reported more positive mental health, social cohesion (social capital), and confidence in their own skills and resources (human capital). Several other capitals were also associated with high levels of individual wellbeing, but less strongly.
The data presented in this chapter are mostly presented in the form of scales. This means that the answers survey participants gave to multiple questions about a particular type of capital have been combined to form a single measure of that capital. This has been done because there is no single measure of most capitals: each has multiple dimensions, and asking participants about their access to different aspects of that capital, and combining these to form a single scale, can build a stronger picture of the underlying concept (i.e. a person or community’s access to a particular form of capital) compared to using a single measure. For example, for a community to have an economy that supports wellbeing it needs to provide more than local jobs: it needs to provide an affordable cost of living. Thus financial capital is better measured by asking about both employment and cost of living, and including both of these in the scale then used to report community financial capital, than by measuring only one of these.

How important are differences in average scores shown for different regions and groups in this chapter?
A person’s confidence in their community’s access to different types of capital was measured using a number of scales which are described as they are presented in this chapter. As was the case with wellbeing measures, most people’s scores fell within a narrow band within each scale, and averages for groups and communities within an even narrower band. This means that even small differences in mean scores between different communities or groups can reflect meaningful differences on the ground. In this study, most of these differences are also statistically significant. As discussed in Chapter 2, we do not present measures of statistical significance as the large sample size of the Regional Wellbeing Survey means even very small differences are typically statistically significant. Instead, Box 2.2 should be used as a guide to understanding what differences are meaningful. Where appropriate, we show a curtailed bandwidth of scores (on the y-axis) to make it easier to see the differences between groups in figures in Chapter 6 and subsequent chapters; the bandwidth shown is designed to ensure that differences that are readily visually apparent will be meaningful, with some limitations where data involving small sample sizes are shown.

Financial capital: the economic wellbeing of households and communities

The wellbeing of households and communities is influenced by their access to financial and economic resources. For households, having access to financial resources in the form of jobs and income supports wellbeing by providing the means they need to access adequate food, housing, goods and services. Multiple studies of individual wellbeing have identified that increasing household income is correlated with an increase in a person’s life satisfaction, up to a point – the wellbeing-enhancing effect of additional income reduces as incomes grow, suggesting that income is very important to provide key needs but is of significant but steadily decreasing importance to wellbeing as income increases and basic needs are met (Cummins 2000, Diener and Biswas-Diener 2002).

At the community scale, the future of a community often relies on having a level of economic activity that enables residents to access a reasonable standard of living in the form of being able to access employment. Having adequate income from that employment to meet costs of living in that community is also important. A community that supports employment, has low inflation of living costs, and good income earning potential is argued to support higher levels of wellbeing for its residents (Frey and Stutzer 2010).
In rural communities, there has been ongoing debate about whether there is a ‘rural effect’ in which living in rural areas contributes to, or makes more likely, some forms of financial stress and poverty (see for example Weber et al. 2005). In Australia, Alston (2000) argued that rural Australians face disadvantages, such as poorer access to resources supporting health and education, which reduce the ability of rural communities to successfully address poverty.

To examine the contribution of financial capital to overall wellbeing, the survey included measures of (i) economic wellbeing of communities, and (ii) financial wellbeing of households.

The economic wellbeing of communities was measured using an index calculated based on survey participant’s level of agreement and disagreement with the following statements, which measure three key dimensions of community economic wellbeing - cost of living, access to finance, and job availability:

- ‘Living costs are affordable here e.g. food, petrol, housing’
- ‘This community is financially well-off’
- ‘There are plenty of jobs available around here’

Responses to these three statements were averaged to form a single measure of community economic wellbeing, measured from 1 (low levels of community economic wellbeing) to 7 (high levels of community wellbeing).

Households’ financial wellbeing was examined using three measures, each tapping into a different dimension of financial wellbeing and/or financial stress. Income is a useful but limited measure, as different people need differing amounts of income to cover their living costs, depending on factors such as household size and the cost of living in their community. It was included and supplemented by the other two measures, as follows:

- Self-rated financial wellbeing: Respondents were asked ‘given your current needs and financial responsibilities, would you say that you and your family are prosperous, very comfortable, reasonably comfortable, just getting along, poor, or very poor’. This measure identifies self-perceptions of financial wellbeing that reflect both a person’s social expectations about what constitutes an adequate income, and their objective needs related to household size, cost of living, income etc.
- Financial stress events: Respondents were asked to indicate if they had experienced any of the following types of financial stress in the past year: Could not pay electricity, gas or phone bills on time; could not pay the mortgage or rent on time; pawned or sold something; went without meals; was unable to heat home; asked for financial help from friends or family; and/or asked for help from welfare/community organisation. The number of items endorsed was summed, with higher scores indicating greater financial stress in the past year. This is a sensitive measure of extreme financial hardship with scores above 1 indicating significant financial stress.

These three measures were arithmetically recalibrated (for cosmetic reasons, to make interpretation of results easier for the reader) so that each was measured from 1 (highest level of financial wellbeing/least distress) to 7 (lowest level of wellbeing/highest distress), and averaged to form a single index of household financial distress, where higher scores indicated greater financial distress, and lower scores less distress.
Figures 6.1 and 6.2 compare the community wellbeing and household financial distress reported by different types of people, and by people living in different states, while Figures 6.3 and 6.4 map the financial wellbeing reported by households and communities in different parts of rural and regional Australia.

Survey respondents living in New South Wales were more confident in general about the wellbeing of their local economy compared to those in other states, and those in Western Australia least confident (Figure 6.1). Those in New South Wales were least likely to report experiencing household financial stress, and those living in Victoria most likely to do so (Figure 6.2). When other groups were examined:

- Non-farmers were more likely than farmers to report their local economy was strong, but were also more likely to report experiencing financial stress
- Women were less confident in their local economy than men, and also more likely than men to report their household had experienced financial stress in the past year
- Those aged under 30 and over 65 were more confident in their local economy than those aged 30 to 64, and were also more likely to report experiencing household financial stress.

The highest confidence in strength of the local economy was reported in northern and central New South Wales, and areas surrounding Adelaide; people living in these areas were also less likely to report experiencing financial stress in their own household. The lowest confidence in local economic conditions was reported in mid, north and west Queensland, coastal areas of New South Wales, and the Wheatbelt region in Western Australia. However, in most cases, these were not the regions in which the greatest levels of household financial stress were reported: regions with more respondents reporting financial stress in their household were located in western Victoria and the coastal region extending from northern New South Wales into southern Queensland. These findings highlight the complexity of understanding economic trends and the wellbeing of households. The relationships between household and community financial wellbeing and changing economic circumstances are neither straightforward nor direct. Further analysis of these data will be used to help understand when and why people have confidence in their local economy, how this is related to their personal financial position, and how to promote strong local economies that can benefit all households, not just some.
Figure 6.1 Community financial capital: perception of local economic wellbeing, by region and group

Unless otherwise noted, in all figures in Chapter 6 higher values indicate a person or community has higher levels of capital. For example, in Figure 6.1, higher values indicate residents believed their community had higher financial capital.
In Figure 6.2 and 6.4, unlike most other figures in Chapter 6, higher values indicate people are worse-off – they mean a household is experiencing greater financial stress.
Figure 6.3 Community financial capital: Perception of local economic wellbeing, by RDA region

Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.
Figure 6.4 Individual financial capital: level of household financial stress, by RDA region

Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.
Human capital - resources: skills, resources and leadership

‘Human capital’ is a concept that was originally used to look at how economic productivity was affected by the skills, resources and health of workers (Becker 2009). Human capital is now understood to be more than a way of improving economic production. It contributes to the wellbeing of individuals and communities through enabling them to access and achieve the things they desire. For example, people with greater skills, more resources and better health are likely to find it easier to obtain employment, while those with better health are better able to achieve the things they want to in life without the barriers that poor health can place in the way of their goals.

Two types of human capital were examined as part of the Regional Wellbeing Survey. The first, discussed in this section, examined how confident people felt in their access to the skills and resources they need, and their community’s access to these resources. The second, described in the following section, examined people’s health.

Human capital is often considered synonymous with a person’s education, skills and resources. Multiple studies have demonstrated a strong link between an individual’s access to education and skills, and their economic and social success in general (Heckman 2000). Linkages between education and skills, and a person’s subjective wellbeing, are less clear; while many studies find strong correlations between access to skills and resources and subjective wellbeing, Helliwell and Putnam (2004) point out that when other factors are taken into account there is generally less evidence for a relationship between the two. In recognition of this, there has been a shift to considering the importance not of achieving a particular level of education, but of having the skills and resources necessary to engage in ongoing learning that enables successful adaptation to change – sometimes called ‘learning to learn’ (e.g. Fazey et al. 2007). This latter approach was drawn on to develop a measure of individual access to skills and resources for the Regional Wellbeing Survey.

A person’s access to skills and resources (their individual skills-related human capital) was measured by asking how confident a person was in (i) their current skills and education, (ii) their ability to learn new skills, and (iii) their ability to apply skills to adapt to change. This was assessed based on survey participants’ level of agreement or disagreement with the statements ‘my skills and education are adequate for my needs’, ‘I can learn new skills easily when I need to’, and ‘if you want to get ahead, you have to try new things’. Responses to these statements were averaged to form a single measure from 1 (low levels of access to skills and resources) to 7 (high levels of access to skills and resources).

To sustain a viable future, communities need people with high levels of human capital. But it takes more than this. At the community scale, people need to be able to come together collaboratively and cooperatively to provide leadership, to obtain ideas and resources from each other and other communities, and to work successfully together towards goals that are in the interests of the community as a whole, rather than for individual benefit. This involves both human capital (the presence and use of each individual’s skills and resources) and social capital (people cooperating successfully to apply that human capital to benefit their community). The ‘human capital’ side of this can be thought of as involving the skills and resources individuals contribute to the whole, making the whole larger than the sum of the parts, and should be recognised as also measuring (overlapping with) aspects of social capital.
The human capital available to communities was measured as an average of responses to the following statements, each of which examine a different aspect of whether the human capital of individuals in a community is brought together to address challenges facing that community:

- People in this community work together to overcome challenges
- People around here are good at getting help and ideas from other communities
- People around here have a lot of drive and energy
- Whatever the problem, someone in this community takes the lead in sorting it out

Responses to these four statements were averaged to form a single measure of community human capital, measured from 1 (low levels of community human capital in the form of leadership and collaboration) to 7 (high levels of community human capital).

Figures 6.5 and 6.6 compare the individual and community human capital reported by different types of people, and by people living in different states, while Figures 6.7 and 6.8 map how different types of human capital varied in different parts of rural and regional Australia.

Average levels of individual human capital (the confidence individuals felt in their own skills and resources) were much the same from state to state. What did vary was people’s confidence that those skills would be brought together to help their local community (community human capital): people living in New South Wales reported greater confidence in their community’s human capital and those in Victoria and Western Australia the least (Figures 6.5 and 6.6). Similar patterns can be seen at smaller scales, with relatively little variance in individual human capital between RDA regions, while confidence in community-level human capital varied more (Figures 6.7 to 6.8).

Non-farmers reported greater confidence in their own skills, resource and ability to achieve desired outcomes than farmers, but farmers – particularly dryland farmers – had greater confidence in their community’s human capital than non-farmers and irrigators. Women were more likely than men to feel confident in their own and their community’s access to skills and resources. While people of different ages had relatively little difference in their confidence in their own skills and resources, there was a bigger difference in their views about their community: younger people on average had lower levels of confidence in their community’s human capital compared to older people.
Figure 6.5 Individual human capital – skills/resources: rural and regional Australian’s confidence in their access to skills and resources, by region and group.
Figure 6.6 Community human capital – skills/resources: confidence in community leadership and collaboration, by region and group.
Figure 6.7 Individual human capital – skills/resources: rural and regional Australian’s confidence in their access to skills and resources, by RDA region\textsuperscript{11}

\textsuperscript{11} Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.
Figure 6.8 Community human capital – skills/resources: confidence in community leadership and collaboration, by RDA region

12 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.
Human capital - physical and mental health

A person’s health is a critical contributor to (and result of) their overall wellbeing. A person’s health status can be measured in multiple ways. In the Regional Wellbeing Survey, the following commonly used and well-validated measures were included:

- **General health**: Respondents were asked to rate their overall health by selecting one of the following options: excellent, very good, good, fair and poor. This simple measure of health has been shown in multiple studies to have high validity as a single item measure of general health (De Salvo et al., 2006)

- **Kessler ten-item measure of General Psychological Distress (the ‘K10’)** (Kessler et al. 2002): The K10 is a scale designed to measure non-specific symptoms of psychological distress derived from ten questions about anxiety and depression. It measures the level of overall distress a person is experiencing, from a score of 10 (no distress at all) to 50 (the most severe distress). While not a diagnostic tool, it is a valid screening tool, with higher scores indicating higher likelihood a person has a clinically diagnosable mental illnesses (Andrews and Slade 2001). In a clinical setting, the following guide is used to interpret K10 scores (Andrews and Slade 2001; Kessler et al. 2002):
  - score under 20: likely to be well
  - score 20-24: likely to have a mild mental disorder
  - score 25-29: likely to have moderate mental disorder
  - score 30 and over: likely to have a severe mental disorder

Additionally, some other measures of health were included on the survey; these will be included in future reports once further validation work has been undertaken on the scales.

Figures 6.9 and 6.10 compare the general health and K10 scores of different groups, while Figures 6.11 and 6.12 compare the general health and K10 scores reported by residents of different parts of rural and regional Australia.

The average level of general psychological distress (hereafter referred to as ‘distress’) reported by survey participants varied little when compared across people living in different states. Men reported slightly higher levels of distress than did women as did non-farmers compared to farmers. It is important to note that, in previous studies, even farmers who do not report high levels of distress have been found to have high rates of poor mental health outcomes (see for example Berry et al. 2011). Because the Regional Wellbeing Survey has a large and rich sample, we are able to undertake detailed investigations of how farmers respond to questions such as those in the K10, and whether their responses are influenced by issues known to influence the likelihood of their disclosing their distress, such as a perceived social stigma attached to reporting experiencing depression or anxiety. This work aims in the long term to improve the use of health measures for farmers.

The greatest difference in distress reported was between people of different ages, with those in younger age groups more likely than older people to report experiencing higher levels of distress. This finding is consistent with those of multiple other studies showing that rates of mental health problems peak in early adulthood (see for example Jorm et al. 2005).
Victorian participants were more likely than residents of other states to report having excellent or very good general health, and those living in Queensland and South Australia least likely to report this. Farmers were much less likely than non-farmers to report having excellent or very good health, and older people were less likely to report having very good/excellent health compared to younger people. Women were more likely to report having very good or excellent health than men.

Between RDA regions, there was very little variation in mental health scores. General health varied more, with fewer people reporting having excellent or very good health in the Murraylands and Riverland region of South Australia, mid coastal regions of New South Wales, and parts of Queensland compared to other regions.
The two health measures presented in Chapter 6 are presented using different scales than other measures in this Chapter. This is because they are reporting health measures developed elsewhere, which have their own well-validated scales. Higher values in Figure 6.9 indicate a higher proportion of the population reports having very good or excellent health.

Figure 6.9 Individual human capital – health: proportion of people who reported their health was ‘very good’ or ‘excellent’, by region and group
The two health measures presented in Chapter 6 are presented using different scales than other measures in this Chapter. This is because they are reporting health measures developed elsewhere, which have their own well-validated scales. Higher values in Figure 6.10 indicate higher levels of distress (and hence poorer health).

Figure 6.10 Individual human capital – health: Average Kessler Psychological Distress Scale (K10) score, by region and group
Figure 6.11 Individual human capital – health: proportion of people who reported their health was 'very good' or 'excellent', by RDA region

Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.

13 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au.
Figure 6.12 Individual human capital – health: Average Kessler Psychological Distress Scale (K10) score, by RDA region

Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Institutional capital: equitable and accessible governance and institutions

Institutional capital is measured by examining the quality of governance in a region, meaning how well institutions like local government, local community organisations, and other key decision-making bodies are working, and how they interact with each other and across levels of government. If these institutions are stable, listen to and represent the views of their constituents equitably, are transparent, and are effective in leading their community and achieving outcomes, there is a high level of institutional capital in a community (see for example Berkes 2002, Beaumont and Nicholls 2008, Gupta et al. 2010, as just a few examples of the large and rich literature considering these issues).

This was measured for different communities based on the extent to which local residents who took part in the survey agreed with the following statements:

- Local groups and organisations around here are good at getting things done
- Most people get a fair go around here
- My local government is able to help our community face challenges
- My community is willing to get more involved in decision-making about its future
- The people who make decisions for my community represent the whole community, not just part of it

Responses to these statements were averaged to form a scale of community institutional capital, measured from 1 (low levels of community institutional capital) to 7 (high levels of community institutional capital).

Survey respondents were also asked the extent to which they agreed with the statement ‘I suspect there is corruption in this community’, a question suggested by rural residents involved in the initial development of questions for the Regional Wellbeing Survey. Because this is a question about something negative going on in the community, for statistical reasons to do with the way participants respond to such questions, this item could not be included in the composite scale. The results for the item are therefore presented separately.

Even when a person feels their community is governed well, they may not feel confident about their own ability to contribute to decision-making in their community, or be constrained from participating by a wide range of factors such as local power structures and social norms (Gaventa 2004). To better understand individual institutional capital, a scale measuring how well individuals feel able to participate in local governance was developed. The scale was based on survey respondents’ level of agreement with the following statements:

- I am able to influence local decision-making if I want to
- I can get involved in local decision-making if I want to
- I have the time to get involved in local decision-making if I want to
- I have the skills to participate in local decision-making if I want to.

Responses to these statements were averaged to form a scale of community institutional capital, measured from 1 (low levels of individual institutional capital) to 7 (high levels of individual institutional capital).
When asked about their community’s institutional capital, there was very little variation between people living in different states, but non-farmers, women, and older people were more confident than farmers, men, and younger people in the quality of their community’s governance (Figure 6.13). Confidence in community institutional capital was quite different to a person’s confidence in their own ability to contribute to local decision-making processes. A majority of respondents reported less confidence in their own individual institutional capital (that is, their own ability to contribute) than in their community’s institutional capital (Figure 6.14). The groups that were least likely to feel confident in their own ability to contribute to governance were young people and women, while farmers were slightly less likely than non-farmers to feel confident they could contribute to local decision making. When examined by region (Figures 6.15 and 6.16) there was greater confidence in community institutional capital in northern parts of New South Wales, and areas surrounding Adelaide, and lower levels of confidence in north central Victoria and parts of Queensland.

Figure 6.17 shows the proportion of people who agreed or strongly agreed with the statement ‘I suspect there is corruption in this community’, in different local government areas (results varied substantially for different local government areas, making it less useful to compare results for different RDA regions). Views varied widely by region, but answers to this question were not strongly related to people’s impression of the quality of overall governance in a region: suspecting there was corruption in the community was not always indicative of low levels of confidence in institutional capital.
Figure 6.13 Community institutional capital: Views about the quality, representativeness and fairness of local community governance, by region and group
Figure 6.14 Individual institutional capital: confidence people had in their own ability to engage in local community governance processes, by region and group.
Figure 6.15 Community institutional capital: Views about the quality, representativeness and fairness of local community governance, by RDA region

Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Figure 6.16 Individual institutional capital: confidence people had in their own ability to engage in local community governance processes, by RDA region

\[\text{No Data} \quad 4.2 - 4.3 \quad <4.0 \quad 4.4 - 4.5 \quad 4.0 - 4.1 \quad 4.6\]

16 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at [www.regionalwellbeing.org.au](http://www.regionalwellbeing.org.au)
Figure 6.17 Proportion of residents who agreed or strongly agreed with the statement ‘I suspect there is corruption in this community’, in different local government areas
Social capital: social networks, norms and values that promote cooperation

Social capital is a broad term that covers participation and social networks together with the norms, values and cohesion that result from these to sustain community life and help people work together. Put another way, it refers to the behaviours, systems, experiences and perceptions that promote cooperation, mutual support and collaborative problem-solving. One useful way of understanding social capital is in terms of what people do in their community (or ‘structural social capital’) and what, as a result, they think and feel (or ‘cognitive social capital’).

Structural social capital includes a wide range of discretionary activities in the community, which can be grouped into distinct domains of participation (e.g., keeping in touch with friends, joining pressure groups or organising community activities). Australian research has shown that different forms of community participation could be grouped into three separate but linked overarching dimensions (Berry et al. 2007):

- **Informal social connectedness** refers to how often people spend time with friends, extended family and neighbours
- **Civic engagement** refers to taking part in organised community activities such as local community groups and events: for example, being a member of the local Rotary club, football club or choir.
- **Political participation** refers to participating in activities to achieve public outcomes. This may, for example, involve attending meetings to discuss political issues, local activism and political protest.

Note that volunteering activities, such as environmental volunteering and contributing in emergency services groups, are typically considered part of civic engagement. However, initial analysis of responses to the survey identified that, in our survey population, these two types of formal volunteering are more closely related to political participation. This requires further analysis but is perhaps because, in this setting, the substantive content of the volunteering parallels the collective action of political movements (compared, for example, with delivering meals-on-wheels or reading for the blind). Consequently, we have grouped environmental volunteering and contributing in emergency services groups alongside explicitly political activities to create a ‘political and formal volunteering’ participation measure.

Cognitive social capital can be thought of as the outcomes of people’s social interactions across and within the dimensions of community participation: positive interactions tend to result in increased social cohesion (for example, increased social trust, reciprocity and sense of belonging).

Social capital, when measured appropriately, is robustly linked to subjective wellbeing and to mental health (Berry and Welsh 2010). Importantly, however, this is not the case for all types of participation (Berry et al. 2007), and it is not always positive: while many studies show a positive association, in some cases some types of social capital can be associated with poorer wellbeing (Mitchell and LaGory 2002). In particular, political participation is often associated with poor wellbeing. The nature of the links that do exist is also highly complex and still not fully understood, with social capital and wellbeing linked ‘through many independent channels and in several different forms’ (Helliwell and Putnam 2004, p. 1435).
While many researchers and commentators have asserted the role of social capital in contributing to (and sometimes detracting from) the wellbeing of both individuals and communities, none has previously established a causal link. However, our own current research has demonstrated empirically that increasing community participation in one year leads to greater wellbeing the next year among Australians (Ding et al. in review). This indicates that the associations found between social capital and wellbeing in previous research are not simply a function of some third factor (such as wealth) but that, instead, there is a real process whereby increased social capital leads to better wellbeing.

When individual ratings were aggregated and averaged across all people in a state in the Regional Wellbeing Survey, people living in different states reported similar levels of social cohesion, both in terms of feeling a sense of belonging to their local community and their level of social trust (Figure 6.18). Non-farmers reported, on average, lower levels of social cohesion than farmers, and dryland farmers reported higher levels of social cohesion than irrigators. Consistent with other research, social cohesion was stronger for older than younger people, and for women than men.

Engagement across dimensions of community participation was similar for people living in different states (Figure 6.19), but varied more when smaller regions were examined (Figure 6.20 and 6.21 provide examples of this and variation in social cohesion). As in other studies, people engaged most frequently in informal social connectedness with friends and extended family, and most also took part in some civic engagement, such as being a member of a community group, but less often in volunteering. Participation in political activities was less common. As in other Australian research, women reported higher levels of informal connectedness than men, while men were more likely than women to report volunteering and political participation. Farmers had similar levels of informal connectedness to non-farmers, but were more likely than non-farmers to take part in civic engagement, including volunteering, and political activities. Again consistent with other studies, those aged over 65 were more likely than those in younger age groups to engage in multiple dimensions of participation, while those aged under 30 were least likely to engage in volunteering and political activities.
Figure 6.18 Social capital: social cohesion, by region and group
Figure 6.19 Social capital: frequency of engagement in different types of social activities, by region and group
Figure 6.20 Social capital: social cohesion, by RDA region\textsuperscript{17}

\textsuperscript{17} Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Figure 6.2 Social capital: frequency of civic engagement, by RDA region

18 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
**Physical capital: natural environment, services and infrastructure**

The term ‘physical capital’ refers to resources that are fixed to a particular place, including the natural environment, built infrastructure, and provision of services such as transport, local health centres and educational establishments.

It is well documented that many rural communities lack access to services, including education services (Alston and Kent 2003), health services (Buykx et al. 2010), retail shops and recreational facilities (Thornton et al. 2012), and professional services such as lawyers (Rice 2011). Even where a community may have particular infrastructure or services located within it, not everyone in that community can access that physical capital – often as a result of lack of access to other capitals. Some people, for example, may not take advantage of recreation opportunities in nearby national parks because they do not have transport to get there (physical capital) or friends to go with (social capital). Some may not have the money (financial capital) needed to access some of the health services provided in their community, thus compromising their human capital (see Smith et al. 2008 for a discussion of the links between health and a person’s access to transportation infrastructure and services, amongst other factors).

The Regional Wellbeing Survey asked participants to rate how good or poor their access was to different types of physical capital in their community. By asking the question in this way, responses captured both whether the type of physical capital was present and whether it was accessible to the individual who responded to the survey. Respondent’s answers were grouped into three types of physical capital:

- **Quality of the local environment (natural and built):** This identifies the overall liveability of the local environment, based on the extent to which survey participants agreed or disagreed with the following statements:
  - This is a safe place to live.
  - I like the environment and surrounds I live in
  - The environment around here is in good condition

- **Access to built infrastructure and community services:** This measures access to built infrastructure and community services, based on respondents’ rating of how good or poor their access was to the following in their local community:
  - Health services
  - Internet access
  - Education e.g. schools, distance education
  - Roads
  - Good quality housing

- **Access to consumer services:** This measures access to facilities and services used primarily as consumer products, based on respondents’ rating of how good or poor their access was to the following in their local community:
  - Professional services e.g. accountants, lawyers
  - Retail shops
  - Sporting and recreation facilities e.g. gyms, fields
  - Recreation opportunities using natural water features such as lakes, rivers and beaches, e.g. boating, fishing, surfing
- Nature recreation opportunities e.g. bushwalking, national parks
- Entertainment e.g. pubs, movies, restaurants

Figure 6.22 shows the views of different sub-populations about the quality of their local environment overall. Those living in Queensland were less satisfied with their local environment than those living in other states, while dryland farmers were more satisfied than non-farmers or irrigators, men and women reported very similar views on average, and older people were more likely to feel positively about their local surroundings than younger people.

People living in rural and regional Queensland were also less likely to be satisfied with their access to infrastructure and community services, and to consumer services, than were those living in other states (Figures 6.23 and 6.24). Farmers were much less likely than non-farmers to be satisfied with access to infrastructure, community services and consumer services, probably reflecting the fact that farmers disproportionately live in small communities where there is less access to many types of infrastructure and services. Men and women differed little in their rating of their access to infrastructure and community services, but men were overall more satisfied than women with access to consumer services. There were differing views for different age groups, with highest satisfaction among older age groups. All groups reported higher overall satisfaction with access to consumer services compared to built infrastructure and community services.

Physical capital varied by RDA region, shown in Figures 6.25 to 6.27, and even more when local communities were compared; to view results for smaller regions, visit www.regionalwellbeing.org.au.
Figure 6.22 Physical capital: views about quality of local natural and physical environment, or ‘liveability’ of the local community, by region and group.
Figure 6.23 Physical capital: rating of access to infrastructure and community services in local community, by region and group
Figure 6.24 Physical capital: rating of access to consumer services (retail shops, entertainment and recreation facilities) in local community, by region and group.
Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au

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19 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Figure 6.26 Physical capital: rating of access to infrastructure and community services in local community, by RDA region

20 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Physical capital: rating of access to consumer services (retail shops, entertainment and recreation facilities) in local community, by RDA region

Figure 6.27 Physical capital: rating of access to consumer services (retail shops, entertainment and recreation facilities) in local community, by RDA region

21 Numbers of respondents are not shown for each RDA region in this figure, due to lack of space. Information on numbers of responses can be found in tables of data produced for different regions available at www.regionalwellbeing.org.au
Wellbeing and access to capitals

Having adequate access to the different capitals helps provide the resources people need to support their wellbeing. We do not have scope in this report to examine the complex pathways through which the capitals may influence each other and the wellbeing of individuals and communities (that will be the subject of future reports which will be posted at www.regionalwellbeing.org.au as they are published). However, it is possible to test whether there is a prima facie association such that greater access to the capitals is linked to better wellbeing. This has been done by examining statistical associations (in this case, by calculating Pearson Product Moment coefficients) between (i) an individual’s wellbeing and their access to each capital, and (ii) a community’s average wellbeing and its average access to each capital. This coefficient ranges from 0 to 1, with higher values indicating a stronger association.

Figure 6.28 maps the size of the correlation between the individuals’ Life Satisfaction Index, and access to different forms of resources. It indicates whether an individual person’s rating of their own life satisfaction is associated with their personal access to different resources.

Figures 6.29 provides the community-level analogue: it shows how strongly the Community Wellbeing Index is associated with communities’ overall access to different types of capital.

The figures below show that the capitals were associated with individual and community wellbeing but some were more strongly associated with individual than with community wellbeing, and vice versa. The associations are consistent with the way the capital was measured in most cases: where a capital was measured in a way that identified its properties for an individual person, it was more likely to be strongly associated with individual wellbeing than community wellbeing; where it was measured in a way that identifies how it provides resources at the community scale, it was typically more strongly associated with community wellbeing. Capitals that provide resources to both individuals and communities were more likely to be strongly associated with both individual and community wellbeing. An individual’s life satisfaction was significantly associated with all types of capital, most strongly with their mental health and social cohesion and least strongly with some types of participation, access to physical capital, and access to financial capital.

The wellbeing of communities was most strongly associated with their access to leadership and collaboration, social cohesion, and quality of governance, and least strongly to the overall liveability of the community. Community wellbeing was not significantly associated with many aspects of financial capital and physical capital, or with measures of individual health and individual human capital. This supports the argument that a community’s wellbeing is more than the sum of the attributes of the people living in it: the capitals associated with higher levels of wellbeing all involve the bringing together of resources at a community scale, rather than simply having the presence of many individuals with high individual resources. For example, communities with high overall community wellbeing were those where the human capital of individuals was brought together to help that community adapt successfully to change, and not simply those where many people had high skills and resources.

\[\text{Contact the authors for further details of the statistical measures used.}\]
Access to financial capital was not the strongest predictor of either individual wellbeing or community wellbeing. This does not mean financial capital is unimportant, but points to a need to better understand the role of financial capital in supporting wellbeing. Further work is needed to better understand when and why each capital helps contribute to wellbeing, and the data collected by the Regional Wellbeing Survey will support this type of work.
Figure 6.28 Correlation coefficient between an individual’s Life Satisfaction Index score and their rating of their access to different types of capital.

Note that correlation coefficients are reported by size rather than direction; in all cases, more positive access to capitals was associated with more positive life satisfaction.
Figure 6.29 Correlation coefficient between a community’s average Community Wellbeing Index score, and their average score on access to different types of capital, for 30 local communities.

Note that correlation coefficients are reported by size rather than direction; in all cases, more positive access to capitals was associated with more positive community wellbeing.
References


