PART 1: CORE CONCEPTS AND ANALYSIS

1.1 POLICY CONTEXT

Introduction

Consideration of issues related to people and place, spatial distributions and the lived experiences of both privilege and disadvantage in cities, raises complex issues for policy research and advocacy and philanthropic investment.

Box 1.1.1: The MacroMelbourne focus

What is it like to be a single parent in a greenfields suburb of Melbourne like Caroline Springs; a family with school-age children in inner city Brunswick; an unemployed man of 29 in inner city Coburg or on the outer suburban fringes of Cranbourne, a woman living alone in Bayswater at the foot of the Dandenongs or a young person in suburban bayside Frankston? What issues confront those living with disadvantage? How do we understand disadvantage, which has multiple causes and complex cycles, and is different for everyone? As Melbourne develops, who will benefit and who will be left behind? How do we ensure a better future for all Melburnians? What is the responsibility of governments (federal, state, local), individuals and families themselves, the community sector and of corporate and other stakeholders? These are the core concerns of the MacroMelbourne Initiative.

Diversity and differentiation abound. Some places in Melbourne are characterised by disadvantage, in other places advantage and disadvantage live side by side. The most privileged communities can have socially excluded or vulnerable residents. And communities which on some level may be understood as ‘disadvantaged’ can also be strongly knit, vibrant and participatory. How then, do we sort out what interventions are ethical and appropriate for philanthropic investment? How might such investment be structural in design, innovative and co-ordinated?

If we focus on the concrete example of the individual household in a particular suburb, this household is a reflection of the life choices, life chances, family history, interests and activities of its residents. Households are also influenced by external factors such as historical trends, and the policies and politics of governments at local, state and federal levels. Just as each household has its specific character, so too do aggregations of households in and within suburbs. A suburb’s character reflects the social, demographic, economic and cultural attributes of its residents and communities, and is marked by historical and social events such as war, migration, economic booms, and depressions and recessions. But local areas are not homogeneous. They are made up of many different communities, containing diverse residents with different stories and histories.

In part, answering this question involves an understanding of the major social and economic trends in Australian society and identifying their impacts on Australian households. In broad terms we can identify a number of longer term policy trends that have shaped and influenced opportunities and outcomes for individuals, families and communities. These forces, both economic and social, sometimes related to local issues such as planning and infrastructural investments, and sometimes related to broader issues such as responses to the discourses of globalisation, have helped shape the structural and geographic distribution of opportunity, resources, income and wealth. Long-term trends are important to an understanding of the broader picture of social policy and equity issues in contemporary Australian society.

The broader picture

At the macro level, to compete globally, Australia has embraced the neo-liberal agendas of financial deregulation, competition, privatisation of government owned enterprises, deficit reduction and surplus budgets. These reforms have been presented as necessary, inevitable and incontestable in the face of the relentless advance of ‘globalisation’. In the global context, these reforms are seen to have stood Australia in good stead. The Australian economy has continued to grow. However, Australia’s overall economic growth has often been achieved within short term planning horizons and, some claim, by countenancing uneven distributions of growth and an escalating socioeconomic divide in Australian society; by under-investing in infrastructure and the future; and by ignoring the imperatives of environmental protection. There is increasing recognition that one cost of neo-liberal growth strategies is the diminution of protective mechanisms that buffer poverty and disadvantage,
and the emergence of new forms of vulnerability and disadvantage which may be persistent over time and intergenerationally. Changes to the composition of households and labour markets mean that disadvantage has embraced new groups and there are concerns that Australia has become a divided society of the ‘haves and have-nots’.

There is broad recognition that policies and institutions designed for a different, earlier era are no longer appropriate and that we need new policies and institutional arrangements that will meet the needs of the new century. The post-Federation and post-war social settlements were predicated on assumptions of full employment, based on wage settings that were sufficient to support a family of a male breadwinner and dependents, and on industrial relations founded on compulsory arbitration, uniform award coverage and centralised wage determinations, immigration controls and tariff protection for industry (O’Donnell and Hancock 2000). These were the settings of what has come to be termed the Australian Social Settlement. As recognised by welfare state scholars like Frank Castles (1985) the ‘wage earners welfare state’ in Australia achieved high levels of protection under the conditions of full employment (the breadwinner wage system), a system of unemployment and sickness benefits, regional development and nationalism.

Today, these settings are no longer appropriate and although there is agreement that new institutional and programmatic responses are needed, controversy surrounds the type of new settlement brokered under recently passed federal industrial relations and welfare-to-work legislation. Current debates encompass a range of views, as we try to move to a New Social Settlement that will strategically position Australia in a globalised world of constant flux and change but one that will invest in an equitable society.

Whereas poverty used to be most prevalent among groups outside the labour market, with the breakdown of full employment and of the classical wage earner breadwinner model of employment, poverty and disadvantage now characterise those both in and outside the labour market, for example, the ‘working poor’. Unemployment has decreased and new jobs have been created, but generalised official unemployment rates conceal the shortcomings of under-employment, high rates of casualised and ‘precarious’ work, labour market disengagement and the fall-off in new decent jobs creation. Home ownership for high proportions of the post-war cohort insulates those currently in the older age groups from poverty, but there are indications that subsequent cohorts with lower levels of home ownership may lack such protections.

In a reconfigured labour market with high levels of casualised work, disadvantage has broadened to include under-employed and disengaged workers (especially prime age men), particular regional areas, long-term unemployment for some post-recession cohorts, refugees, workers over 45 (with internationally low labour force participation rates for mature workers) alongside traditional groups struggling against poverty: Indigenous peoples, older people, single parents, recent immigrants and people living with a disability. At the work-welfare interface, the distributional complexities of dividing a shrinking welfare cake make it increasingly difficult to develop policy instruments that are universally beneficial.

Affordable housing is central to such considerations, with recent OECD reports arguing that Australian house prices are over-valued by 52% relative to rents, with risks that price corrections may trigger a recession. As Colebatch argues, many households are finely tuned with regard to debt, with credit growing ‘twice as fast as income’ (Colebatch 2005b). Housing stress is increasingly evident, as more and more households pay rent or mortgages exceeding the 30% benchmark of affordability.

**State-federal government relations**

An important backdrop to any consideration of the policy context is the frisson created by Australia’s federal-state relations. Over time, Australia developed a model of essentially cooperative (or non-cooperative!) federalism. However, given the historic wartime ceding of income taxation to the commonwealth, the federal government has a much greater capacity to levy taxes. This well documented ‘vertical fiscal imbalance’ gives the federal government financial power over the states, requiring redistributive mechanisms for federal-state transfers. Despite the hopes that the GST (which remains a commonwealth tax collected for distribution to the states) would ameliorate demands on cash strapped states, which deliver many of the services to communities, states find themselves increasingly reliant on regressive forms of state generated revenue such as gambling.

Much of the community services sector relies on one form or another of intergovernmental cooperation. Education, health and community services and areas
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Central to wellbeing like housing, aged and early years policy, and responsibility for jobs creation, often rely on both state and federal support. These areas are fraught historically with tensions defined by the politics of intergovernmental relations, with one tier of government frequently claiming absolution from responsibility.

Local governments receive grants direct from the commonwealth but are reliant on grants from the states, their own rating base and increasingly government-business partnerships to fund expenditure. In Victoria, the community or not-for-profit sector has traditionally delivered many of the community services, under agreements with federal, state, and local governments. Significantly, many of these organisations value-add considerably from their own resources, raising concerns about their need to maintain their independence from government, especially in relation to advocacy. State-community sector partnership agreements have been controversial and, along with increasing demand for services, funding formulae have not built in sufficient allowances for inflation.

Community sector wages are among the lowest, raising concerns about attracting workers to respond to rising demands, in the broader context of skills shortages. The emphasis on collaboration and partnerships between government and civil society has raised issues of dependence and independence, the role of advocacy on behalf of disadvantaged groups and the role and duty of government or the state to provide accessible, affordable and universal services in health, education and community services.

Victorian policy context

The Victorian Government has committed itself to taking a ‘triple bottom line’ approach to economic development through the development of Growing Victoria Together (2000 and 2005), developing the Melbourne 2030 metropolitan planning blueprint (2002), and responding to disadvantage through population and place-based approaches.

The Government set up a new Department for Victorian Communities (DVC) in 2003, with the Deputy Premier as the responsible Minister, coordinating six other Ministers with population and place-based portfolios (Aboriginal Affairs, Employment & Youth Affairs, Women’s Affairs, Multicultural Affairs, Local Government, Sport and Recreation). DVC is committed to community strengthening, government investment in community and linking up government with local knowledge and community decision-making through strategies such as grants programs, community building initiatives and supports for volunteer programs (for example, the Commonwealth Games volunteer program).

The Connecting Communities strategy encourages community enterprise that links the business and community sectors, with a focus on developing business community partnerships where there are shared common interests. The Fairer Victoria framework, released in early 2005 includes 14 major strategies to address disadvantage (many of which are referred to in other areas of this discussion paper), which include over 80 projects coordinated by multiple departments, and a commitment to ‘making Government easier to work with’. As the multi-year projects get underway, the Department of Premier and Cabinet is developing indicators to evaluate the success of the overall strategy, new regional management arrangements are being put in place between state and local government officials to help the government deliver on its priorities, and the relevant departments, such as Human Services, Justice, Sustainability and Environment, Infrastructure, Premier and Cabinet and DVC are taking up lead roles to deliver on the ‘whole of government’ projects in their areas of responsibility. Many of these programs are oriented to localised community strengthening (such as Neighborhood Renewal), building resilience (especially in disadvantaged communities) and creating stronger social networks. While there is no comprehensive evaluation of the efficacy of such programs, population and place-based strategies aimed at community renewal and strengthening are the focus of initiatives being undertaken by all levels of government; not just in Victoria but across Australia. An evaluation of social inclusion and place-focused initiatives in Western Sydney (focused on 36 programs administered or managed by or through 13 government agencies in 2000-01 with a budget of over $163 million), reinforces the need for coordinated effort (Randolph 2004). The challenge is to overcome fragmentation, to devise a coherent spatial targeting framework, and to integrate localised outcomes as part of local social and physical planning processes.

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Changing relationships between government and community/corporate service providers

Outsourcing and contracting out of services previously provided by government has resulted in shifts in governance and accountability. With the shift from government and core-funded community sector providers to competitive funding models, the ‘mixed economy of care’ involves both traditional not-for-profit and more recent for-profit providers in a competitive market-driven environment. This results in changes affecting all stakeholders: government, the community sector, the corporate sector and citizens. A key issue is how these new competitive and tagged funding models affect policy development, advocacy and service provision for strategically and structurally addressing disadvantage. Being beholden to government for contract renewal can stifle advocacy, and draft federal charities legislation suggests more overt controls on tax deductibility status for NGOs involved in advocacy.

The city and the country

While it is outside of the remit of this discussion paper to explore in any great detail the relationships between Melbourne and the rest of Victoria, it needs to be noted that at a state level, stark differences exist between Melbourne and regional and rural Victoria in cost and access to basic services. On many indicators, regional and rural Victoria is significantly worse off than Melbourne. The reasons for this are complex, but the interplay between the city and the country plays an important role in the geography of disadvantage. If we take a broader macro approach to disadvantage, the relationship between metropolitan Melbourne and the rest of Victoria, in terms of population and labour force mobility, and in economic and social relationships, should not be ignored.

Melbourne policy context

The Greater Melbourne area is comprised of 31 local government areas (LGAs). LGAs are the smallest administrative boundary from the government perspective, and much of the statistical information and projections about community and population health are expressed at the LGA level. However, LGA level data often masks significant differences in advantage and wealth. Local governments cover large geographic areas with considerable diversity, especially following amalgamations during the 1990s, and administer budgets of similar magnitude to big businesses, with increasing complexity and demand for services beyond the traditional roads, rates and rubbish. In the 1990s, under the Kennett state government, local government adopted policies of Compulsory Competitive Tendering, now ameliorated to Best Value, with the implication that price alone should not determine service contracts. Local governments bear statutory responsibility for health services and local environmental planning and are at the intersection of government, business and community relations. The Victorian government has consolidated its formal relationship with local government, and has incorporated local government as one of the eight portfolios ‘joined up’ in the Department for Victorian Communities (created in 2003), with a focus on consultation, partnerships and measures aimed at streamlining.
planning processes and reducing local government administrative burdens (Broad 2005).

Local governments are seen to be crucial to the implementation of the Melbourne 2030 plan, the urban planning policy document developed in response to Melbourne’s projected population and household growth over the next 25 years (DOI 2002). Melbourne 2030 sets out growth boundaries, makes an argument for and delineates a network of decentralised activity centres, and sets out a framework for a more socially and environmentally sustainable Melbourne. However, the question of whether this vision can be achieved, and who ultimately bears the cost, is contested (Goodman and Maloney 2004).

Local governments are often described as closest to community but least resourced to service it. These days, they have difficulty balancing demands for resources with competing planning, service contract obligations, environmental and development issues. Rating base and capacity for revenue generation differentiate the capacity of different local governments to raise funds. This contributes to inequities between the capacity of local governments to provide services and public amenities to their area. Parents with a child with a disability report stark differences in access to services in different local government areas and similarly, services for the aged, youth, families, unemployed, childcare, community health, migrants and refugees differ across areas.

A particular concern for Melbourne is that growth corridor suburbs on the outer fringes may be disadvantaged in terms of access to public transport, local employment opportunities and basic services, and are car dependent and heavily geared in terms of housing debt. The councils bordering the urban-rural interface of Melbourne face a different set of pressures compared to their urban counterparts (Human Services Directors from the Interface Councils 2004). Currently demand for health, education and transport services in these areas outstrip supply (Marston, Morgan and Murphy 2003), and there is already evidence to suggest that Melbourne 2030 will be difficult to implement as the situation currently stands (Miller 2005).

**Box 1.1.2 : Melbourne 2030: the activity centre dilemma**

The State Government planning policy, Melbourne 2030 (DOI 2002) aims to build up activity centres throughout Melbourne. These centres, it is envisaged, will be the focus of business, shopping, employment and leisure and will be serviced by high frequency public transport. The argument is that if major activity and employment for residents is located close to their homes and public transport, congestion will be reduced and access enabled as the city grows. However, there are already some indications that the reality may not live up to the ideal. The level of public transport connecting households with activity centres and activity centres with each other has not been realised and is not included in forward plans for public transport. Recent research shows that ‘bland, car-dominated new retail centres in Melbourne’s growth suburbs are falling short of the state Government’s vision of them as vibrant, diverse villages around public transport’ (Miller 2005).

The research assessed 21 hubs in Melbourne’s growth suburbs and found that most failed to meet the Melbourne 2030 planning standards for activity centres, where it was intended that smaller neighbourhood centres would be a nexus for concentrating people, workplaces and entertainment around retail, higher density housing, and rail, tram and bus services. Only about 8 had any public transport.

Critical of the activity centre vision, O’Connor (2003) argues that the Melbourne 2030 Strategy focus on density may not necessarily be cheaper, may itself contribute to congestions and may need added research to examine transport and other service needs. On the other hand, planned activity centres or the ‘local piazza’ model might succeed with the right combination of policy interventions. One of the issues the MacroMelbourne Initiative could consider is whether or not the Melbourne 2030 activity centre strategy will be a success. Will the strategy ameliorate the experiences of disadvantaged people in Melbourne?

What, for example, are the implications of Melbourne 2030 for those on low incomes, or who have difficulty in accessing services, if promised public transport services are not delivered? Will thriving activity centres enhance accessibility of employment and resources and improve the quality of life for everyone, or will they...
Ideas File

1.1.2 Strategy: Melbourne 2030 – a vision for all?

The MacroMelbourne Initiative could consider taking a microscope to Melbourne 2030 and ask: are disadvantaged Melbournians visible enough in the plan? In the Plan for Melbourne Growth Areas (DSE 2005c), released in November 2005, what actions, new partnerships and approaches will be required to deliver on equity? What interventions might be necessary to ensure equality of access and liveability for those on the margins? What areas need to be monitored and what scenarios thought through? What innovative projects could be trialled? There is currently a distinct lack of service provision and pilot projects on the urban fringes of Melbourne. The MacroMelbourne Initiative could choose to focus on service delivery and the future of liveability on the urban fringe.

Nevertheless, despite these difficulties, local governments have been responsible for much of the innovative and progressive work around redressing disadvantage in Melbourne. In government circles, concepts of social capital and community building are prominent and underpin many of the new Victorian government programs such as its flagship program, Neighbourhood Renewal. Much of the responsibility for implementing such programs falls upon local government. Projects such as the Maribyrnong City Council’s Food Security Project (City of Maribyrnong 2005) or the Ashburton, Ashwood and Chadstone Neighbourhood Renewal Project (DHS 2005a) are examples of targeted programs at the local level.

However, some critics argue for a broader, more structural approach to disadvantage on the basis that community strengthening and social capital agendas represent ‘low cost communitarian solutions’ for governments and a diversion away from more intransigent structural and redistributive policy measures (Bryson and Mowbray 2005: 99-100). Local government, here too, is also playing a role. It is becoming increasingly common for local governments to join together to highlight structural problems of disadvantage, such as, for example, the Interface Councils’ Gaps at the Interface campaign (Marston, Morgan et al. 2003, Human Services Directors from the Interface Councils 2004), and the various social policy initiatives of the Municipal Association of Victoria (MAV n.d. [c. 2005]) and the Victorian Local Governance Association (VLGA n.d. [c. 2005]).

A new focus on a charter of human rights for Victoria

Human rights have been strongly endorsed at the national level through Australia’s ratification of UN Human Rights Treaties and its status as the first state to complete and submit a National Action Plan to the Commission on Human Rights. Its revised plan, Australia’s National Framework for Human Rights: National Action Plan was launched in December 2004 (Commonwealth of Australia 2004).

The government’s current and future initiatives to further strengthen Australia’s human rights record include partnerships between governments, the business sector and the wider Australian community. This demonstrates the government’s commitment to the effective and equitable protection of the human rights of all people. The areas the
government has identified as most greatly assisting the encouragement and enforcement of universal human rights in the future are: promoting a strong, free democracy; human rights education and awareness; addressing disadvantage and assisting independence; supporting the family; and promoting human rights internationally (Commonwealth of Australia 2004: 8).

Two states have embarked upon incorporation of human rights, the ACT and Victoria. In April 2005, the Victorian government initiated a process to consult with the Victorian community, it published a Statement of Intent, set up an independent committee to conduct wide-ranging community consultations and published the committee’s Community Discussion Paper and The Consultation Report: Rights, Responsibilities and Respect: The Report of the Human Rights Consultation Committee (Human Rights Consultation Committee 2005). The report recommended that the Victorian Parliament enact a charter of human rights and responsibilities modelled on the United States Bill of Rights; on a similar basis as the human rights laws in the ACT, New Zealand and the UK.

We recommend that the Charter protect those rights that are the most important to an open and free Victorian democracy, such as the rights to expression, to association, to the protection of families and to vote. These rights are contained in the International Covenant on Civil and Political Rights 1966, to which Australia has been a party for many years. We have said that some of the rights in this instrument need to be modified or even not included to make sure that the Charter best matches the contemporary aspirations of the Victorian people.

Many Victorians said that the Charter should also contain rights relating to matters such as food, education, housing and health, as found in the International Covenant on Economic, Social and Cultural Rights 1966, as well as more specific rights for Indigenous people, women and other groups. While we agree that these rights are important, we have not recommended that they be included in the Charter at this stage. Based on what we have been told by the community, we think that the focus should be on the democratic rights that apply equally to everyone.

(Human Rights Consultation Committee 2005: 3). The report, which has in principle Victorian government endorsement, calls for a review in four years, with future consideration of social, economic and cultural rights. This could be a focus of community activity for the MacroMelbourne Initiative.

**Corporate citizenship and corporate social responsibility (CSR)**

Given the reduction in the welfare state and the global neoliberal trend of governments worldwide away from large-scale social investment, it is increasingly recognised that the business and corporate world has a role to play in sustaining the social fabric and contributing to community health and wellbeing. Businesses are becoming more and more aware of their corporate social responsibilities (CSR) and community expectations that they respond to both shareholder and broader stakeholder interests. CSR encompasses broad-ranging agendas including business ethics, human rights reporting frameworks, corporate governance and accountability, triple bottom line reporting, social accounting, responsible marketing and sustainability.

The potential for further business involvement is borne out by the recent national report, Giving Australia which identified the substantial and growing rate of giving by both individuals ($7.7 billion in the year to January 2005) and businesses ($3.3 billion in the 2003-04 financial year) in Australia. 67% of all businesses contributed, consisting of 68% giving money; 16% goods and 16% giving services. Donations accounted for 58% of business giving; sponsorship, 25%, and community business projects, 17% (Department of Family and Community Services et. al 2005: vii).

CSR is often articulated in business-community partnerships, and many are facing the challenge of entering longer-term and more lasting collaborations. Moss Kanter (1999) has identified six characteristics of successful partnerships: a clear agenda; strong partners committed to change; investment by both parties; rootedness in the user community; links to other organisations; and a long-term commitment to sustain and replicate the results (Moss Kanter 1999, p. 126). Along with calls for greater transparency, accountability and good governance in both not-for-profit and for-profit organisations, CSR-led organisations face the challenge of building trusting and sustained relationships with stakeholders and of demonstrating their commitment to top level legal and voluntary codes and to labour, social and ethical obligations. A European study of CSR in 23 countries sees the challenges as finding ‘an
equilibrium between economic success and social welfare’ (Habisch, Jonker, Wegner and Schmidpeter, 2005, p. IX). With national influence declining under globalisation, they see the increasing importance and responsibility of CSR coming from relationship building from the ground up, especially through small and medium enterprises, NGOs and private interest groups as a process of ‘fostering the dialogue between different actors at local level’. These form ‘the level of trust, networks of collaboration and institutions which foster cooperation in society and thus help to overcome problems of collective action’ (Habisch, Jonker, Wegner and Schmidpeter, 2005, p. 380). In terms of issues of disadvantage and liveability in Melbourne, the corporate sector will have an increasingly important role to play.

Ideas File
1.1.4 Strategy: encourage networks between CSR organisations
The burgeoning group of corporate citizens is realising the need to build better networks in order to co-ordinate to tackle difficult social problems. VCOSS’ Clearinghouse Project aims to work with brokers of pro bono assistance to facilitate long-term engagement between the corporate and community sectors, and to equip community organisations to access pro bono assistance in accordance with organisational ethics and independence. But there is a long way to go in creating better networks in this area. The MacroMelbourne Initiative partner groups such as Pro Bono Australia and Melbourne Cares, with their existing expertise in pro bono work, would be well placed to position the Initiative as a co-ordinating body.

Ideas File
1.1.5 Strategy: think laterally
Most larger corporations already have processes and systems in place for strategic decision-making and some have well-developed approaches to corporate citizenship and corporate social responsibility. So, instead of thinking about how we can get corporate citizens to give strategically, perhaps we should ask: what do we need to provide to the corporate sector, to enable them to tap into their existing strategic decision making and corporate citizenship frameworks when giving?

The MacroMelbourne Initiative could conduct consultations amongst its membership as to the stages, processes and outcomes of good strategy making and how to link into existing corporate social responsibility frameworks.

Conclusions: policy context
These are the broad-brush policy issues. Melbourne is known for its parklands, historic buildings and multicultural diversity, and also for its suburban sprawl and dependence on motor vehicles; reaching to the Dandenongs, the two peninsulas and Westernport Bay. As Melbourne has grown and developed, waves of demographic change have created distinctive communities, housing of different designs and diverse patterns of settlement; often reflecting successive waves of migration. Similar to other cities, Melbourne’s suburbs have experienced waves of internal population flows, with the post war suburban developments of the 1950s focused on the quarter acre housing block, urban renewal and public high rises of the 1960s, internal migration flows out from and back into the inner suburbs, attracted by the urban amenity they offer and more recently, waterfront apartment towers at the middle and upper end of the market fronting Port Phillip Bay and the Docklands. First home buyers have been forced further out to the outer fringes for what is becoming increasingly expensive housing for those entering the market.
Demographically, Melbourne is on the crest of a change wave, with the ageing of the baby boomer cohort, predictions of increases in lone person, single parent and couple households without children; with household growth outstripping population growth, as the average size of households diminishes.

Understanding the geography and socioeconomics of demographic change is one of the challenges of the MacroMelbourne Initiative. Distinctive local and regional patterns should not be ignored, and it is important to be aware of the different impacts across regions in terms of equity and disadvantage (DSE 2004b).

Spatial analysis emphasises the central concern that historically, government approaches to social policy have been programmatic and divided up into departments and tiers of government and that governments have been indifferent to local entities. Planning decisions are frequently controversial regarding local autonomy and resident voices objecting to building developments in green zones, high rise developments in suburban settings and applications for gaming machines. A place-based approach emphasising community and neighbourhood refocuses attention and creates new opportunities for innovation and change within communities.
1.2 UNDERSTANDING DISADVANTAGE

Introduction

We know that disadvantage exists. It exists in greater Melbourne in regions, areas and pockets and alongside privilege and advantage (Morabito 2001). Some people in Melbourne are doing it tough: struggling to pay the bills, juggling the costs of raising children, trying to find employment, battling to keep food on the table and a roof over their heads. If we open our eyes we can see the visible presence of extreme hardship and homelessness on our city streets: at the last census it was estimated there were 20,305 homeless people in Victoria (Chamberlain and Mackenzie 2003).

We also know that there are geographic patterns to disadvantage: some locations and suburbs in Melbourne have higher proportions of poor and socially excluded people than others. Suburb names such as Braybrook, Broadmeadows, Collingwood, Dandenong South and Frankston North rate poorly in studies of poverty and disadvantage in Melbourne (ABS 2003a, Vinson 2004). These areas are associated with high levels of unemployment, low income levels, and poor health outcomes.

In addition, population and housing development trends in Melbourne may be creating new geographic areas of social disadvantage. There is a growing concern about the adequacy of services and infrastructure experienced by residents in the growth corridors and on the fringes of metropolitan Melbourne (Royal Automobile Club of Victoria 2002, Marston, Morgan et al. 2003, Youth Affairs Council of Victoria 2005). Municipalities such as Casey, Hume, Melton, Whittlesea and Wyndham have experienced major population growth in the last five years and are projected to increase further (ABS 2003c, ABS 2005b). New households and families in these areas, attracted by the cheaper cost of housing, are placing increasing demands on municipalities for access to education, transport, childcare and health services. But currently service provision lags well behind demand. What will happen to people in these suburbs in the future? Are these communities at risk of disadvantage?

Disadvantage is experienced by particular groups in the community: Indigenous Australians, sole parent families; people whose primary source of income is government benefits; people who are unemployed, particularly where unemployment is long-term; people with a disability; migrants and refugees; people who have three children or more; older people in private rental, people who are earning low wages; people who have low business income; and young people, particularly those who are undertaking education or training (Harding and Szukalska 2000, Harding, Lloyd and Greenwell 2001).

Disadvantage also takes on other permutations including the notion of ‘consumer vulnerability’ referring to ‘risk of detriment in consumption due to the interaction of market, product and supply characteristics and person attributes and circumstances’ (Consumer Affairs Victoria 2004: 3). Accordingly, consumer disadvantage may be related to low income, intellectual disability, illiteracy, limited proficiency with English, low educational attainment and low levels of interpersonal skill. This could apply to utilities or other consumer products such as gambling products, and may embrace notions of information asymmetry, market power, consumer injury, consumer detriment and product liability, when assessing relationships between producers/industry and consumer/citizens.

Disadvantage is, then, a complicated concept, which is difficult to define and measure. In the past, questions of disadvantage have often been related to deficits in personal ‘survival skills’, which can be addressed through education programs. In recent times, ‘deficit’ models of disadvantage have been eschewed on the basis that they blame the victim for their disadvantage and ignore structural factors. Nonetheless, after years of contraction in a wide range of community services, and an increasing focus on user-pays, the lack of basic survival skills may re-emerge as a contributor to sustained disadvantage among some cohorts or groups. The question then becomes how do we understand disadvantage in a way which avoids labelling and stigmatisation, allows for agency and diversity, and yet identifies issues which clearly need addressing in Melbourne?

One of the challenges of the MacroMelbourne Initiative is providing a strategic framework which encapsulates the problems and full spectrum of social and economic disadvantage in the present, and also understands the drivers of change in the future. If rising demands for emergency relief reported by the welfare sector in Melbourne...
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(Weaving, Lloyd, Atkins et al. 2004) indicate the ambulance at the bottom of the cliff, how can we move to preventative models? How do we point to those who may be at risk of experiencing poverty, and to those who are less visible in our society? And how can we target constructive approaches without further stigmatising and marginalising groups and particular suburbs or regions?

This section discusses some of the literature and different understandings of disadvantage, focusing particularly on Melbourne-based research. The complex and multidimensional aspect of disadvantage is explored, and some gaps in the current research framework are identified. The development of a definitive statement on disadvantage is beyond the scope of this project. We have instead opted to scope various approaches. Although several of the larger non-government organisations (NGOs) and some universities have developed some capacity for analysis of disadvantage in Melbourne, there is currently no independent think tank or strategic centre for pulling together a coherent strategy of analysis and innovation.

Scoping the literature: three approaches to disadvantage

One of the key tasks of this discussion paper is to map current research into the demographic patterns of disadvantage in Melbourne. This has proved difficult. Australia produces a vast amount of research and data on the socioeconomic characteristics of disadvantaged groups. Nevertheless, the empirical study of disadvantage and poverty is in a considerable state of confusion. There is controversy and debate over how best to understand disadvantage. Much of the debate is centred on issues of measurement, although as we will argue, debates over measurement are frequently underpinned by disagreements at the more fundamental level of social values and vision.

In Australia at present there are three broad approaches to understanding disadvantage:

- Poverty measurement and the Henderson Poverty Line.
- The social exclusion approach to disadvantage, based on European and UK models.
- The community wellbeing approach based on North American models.

But there is currently no universally adopted approach towards measuring disadvantage in Australia.

Poverty measurement and the Henderson Poverty Line

The traditional approach to disadvantage has been to look at poverty. Australia has a strong research tradition into poverty measurement. However, ‘poverty’ is a contested word. As the recent Senate Report into Poverty notes (Senate Community Affairs Reference Committee 2004), poverty is a complicated concept. There are competing understandings of the meaning and nature of poverty, and some disagreement as to how many Australians live in poverty today. Table 1.2.1 below shows that current estimates of the rate of poverty in Australia range from 5% of the total population to more than 20% of the total population.

Ideas File

1.2.1 Strategy: develop a combat disadvantage strategy

In order to promote strategic giving amongst corporate and philanthropic bodies it may be necessary for the MacroMelbourne Initiative to take a leadership role and develop their own strategy for combating disadvantage. This was the approach taken by the Rowntree Foundation in the UK, which developed a 20-year plan for tackling disadvantage in the UK (Darton, Hirsch and Streilitz 2003). Much of its focus has been on structural issues and supporting and developing community sector capacity.
Table 1.2.1 Poverty in Australia: selected estimates

<table>
<thead>
<tr>
<th>Research Or Policy Organisation</th>
<th>Year</th>
<th>Numbers In Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henderson poverty line</td>
<td>1999</td>
<td>3.7 - 4.1 million (20.5 - 22.6% of population)</td>
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<td>-</td>
<td></td>
<td>3 million</td>
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<tr>
<td>St Vincent de Paul</td>
<td>2000</td>
<td>2.5 - 3.5 million (13.5 - 19% of population)</td>
</tr>
<tr>
<td>Australian Council of Social Services</td>
<td>2000</td>
<td>2.4 million (13% of population)</td>
</tr>
<tr>
<td>The Smith Family</td>
<td>2000</td>
<td>1.5 million</td>
</tr>
<tr>
<td>Brotherhood of St Laurence</td>
<td>-</td>
<td>5 - 10% of population</td>
</tr>
<tr>
<td>The Australia Institute</td>
<td>-</td>
<td>5% of population in ‘chronic poverty’</td>
</tr>
<tr>
<td>Centre for Independent Studies</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Source: (Senate Community Affairs Reference Committee 2004: 35)

ACOSS, drawing on Mack and Lansley (1985: 39) define poverty as ‘an enforced lack of socially perceived necessities’ (ACOSS 2003b: 38). The key elements of this definition are that the person experiencing poverty has no choice in the matter (they are not making a lifestyle decision to live frugally, for example), they lack basic necessities and/or the resources to obtain them, and that what is considered a necessity changes according to social perceptions.

In Australia it is generally agreed that when we talk of poverty we mean a relative poverty which is measured against the living standards of the society in which it exists. Relative poverty is often contrasted to the absolute or extreme poverty experienced by the poor in developing countries, and as defined by the United Nations (Office of the High Commissioner for Human Rights 2004). In an affluent country like Australia, comparatively few people live in absolute poverty, although it exists here and is experienced by, in particular, people living in remote Indigenous communities (Senate Community Affairs Reference Committee 2004: 5) and those who are homeless. Part of the debate around measuring poverty centres around what precisely constitutes an acceptable standard of living, and what it means, in Australia, to lack the basic necessities of life.

Thirty years ago, Professor RF Henderson, in the federal Commission of Inquiry into Poverty, developed a measure of poverty based on types of households, their income levels and housing costs (Commission of Inquiry into Poverty 1975). The Henderson poverty line is a relative poverty measure based on a ‘benchmark income’: the disposable income required to support the basic needs of a family with dependant children. The Henderson poverty line is tracked and updated quarterly, taking into account changes in household income levels over time. The poverty benchmark measure in Australia is currently $599.02 per week for a family comprising two adults, one of whom is working, and two dependent children (Melbourne Institute of Applied Economic and Social Research 2005a). If a family of this type’s income fell below the benchmark figure, it is considered to be living in poverty.

The Henderson poverty line has been a useful and long-lasting measure, and Henderson’s influence today remains strong (for an excellent review of Henderson’s legacy see Fincher and Nieuwenhuysen 1998). However, there is some consensus now that the Henderson poverty line has ‘outlived its usefulness’ (Saunders (a) 2005: 26). There are concerns over the way it has been updated over the years, as the changing labour market and social trends make the traditional male breadwinner model, on which the poverty line calculation is based, increasingly irrelevant. As can be seen from Table 1.2.1 (above), calculations of the numbers in poverty based on the Henderson poverty line currently produce the highest estimates of the extent of poverty in Australia.

Recently, researchers have adapted the Henderson measurements to create new poverty lines. For example, NATSEM for The Smith Family created poverty measurements using Henderson’s equivalence scales and new measures of income poverty based on half the median family income (Harding, Lloyd et al. 2001). The essence of this approach is its focus on income relativities.

Income is central to current poverty measurements in Australia. And, as ACOSS points out, income analysis is an important aspect of understanding poverty:

Income comes closest to measuring deprivation in a market-based economy because it is a strong measure of people’s capacity to spend on essential goods and services (regardless of how they actually spend it).... Income is not a direct measure of poverty. However, it is frequently the best readily available indirect measure of poverty (ACOSS 2003b: 42-43).
Income-based assessments can, then, tell us a great deal. Table 1.2.2 below is based on NATSEM data (McNamara, Lloyd, Toohey et al. 2004) and compares the characteristics of families with incomes in the lowest 20% to all families of all income levels in Australia. Three in four low income families are jobless (72%), which is more than three times the incidence in the general population (22%). Half of the low income families are supported by sole parents (48%), a proportion nearly twice as large as appears in the general population (27%).

Table 1.2.2 Comparison of bottom 20% and all families (2004)

<table>
<thead>
<tr>
<th>Family Type</th>
<th>Proportion of families whose income fell into the bottom 20% in 2004</th>
<th>Proportion of all families in 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobless families</td>
<td>72%</td>
<td>22%</td>
</tr>
<tr>
<td>Sole parent families</td>
<td>48%</td>
<td>27%</td>
</tr>
<tr>
<td>Families with a child 16-20</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>All families</td>
<td>424,000</td>
<td>2,237,000</td>
</tr>
</tbody>
</table>

Source: ACOSS, based on NATSEM data (ACOSS 2004b: 1)

However, there has been a movement in poverty measurement away from income-based assessments towards other approaches. Critics point out that there are many other factors which contribute towards the experience of poverty, than merely the level of income a household earns. They argue that while low income may be a necessary element in the experience of poverty, poverty should not be equated purely with low income, because it is a far more complex phenomenon (Fincher and Saunders (a) 2001, Saunders (a) and Adelman 2005). Income-based measures also overlook issues of power and empowerment. As Saunders (Saunders (a) 2004) insists, there is a need to look beyond the income statistics to examine the processes and events that expose people to poverty and the conditions that prevent their escape.

Box 1.2.1: Comparing patterns of low income in Melbourne over time: Melbourne 1981 compared to Melbourne in 1996

The chart below shows the percentage change in the proportion of households with low incomes (whose income level fell into the lowest 25% of incomes for Melbourne overall) in each suburb of Melbourne between 1981 and 1996. During this period there was a movement of low income groups out of the inner suburbs and into the middle ring of Melbourne suburbs.

Change in proportion of household with incomes in the first (bottom) quartile, 1981-1996

Source: ABS, 1981 and 1996 Census

Prior to the 1980s inner suburbs such as Brunswick, Richmond, Footscray and Northcote were predominantly working class (DOI 2000). Residents here were located close to existing industrial centres and also to public transport, hospitals, schools, and other amenities. By 1996, the cost of housing and the location of low income jobs had pushed some low income earners out of the inner city. The complementary process of gentrification had seen a movement of high income earners into the inner suburbs, and suburbs such as Fitzroy, South Melbourne, Williamstown and Prahran were now characterised by significant income polarisation (that is, high levels of both rich and poor). In addition there was a significant increase in the proportion of low income earners in middle ring suburbs such as Springvale, Reservoir, Sunshine and Braybrook. These suburbs lack the abundance of public transport options of the inner suburbs (not close to tram routes, often not close to trains). These suburbs are car...
dependent. It is not so easy to walk to employment or industrial centres. If you do not own a car, it is difficult to access food, groceries and take your children to school (DOI 2000). We are seeing different patterns and movements of people. Certain low income earners now may be worse off than their counterparts of 1981, because they lack easy access to transport networks and services. Low income itself, purely as a measure, fails to pick up on these aspects of access and connectivity. It doesn’t really tell us much about the lived experience of disadvantage and the difficulties associated with ‘locational disadvantage’.

Instead of looking just at indicators of income, poverty researchers have moved towards other measures. Sen, working in development, defines disadvantage in terms of capability, or an individual’s or household’s ability to act to alter or improve their circumstances. Sen refers to ‘substantive freedoms’ - elementary capabilities that revolve around the notion of vulnerability, and which include such things as the ability to avoid starvation, under-nourishment, and premature mortality and the capacity to learn, to engage socially and participate politically. That is, the capacity to ‘overcome penury’ (Sen 1999: 90). Sen’s notion of capability deprivation has been influential in the understanding of the multiple dimensions of poverty.

Peter Saunders, drawing Sen and on the work of Townsend (1979) argues that while a measured poverty line is an important communication tool for raising community awareness, we need to move towards measuring deprivation as a better indicator of poverty (Saunders (a) 2004). This is the approach taken by Ireland’s Combat Poverty Agency which has adopted a combined income-deprivation measure to track progress and movements in poverty over time (Combat Poverty Agency 2004). This measure (see Table 1.2.3, below) includes a traditional income component in tracking poverty, but also includes aspects of deprivation such as lacking a meal with meat, fish or chicken every second day or having debt problems arising from everyday living expenses. The Irish government has put resources behind a national Anti Poverty Strategy, with detailed indicators to measure progress on educational disadvantage, unemployment, income adequacy, urban disadvantage and rural poverty. The focus is on a long term agenda to address the structural factors underpinning poverty and exclusion.

### Table 1.2.3 Combat poverty agency (Ireland) combined income-deprivation measure

<table>
<thead>
<tr>
<th>Not having …</th>
<th>or having …</th>
</tr>
</thead>
<tbody>
<tr>
<td>• new, but second-hand clothes</td>
<td>• debt problems arising from ordinary living expenses</td>
</tr>
<tr>
<td>• a meal with meat, fish or chicken every second day</td>
<td>• a day in the last two weeks without a substantial meal</td>
</tr>
<tr>
<td>• a warm waterproof overcoat</td>
<td>• to go without heating during the last year through lack of money</td>
</tr>
<tr>
<td>• two pairs of strong shoes</td>
<td>• a roast or its equivalent once a week</td>
</tr>
</tbody>
</table>

If a household’s income falls below 70% of the median and lacks at least one thing on the basic deprivation list … … it is said to experience consistent poverty


In the UK, the Joseph Rowntree Foundation commissioned major research into community perceptions of deprivation. This represents an important shift away from the ‘top-down’ orientation of income-based measurement to embrace community perceptions of needs. The Poverty and Social Exclusion survey (Gordon, Levitas, Pantazis et al. 2000) measured low income, employment, access to services, social activities, lack of friendships and lack of carers and civic disengagement. This study focused on quality of housing, capacity to afford essential household goods such as a fridge, telephone or carpets, having enough money to afford fresh fruit and vegetables and two meals a day, and measuring how many adults reported going without essential warm clothing, affording regular minimal savings or engaging in social activities considered necessary.

In Australia we currently measure some aspects of deprivation, such as going without meals, being unable to heat the home or having to seek financial assistance from family or friends (ABS 2003b, 2003d). However, a national project on the scale of the UK or Irish models has not been undertaken. Most poverty measurements in Australia rely on income-based assessments.
Ideas File

1.2.2 Commission research into community perceptions of poverty

The first stage of the Rowntree Foundation research into poverty and social exclusion was an extensive survey of community perceptions of the basic necessities of life. ‘Interviews with a nationally-representative sample of adults were used to draw up a checklist of household items and activities that a majority of people consider to be necessities that everyone should be ‘able to afford and which they should not have to do without’. A second survey was then conducted to discover how many individuals lacked these ‘necessities of life’ and gather other information on income and social exclusion’ (Joseph Rowntree Foundation 2000).

The MacroMelbourne Initiative could consider contributing to the knowledge base on community perceptions of poverty and deprivation. The Brotherhood of St Laurence is doing research into this area (Johnson and Taylor 2000, Scutella 2005) and ACOSS has recently commissioned research into community attitudes of basic needs (Roy Morgan Research 2005). The MacroMelbourne Initiative could consider a partnership project with other welfare organisations to develop community perceptions of the basic necessities, the first step in developing an expanded poverty-deprivation measurement framework.

Another focus of researchers into poverty has been to measure expenditure as well as income. The indicator of ‘housing stress’, which measures the incidence of low income groups spending a significant proportion of their income on housing costs, is an example of a combined income-expenditure measure. The ABS compiles updates of housing stress using the benchmark figure of 30%: if a household spends more than 30% of its income on housing costs it is considered to be under housing stress (ABS 2005a), and the DSE publishes analyses of housing affordability and stress for small local areas in Victoria in the Regional Housing Statements (Southern Regional Housing Working Group 2005). Broader financial stress indicators have also been incorporated into the most recent ABS General Social Survey and the Victorian Population Health surveys (ABS 2003b, 2003d, DHS 2004). A recent report from the Australian Institute of Health and Welfare argued that 1.75% of Australians are in housing stress, spending more than 30% of their income on housing costs (Colebatch and Topsfield 2005).

A recent development in expenditure research and poverty has been the exploration of inequalities in expenditure. Often, disadvantaged groups pay more for goods and services than the general community does. The St Vincent de Paul’s Relative Price Index measures, for example, track the rate at which different income groups are affected differently by price adjustments within the CPI. Their findings are that often those that can least afford it, pay more for goods and services (Duffy 2005a).

Box 1.2.2: The utility debt spiral project

The analysis of expenditure on utilities such as electricity, gas, water, telecommunications and fuel starkly highlights the inequalities inherent in our current system. One aspect of poverty is ‘fuel poverty’, the inability to meet basic energy needs, to heat the home in winter, for example, or to cook a hot meal. Fuel poverty is associated with poor health outcomes, and low income earners are particularly vulnerable to fuel poverty (Benvenuti and Walker 1995, Financial and Consumer Rights Council 2004, VCOSS 2005a: 100). One of the ironies of fuel poverty is that households that are most vulnerable to it pay more for their utilities than the better off or high consumption households. Housing stock in the cheaper rental or ownership market tends to be older and poorly maintained, with poor thermal and water efficiency. Older and cheaper appliances also tend to be inefficient, and thus more expensive to run. And current tariff structures reward higher consumption, ‘making it extremely difficult to save money by saving energy’ (VCOSS 2005a: 101).

The Committee for Melbourne has recently undertaken the Utility Debt Spiral Project (Committee for Melbourne 2004), to risk manage issues related to utility debt for vulnerable consumers. An innovative program which has been lauded by the UN (Short 2004), the initiative involves business, community and government stakeholders.
Box 1.2.2 continued

Two partnerships were established: a government partnership where participants agree on policy objectives about protection from disconnection from an essential service due to hardship, and another partnership of utility industry retailers, research institutions, government and community organisations to form agreed strategies to assist people at risk. The success of the initiative rests on its being run by an independent non-for-profit entity, which provides ‘neutral ground’, however there is more work to do in the area of utilities, fuel poverty, and disadvantage in Melbourne.

Ideas File

1.2.3 Project: retrofitting

As we become more aware of environmental concerns, there has been a movement for greater energy efficiency. New houses built in Melbourne now have to meet energy standards, and there has been a push to encourage home owners to make their homes more energy efficient (Sustainable Energy Authority Victoria 2004). However, these initiatives do not focus on disadvantaged householders, who may not own their own homes or may lack the resources for the initial outlay on energy efficient devices. The MacroMelbourne Initiative could consider programs which enable greater energy efficiency for disadvantaged Melbournians. Retrofitting, or the replacement of old inefficient appliances with new efficient models, is a possible area of focus. An appliance exchange scheme such as the Moreland Energy Foundation’s Phoenix Fridge Project (Moreland Energy Foundation 2004) could be a good model.

There are, then, some problems with measuring poverty. Poverty lines are problematic because they tell us little about the causes of poverty, and they encourage debate about where the line is drawn, rather than the different experiences and opportunities of those who live in poverty. Drawing a line necessarily creates a group just above the line and tends to overlook the way that the lived experience of poverty is often dynamic, triggered by stress events such as utility bills or restrictions on hours of paid work in a particular week. Nevertheless, it is important not to get too bogged down in debates over definition and measurement to the extent that we ignore the problem area we are attempting to analyse. All researchers agree there is a degree of poverty in Australia. The question is whether an index such as the Henderson Poverty Line or an alternative measurement is useful. What is emerging in current research is the development of measures that relate to different dimensions of poverty and disadvantage. However, there is at present no measurement of poverty which is universally accepted in Australia.

Table 1.2.4 Examples of current poverty research

<table>
<thead>
<tr>
<th><strong>Brotherhood of St Laurence</strong></th>
<th>Two major research projects underway to measure capability deprivation and social exclusion (Scutella 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Melbourne Institute</strong></td>
<td>Updates Henderson Poverty Line (Melbourne Institute of Applied Economic and Social Research 2005a)</td>
</tr>
<tr>
<td><strong>Social Policy Research Centre (SPRC)</strong></td>
<td>Contributing to debates about poverty measurement and deprivation in Australia (Saunders (a) 1996, Saunders (a) and Siminski 2003, Saunders (a) 2004).</td>
</tr>
<tr>
<td><strong>Australian Bureau of Statistics General Social Survey</strong></td>
<td>Has deprivation and financial stress indicators (ABS 2003b), and includes indicators of income poverty and disadvantage in the Measuring Australia’s Progress project (ABS 2004c).</td>
</tr>
<tr>
<td><strong>NATSEM and the Smith Family</strong></td>
<td>Has an amended poverty line set at half the median family income, publishes regularly for different postcode areas, electorates and LGAs (Harding, Lloyd et al. 2001).</td>
</tr>
</tbody>
</table>
Ideas File

1.2.4 Research: decide on poverty/deprivation measure(s)

There is some consensus on the limited capacity of the concept of income poverty, but there is currently no measure of poverty/deprivation which is published specifically and regularly for Melbourne and for the regions within Melbourne.

The MacroMelbourne Initiative could review all measures of poverty and determine which, if any, it desires to develop or adopt. If the measure is not universally used in Melbourne, or if it is not specific to Melbourne, the Initiative could become the body which monitors poverty in Melbourne and commissions regular updates. The Combat Poverty Agency in Ireland is a good model for this approach (Combat Poverty Agency 2005).

Social exclusion

An alternative to focussing on poverty is the recent work into social exclusion. While acknowledging the importance of income poverty, social exclusion attempts to explore the broader causes and consequences of disadvantage. It focuses on the barriers, circumstances and relationships which make it difficult or impossible for people to participate fully in society. It has the potential to shed light on underlying causes and provide a better framework to examine largely ignored issues of agency and the dynamics of poverty and disadvantage (Saunders (a) 2003: 250). The UK Social Exclusion Unit defines social exclusion in this way:

Social exclusion is about more than income poverty. It is a shorthand term for what can happen when people or areas face a combination of linked problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people’s lives (Social Exclusion Unit 2004b).

Social exclusion expands the conception of poverty to a broader analysis of disadvantage which includes complex multiple factors, provides a more dynamic analysis and enables a focus on the individual, household, community and on spatial dimensions (Room 1995). Social exclusion is not the same as poverty (Saunders (a) 2003), but it may bring a new understanding to disadvantage and highlight factors which make people vulnerable to poverty. A concept first developed in France in the 1970s (Sen 2000) social exclusion has been influential in Europe. The Blair government in the UK adopted a social exclusion framework in its approach to disadvantage and poverty (Social Exclusion Unit 2005) and it is now an EU requirement that member states draw up National Action Plans on Poverty and Social Exclusion. Recently, Australian researchers have been exploring the potential of the social exclusion framework. An advantage in the Australian context is that it gets us away from discussions of income-based poverty and gets us looking at some of the broader causes and effects of poverty. The Victorian government is increasingly using social exclusion in its approach to disadvantage, although it has not explicitly adopted the term.

A social exclusion approach accepts that disadvantage is multidimensional (Saunders (a) 2003, Social Exclusion Unit 2004a). That is, it argues that disadvantage is a complex phenomenon, and that there is no single solution or remedy. The Rowntree Foundation identified 50 separate indicators of social exclusion in its report into monitoring poverty and social exclusion (Howarth, Kenway, Palmer et al. 1999). The report included indicators on income, work, education, housing, health, crime, services and social cohesion, and focused on children, young adults, older people, geography, disability and ethnic groupings. Fincher and Saunders argue that Australia could learn much from a multidimensional approach, particularly in relation to the experience of Indigenous people (Fincher and Saunders (a) 2001).

As Sen argues, social exclusion does not break new ground conceptually – much of the social exclusion thinking is already present in traditional poverty and deprivation analyses. To Sen, the advantage of social exclusion lies in its ‘practical influence in forcefully emphasizing – and focusing attention on - the role of relational features in deprivation’ (Sen 2000: 8). That is, it accepts that factors such as low income, poor housing and poor health outcomes, for example, may be related, and can act to reinforce and escalate each other. Time and causality are important in a social exclusion framework. Social exclusion focuses on the potential causes for disadvantage and on transitions, relationships and flows which create and interact with social exclusion. For example, lack of educational opportunity in the present may lead
to limited employment opportunities and thus to low earning potential, limited housing options and perhaps other social exclusion in the future. Or low income may lead to poor health outcomes down the track, thus contributing to and reinforcing a cycle of exclusion. Importantly, social exclusion introduces a structural dimension to analysis, focusing on external influences as outcomes of for example, prevailing resource and policy decisions, rather than individual choices or actions, hence providing an alternative interpretation to the current welfare reform emphasis on moral obligation and personal responsibility.

Box 1.2.3: The Blair Government’s commitment to addressing social exclusion

The Blair government has committed substantial resources to addressing social exclusion. It established the Social Exclusion Unit (SEU) in the Cabinet Office in 1997 (located now in the office of the Deputy Prime Minister). The unit informs government policy and is crucial to driving a ‘whole of government agenda’ and progressing a longer term strategy for measured improvement. The government set five year targets for reducing child poverty and set up a consultative review of poverty measures. Increases in government spending is concentrated on education (7.7% growth), health (7.3% growth - 2000/01 to 2005/06), and educational spending will rise from 4.6% to 5.6% of GDP (Bradshaw 2003: 6).

Social exclusion focuses some attention on the traditional correlates of disadvantage such as joblessness, poor education, low income and financial poverty. However, access and place and an association with wider concepts of citizenship become important in a social exclusion framework. Social exclusion takes into account the level of access individuals have to networks and services, and what factors might hinder access to those services and participation in the broader community. Transport therefore becomes an issue, and lack of connectivity to public transport is seen to be a factor which can produce or reinforce social disadvantage (Bradshaw 2003, Saunders (a) 2003, Social Exclusion Unit 2003, Coalition for People’s Transport 2004). Similarly, place becomes important because the neighbourhood mediates lived experiences. Place is not only a site of community engagement for individuals, but because different places have different degrees of access to the networks and services offered by the broader community. Place and location are seen to play a role in creating exclusion and in the erection of barriers to people changing their lives and improving their life chances’ (Scottish Parliament 2000: 1). ‘Locational disadvantage’ thus becomes a consideration in a social exclusion framework, as do issues such as housing tenure and location (Gleeson and Carmichael 2001, Arthurson and Jacobs 2003).

Some jurisdictions, for example the South Australian government (Social Inclusion Unit 2005) and the Scottish government in the UK (Scottish Office 1999), have used social inclusion rather than exclusion as a guiding policy concept. The focus is essentially similar in terms of analysis although promotion of social inclusion is seen as a more positive policy directive, underpinned by values of social justice. The South Australia government has set up the Social Inclusion Unit and Scotland has developed its policy framework for tackling Poverty and Social Inclusion in Scotland, based on Social Inclusion Networks and partnerships.

Box 1.2.4: The Scottish social inclusion model

Of relevance to analysing social exclusion in a Victorian Melbourne context, the Scottish government policy Social Inclusion: Opening the Door to a Better Scotland (Scottish Office 1999), was launched in 1999. Recognising that under UK federalism, social security benefits and income support are largely outside the remit of the Scottish Parliament, the Scottish Office focused on a complex set of linked problems centred around lack of opportunity and diminished life circumstances: unemployment, poor housing high crime environments, poor health and family breakdown.

The strategy adopted a vision for Scotland in which:

- there are opportunities to work for all those who are able to do so
- every child, whatever his or her social or economic background, has the best possible start in life
- those who are unable to work or are beyond the normal working age have a decent quality of life
- everyone is enabled and encouraged to participate to the maximum of their potential’ (Scottish Office 1999: 6).
Table 1.2.5 Current Australian research using social exclusion

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brotherhood of St Laurence</td>
<td>Social exclusion in Boroondara (Stanley, Eadie et al. 2005) Range of social exclusion and social inclusion research initiatives under the leadership of Paul Smyth (Brotherhood of St Laurence 2005).</td>
</tr>
<tr>
<td>The Smith Family</td>
<td>Social exclusion and disadvantage in the new economy (Zappala, Green et al. 2000)</td>
</tr>
<tr>
<td>Australian Housing and Urban Research Institute (AHURI)</td>
<td>Social exclusion and housing (Arthurson and Jacobs 2003) Positioning paper (Gleeson and Carmichael 2001)</td>
</tr>
<tr>
<td>Social Policy Research Centre (SPRC)</td>
<td>‘Can social exclusion provide a new framework for measuring poverty?’ (Saunders (a) 2003). ‘Income poverty, deprivation and exclusion’ (Saunders (a) and Adelman 2005). Working on a joint research project with the Brotherhood of St Laurence on measuring deprivation and social exclusion (Scutella 2005).</td>
</tr>
<tr>
<td>Government of South Australia</td>
<td>Social Inclusion Unit (Social Inclusion Unit 2005)</td>
</tr>
</tbody>
</table>

Ideas File

1.2.5 Research: develop indicators of success in countering social exclusion

Identify the dimensions of social exclusion in the Australian context. The MacroMelbourne Initiative, if it decides to pursue a social exclusion direction, could take a leadership role in this field, much as the Rowntree Foundation in the UK has done (for the range of Rowntree initiatives see the website Joseph Rowntree Foundation 2005). Think of innovative neighbourhood studies of localised politically astute invention which is ‘on the ground’, working from the bottom up, with ‘targets’ identified at local level. Studies could combine a focus on both disadvantage and wellbeing (or adversity and resilience).

Ideas File

1.2.6 Project: combat digital exclusion: connect people

Increasingly, ‘community’ exists beyond neighbourhoods and places. The Internet has become a tool for delivery of education, information and services and allows communication and social interaction across vast distances. However, the ‘digital divide’ has created new zones of exclusion (Zappala, Green et al). With the increasing reliance of government, banking, utilities, education and health services on the internet, governments are facing up to the problem of digital exclusion (DCITA 2005, Multimedia Victoria 2004). Older people, migrants with no previous experience with the internet, people with a disability, people on low incomes, people who have not had the chance to learn about the internet through work, such as the unemployed, and people in remote regions are far less likely than others to have access to the Internet. But these are also people who may benefit the most from what the internet has to offer: for instance online ordering and delivery of fresh fruit and vegetables, or the ability to pay bills online, or simply the ability to participate in the online community could bring great benefits to those who have limited mobility or poor access to transport.
1.2.6 continued

The Initiative could consider a pilot project which focused on connecting disadvantaged or geographically isolated people to the virtual community. Successful Internet access and interaction requires access to hardware and software, the ability to make secure payments online, as well as training and ongoing support. The Initiative could consider a partnership with a program like Green PC, which refurbishes older computers to provide at low cost to disadvantaged people (Green PC 2005) and try to involve relevant segments of the corporate sector (for instance an online grocer, an ISP, a bank or a telecommunications provider). There could also be a role for corporate volunteers in providing equipment setup, support and training.

Nevertheless, the notion of defining disadvantage as social exclusion has its critics in Australia. A major criticism is that it is so big and all-encompassing that ultimately it has little real meaning, and that it relies, in practice on traditional understandings and measurements (Saunders (b) and Tsumori 2002, Arthurson and Jacobs 2004). Some complain the criteria for social exclusion are so broad that people traditionally considered to be relatively advantaged are now considered ‘excluded’. Proponents of social exclusion accept this, countering that it is the interaction and intersection of multiple factors which create social exclusion, and different people from all walks of life may indeed be excluded in some areas. Critics also point to the danger of social exclusion ‘labelling’ the excluded and those it purports to help (Fremeaux 2005). Saunders, although he also recognises positive elements in a social exclusion approach, sees this as a danger: “a focus on social exclusion can contribute to those forms of exclusion that it seeks to redress. In the wrong hands, social exclusion can become a vehicle for vilifying those who do not conform and an excuse for seeing their problems as caused by their own ‘aberrant behaviour’” (Saunders (a) 2003).

Social exclusion has the advantages of expanding the understanding of disadvantage to include issues of accessibility and connectedness to the community. It may offer us a way out of the deadlock of the poverty debate, and perhaps provide a framework for understanding emerging polarization of society and the widening gap between rich and poor.

It focuses on relationships and flows, and thus is more responsive to the causal factors which may contribute to disadvantage, across places: suburbs, regions and countries; and in time: across generations. And it has some policy appeal – however there are some vocal critics in Australia.

Community wellbeing

The third major approach to understanding disadvantage in Australia is contained in the push for stronger communities and community wellbeing. In Australia and Victoria there has been a movement towards better measurement and monitoring of community health and wellbeing. The ABS is taking a leadership role in this field, in its Measuring Australia’s Progress project (ABS 2001a, ABS 2004c). The Victoria Community Indicators Project is in the process of developing and identifying robust measurements of community health (DVC 2005b, Victorian Community Indicators Project 2005) and the federal State of the Environment Report contains an analysis of wellbeing in Australia’s human settlements (Newton, Baum, Bhatia et al. 2001). The Australian Unity Wellbeing Index survey series has been monitoring subjective wellbeing since 2001 and includes the Personal Wellbeing Index and the National Wellbeing Index (Cummins, Okerstrom, Woerner et al. 2005). In addition to these ‘top down’ measurements and global indicators of health and wellbeing, the community wellbeing approach is characterised by ‘ground up’ initiatives focussing on local renewal projects amongst disadvantaged communities. Community and capacity building are key foci and the Victorian Government’s Neighbourhood Renewal projects (DHS 2005a) and its broader Community Strengthening Program (DVC 2005a) reflect this approach. In this, the Victorian Government has been influenced by North American and particularly Canadian models of community development (see for example Alberta Government 2005, Government of Canada 2005).
Ideas File

1.2.7 Research: connect to the Vic Health Victorian community indicators project

The Victorian Community Indicators Project (VCIP) is already doing work in defining indicators of wellbeing (via extensive consultations with community groups), connecting these indicators to data sources and undertaking data collection and collation. While the project monitors the social health of Victorians as a whole, some of the indicators relate to disadvantage. The MacroMelbourne Initiative could consider entering into a partnership with the Vic Health, or at least using the indicators developed as a starting point. Some things to consider may include enhancing the understanding of select indicators of disadvantage by undertaking more extensive local geographic level research, or commissioning ongoing research into indicators identified by the VCIP which currently have no data source (such as some of the indicators on accessibility).

The community wellbeing approach is related to the social exclusion approach in that it takes a broader, more holistic look at social relationships and social health. But where the focus on social exclusion is what hinders full participation in society, the focus of the wellbeing approach is on what makes a community good, healthy and happy. That is, it focuses on the opposite of disadvantage and exclusion. There is considerable overlap between a social exclusion approach and a community wellbeing approach. In practice, many of the indicators and measures adopted in a community wellbeing framework are also relevant to a social exclusion framework. Concepts such as accessibility, connectedness to networks, and the level of participation (and capacity to participate) in the community are integral to both approaches. And, as in social exclusion, place becomes an important area of focus in the community wellbeing framework. The Victorian, Scottish and UK partnership PASCAL is an example of the linking of community development and place management approaches to policy (PASCAL n.d. [c. 2005]). The community wellbeing framework can also enhance studies of disadvantage, in the assertion that strong, inclusive and healthy communities may help to ameliorate some of the problems faced by vulnerable groups. Tony Vinson’s measurement of social cohesion as a mediating factor in the study of disadvantage is an example of this perspective (Vinson 2004).

Box 1.2.5: Measuring wellbeing: The Australian unity wellbeing index

According to the Australian Unity Wellbeing Index (Cummins, Okerstrom et al. 2005):

‘The personal wellbeing of Australians has fallen significantly over the past nine months after having risen to record heights during the Olympics….Both domains involving interpersonal connectedness (Relationships and Community) have been strongly involved in this fall. Significant falls have also been recorded in satisfaction with Standard of Living and Future Security’.

The study also identifies potential sources of stress which undermine wellbeing, including the introduction of children, being a sole parent, separation or divorce.

The study argues that wellbeing is not necessarily related to income. ‘People who are unemployed have below normal wellbeing even with household incomes of $31,000-$60,000. The damage caused by unemployment is more related to purpose in life and social status than to income.’

Other interesting findings include (Cummins, Okerstrom et al. 2005: viii-xii):

- Carers are vulnerable to poor wellbeing. ‘Caring for a dependent person at home places the personal wellbeing of co-resident adults at risk.’
- ‘Males are less resilient than females in terms of their ability to maintain their wellbeing under difficult circumstances.’
- ‘The highest levels of personal wellbeing are achieved by people living with their partner, children and one or more adults to assist with child care. The lowest personal wellbeing is found among sole parents. Their low wellbeing puts them at risk of depression.’
- ‘People who live alone have a major loss of wellbeing in terms of relationships and health.’

A feature of the community wellbeing approach is that it emphasises that health is a social and political as well as a medical and scientific concern. It recognises that poor social outcomes can lead to poor health outcomes and vice versa. This has
led to a closer linking of health and social statistics, as can be seen by the concern with community engagement, social networks and participation in the Victorian Population Health Survey (DHS 2004) and the focus on indicators of socioeconomic disadvantage in the 1999 Australian Social Health Atlas (Glover, Harris and Tennant 1999, Public Health Information Development Unit n.d. [c.2000]). Health outcomes and drivers are becoming increasingly important in understandings of social disadvantage and in policy approaches to disadvantage (DPC 2005a). Projects such as the City of Maribyrnong food security program (City of Maribyrnong 2005), or the Frankston Community Kitchens project (Frankston City Council 2005), which address the difficulties experienced by the poor and the mobility impaired in accessing and preparing nutritious meals and at the same time foster social networks, is an example of the linking of health outcomes to community wellbeing. Thus ‘community health’ encompasses far more than just mortality and morbidity rates and physical health indicators. It includes concepts of inclusion, participation and activity (political and social, as well as physical).

Critics of the community wellbeing and community strengthening approach point out that social capital and ‘community’ are ideologically driven and selective and may divert governments from engaging with more challenging agendas that involve structural issues and redistributive reforms. As Bryson and Mowbray remarked in their seminal 1981 article, ‘Community: the Spray-On Solution’ (1981) and its sequel, ‘More Spray-on Solution’ (2005), community strengthening initiatives have seen mixed success and invoking ‘community’ is not a magic pill for governments. Fremeaux makes a similar point (Fremeaux 2005), arguing that ‘community’ has been appropriated by governments in a reductive way which neglects ‘the intrinsically complex nature of the concept and the risk[s] essentialising group identities, thus adversely affecting the most deprived sections of society’ (Fremeaux 2005: 265). The community wellbeing approach, like the social exclusion approach, thus has the potential danger of labelling or stereotyping those it seeks to help.

As Fremeaux argues, communities themselves can be labelled as problem areas, thus in policy formulations ‘community’ can be an ambiguous term, representing ‘both problem and solution’ (Fremeaux 2005: 271). In a related criticism of place-driven approaches to community building, Ziller points to the dangers of reducing ‘community’ to ‘place’. Community, Ziller argues, is more than the combination of built environment, local amenities and geographic location. To Ziller, focussing on local renewal projects may have little effect (despite their political appeal) if the causes of disadvantage are external and more broadly structural (Ziller 2004).

The community wellbeing approach is, then, not without its critics in Australia. There is room for questioning the simplicity of the ‘ground up’ approach to entrenched problems, and there is danger in rhetorically appealing to community strength if it is not tied to an understanding of the complex factors which create a community. However, the concept is appealing – the idea of focussing on quality of life and positive outcomes is refreshing, and the linking of health to social wellbeing is an innovation which provides insights into the study of disadvantage. Also, given the Victorian government’s adoption of the approach, there is considerable practical benefit in working within it.

<table>
<thead>
<tr>
<th>Table 1.2.6 Community strengthening initiatives in Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Maribyrnong</td>
</tr>
<tr>
<td>City of Frankston</td>
</tr>
<tr>
<td>Department for Victorian Communities (DVC)</td>
</tr>
<tr>
<td>Department of Human Services (DHS)</td>
</tr>
<tr>
<td>Victorian Local Government Association (VLGA) and the Municipal Association of Victoria (MAV)</td>
</tr>
<tr>
<td>Victorian Community Indicators Project (VCIP)</td>
</tr>
</tbody>
</table>
Ideas File

1.2.8 Strategy: take a community wellbeing approach

MacroMelbourne could, instead of focusing on the negative correlates of disadvantage, look at and celebrate the positive aspects of community, even within the most disadvantaged communities. That is, focus on strengths and on enhancing strengths – and explore what makes a community ‘good’ even when there may be evidence of disadvantage. The recent Agora conference, hosted by Melbourne Citymission and supported by corporate, philanthropic and government organisations is a good example of a co-ordinated effort between sectors to define community and add value to and scale up good not-for-profit community building projects (Melbourne Citymission 2004). The Initiative could use Agora 2004 as a model or springboard to develop its own community inclusiveness vision and program, focusing particularly on the future of Melbourne, or consider a partnership with the Agora project to enhance the project’s existing policy focus.

A question of values

One of the problems when considering disadvantage is (as Saunders (a) 1996 has pointed out) that any discussion of disadvantage implies a set of value judgments about the rights and responsibilities of individuals and communities and the sort of society people want to live in. We cannot discuss the questions of marginalisation, vulnerability and poverty in Melbourne without also considering the vision we have of our city and the lives of the people in it. Concepts such as ‘a fair go’, or the right to a basic minimum living wage, or the right to equality of access to networks and services all feed in to our understanding of who is disadvantaged in society and why the existence of disadvantage is believed to be wrong.

One of the values underpinning the use of a poverty line, for example, is the concept that all Australians have a right to a basic minimum standard of living. We consider it unacceptable if people’s living standards drop below a certain threshold. This has particular resonance in Australian culture and is strongly supported in the community (Johnson and Taylor 2000, Roy Morgan Research 2005). The controversy comes about when determining exactly where that standard falls.\(^\text{10}\)

Similarly, the social exclusion approach is underpinned by a belief in equality of access and opportunity. Thus many researchers in poverty and social exclusion today point to inequalities as problem areas: income inequality, inequality of access to networks and services, inequality of health outcomes and so on. Social exclusion is considered to be wrong because it denies people a basic opportunity to participate in society. It thus carries with it a belief in human rights and a judgement that an egalitarian society is a healthy society. Again, this concept has a strong connection to Australian value systems and our liberal democratic precepts. The controversy here occurs in determining at what point choice and opportunity is enabled, and freedoms ensured, and to what degree inequality is the natural outcome of different talents, inclinations and merit.\(^\text{11}\)

Any definition of disadvantage is always related to community values and aspirations. Conceptions of poverty and disadvantage reflect the political and ideological perspectives of those who define them. This is important for the MacroMelbourne Initiative to understand and acknowledge because, as a network of different organisations, each may have different value systems and ideological perspectives. Thus it is possible that different organisations within the MacroMelbourne Initiative may understand disadvantage differently. It is crucial that the Initiative have an ongoing discussion and refinement of core values in order to develop a strategic framework.
Guiding values for the MacroMelbourne Initiative: a beginning point

As a starting point to defining its strategy and guiding values, the Initiative may wish to debate, use or refine the following set of values:

- Human rights.
- Tolerance and diversity.
- Equality of opportunity.
- Universality.
- A fair go.
- Access to a decent quality of life.
- Opportunity to participate fully in the community.
- A city which is ‘liveable’ for all citizens.
- A city which provides equitable access to services and networks.

Ideas File

1.2.9 Strategy: define values

It is evident that understanding and measuring disadvantage relies heavily on social goals and visions. The MacroMelbourne Initiative could expand its mission statement to include a statement of its own vision for Melbourne’s future. The bullet point values provided here could form the basis of the development of a vision and value system. What does the MacroMelbourne Initiative as a group value? Why is disadvantage a significant social and economic problem? What changes does the MacroMelbourne Initiative want to see over the next five years, 10 years and 20 years? And what are its priorities for change? One of the first stages of the Agora project (Melbourne Citymission 2004) was to define community and the visions we have for community. The Initiative could use the Agora process (an open forum, with discussion and debate between not-for-profit and government partners such as DVC) as a model for their own exploration and refinement of vision. A possible starting point for the Initiative could be developing a human rights framework articulating the issues of disadvantage, people, place and the future in Melbourne.

Dimensions of disadvantage

In this section we explore some of the factors which contribute towards social disadvantage. Many of the insights of the poverty/deprivation, social exclusion and community wellbeing frameworks are being used here. The aim is to identify what we know about social disadvantage.

While this section explores the statuses that are frequently associated with disadvantage, we need to approach these categories with caution. One of the lessons of the social exclusion approach to disadvantage is that there is no single solution or policy ‘magic bullet’ that will solve the complex problems and factors contributing to social inequity. Disadvantage is messy and complex. It is different in different places and for different people. Thus our conceptual approaches and policy responses need to be flexible and broad; and they need to be informed about people’s own realities and perceptions of their immediate needs and capabilities. However, our approaches to disadvantage and its amelioration also need to be informed by an understanding of the major drivers of disadvantage, and how it is patterned and changing.
ACOSS (2005a) identifies five main causes of inequality and poverty built into the structure of Australian society: access to work and income, education, housing, health and services (ACOSS 2005a). Some recent themes in the Australian context of disadvantage include:

- **Increasing income inequality.** Wages at the top are growing exponentially faster than those at the bottom (Borland, Gregory and Sheehan 2001, Argy 2003, Dawkins and Kelly 2003, Pusey 2003).
  - Recent data points to higher wage rises for those at the top of the income spectrum, in contrast to a wage rise of only 2.6% since 1998 for those on median wages; and a rise of only 1.2% for the bottom 20% (Edgar 2005).
  - NATSEM research points to ‘a decline in the income share of the bottom 10% of Australians, and to a lesser extent the middle 20% of Australians during the 1990s and an increase in the income share of the top 10%’ (NATSEM 2002).

- **Rising and persistent unemployment and under-employment.** ACOSS estimates that the actual rate of unemployment is on average closer to 12-15% or approximately double the official rate of 5-7% and much higher for some cohorts in some geographical areas (ACOSS 2003a). Unemployment has remained virtually unchanged in higher socio-economic areas whereas poorer suburbs had a 38% decline in employment between 1976 and 1991 (ACOSS 2005a).
  - Despite record economic growth in Australia, long term unemployment for more than a year is a reality for over 330,000 and over 565,000 people are in receipt of unemployment payments (ACOSS 2005a).
  - Employment is now far less secure. There has been a growth in casual and precarious forms of employment that lack industrial protections and a ‘decent wage’. On some estimate close to one third of workers have casual or precarious work (Watson, Buchanan, Campbell et al. 2003) adding to loss of opportunity for youth, workers with low skill and those workers increasingly on the margins of income and job security.
  - There has been a polarisation of households along employment lines with the emergence of ‘work rich’ and ‘work poor’ households. Significant numbers of children (one in six) grow up in households where they have no experience of either parent gaining paid work (McKerthy and Wicks 2001).

- **Growing household debt.** Household debt is increasing at annual rates above household income growth, with the debt to income ratio increasing from 56% to 125% over the past decade (Reserve Bank of Australia 2003).
  - Data for 2002, released in 2005, shows that nearly 2.5% of Australian households (180,000) are paying more than 50% of after-tax income on servicing home mortgage loans; 18% of households on low to middle incomes are paying more than 50% of incomes on home mortgages (Long 2005).
  - While the major share of debt is contributed by owner occupied housing and investor housing, an additional concern is personal debt. While only 4% of overall household debt, credit card debt is rapidly growing with average annual growth rates of 17.4% over the past decades and 20.9% in the last five years (Reserve Bank of Australia 2003). Roy Morgan data on credit card debt indicates that those exposed to credit card interest bearing debt are most likely to be on low income/without assets: young people who are not working, single parents, young married couples with children and renters (Wolthuizen 2003).

- **The increasing relevance of spatial distributions of inequality,** for example, with areas on the urban fringes of large Australian cities and people in rural and regional areas experiencing particular forms of disadvantage.

- **The rising costs of ‘free’ education** are creating a barrier for children from low socio-economic families to access education. This has flow on effects in terms of ability to gain skilled employment and participate in society in the future.
  - Welfare groups in Victoria report an increase in families seeking emergency relief assistance to meet a range of school costs, including clothing, books and ‘voluntary’ school fees (Weaving, Lloyd and Atkins et al 2004). The work of Teese and Polese (2003) points to significant links between low socio-economic status and poor educational outcomes. ‘Lack of affordability of education is associated with alienation of children and their families from school, patterns of absenteeism, pressure on household budgets and tension within families’ (Weaving, Lloyd and Atkins et al 2004: 7).
— ACOSS argues that higher education is becoming more and more inequitable (ACOSS 2003c). The cost of courses and the costs of higher education are significant barriers to access for many Australians, including children from low socio-economic families (particularly where the parents have not been to university) and for elderly people (ACOSS 2003c: 4).

• **Gender inequalities**, with a 15% gap between full-time average weekly earnings for women and men (State Government of Victoria 2004: 56) and the lack of universal provisions covering rights to paid maternity and family leave.

• **The increase in health inequalities.** There is increasing recognition that living in poverty is stressful and contributes to poor health, and can be associated with other risks such as smoking, substance abuse and poor diet.
  — Comparisons between people living in disadvantaged and advantaged areas find a 60% higher death rate from lung cancer in men in disadvantaged areas and death rates are 98% higher (ACOSS 2005a).

• **The underfunding and mismanagement of mental health services in Australia**, at state, territory and federal levels, results in preventable deaths and family stress. With one in five Australians affected by mental illness in some form, the mental health strategy is in need of urgent reform (Mental Health Council of Australia 2005).
  — The impact of combined welfare and industrial relations reforms on disadvantaged Australians and in particular those in receipt of disability support pensions and single parent pensions (ACOSS 2005b). The industrial relations reforms are expected to impact beyond the wages systems;

• **The gap between Indigenous and non-Indigenous Australians** in health, education, housing and employment reinforce the failure of mainstream policies and services.
  — Life expectancy for Indigenous males is 56 years – 21 years lower than for non-Indigenous males, and for Indigenous females, 63 years – 20 years lower than for non-Indigenous females.
  — Indigenous infants are around four times more likely to die before their first birthday, and five times more likely to succumb to Sudden Infant Death Syndrome
  — Indigenous students are half as likely as non-Indigenous students to continue to year 12
  — Unemployment is 2.8 times higher among Indigenous people compared with non-Indigenous people
  — Suicide rates for Indigenous people are nearly three times that of other Australians
  — Hospital separation rates for assault are more than 13 times greater for Indigenous Australians compared with non-Indigenous people
  — Indigenous people are 15 times more likely than non-Indigenous people to be in prison (ACOSS 2004a, 2004c).

• **Certain groups or cohorts of people are at risk.** The trends discussed above highlight the impact of policy and trends on particular groups of people, enhancing the likelihood or risk of poverty and disadvantage. The Senate Inquiry into Poverty (Senate Community Affairs Reference Committee 2004: 41) identified the following groups as being at high risk of poverty:
  — Indigenous Australians.
  — People who are unemployed.
  — People dependent on government cash benefits.
  — Sole parent families and their children.
  — Families that have three or more children.
  — People earning low wages.
  — People with disabilities or those experiencing a long term illness.
  — Aged people, especially those renting privately.
  — Young people, especially in low income households.
  — Single people on low incomes.
  — People who are homeless.
  — Migrants and refugees.

Instead of attempting a single solution to disadvantage in Melbourne, it may be more useful to think of broad policy streams or headings. Table 1.2.7 lists two policy approaches to disadvantage: the policy headings of VCOS, and those of the Rowntree Foundation.
1.2.11 Strategy: how to avoid the ‘it’s all too big’ problem in strategic development

The multidimensional nature of disadvantage means there is no single, simple solution to its varied problems. This itself could be a disincentive to corporate citizens and philanthropics wishing to pursue a longer term approach to giving. The MacroMelbourne Initiative could consider ways of defining and packaging the problems of disadvantage in Melbourne and possible projects to promote change, in order to enable corporate citizens and philanthropic organisations to contribute more readily.

For example, an interactive tool which listed possible projects or micro-projects by simple headings such as area of corporate interest (eg ‘link me to a project which relates to my corporation’s area of expertise’), geographic location (eg ‘I want to help people in Braybrook’) and area of disadvantage (eg ‘I want to help improve affordable housing in Melbourne’) could assist in reducing the complexity of the issues. This could be linked in a coordinated way to policy directions and advocacy.

In this instance, the MacroMelbourne Initiative becomes the knowledge-bearer, developing strategies, projects and measurements of progress, and supplying them to corporates and philanthropics in an effective way, and also the policy leader, using the outcomes for strategic policy development.

<table>
<thead>
<tr>
<th>VCOSS policy areas</th>
<th>Rowntree policy areas:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children, Young People and Families</td>
<td>Education: Social inequalities matter more than ever</td>
</tr>
<tr>
<td>Disability Services</td>
<td>Family poverty: Breaking the link with social exclusion</td>
</tr>
<tr>
<td>Education and Training</td>
<td>Unequal places: Disadvantage and geographic difference</td>
</tr>
<tr>
<td>Health and Wellbeing</td>
<td>Supporting incomes for vulnerable groups</td>
</tr>
<tr>
<td>Housing and Homelessness</td>
<td>Housing: The twin crises of supply and affordability</td>
</tr>
<tr>
<td>Justice and Juvenile Justice</td>
<td>Long-term care: Meeting the growing demand</td>
</tr>
<tr>
<td>Poverty and Emergency Relief</td>
<td></td>
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<tr>
<td>Transport and Access</td>
<td></td>
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<td>Energy and Water</td>
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<tr>
<td>Community Sector Development and Leadership</td>
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</tbody>
</table>

In addition to these policy areas, VCOSS applies a special filter of cross cutting issues: community strength, Indigenous issues, gender, disadvantaged youth, human rights, multiculturalism, environmental sustainability and rural and regional issues.

Source VCOSS (2005c)  
Source: Darton, Hirsch et al. (2003)
Ideas File

1.2.12 Strategy: develop policy headings

It may be useful for the MacroMelbourne Initiative to identify its core priority areas. The Rowntree Foundation’s tackling disadvantage strategy was framed in terms of six policy areas (Darton, Hirsch et al. 2003).

The VCOSS policy headings for the State Budget Submission (VCOSS 2005b) could be used as a starting point.

Current research mapping disadvantage

There are currently two measures which attempt to map social disadvantage geographically in Australia, and which have small area data available for the Melbourne area. They are the ABS Socio-Economic Indexes For Areas (SEIFA) (ABS 2001b), and the Jesuit Social Services Social Disadvantage and Social Cohesion scores (Vinson 2004). Each tries to amalgamate a series of variables which are seen to be the ‘common correlates’ of disadvantage into a discrete set of indexes or scores for geographic areas.

The ABS SEIFA Index of Relative Socio-Economic Disadvantage (IRSED) incorporates attributes such as low income, unemployment levels and low qualifications and skill levels, as well as ‘variables that reflect disadvantage rather than measure specific aspects of disadvantage’ (ABS 2001b), for example the number of Indigenous people in an area, or the number of single parent families. Table 1.2.8 shows the full list of variables used and weightings in the construction of the index. Table 1.2.9 details the ‘bottom five’ most disadvantaged LGAs in Melbourne using the SEIFA IRSED.

<table>
<thead>
<tr>
<th>IRSED Score</th>
<th>Local Government area (LGA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>876.88</td>
<td>Dandenong</td>
</tr>
<tr>
<td>915.36</td>
<td>Maribyrnong</td>
</tr>
<tr>
<td>918.64</td>
<td>Brimbank</td>
</tr>
<tr>
<td>954.16</td>
<td>Hume</td>
</tr>
<tr>
<td>962.4</td>
<td>Whittlesea</td>
</tr>
</tbody>
</table>

Source: SEIFA in Doughney (2005: 10)
The Jesuit analysis of disadvantage (Vinson 2004) incorporates variables such as unemployment and low income, much as the SEIFA IRSED index does. However, the Vinson study places emphasis on crime rates, health and mental health measures, and also attempts to measure aspects of community cohesion and participation (Vinson 2004). To Vinson, it is important to measure how a strong community may mediate the problems of disadvantaged communities. However, a difficulty for Vinson is the currently very limited range of measurements for community cohesion and resilience. As Vinson points out, this data is not readily available at the small area level, and is thus difficult to map and measure (Vinson 2004: 44-45). We tend then to have a quite strong accumulation of statistics in Victoria on the negative aspects of disadvantage, but a relatively weak knowledge of what makes a community resilient, cohesive and strong. The variables used in the Jesuit analysis are shown in Table 1.2.10 below, and the ‘bottom five’ postcodes in Melbourne according to the Jesuit index are detailed in Table 1.2.11.

Table 1.2.10 Variables included in the Jesuit Social Disadvantage score for Victoria (weights not included)

<table>
<thead>
<tr>
<th>Variable</th>
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<tbody>
<tr>
<td>Number unemployed as proportion of the labour force</td>
</tr>
<tr>
<td>Number of long term unemployed for 24 months as proportion of the labour force</td>
</tr>
<tr>
<td>Proportion of households with incomes less than $30,000</td>
</tr>
<tr>
<td>Proportion of population who left school before 15 years of age</td>
</tr>
<tr>
<td>Proportion of 17-25 year olds not completed VCE/HSC and not in further training/education</td>
</tr>
<tr>
<td>Number unskilled as proportion of labour force</td>
</tr>
<tr>
<td>Proportion of all births &lt;2500 gm</td>
</tr>
<tr>
<td>Number of confirmed instances of child abuse as proportion of children 15 years or less</td>
</tr>
<tr>
<td>Number of persons admitted to hospital for psychiatric treatment as proportion of population &gt;18 years</td>
</tr>
<tr>
<td>Number of criminal offence convictions as proportion of population 18-50 years</td>
</tr>
<tr>
<td>Child injuries as proportion of population 18 years or less</td>
</tr>
<tr>
<td>Number of prison admissions as proportion of population 18-50 years</td>
</tr>
<tr>
<td>Proportion of households served by power companies that received ‘final notice’</td>
</tr>
<tr>
<td>Difference between actual and expected deaths after standardising for age</td>
</tr>
<tr>
<td>Proportion of persons 18-64 years receiving pension/sickness benefit</td>
</tr>
<tr>
<td>Proportion of individuals surveyed who are participants in organised recreational and sporting groups</td>
</tr>
<tr>
<td>Proportion of individuals surveyed who volunteer for community services</td>
</tr>
<tr>
<td>Proportion of individuals surveyed for whom informal help is available</td>
</tr>
</tbody>
</table>


Table 1.2.11 Five most disadvantaged postcodes in Greater Melbourne using Vinson’s general disadvantage factor

<table>
<thead>
<tr>
<th>Postcode</th>
<th>Suburbs within postcode</th>
</tr>
</thead>
<tbody>
<tr>
<td>3019</td>
<td>Braybrook, Braybrook North, Robinson</td>
</tr>
<tr>
<td>3177</td>
<td>Doveton, Eumemmering</td>
</tr>
<tr>
<td>3081</td>
<td>West Heidelberg, Bellfield, Heidelberg Heights</td>
</tr>
<tr>
<td>3047</td>
<td>Broadmeadows, Dallas, Jacana</td>
</tr>
<tr>
<td>3915</td>
<td>Hastings, Tuerong</td>
</tr>
</tbody>
</table>


However, each of these studies have attracted criticism. There are concerns raised about the usefulness of creating ‘score cards’ of disadvantage. Labelling suburbs as the most disadvantaged may not be a constructive or positive way to address entrenched problems. Also, while the variables which go into constructing these indexes may be associated with or ‘reflections of’ disadvantage, they are not necessarily the causes. Association does not equate to causation. With indexes such as these portrayed here, it is easy to fall into a ‘blame the victim’ approach, where connections are made based on the concentration of variables used: residents are seen to be to blame for the high crime rates, for instance or sole parents responsible for the high levels of child abuse reflected in their local area.

We need then, to be wary of the data and the way it is used. Data availability should not drive the analysis and we should remember that analysis is sometimes based on very small numbers (Bryson and Mowbray 2005: 99). Once again, values and perceptions of what constitutes disadvantage are crucial to the construction of these measurements.
1.2.13 Research: always interrogate your data sources

Sometimes we fall into the trap of blindly following statistics. But data collection, methodology and analysis is just as vulnerable to human values and subjectivity as other forms of assessment. Use indicators such as the ABS SEIFA index, for they are useful measures which tell us a great deal, but always be aware of their limitations.

Qualitative research can play a role here in enhancing empirical studies, by challenging conclusions about causation and ‘blame’ and through reasserting the voices of the excluded and disadvantaged. In contrast to quantitative or empirical studies, which look at population statistics and statistical trends and variations, qualitative research attempts to tell a different story by exploring the experiences and listening to the opinions of a few people but in far greater depth. As Murphy and Peel (2004) argue, approaching the ‘problem’ of poverty from the point of view of respecting and listening to the points of view of those actually living in hardship can transform our understanding and our approach to poverty and disadvantage. The VCOSS Snapshots of life report (Morabito 2001) and Peel’s Voices of Australian poverty (2003) are good examples of qualitative research which really listens to what disadvantaged people say. There is a need for more qualitative research such as this into the relationship between disadvantage, access and place.

1.2.14 Research: exploring the lived experience

There is a clear need for more qualitative research into the lived experience of disadvantage and how this changes from location to location. MacroMelbourne Initiative could foster, commission and encourage more qualitative research in this area and could tie this research into targeted micro areas, after doing broader macro analysis. Such research might focus on partnerships with community sector peak organisations, so that researchers can be more quickly linked into areas experiencing disadvantage. This model worked very well in the joint VCOSS – Federation of Community Legal Centre’s Human Rights Engagement Project which utilised the networks of each peak to engage a range of communities that experience disadvantage.

Qualitative research could be incorporated into any of the Initiative’s practical projects (eg retrofitting, or providing internet access). Of particular value may be ‘before’ and ‘after’ research listening to the experiences of disadvantaged people through the duration of the project. This could then also form part of the Initiatives program evaluations.
Melbourne people and place: some themes

Place and place-based approaches to planning and community development are becoming increasingly important in the modern policy context. In response to this perspective, the state government currently emphasises neighbourhood renewal in 19 locations as a way of tackling inequality and revitalising disadvantaged communities, with a number of partnerships between government, the community, local government and service providers in selected areas (DHS 2005a). While recognising that ‘community’ exists beyond the physical structures of the built environment, and that there are dangers in assuming that place-based planning can resolve all community problems (Ziller 2004), the emphasis on place can shed light on dimensions of disadvantage not considered in traditional conceptions.

In the context of understanding the relationship between people, disadvantage and place in Melbourne, four areas elaborated below are particularly pertinent:

• Employment and the changing labour market.
• Housing and housing affordability.
• Place.
• Accessibility.

Employment and the labour market

It is currently uncontested policy that an important determinant in breaking out of cycles of disadvantage and poverty is the ability to get regular, paid work. Unemployment is an important correlate in most studies of disadvantage, and can be a factor in escalating cycles of disadvantage and exclusion. Skill level is important here, even related to the education level attained at childhood. There is increasing evidence to suggest that access to education is not equal for all in Victoria, and in particular there are links between low socio-economic capacity and poor education outcomes (Teese 2000, Teese and Polesel 2003). This has significant implications for employment and skilling opportunities in the future.

Unemployment is distributed unevenly throughout Melbourne. Some areas have virtually no unemployment, other areas have rates twice as high as the official rate (see Box 1.2.8, below). Unemployment and employment opportunities are closely tied to the broader economic context. Changing national policies, justified as necessary in the face of globalisation, as well as technological advances have led to a decline in manufacturing and industry in Melbourne. This in turn has had an impact on the employment opportunities for the traditional working classes and low skilled labour set. Economic change has led to labour market changes, we have seen increased casualisation and more part time labour, and this in turn generates winners and losers. In addition, geographic analysis shows that jobs are located at sites most convenient to industry and jobs growth has not necessarily been in locations of greatest employment need. This places pressure on the transport system and communities. An unintended outcome of the removal of industry policy instruments is the reduced capacity for states to manipulate industrial location decisions.

Box 1.2.6: The distribution of unemployment in Melbourne

Recent Department of Employment and Workplace Relations (DEWR) data shows that compared with an overall Victorian unemployment rate of 5.5% (5.1% in Melbourne and 6.7% in the rest of the state), some areas of the state have rates in excess of 10%; with Broadmeadows in the western suburbs the highest at 13.8%; a rise from 10.7% two years ago. Adjacent suburbs of Sunshine and Preston recorded similarly high rates of 11.1% and 10.2%. To the south, Brighton’s unemployment rate is 1.7%.

Unemployment north and west of the Yarra is generally higher than in the south and east. The only pockets of high unemployment south of the river are Dandenong (7.9%), Oakleigh (7.3%) and the southern Mornington Peninsula (7.0%). The jobless rate was 2.7% in Berwick, 2.8% in Balwyn, Middle Park and Prahran/Toorak, 3.3% in Caulfield, and 3.4% in Kew. St Kilda was 4.5%. In the north, the main pockets of low unemployment apart from Eltham/Warrandyte were Greensborough (3.2%) and Strathmore (3.4%) (Colebatch 2005a).

However, some of the highest unemployment is recorded in the regional and rural areas of Victoria. Unemployment was 13% in Maryborough. It was 10.8% in Eaglehawk, 10.7% in Corio, and 10.2% in Castlemaine.
Ideas File

1.2.15 Research: monitor impact of industrial relations reforms

An area of relevance to the progress of disadvantage in Melbourne is the impact on certain sections of the working population of the federal industrial relations reforms. The MacroMelbourne Initiative could monitor the impact of IR legislation on certain vulnerable work forces in Melbourne, for example women, sole parents, young people, people with primary school only education, or people who are geographically isolated.

However, we should be wary of focussing solely on employment. Just getting a job is not always a possible solution or the only solution for those experiencing disadvantage. Employment is not a solution for:

- People with chronic or debilitating illness who are unable to gain employment.
- People past retirement age, who may not have the financial resources to support themselves well.
- Single parents who have responsibilities towards raising their children.
- People who experience discrimination in gaining employment or access to good employment, for example disabled people, older people, Indigenous Australians, refugees and people from a non-English speaking background.
- The ‘working poor’: families and households with people who work one, perhaps two jobs and yet still struggle to pay the bills.

Box 1.2.7: Policy context: welfare to work

The federal government recently passed legislation aimed at reforming the welfare payment system and increasing ‘workforce participation through a balance of improved services, increased financial incentives, and appropriate obligations. The measures include changes to income support payments, increases in employment services, changes to participation requirements, and a new compliance system’ (DEWR 2005: 1).

ACOSS estimates that with the passing of the Welfare to Work Bill, 158,000 people will worse off, as people on Disability Support Pension (deemed capable of 15 hours work per week) and Supporting Parents Benefit (whose youngest child turns eight) are shifted on to Newstart; resulting in lower payments, higher effective marginal tax rates, payment preclusions for up to eight weeks and activity requirements defined by departmental regulations rather than transparent and fixed in legislation (ACOSS 2005b).

They argue: ‘The countries that have been most successful in getting people from welfare to work are the ones who have made spending increases not cuts. Denmark reduced unemployment from 9.6% in 1993 to 5.4% in 2004 by spending three times more on employment, training and counselling than Australia.’;

‘Rather than putting people on lower payments, to get more people into work the Government must address work disincentives such as effective marginal tax rates and increase investment in employment assistance to give people the means and incentives to find a job.’ (ACOSS 2005b) *(ACOSS 2005 press release December 6).

Housing and housing affordability

Housing is central to understanding disadvantage. The level of household debt has now reached alarming levels, with much of this tied up in home mortgages. Thus many ordinary Australians are vulnerable to economic fluctuations, even at a minor level. Negative gearing and capital gains tax exemptions have encouraged investors into the housing market, inflating house prices and squeezing home owners out. Investment housing comprised 40% of new housing lending by mid 2002 (Wolthuizen 2003). ‘Over a third of the demand for housing finance over recent years has come from investors, mostly individuals, attracted in large part by the strong gains in house prices observed until recently’ (The Treasury 2005). Given that only one third of Australian households hold a mortgage, as Treasury observes, these households account for a higher debt-to-income ratio although it is older households with better capacity to service repayments that account for an increasing amount of dwelling purchases. ‘Other studies suggest household debt is mostly being borrowed by households with higher incomes who are better placed to bear it’. Although Treasury concludes from analysis based on aggregate figures that there is ‘little evidence that households as a whole have
become overextended in terms of debt and at this stage the servicing burden does not appear to be constraining households, with indicators of financial stress – such as loan arrears – remaining low, this does not take into account the regressive impact of debt on low income households and those with few assets.

At the recent National Summit on Housing Affordability (National Summit on Housing Affordability 2004), signalling the decline in housing affordability for lower and middle income Australian households, concern was expressed that over the last decade:

- Average house prices relative to income have almost doubled.
- The proportion of first home buyers has fallen by 30%.
- Average monthly payments on new mortgage loans have increased by around 50%.
- The proportion of low-rent dwellings has fallen by 15%.
- Effective opportunities to rent public have fallen by about 20%.
- On any night, around 100,000 Australians are homeless (Berry 2004: 1).

Reynolds and Wulff (2005) found a significant relationship between movements in house prices and patterns of advantage and disadvantage in Melbourne over time. Home ownership is no longer the financial buffer it once was (see box 1.2.8, below).

According to NATSEM research, 8.8% of Australian households (883,000 households) pay more than 30% of household income on housing rent or mortgage repayments. Of these households in stress:

- Two-thirds are private tenants.
- One-quarter are home purchasers.
- Half are singles, a fifth are couples with children and 13% are single parent households.
- Most households in stress have a head who is in the peak working age range.
- The households in greatest risk of stress are: private tenants, sole parents and both young and older people.
- The proportion of private tenants in stress has fallen somewhat since 1998 (due probably to the fact that rents have not risen as fast as house prices in Sydney and Melbourne) but stress has intensified for home purchasers (Berry 2004: 1).

The latest figures from the Office of Housing report that in Victoria:

- The cost of private rental accommodation is rising faster than inflation.
- Affordability for low income Victorians is tight, particularly for single person households. There has been a significant decline in the availability of affordable one bedroom dwellings (DHS 2005b).

In addition, there is a lack of affordable rental stock in Australia. Yates and Wulff (2005) point out a significant proportion of the low rental housing stock is occupied by middle to high income earners. Low income earners compete with those in the higher income groups for affordable housing to rent. Once this is taken into account, a significant shortage of low rental housing is apparent in Australia, with some renters forced into higher rental brackets, which reinforce the degree of financial stress and likelihood of financial exclusion (Yates and Wulff 2005).
House prices in Melbourne are strongly associated with patterns of advantage and disadvantage and high and low income. Research comparing 1986 with 1996 in each of Melbourne's 327 suburbs found that Melbourne's household income distribution became increasingly polarised over the decade, with increases in both high and low income households and negligible change in moderate and moderate-high households. Significantly, "the absolute number of low income households increased by more than 84,000 over the ten year period: more than three times the number of high income households", establishing a "widening gap" in terms of economic and social opportunities and a trend of growing disadvantage (Reynolds and Wulff 2005: 2-4,13).

The disadvantaged suburbs formed a "contiguous perimeter around the inner and eastern-middle areas, extending also to the northwest and the southeast" containing the "post-war industrial estates and public housing developments in the north, west and southeast"; described by the authors as "structurally vulnerable suburbs of the mid to outer-suburban post war industrial estates". These trends were strongly associated with high unemployment in some areas and an increase in the number of retired and elderly households in others, such as the eastern region. In terms of the relationship between house prices and polarisation, the housing market tended to reinforce the pattern of polarisation: advantaged suburbs experienced significant house price rises (thus delivering significant capital gains) while this was not the case for regions experiencing "rapid disadvantage"; with some recording "significant real losses in house prices" (Reynolds and Wulff 2005: 22).

Box 1.2.8: Housing and disadvantage in Melbourne: trends from 1986-96

Reynolds and Wulff found that, on the whole, the inner suburbs over the 10-year period experienced steady to rapid advantage, indicated by dark blue (rapid advantage) or light blue (steady advantage) in the map reproduced here. All but one of the suburbs which experienced rapid advantage were in the inner region. Advantage was defined in terms of the change in proportion of high income households in a suburb: "If a suburb experienced more than 20% decline in low income households and a corresponding 20% greater than expected change in high income households, these suburbs are defined as undergoing "rapid advantage". Some outer eastern suburbs also experienced steady advantage. However, many of the middle to outer ring of suburbs experienced increasing disadvantage, of which 30 were places of rapidly growing disadvantage. These suburbs were mainly clustered around the post-war industrial estates and in some south eastern bay side suburbs’ (Reynolds and Wulff 2005: 21).

Place

As Reynolds and Wulff’s research shows, geographic location plays an important role in contributing to and intensifying social advantage and disadvantage and in the ‘spatial translation of social polarisation’ (Reynolds and Wulff 2005: 1, see also Box 1.2.9, above). Vinson, in his literature review on the impact of location on disadvantage, points to many new areas of research showing that neighbourhood and place can exert a very strong influence on people’s lives (Vinson 2004: 30-45). In relationship to disadvantage, Vinson (drawing on Gladwell 2002), uses the idea of a community ‘tipping point’, where an accumulation of negative effects in a location can begin to snowball and create or accelerate further disadvantage.

VCOSS has identified some of the links between disadvantage and place in Victoria (Morabito 2001), although there is much more research which could be done in this area. In the 2003-2004 State Budget Submission VCOSS pointed out (VCOSS 2002) that Australia’s ‘demography of disadvantage’ shows:

- Inequity is increasing.
- The relationship between low incomes, unemployment and geographic location is considerable and has increased.
- The relationship between geographic location and education outcomes is considerable.
- Family income is becoming more important in terms of a child’s life chances.
- Inequity and poverty are both inter-generational and related to geographic location.

What this means for Victoria is that there are specific areas of Melbourne and parts of the state where poverty and disadvantage affect generations of families, who are unable to access the type of services that might enable them to change their circumstances (VCOSS 2002). In terms of Greater Melbourne, there is particular concern that service delivery has not kept up with population growth in
the outer urban-rural fringe suburbs. The recent RMIT study into ‘human service gaps in the interface’ (Marston, Morgan et al 2003) identified specific challenges in growth corridor suburbs: the lag in services adjusting to demographic change, lack of adequate public transport, the need to provide funding mechanisms that allow for the costs of outreach for geographically disbursed communities and lack of provision of social infrastructure such as funded government and community sector agencies to assist newly established communities (see Box 1.2.19, below). The YACVIC (2005) report, Snapshots from the Edge: Young People and Service Providers on the Urban Fringe of Melbourne, draws attention to the particular needs of young people in outer suburban growth suburbs, who are missing out on some services and opportunities; in particular, accessible and timely public transport, access to mental health services, housing and homelessness, education and employment issues and youth dimensions of planning, infrastructure and services funding.

But there is a lack of understanding of the spatial dimensions of disadvantage. The ABS has developed a set of socio-economic indexes for areas (SEIFA), which are designed to aid in the spatial analysis of advantage and disadvantage (ABS 2001b). However they acknowledge that the SEIFA indexes do not provide insight into aspects of ‘locational disadvantage’. The indexes do not measure ‘an area’s infrastructure such as schools, community services, shops and transport’. And while ‘such information is considered to be important to the concept of advantage or disadvantage … for example, rapidly growing outer suburban areas may suffer from locational disadvantage rather than a socio-economic disadvantage (ABS 2001b)’, the ABS currently lacks the measurement tools to capture locational disadvantage.

The Department of Infrastructure, in their innovative analysis of the effects of change on Melbourne’s suburbs, Suburbs in Time (DOI 2000), argues there is a need for more research and a better understanding of places, particularly as it relates to actual activities of people and movements within small geographic areas. Currently urban planning and social policy is hampered by a lack of understanding of what actually goes on within and between areas: ‘There is a need for more research and analysis to be conducted, especially in relation to the daytime activity in suburbs, which is such an important component of service provision across Melbourne’s suburbs’ (DOI 2000: 5).

**Box 1.2.9: Locational disadvantage: gaps at the Melbourne metropolitan interface**

An RMIT study of human service gaps faced by the eight ‘interface’ municipalities straddling the urban fringe of Melbourne identified as problematic distance from the metropolitan CBD and ‘overstretched human services and community infrastructure’. The study looked particularly at the needs of families with children and of young people aged 12 – 24 (Marston, Morgan et al. 2003). The authors identified particular challenges for these LGAs:

- providing services at the urban fringe that keep up with very high rates of population growth and large numbers of families with children under five,
- maintaining the sustainability of services in small rural towns, and
- providing outreach services to more dispersed populations in rural areas (Marston, Morgan et al. 2003: 3).

Using indicators on low-birth weight, rates of breast-feeding and post natal depression, child protection data, school completion rates, youth unemployment, drug use, and young people and self-harm, the study pointed to disturbing trends including:

- infants at the Interface have a higher incidence of low birth weight, and are less likely to be breast-fed than those in both the metropolitan and rural health regions,
- the Interface has significantly higher rates of post-natal depression than both metropolitan Melbourne and rural Victoria,
- the Interface has higher rates of child protection notifications, substantiations and care and protection orders than metropolitan Melbourne,
Box 1.2.9 continued

- young people living at the Interface are less likely to complete secondary schooling, with knock-on effects in terms of participation in higher education and opportunities in the knowledge economy (Marston, Morgan et al. 2003: 3).

Some of the recommendations of the report include:

- ensuring that Interface councils can access rural and regional funding programs for delivery of services to their non-urban areas;
- measures to ensure that funding relates to actual population levels in real time,
- better use of existing developer contributions to fund community infrastructure,
- models of service delivery such as Community Hubs, One-Stop Shops, outreach services and tele-outreach initiatives,
- incentives to attract the involvement of community- and church-based agencies as key elements in the building of community networks; and
- mechanisms for improving the strategic planning of human services and community sustainability into the future (Marston, Morgan et al. 2003: 4).

In their study Rethinking the Region, Allen, Charlesworth and Court et al. (1998), argued that it is the relationships between places that is just as important as the geographic differences and the typical indicators that we use to distinguish them such as employment and income:

Social space, we would argue, can also be understood as the product of social relations. That is to say, it can be conceptualised as the product of the networks, interactions, juxtapositions and articulations of the myriad of connections through which all social phenomena are lived out. (Allen, Charlesworth et al. 1998: 50).

For the MacroMelbourne Initiative, taking an approach which focuses on relationships rather than the accumulation of empirical indicators may help to foster innovative approaches to disadvantage.

Ideas File

1.2.16 Strategy: focus on the interface municipalities

There is some consensus in Melbourne that the outer urban growth suburbs such as Casey, Wyndham, Melton, Cranbourne and Hume lack service delivery, yet many welfare programs are still being piloted and run in the inner and middle suburbs. The MacroMelbourne Initiative could make the interface municipalities a priority area, looking at innovative programs, pilots, or action research models which could be implemented in the outer urban fringe. The Gaps at the Interface campaign (Human Services Directors from the Interface Councils 2004) and the Snapshots from the Edge report (Youth Affairs Council of Victoria 2005) would be good starting points for program ideas in this area.

Ideas File

1.2.17 Research: researching locational disadvantage

There is a clear need for more research into locational disadvantage factors. MacroMelbourne Initiative could position itself to become the leader in developing, monitoring and commissioning research into measures of locational disadvantage. The DOI publication Suburbs in Time notes that we currently do not understand very well what people do in their suburbs: where they go, what they do, how they spend their time (DOI 2000: 5). This could be a useful starting point for the Initiative, particularly if it focused its research on inequalities in time use and activity and the relationship to disadvantage. The ABS Time Use Survey, due to be rerun next year, may be worth looking at (ABS 1998).
Accessibility

One of the insights of the social exclusion approach to disadvantage is that it emphasises the level of connectedness and participation individuals have to their broader community. It can be useful, for the purposes of exploring disadvantage in Melbourne, to think about the way different factors can interrelate and intercept to create sites of exclusion and disadvantage. This reinforces the point made above, that the relationships between factors contributing to disadvantage are as important to understand and trace as their geographic location.

Accessibility becomes an important category in interrogating patterns of inclusion and exclusion. Indeed, it may be more important to focus on accessibility rather than place. Fincher and Wulff (1998), question the concern with locational disadvantage, or the assumption that living on the urban fringe automatically produces disadvantage. They make the point that location is ‘relatively insignificant with respect to access’. That is, those who live on the urban fringe and are well resourced may suffer some inconveniences, but they are compensated in other ways, for example having high quality affordable housing, desirable and uncongested settings, and a strong community (Maher and Stimson 1994, cited in Fincher and Wulff 1998). Fincher and Wulff argue that those who suffer access difficulties on the outer fringe tend to be the marginalised and vulnerable groups who would be disadvantaged in any location. This suggests that instead of focussing on location as the source for disadvantage, a better focus may be accessibility.

Recently, VCOSS has been involved in campaigns to promote better accessibility, particularly accessibility of the built environment for people with a disability or mobility impairment (VCOSS 2005c). The 2003-2004 VCOSS State Budget Submission (VCOSS 2002) identified accessibility of services as a major shortfall in welfare division in Victoria. A range of factors affects how accessible services are to Victorians who experience disadvantage. VCOSS argued that for services to be universally accessible, they need to be affordable, inclusive, located in reasonable proximity, timely and sustainable (VCOSS 2002). In many areas, Melbourne and Victoria fall down in terms of accessibility of services.

Accessibility has both concrete spatial dimensions – reflections of the built environment, the buildings, the footpaths, the location of pedestrian crossings, and more abstract community dimensions – level of connectedness to the community, access to social body and networks. Looking at inequalities of access and barriers to participation reveals a new set of vulnerabilities:

- People with a disability or frailty experience accessibility problems both in access to the built environment and access to employment and to other resources including fresh fruit and vegetables.
- Language barriers can hinder access and participation and may become a concern particularly for elderly non-English speakers who may rely on carers or others to enable access to services.
- People with poor skill sets experience difficulties in accessing the employment market.
- People who lack internet and telephone access are increasingly locked out of social and educational opportunities, as well as lacking basic service provision.
- People who lack access to transportation may be disadvantaged in many ways, including hindered access to employment, basic goods and services, recreation and social interaction.

However, currently in Australia we do not measure accessibility very well. The recent Victorian Community Indicators Report highlighted the absence of information on accessibility at all levels in Victoria. After consultation with local communities, government and other organisations, the report identified 138 indicators which are seen to be important in the measurement of Community Health (Victorian Community Indicators Project 2005). Ten of these desirable measures were given the label ‘no indicator is presently available’. And six of those 10 were desired measurements of accessibility. These indicators (see Table 1.2.9 below) related to access to public transport, services and shops. This ‘wish list’ of information we currently do not possess, reinforces the findings of the DOI (see discussion above) that we lack knowledge of people’s daily activities in their local area.
Table 1.2.12 Indicators related to accessibility for which ‘no indicator is presently available’, Victorian Community Indicators Project

<table>
<thead>
<tr>
<th>Indicator</th>
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<tbody>
<tr>
<td>Disability access to public transport and services</td>
</tr>
<tr>
<td>Number (or percentage of) Indigenous families accessing services</td>
</tr>
<tr>
<td>People who do their shopping locally</td>
</tr>
<tr>
<td>% who rate ease of travelling around the area as adequate or better</td>
</tr>
<tr>
<td>Satisfaction with transport access</td>
</tr>
<tr>
<td>Young people’s perceptions of public transport safety and accessibility</td>
</tr>
</tbody>
</table>

Source: Victorian Community Indicators Project (2005)

There is, then, a clear need for more research into accessibility and equity at a local level.

Ideas File

1.2.18 Research: accessibility

There is a clear need for more research into accessibility and how it relates to disadvantage. The MacroMelbourne Initiative could position itself to become the leader in developing, monitoring and commissioning research into measures of accessibility.

1.2.19 Strategy: focus on connectedness

A possible theme for the MacroMelbourne Initiative could be a focus on connectedness. Connectedness is related to the concepts of accessibility and community inclusion and can have both concrete and abstract dimensions. For example, under the banner of connectedness the Initiative could both campaign to enhance public transport accessibility, for example contribute to the VCOSS organised Coalition for People’s Transport campaign (Coalition for People’s Transport 2004), and at the same time work towards enhancing access for disadvantaged people to the internet, perhaps setting up a partnership with an Internet democracy group such as Infoxchange (Infoxchange n.d. [c. 2005]) or the Association for Progressive Communications (APC 2005). Given the links between connectedness and community, there may be the opportunity for matched DVC funding here.
Conclusions: understanding disadvantage

The state of research into poverty and disadvantage in Australia is, then, in some disarray. It is marked by fierce debate and controversy, centring over the crucial question of values. There are various approaches to measuring and conceptualising disadvantage in Australia. We have identified three broad themes: the poverty and poverty measurement approach, the social exclusion approach, and the community wellbeing approach. There is a vast amount of empirical data available on socio-economic conditions, stress levels, income levels and income types, but at a fundamental level it seems we really still do not understand disadvantage well. We know which groups or cohorts are vulnerable to or at risk of poverty and disadvantage, but we don’t really understand what causes it and what interventions may stop it from occurring. This is a problem from a strategic point of view, because strategic thinking requires concrete steps for action and often measurable outcomes are the first stage in a strategic approach. While it may seem that the last thing Australia needs is more research into poverty and disadvantage, we have identified some gaps in the knowledge base which the MacroMelbourne Initiative may wish to invest in:

- Investing in research into measures of deprivation, exclusion and community inclusion and health, particularly those which other studies have identified as missing.
- Listening to the voices of disadvantaged people in different places: more qualitative research.
- Explore the concept of locational disadvantage.
- Encourage research, projects and programs which focus on the outer urban fringe of Melbourne.
- Fill a gap in current research by exploring the daytime activities of people in suburbs.
- Develop accessibility and support research efforts into defining and researching accessibility.
- Look at the concept of ‘connectedness’ as a possible strategy direction.

There are currently no universally agreed upon tools for measuring disadvantage in Melbourne, but we can choose to see this as an opportunity rather than a barrier. There is a space for innovative thinking about poverty and disadvantage, the relationships between people and place, accessibility and connectedness.
1.3 DEALING WITH RISK AND UNCERTAINTY

Introduction

One of the major themes driving the MacroMelbourne Initiative is a desire to encourage the community of philanthropic organisations and corporate citizens to think strategically about disadvantage in Melbourne. Melbourne Community Foundation and its partners wish to move giving in Melbourne away from a single issue focus to a more strategic focus, based on research, demography, epidemiology and on place based analysis.

In the previous section we addressed some of the issues important to strategic thinking: understanding the ‘now’. The ‘now’ problem in terms of disadvantage relates to how we understand and conceptualise disadvantage. How do we measure disadvantage? What is our goal? And what are our benchmark figures against which future gains or losses will be measured? In ‘understanding disadvantage’ we attempted to provide some preliminary answers to these questions (ie. looking at measuring instruments, what data sources already exist and what indicators we might wish to develop, and so on). In this section we discuss the ‘future’ part of strategic planning: how do we predict what will happen with disadvantage in Melbourne in the future? What are the clouds we see on the horizon? How do we understand what may happen, in order for us to plan ahead?

Predicting the future: the crystal ball problem

We don’t really know what’s going to happen in the future. But, in some areas, we have very good knowledge of trends. We know, for example, that Australia is on the verge of a great demographic change. The baby boomers, those born between 1946 and 1964 are entering a new stage in their lives and will start, over the next 20 to 30 years, transitioning to retirement. Lifestyle patterns have been changing and fertility levels have slowed, meaning that over the next 30 or so years, as the baby boomers age, so will the overall population. This trend has generated celebration (we are living longer, we have increased opportunities for life, love and leisure) and consternation (the intergenerational report, the fear of the looming ‘age crisis’). However, we don’t know what the outcome of these transformations will be. We can never predict with any degree of accuracy, what will happen next, and how our world might change.

Box 1.3.1: Major changes facing Victoria

In *Victoria in Future*, DSE published a set of population projections for Melbourne and Victoria to 2031 (DSE 2004b). It identified five major issues on the horizon for Melbourne and its citizens:

1. We are on the cusp of a major demographic change:
   - Fertility levels are declining
   - The issue of ageing – the baby boomers are getting older
   - Our living arrangements are changing – we are seeing fewer family-based households and more lone person and couple households
   - Households are growing faster than the population
   - Geography matters – changes will vary widely across Victoria, and suburbs and regions will experience different effects.

What the trends tell us

As the DSE publication *Victoria in Future* points out, the population trends that we see emerging in Melbourne today are the result of a set of complex and long term historical factors (DSE 2004b). Projections and speculations of the future based on trends can only tell us a possible future based on the continuation of those trends. That is, while trend data may give us some insight into the future, it really cannot tell us what will happen. Trends can only tell you about what has happened up to this point. Often when we speak of ‘new trends’ we are talking about patterns or processes which have been underway for some time. The phenomenon of the ‘working poor’, for example, where households fall below a defined poverty line even though members of the family are working, has been happening since the 1990s. However, it has taken some time for us to recognise the phenomenon and develop policy responses to it (Borland, Gregory et al. 2001, Senate Community Affairs Reference Committee 2004).
Table 1.3.1 Population and demographic projections relevant to Melbourne

<table>
<thead>
<tr>
<th>DSE Publications:</th>
<th>ABS Publications:</th>
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</thead>
<tbody>
<tr>
<td>Victoria in Future (2004b)</td>
<td>Population Projections</td>
</tr>
<tr>
<td>Population bulletin (updated yearly, last update 2005a)</td>
<td>Australia (2003c)</td>
</tr>
<tr>
<td>Know your area (web site containing a range of statistics n.d. [c. 2005])</td>
<td>Household and Family Projections</td>
</tr>
</tbody>
</table>

Scenarios and scenario planning

Sometimes when looking at how patterns of disadvantage might change or move in the future, it is often more important to consider the areas of disruption and crisis: the events which cause sudden change. We have only to recall the events of 11 September 2001, and the radical world changes which followed it, to understand how rapidly change can impact our environment, and how the ordinary course of events can be radically transformed by disruptive change. Trends only tell us what will happen if things continue as they have been.

Box 1.3.2: The MacroMelbourne Initiative  
future focus

For vulnerable groups in our society, the relevant question may not be what will happen if things continue as they have been (although, as we have discussed in the previous section, the state of disadvantage now in Melbourne is a concern), but what will happen if things change? For instance, if a serious recession hits tomorrow, what will the impact be on heavily mortgaged families just now managing to pay the bills? What will happen to the price of investment properties, and the cost of rents? Who will stay employed and who will struggle to find work? What will be the impact on the welfare system? What will happen if the intensification of weather patterns now associated with global climate warming impacts on Melbourne?

Thus it is often useful to explore on scenarios, and consider a set of possible futures based on different events. Managing risk and complexity must now be an integral part of social and ecological planning.

Most population projections involve a degree of scenario planning – the ABS provides three sets of projections to 2021 based on different scenarios regarding birth rates and immigration rates (ABS 2003c), and the DSE considered population scenarios in its Victoria in Future research (DSE 2004b). However, scenarios can be developed for broader social issues as well, such as the Business Council of Australia’s Aspire Australia scenarios (BCA 2004, see Box 1.3.3, below). The Glasgow 2020 project, an initiative of the UK think tank Demos to ‘bring together the imagination of the city to tell a new story about its future,’ was an envisioning project which attempted to involve the community in imagining the future. The project involved community participation, an interactive website, and generated considerable publicity in the local press (see Box 1.3.4 below and also Glasgow 2020 2005). Like trends, scenarios tell us much more about the present than they do about the future, and they change as events change. However, scenario planning can be a useful tool for strategic thinking. Considering scenarios can spark debate and force a longer term view of problems.

Box 1.3.3: Aspire Australia: an example of scenario planning

In 2004 the Business Council of Australia undertook a major scenario-building project, Aspire Australia, to consider Australia’s future. Eighty ‘opinion leaders’ from diverse economic, social, political and community backgrounds developed three scenarios for Australia to 2025. After the initial development process, the BCA identified six themes of relevance to Australia’s future: sustainable development, governance, global competitiveness, growth and social change, Australia’s place in the global and regional order and values and norms. The scenarios were detailed depictions, written in present tense and describing what would happen within time frames for Australia. Here is a summary of the scenarios:

**SCENARIO 1: RIDING THE WAVE**

‘In Riding the Wave global prosperity is no guarantee of prosperity in Australia. A breakdown in trust between people and institutions undermines Australia’s capacity to grow. A decline in Australia’s economic performance and social capital ultimately leads to a re-examination of our political structures.’
Box 1.3.3 continued

SCENARIO 2: STORMY SEAS

‘In Stormy Seas, an initial period of high growth gives way to a sustained decline in Asia Pacific stability and security, challenging Australia’s international and economic relations. Australians have become more nationalistic, more cohesive – we are more tolerant towards difference within Australia, but at the same time cocooned in our view of the rest of the world.’

SCENARIO 3: CHANGING THE CREW

‘In Changing the Crew, a new generation of pioneers creates a sharper-edged Australia, resulting in friction with other generations. Australians are more strongly connected with the rest of the world than ever before, economically and culturally.’

Source: (Business Council of Australia 2004)

You may or may not agree with the scenarios developed and the conclusions, assumptions and aspirations connected with them. However, the scenario building process does generate dialogue and discussion, and it can aid long-term thinking. It can be a useful strategic tool.

Box 1.3.4 continued

• Glasgow Evening Times, 19/10/2005 ‘Our 2020 vision for future Glasgow. Starting today, the Evening Times asks its readers the question: what kind of Glasgow do you want in 15 years’ time? Do you want better schools, more green spaces, fewer cars on the roads, more police...? Do you want to see graffiti and anti-social behaviour abolished, a city of full employment, with better public transport, and a greater community spirit across the city? We’ve joined forces with Demos, a leading think-tank, to ask Glaswegians to develop a 20:20 vision of their own. Demos has launched a Glasgow 2020 project - and its aim, according to Demos associate Gerry Hassan, is to bring out the voice of the entire city: writers, artists, taxi-drivers, hairdressers, newcomers and old-timers, young and old alike. Gerry, a well-known commentator on Scottish politics, says: “Glasgow 2020 is a project to collect together the imagination of the city to tell a new story about its future. Whether Glasgow is going to be a better place or a worse place in 2020, one thing is sure - it won’t be the same as it is now.” (Glasgow 2020 2005).

Box 1.3.4 continued

Glasgow 2020 is an initiative of the UK think tank Demos to ‘bring together the imagination of the city to tell a new story about its future.’ The dedicated website is a place to read and submit stories, make wishes and to hear about and participate in events and projects. It challenges participants with thinking how old they will be in 2020, what Glasgow can be like then and what wishes would make Glasgow a better place to live in. Postings on the website (Glasgow 2020 2005) tell the story.

Unlike a professional scenario project, which uses the forecasting of a panel of experts (see Box 1.3.3 above), the Glasgow 2020 project engages the storytelling and imagination of the entire community to provoke debate and awareness of future issues for the city.
Ideas File

1.3.1 Strategy and project: undertake a scenario planning project or develop scenario planning expertise

MacroMelbourne Initiative could invest in a scenario project for Melbourne, exploring the possible futures for Melbourne's people, with a focus on alleviating disadvantage. It could use the BCA's Aspire Australia project as a starting point or could start an entirely new scenario project. There could be considerable interest within the welfare or philanthropic sector for a project such as this.

Another option for the Initiative may be to consult with professional scenario planners and develop an expertise in the area, so it could then resource the community, philanthropic and corporate sectors. The Initiative could be an initial resource point for the community sector in aiding to conduct scenario planning around, for example, aged care, family needs or disability. VCOSS believes there is considerable interest in the welfare sector and need for this ‘envisioning’ ability and capacity, and there may be room for partnerships with organisations, particularly those concerned with the future of aged care, such as the Council for the Aged (COTA), Victorian Association of Health and Extended Care (VAHEC) or the MAV or VLGA.

Another strategic option may be a community envisioning project such as the Glasgow 2020 project. The Macro Melbourne Initiative could join with a local think tank to start a similar Melbourne 2030 project to involve local media, youth and citizens in a vision for 2030.

Ideas File

1.3.2 Research: need an ongoing commitment to future research, advocacy and action

The MacroMelbourne Initiative should recognise that future planning is an ongoing process. If it is to invest in future studies, and strategic thinking, it needs to have an ongoing commitment to understanding causes and relationships. Set a target of undertaking regular reviews of trends and consult regularly with planners, or commission regular forecasting or scenario planning events.

Understanding the future requires understanding the past

There is a need to look at the processes of disadvantage in our past, and in particular our recent past, in order to help us understand the future. If we want to know what the future is of disadvantage in Melbourne, and we know that good trend analysis depends on a good understanding of causes and consequences, once again this points to a need to understand the complex processes of disadvantage before we can point to its future. This relates to the second section of this discussion paper, where we discuss the complexity of the concept of disadvantage, and the difficulties we have in developing robust measurement tools.

This is particularly important today when many commentators agree, the forces of globalisation have changed economies and societies in ways we are still struggling to understand. Some recent studies tracing the historical and geographical patterns of disadvantage have highlighted the winners and losers of these global economic processes. Good examples of historical-geographic analyses of Melbourne include Bryson and Winter’s study An Australian Newtown: 1960s to 1990s (1998), and the DSE’s Suburbs in Time (DOI 2000). There has also been some recent work mapping the history of housing affordability in Melbourne (Reynolds and Wulff 2005, Wood and Stoakes 2005) and work undertaken by the People Together Project’s community audits and Social Justice Report Card project where women mapped the changes under the Kennett government and the growing
disadvantage in both locations and for particular population groups (Hancock and Morabito 2003). However, the canon of work exploring the historical and spatial history of disadvantage is small, and there is a need for further research in this area.

Ideas File
1.3.3 Research: invest in historical-geographic analysis of disadvantage

The MacroMelbourne Initiative could invest in historical-geographical analysis, focusing on the history of disadvantage and place in Melbourne and visioning new futures.

In part, the recognition of this need to better understand the causal factors of social advantage and disadvantage has prompted investment into longitudinal studies of lifestyle patterns and spending habits. We are at the stage now where the results of some of these longitudinal surveys are providing new and insightful results (Fincher and Saunders (2001) mention British panel data which is revealing insights). However, we need to interpret the results of longitudinal panel surveys with caution.

For example, recent interpretations of the Household Income and Labour Dynamics (HILDA) Survey suggest that poverty, for most people, is a transitional event, linked to certain life stages (such as starting a family, or buying a first home), and most people find their own pathways out of it (Melbourne Institute of Applied Economic and Social Research 2004: 21-22). However, as Headey points out, longitudinal studies, which rely on panels of people returning to complete questionnaires over a long period of time, are not good at capturing the extremes of advantage and disadvantage (Headey 2005). Panel studies such as HILDA have difficulties keeping track of the most transient of their respondents, and have no option but to replace them with others who suit certain criteria (Watson and Wooden 2004, Melbourne Institute of Applied Economic and Social Research 2004). Thus HILDA effectively excludes those who have become invisible through (perhaps) loss of livelihood, moving house and loss of telephone or connectivity. Panel studies should thus be viewed sceptically when referring to the most severely disadvantaged groups in Australia, although they can tell us a great deal about the middle or average Australian.

Nevertheless, the HILDA survey remains a rich source of information on the life of Australians over time, and one which is still revealing insights. The findings provide food for thought and provoke questions about pathways and transitions out of poverty and disadvantage. What, for example, enables one individual or household to negotiate their way through periods of deprivation and hardship and others not?

Table 1.3.2 Some current longitudinal studies in Australia

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Longitudinal Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women's Health Australia</td>
<td>The Australian Longitudinal Study of Women's Health (Women's Health Australia 2005).</td>
</tr>
</tbody>
</table>

Ideas File
1.3.4 Research: keep a track of longitudinal data to explore pathways out of poverty and disadvantage

The MacroMelbourne Initiative could monitor longitudinal studies such as HILDA to explore pathways and transitions out of poverty. Important considerations might be: what enables one individual or household to negotiate out of periods of deprivation and hardship and others not? Qualitative longitudinal studies would assist in understanding risk and resilience.
Resilience: the ability to cope with rapid change

The preceding discussion points to the need for a better understanding of what makes a person, or household, or place, resilient to change. What resources or capabilities are needed for people to be able to adapt to changing employment markets, rises in interest rates, variable welfare reforms, increases in rental payments and environmental change? Headey (2005) suggests adopting a flexible life-cycle approach to conceptualising risk or vulnerability to poverty and disadvantage. On this conception, it would be recognised that ‘different capabilities and functionings assume – or should assume - prime importance at different stages of the life cycle’ (Headey 2005: 60). For Headey, perhaps the most important aspect is to focus on young people – to develop and enhance their capabilities. (Headey 2005: 60). Vinson, in his study attempts to incorporate a conception of resilience into his study of the geographic patterns of disadvantage in New South Wales and Victoria (Vinson 2004). For Vinson, social cohesion can provide resilience to otherwise disadvantaged communities. In either approach, a commitment towards encouraging resilience suggests a long term view which attempts to foster capabilities and capacities in communities and individuals.

There is some merit, then, in developing a measurement of resilience. This concept would need to be worked through more rigorously, but we suggest that it would include the following dimensions:

- Capacity to withstand rapid change.
- Access to support networks.
- Financial shock absorbers.
- Income security.
- Re-skilling ability.
- Employability.
- Level of health.

Ideas File
1.3.5 Research and strategy: develop a program to measure and foster resilience to poverty and disadvantage

The MacroMelbourne Initiative could involve a number of new social partners to take a leadership role in developing a strategic framework for measuring and fostering resilience to poverty and disadvantage. The Initiative could consider becoming a partner in a clearing house for co-ordinating research effort.

What are the major drivers of change?

Planners and policy makers talk about the ‘drivers of change’. They point to the need to understand the processes or trigger events that lead to changes in people’s lives. In this section we list briefly some of the issues that may bring change to Melbourne and the people who live there.

In terms of the future of Melbourne, seven drivers are prominent in current debate:

- Demographic change.
- Changing economic context.
- Location of/access to affordable housing.
- Population and household growth.
- Social and cultural change.
- Environmental change and ecological sustainability.
- Policy change.

Each of these drivers can generate winners and losers. Thus they are important to the understanding of the future of disadvantage. The issues interrelate: population growth and demographic change, for example, are related, and the changing economic context is partly a reflection of changing social and cultural values, and partly a driver of that change. Most of these themes and trends we have already discussed throughout the discussion paper, but the focus here is to point to the way change may create new patterns of disadvantage in the future, and to consider what the effects of this change might be on
Melburnians; with a particular focus on those living with risk, disadvantage and hardship.

Demographic change – the ageing population

The changing age profile of Melburnians (and Australians and members of many developed nations) is likely to bring major changes to Melbourne’s social structure and makeup. We are living longer, but we are having fewer children, and this in turn will lead (and is already leading) to changes in household and family makeup. The baby boomer generation, that great ‘demographic bulge’ of people born between 1946 and 1964, over the next 20-30 years, will move into retirement and (eventually) old age. Ageing of the baby boomers is likely to place some pressure on the labour market, since a large chunk of the current workforce will be lost, and on health and support services, as the boomers move into frailty; especially as they reach the over 80s group when major health expenditures tend to occur (Hugo 2001, Salt 2001, Hugo 2002, DSE 2004b, Hugo 2005).

Box 1.3.5: What is the future of population ageing?

How is the ageing of the population going to affect and change the patterns of advantage and disadvantage in Melbourne? Are certain people going to become excluded as they age? Who will lack visibility in the new (older) Melbourne? How do we maintain a connected community as the population ages? How can the MacroMelbourne project intervene to ensure that all Melburnians have the opportunity to live a healthy and long life?

Geographically, rural and regional Victoria are projected to be the most impacted by our changing demography, with some areas, such as the Shires of West Wimmera and Strathbogie, likely to have more than half of their population aged over 60 by 2021 (DHS 2003a). In Melbourne the baby boomers are clustered in the middle suburbs of Melbourne (DOI 2000), the high growth areas of the 1960s and 1970s. These suburbs have already changed: younger people have moved out and there has been an increase in ‘empty nester’ families and single elderly people (DOI 2000: 11). As the baby boomers retire and age, these suburbs may change further, especially in relation to population movement, changes in demand for services, the types of services required and patterns of income security in retirement. There is a lot of speculation about what the baby boomer generation will do, and where they will move once they enter retirement. It is expected that some may take the ‘sea change’ or ‘tree change’ option – moving to regional or coastal areas (Salt 2001). Others are expected to downsize their dwellings, moving to smaller residences once their children have left home, although there is considerable debate currently about whether, and to what extent, they will do this (O’Connor 2003, Wulff, Healy and Reynolds 2004). Thus some baby boomers are expected to stay in their suburbs as the suburbs ‘age’, and others will move out. Metropolitan municipalities such as Maroondah, Manningham, Frankston, Casey, Monash, Whitehorse and Yarra Ranges are projected to have significant proportions of people aged over 60 by the year 2021, with the Mornington Peninsula topping the list at a projected 37% of the population aged over 60 by 2021 (DHS 2003a).

While the fact that we are living longer should be a cause for celebration, and may well bring many positive benefits (Healy 2004) it is expected that the changing demographic patterns of Melbourne and Victoria will present some challenges. One issue of concern is that the middle ring suburbs of Melbourne (such as for example, Waverley and Noble Park in the South East, or Broadmeadows in the North, and Laverton in the west), developed in the post war era of the car, may be less well serviced in terms of accessibility than inner suburbs, and this may cause problems as larger parts of the population become frailer and less mobile. Municipalities may be pushed to provide services.

In addition, while many of the baby boomer generation profited from the economic and housing boom, and are generally robust and as likely to drive change themselves as be victims to it, there are some vulnerable sub-groups within the baby boomers, including:

- First wave immigrants who may face additional language barriers and lack the extended family to provide support as they age (Legge and Westbrook 1993, de Vaus and Qu 1998). Ethnic peak bodies which have traditionally provided services for their ageing communities are worried about their capacity to meet future demands as their volunteers age themselves and younger families have less capacity and or propensity to volunteer.
- Women, who are more likely to have experienced interrupted work histories and less likely to have
accumulated adequate retirement savings, and yet they live longer, on average than men. They also are still responsible for most ‘caring’ relationships in families, therefore they may take on a double care burden in the ‘wedge’ generation, caring for their children and their elderly parents at the same time (Choo 1999, Charlesworth, Campbell, Probert et al. 2002, Preston and Jefferson 2002).

• Unemployed men who experience difficulties in accessing employment once over 50, and single men, who have significantly increased health risks.

• Indigenous people, since the baby boomer cohort are also part of the ‘Stolen Generation’. Indigenous Australians also die younger, on average, than the general Australian population. They are not reaping the benefits of advanced longevity, a reflection of the entrenched disadvantages faced by Indigenous Australians (Australian Local Government Association 2005).

Box 1.3.6: How will the global economy impact on the future of Melbourne?
How will the increasing spread and strength of the global economy affect the lives and work of people in Melbourne and in which regions, suburbs and communities? What sort of skills do we need to survive in the new economic environment, and who is at risk or vulnerable to economic recession and change? What will happen to the economy of Australia if further manufacturing and service provision is moved offshore, and who will be the winners and losers? And if a recession hit tomorrow, what would happen to workers, families on low incomes, home buyers heavily mortgaged, and people who only just afford to pay their rent? Will Melbourne be characterised by geographic and social divides between the haves and the have-nots?

Over the last 30 years economic change has led to radical labour market changes, which in turn has generated winners and losers (Bryson and Winter 1998, Borland, Gregory et al. 2001). There has been the increase in women’s workforce participation, mainly in part time employment; the main growth in new jobs in atypical or ‘precarious’ work, mainly in the expanding services sector; and there has been a decline in full time jobs creation over the last decade, with a decline of men in full time work (rising numbers seeking more hours of work). The nature of employment has changed, resulting in increased longer-term unemployment and joblessness for people with low levels of education and a mismatch between competencies demanded in industries undergoing skill shortages and the competencies,
education and training of the long term unemployed. Low birth rates and delayed childbearing are associated with the shortage of skilled workers in some occupations, and has given rise to imported labour, skilled migration schemes and in some cases a welcome focus on measures aimed at valuing, attracting, training and retaining skilled workers. Other trends include a shortened working life due to longer periods of post secondary education and training and earlier retirement; persistent and entrenched unemployment for some post recession cohorts; an estimated one third of workers in non-standard or ‘precarious’ work; and longer and unsustainable hours of work for those in full time work (Hancock 2005a). A recent International Labour Office report noted that Australia had the fourth highest proportion of people working over 50 hours per week at a rate of growth faster than in any other country (Australia Institute 2004, p. 7-8). The Australia Institute (2004) sees the long working hours culture as a form of entrapment in a ‘work/spend cycle’.

Policy makers emphasise the need for Australia to focus on building a ‘knowledge economy’ in order to be able to compete globally in the future. This is present, in for example Policy 4.4 of the Melbourne 2030 plan, to ‘create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education’ (DoI 2002: 80). But this implies that those who lack the skills to participate in the new economy, or to further their knowledge base, may be vulnerable to economic change. In part, Melbourne is already divided into skilled haves and have-nots: knowledge, occupation and professional divisions are already characteristics of our city. Commentators point to the way international economic forces have driven the processes of gentrification, with the central districts of cities becoming inhabited by business professionals and executives.

For these groups access to the city and key facilities like airports is vital in maintaining their position in the dynamic and highly insecure economic environment ... Central location and apartment-style living reduces time lost in the traditional suburban pursuits of house maintenance and commuting, time which can be turned to the endless pursuit of gaining and maintaining position in the new economy. Strict divisions between work and leisure, workplace and home are blurring (Berry n.d. [c.2000]). Those with fewer skills or the ability to compete in the global economy are driven to the fringes of the city, further away from the CBD.

**Box 1.3.7: The distribution of knowledge-rich and knowledge-poor workers in Melbourne**

Melbourne already shows distinct geographic divisions between the knowledge rich and the knowledge poor. Managers, administrators and professionals are clustered in the inner suburbs of Melbourne, with high concentrations living in East Melbourne, Middle Park, Princes Hill, Carlton North, Clifton Hill and Southbank. The zone of knowledge-rich professionals in Melbourne extends not far beyond the immediate inner suburbs in the north and the west, to Brighton in the south-east and Canterbury and Kew in the east, with a few pockets in areas such as Williamstown in the west, the Dandenong Ranges in the east and Mount Eliza on the Mornington Peninsula (ABS 2003a: 55). The suburbs in which these knowledge professionals live have low levels of unemployment and high proportions of internet use, and also tend to be the places where people with university qualifications live and where the high income households are (ABS 2003a). In contrast, elementary skilled workers are more likely to live in middle to outer suburban areas further away from the CBD, in places such as Kings Park, and St Albans in the west, Dallas, Broadmeadows, Campbellfield and Thomastown in the north, Dandenong South, Springvale and Doveton in the south-east, and Frankston North and Rosebud West in the far south (ABS 2003a: 57). These areas are associated with higher percentages of low income households and unemployed people, and fewer people using the internet at home.

The question for the future becomes whether or not the global economy will increase the social and spatial divisions around skill, occupation and privilege we already see in Melbourne, and what interventions might be possible to ensure that the changing economy does not create a new underclass of ‘have-nots’.
Ideas File
1.3.7 Strategy and project: the knowledge economy, disadvantage and exclusion

Knowledge in the new economy is seen to be the key to prosperity and global competitiveness. The Initiative could consider focusing on strategic directions to ensure that knowledge, skilling and the benefits that ensue are able to be accessed by all Melburnians. This could be an area of research: exploring how some people can become excluded from the knowledge economy (as in, for example, the Smith Family report Social Exclusion and Disadvantage in the New Economy (Zappala, Green et al. 2000). Or alternatively the Initiative could interrogate Direction 4 of the Melbourne 2030 strategy: ‘A more prosperous city’ (DOI 2002: 73-83) to ensure that questions of disadvantage and exclusion are taken into account.

A practical focus in enhancing knowledge building and access to information in vulnerable communities may be helping to resource local libraries, which are often the first port of call for information and access to the internet. A not-for-profit initiative focusing on providing information technology hardware, or maintenance and training for local libraries in geographically isolated/ disadvantaged areas could be an area of focus.

Location of and access to affordable housing

The importance of housing and the location of affordable housing was discussed in section 1.2, but to recap, housing is a centrally important aspect of our lives. According to an OECD comparison of 15 countries, Australia has the most overvalued housing in the western world with prices ‘52% higher than justified by rental values’ (Colebatch and Topsfield 2005).

The location of affordable housing has a major impact on the distribution of the haves and the have-nots in Melbourne. Although tied to the broader economic environment, the housing market, both for ownership and rental, is an important driver of socio-geographic distribution, and a crucial component of the study of disadvantage. As discussed above, the process of gentrification, where the older inner city suburbs like South Melbourne and Fitzroy have undergone a revival and rejuvenation, has also been a process of redistribution of people. As house prices and rental prices in those areas increased, the poorer residents have moved elsewhere: the traditional working classes have moved out of those areas and the new managerial, IT and white collar workers have moved in. Gentrification has changed the face of many communities, generating new communities and (perhaps) new spatial groups of disadvantage (Stilwell 1993, Winter and Stone 1998, Arthursion and Jacobs 2003, Reynolds and Wulff 2005, Yates and Wulff 2005).

We have entered a new era. It is no longer an automatic assumption that the majority of Australians will own their own home. This has both financial and social implications for the future. With the decline in home ownership and the barriers to housing affordability, especially in larger Australian cities like Melbourne and Sydney, young people are facing new barriers to home ownership and affordable rental close to work opportunities. Home ownership can no longer be assumed for as high a proportion of ageing Australians, for whom home ownership has been the primary buffer against poverty in older age.

Affordability of housing is related to aspects such as desirability of location, ease of access to employment, education, resources, and services, the proximity to open space and the attractiveness of its setting. The more of these attributes a residence possesses, the more expensive it is likely to be to rent or purchase. This is a simple truth of the market economy. It is thus more than likely that, if left purely to market devices, cheaper housing will be located in less accessible and less desirable locations. This means that those already struggling to pay bills and rent, and perhaps struggling to find work, may be further hindered or excluded by the location of affordable housing. The spatial patterns of gentrification, discussed above, have meant that low income earners are increasingly forced out of more accessible locations, which may itself act to reinforce disadvantage and exclusion.
Box 1.3.8: Melbourne 2030’s policy on increasing the supply of well-located affordable housing

In recent years, the housing market has become more complex in its structure, composition and geography. Property values have risen steadily with the average increase across the metropolitan area between 1996 and 2001 being 42 per cent. In some suburbs property values have risen spectacularly, for example, North Melbourne rose 212 per cent, Croydon North 145 per cent, Sorrento 136 per cent and Maribyrnong 127 per cent in the same time period. Affording good, well located housing has become an acute problem for many private renters and home buyers.

There is growing spatial polarisation, with inner suburbs tending to represent high-priced market segments and outer suburbs lower-priced segments. Affordable, low-cost private rental housing is in decline in inner Melbourne and accessibility to services in lower-cost rental areas is unsatisfactory. This accentuates the polarisation of the city and generates areas of social disadvantage. The existing distribution of public housing does not match changing housing needs, especially the need for a wider range of housing options in the middle and outer suburbs. Strategies for public housing estates are being developed to reduce concentrations of public housing and overcome social and economic disadvantage. Public and community housing stock is not increasing in step with demand. Increasingly, public housing is targeted to households with multiple needs, rather than to those who simply cannot afford private rental accommodation.

Better information about mismatches between supply of, and demand for, affordable housing will be required for different households and locations. The supply of affordable housing in all parts of the metropolitan area will need to be increased.

It is recognised that this need exists, and that the planning system alone is not well equipped to meet it. A significant proportion of new development, including new development at activity centres and strategic redevelopment sites, must be affordable for households on low to moderate incomes, especially those that are experiencing housing stress but are unlikely to gain access to public or social housing. Ways of achieving this will be explored. The monitoring of housing affordability will be important in finalising eligibility criteria for these dwellings (DOI 2002: 107).

The Victorian government in its *Melbourne 2030* plan recognises that affordable and well located housing is an area of current and future concern in creating a ‘fairer Melbourne’ (DOI 2002: 107). It has specified a number of policy initiatives, including monitoring the supply of affordable housing, establishing the VicUrban affordable housing design awards (VicUrban 2005), encouraging Neighbourhood Renewal programs in areas of entrenched disadvantage, and working with stakeholders, including the Office of Housing and the private sector to ‘identify opportunities and develop techniques and solutions to facilitate a mix of private, affordable and social housing in Transit Cities projects’ (DOI 2002: 108). However, it remains an open question whether or not a fairer Melbourne can be achieved without sizeable support from the non-governmental and private sectors.

I ideas File

1.3.8 Strategy: affordable and well-located housing in Melbourne

The *Melbourne 2030* vision for affordable and well located housing will not survive unless private funding is also found. The Initiative could play a role in encouraging the corporate sector to think about how to encourage, create and maintain affordable and accessible housing throughout Melbourne.

Affordable housing is a focus of VicUrban, the Victorian Government’s urban development agency (VicUrban n.d. [c. 2005]), and the first design awards for affordable housing were announced in 2005 (VicUrban 2005). However it is clear that there is more to do in this area. The Initiative could explore the possibility of a partnership with an organisation such as the Community Housing Federation of Victoria to leverage more affordable housing initiatives. There is a range of areas the corporate and not-for-profit sectors could become involved in, involving capital or co-ordination and support services. There is a need in this area for network building and the Initiative could play a leadership role here.

Some things to consider may be: how could good, sustainable and affordable house design be promoted throughout Melbourne? What about rental stock? Is there a role to rethink the private rental sector and its corporate social responsibilities? Could the corporate sector buy or maintain or contribute to the efficiency and maintenance of good quality affordable housing in key areas?
Population and household growth

Population growth and household growth is a complex phenomenon which is linked to demographic change and social and cultural change. Although fertility rates are declining, Melbourne's overall population is projected to increase, partly through migration (making Melbourne a more ethnically diverse city), but largely because we are living longer. According to these projections, population levels will not start to decline until the late 2030s (DSE 2004b). In addition, changes in lifestyle choices and social values are leading to more people living alone and smaller family and household groupings. Over recent years in Australia, there has been a marked increase in single person households (about 15% of those over 18 and rising), a decline in couple families with children and a decline in the number of children in two parent families. Over the next 25 years lone parent households ‘are expected to multiply by anywhere from 57% to 105%’ (The Australia Institute 2005b). If these trends continue, it is likely that household growth will be larger than population growth (DSE 2004b). As the population of Melbourne grows, then, it is likely that the number of houses, and the demand for housing, will increase enormously.

Box 1.3.9: Will high density living increase disadvantage?

Given what we know about disadvantage in Melbourne, how is the projected increase in population and households likely to impact on disadvantage? Is high density housing going to be a reality for all citizens, or will the push for more concentrated living arrangements create new areas of spatial and social polarization? Will house prices rise even further as limits to growth boundaries put a squeeze on the availability of the traditional quarter-acre block? How will this impact on the haves and the have-nots?

Melbourne’s projected population growth, and the social changes that make it likely that households will grow faster than the population, has been one of the reasons for the Melbourne 2030 plan. The limits to growth boundaries and the guidelines for higher density housing within Melbourne 2030 are reflections of that focus (DOI 2002). Whether or not Melbourne 2030 succeeds in transforming the structure of Melbourne, population growth is likely to have a major impact on Melbourne’s future.

Ideas File

1.3.9 Research: high density living and disadvantage

The Initiative could put resources into exploring the relationship between high density housing and disadvantage. Will the Melbourne 2030 compact city plan work? Are there areas needing intervention to ensure Melbourne does not become a city of ghettos and social polarization? Does current Victorian urban design and planning take issues of disadvantage into sufficient consideration? The VicUrban and City of Greater Dandenong Metro Village 3175 project, a high density residential project incorporating Neighbourhood Renewal aspects might be a good case study to monitor (VicUrban n.d. [c. 2005]) in this context.

This is an area where scenario planning could be useful.

Social and cultural change

Many of the changes we have discussed in this document are related to broader social and cultural change. Social movements and transformations such as environmentalism and feminism have had major impacts on life values, on work and family patterns, and on our life choices. More women are in the workforce, family structures are changing, we have different conceptions of sustainability, quality of life and wellbeing, and of our role in the world. The changing ethnic mix and background of Australians has led to new debates around racial tolerance and multiculturalism, with the need for reaffirmation of fundamental values underpinning commitments to inclusion and respect and tolerance of difference. In part, these social and cultural transformations play out in the geography of our cities: within Melbourne there are concentrations within specific regions of particular ethnic groups, of Indigenous Australians, of mothers in the labour force, of people living alone or of double income households with no children (for a geographic representation of these sub-groups in Melbourne see ABS 2003a).
Box 1.3.10: Patterns of migration and settlement in Melbourne.

The migration of people from other countries to settle in Melbourne, their culture and where they live have had a major effect on the structure of our city and on Melbourne’s culture. Before the second world war, most of Melbourne’s immigrants came from the UK and Ireland. In the 1950s and 1960s Melbourne had an influx of Southern and Eastern Europeans, mainly Italians and Greeks, who settled at first in the inner suburbs, but then moved slowly outwards into Melbourne’s newer middle and outer suburbs. In 2001 approximately 9% of the Melbourne population had come from Southern or Eastern Europe, with concentrations living in the northern and western suburbs, in places such as Thomastown, Lalor, Fawkner and Reservoir in the north and Ardeer, St Albans, Avondale Heights, Altona North and Sunshine West in the west. Many (53%) of this immigrant group are now aged over 55 (ABS 2003a: 21).

The end of the White Australia Policy led to an increase in Asian immigration in the 1970s, 1980s and 1990s, particularly from South East Asian countries such as Vietnam and Malaysia. 5% of Melburnians were born in South East Asia in 2001 (ABS 2003a). Higher proportions of people of South-East Asian origin live in the west and the south-east of Melbourne: particularly in suburbs such as Braybrook, Sunshine North, Maidstone and Footscray in the west and Springvale, Springvale South and Keysborough in the southeast (ABS 2003a: 23).

However, the UK remains the single largest source of Melbourne’s immigrants. In 2001, 158,139 of the resident Melbourne population had been born in the UK, almost twice as many as those born in Italy (80,109) and nearly three times as many as those born in Greece (55,574) (ABS 2002a). People born in the UK and Ireland tend to disperse around Melbourne, although there are quite high proportions living on the Mornington Peninsula (DOI 2000: 17).

In *Victoria in Future* (DSE 2004b: 39) the DSE points to three great social changes which have led to a transformation of the social and cultural realms and which may provide pointers to future change in Victoria: greater ethnic diversity, changing life goals and the increasing culture of individualisation.

While it is beyond the scope of this project to explore the full ramifications of social and cultural change, there are some issues which may have an impact on disadvantage in Melbourne:

- **There are more people living alone.** We have already talked (above) about the changing structure of households, and how trends suggest we will have more sole-person households in the future, and how urban planning must take into account the predicted increase in houses in contrast to population. But what of the social effects of this increased tendency for Melburnians to live alone? Are there increased dangers of exclusion, alienation and loneliness, or will the connectivity provided by technology act to ameliorate isolation? How will the changing types of households relate to the way we deliver services to those in need? Are we equipped to deal with this social change and its associated welfare demands?

- **Families are changing.** There are increasing numbers of ‘unconventional’ families and the indications are that these types of families will increase further: we are seeing more single parent families, more families where both parents work, more blended families and more children commuting between households and parents (Leppert 2005, Mackay 2005). The traditional nuclear family may be on the decline, but are we ready for the needs and demands of the new Melbourne family? What are our preconceptions about family life and family needs? Who may be harmed, excluded or left out of our traditional assumptions about families?

- **Ethnic diversity.** The greater ethnic diversity of Melbourne has enriched and transformed our city in multiple ways. However, the recent racial tension and violence in Cronulla in Sydney illustrate how we all have to work to ensure tolerance (AAP 2005, Henderson 2005, Kissane, Strong, Zwartz et al. 2005). How might immigration patterns and the ethnic identity of new Australians influence and change Melbourne in the future? Immigrants from Western Europe, Southern and Eastern Europe and more recently South-East Asia have left a lasting impact on Melbourne’s culture and suburbs. How will the new influx of immigrants from China, Horn of Africa and the Middle East shape Melbourne’s future? Who may be vulnerable to or at risk of exclusion and disadvantage? What are the challenges to government, urban planners, philanthropy and the community?

- **Changing life goals.** *Victoria in Future* points to an increasing culture of individualisation, where ‘the person has gained importance at the expense of the family decision making unit’ (DSE 2004a: 39). The influence of traditional institutions such
as church and family is declining. The Australian Dream is changing (Mackay 1999, Salt 2001). In Affluenza, Clive Hamilton (2005) refers to the links between social problems such as over consumption and child obesity and Australians’ propensity to overwork, consumerism and advertising. Hamilton’s book on downsizing drew attention to the increasing numbers voluntarily opting to live more simply and on less income as Australians chose to prioritise quality of life ahead of the pursuit of money (Hamilton 2003). They identify the four main reasons for downsizing: desire for a more balanced life, the clash of personal and workplace beliefs and values, the search for a more fulfilling life, and as a response to work-related health issues (Breakspor and Hamilton 2004). What might the ramifications of these changes in values and life goals be for Melbourne? Will we see new areas of disadvantage? Who may be excluded or made invisible in this new world?

Box 1.3.11: Monitoring changes in social attitudes in Australia

The Australian Survey of Social Attitudes commenced in 2003 as a joint venture between the Australian Consortium of Social and Political Research and the ACSPRI Centre for Social Research (ACSR). Their biennial survey (commencing in July 2003) is aimed at providing an in-depth study of changing values and behaviours in Australian society, with comparability to similar surveys in the US, UK, Germany and Europe. Focused on questions on social structure and images of society; education and work; family and relationships; social policy, law and authority; community life; the environment; urban, global and natural; and new questions of protection of civil rights and civil liberties, the survey is an important benchmark on changing Australian attitudes and values.

Nor, it would seem have they abandoned the idea of the importance of community or lost their faith in key institutions like the courts, parliament and police. Indeed overall, there does seem to be strong evidence that Australians are quite trusting as a nation and display a marked willingness to get involved in voluntary associations (Gibson 2004: 1).

The survey is available via the Australian National University ACSR website.

Ideas File

1.3.10 Strategy: changing welfare needs for Melbourne

The initiative could take a leadership role in exploring the way social transformations could effect the needs of disadvantaged people in Melbourne. The issues discussed above could form the basis for policy direction: more people are living alone, families are changing, we are seeing greater ethnic diversity and our life goals are changing. What will be the new areas of need based on these social changes? Who will be the winners and the losers? How do we need to update our way of thinking about and delivering services in order to meet future needs in Melbourne? The Australian Survey of Social Attitudes (see Box 1.3.9, above), could be a useful starting point for evidence based projects to involve communities in community development and volunteer initiatives.
Ideas File

1.3.11 Strategy: social change and the future of volunteering

One issue that the MacroMelbourne Initiative may choose to pursue is likely effects in the future on changing life goals and patterns on the volunteering community in Melbourne. Current research suggests that volunteer rates are increasing in Australia (Volunteering Australia 2004), although other commentators argue that the volunteer community has for some time been dwindling and ageing as a result of social change (Wesley Mission 2001). Will the new culture of individualisation have negative effects on volunteering? Or will our advanced longevity enhance volunteering opportunities as we seek to remain active in the community as we age (Healy 2004)? The work of MacroMelbourne Initiative partners Melbourne Cares and Pro Bono Australia in encouraging corporate citizenship and the participation of employee and skilled volunteers offers an existing platform from which to explore scenarios into Melbourne’s volunteering future.

Environmental change and ecological sustainability

Environmental change can drive and shape change in the urban context and there is increasing recognition that our ecological footprint involves the combined areas of social, environmental and cultural impact. The federal parliament’s House of Representatives Standing Committee on Environment and Heritage initiated an Inquiry into Sustainable Cities (House of Representatives Standing Committee on Environment and Heritage 2005) which focused on ways to ensure the development pattern of Australian cities through to 2025 in ways that are ecologically sustainable, while reducing the environmental, social and economic impacts and costs of urban expansion.

Recently, also, climate change and the need for greenhouse gas abatement have been recognised as more urgent and serious than governments previously acknowledged. The International Climate Change Taskforce, established by think tanks in three continents: The Australia Institute, the Institute for Public Policy Research (London) and the Centre for American Progress (Washington), released its report, Meeting the Climate Challenge (2005). This report outlines a new global plan for climate change policy in the post-Kyoto period. Key recommendations included: the formation of a G8+ Climate Group; the need to reduce our reliance on fossil fuels, to reduce emissions; institute more efficient demand management strategies for energy water and waste; and invest in renewable energy sources and technologies, with a target of 25% of stationary energy to come from renewable energy by 2025 (Climate Change Taskforce 2005; The Australia Institute 2005; Hamilton, Sherrard and Tate 2005). Australia, along with the US has not signed the Kyoto Protocol and the coalition of six fossil fuel-dependent countries (Australia, the US, China, India, South Korea and Japan) in the Asia Pacific Clean Development and Climate Pact has been greeted with scepticism by climate change groups.

Discussion at the 2005 United Nations Climate Change Summit in Montreal recognised the Kyoto Protocol as initiating only modest changes and the need for other more significant steps. Without such action, the Canadian Climate Action Network argues, ‘then we will not be able to avoid the most devastating impacts of climate change: the threats to our water supplies and food production, the increases in the severity of droughts, floods and storms, the dooming of many species and whole ecosystems to extinction, and rises in sea levels that threaten coastal and island communities’. With much of Melbourne reclaimed former swamp and low-lying, more extreme weather patterns and proximity to Port Phillip Bay are now driving greater awareness of vulnerability to predicted effects of climate change, and the need to adopt more sustainable consumption patterns and energy sources.

However, this raises important equity issues and an argument for supporting a ‘just transition for workers, First Nations and other communities affected by the change to a sustainable energy system’ (Climate Action Network Canada n.d. [c. 2005]).
Ideas File
1.3.12 Project: Create urban sustainability centres throughout Melbourne

CERES (the Centre for Education and Research in Environmental Strategies) is a community environment project located on a 4 hectare site on the banks of the Yarra River in a middle ring Melbourne suburb. CERES combines a range of displays aimed at fostering awareness of environmental and social issues and innovations at local and global levels. With sponsorship from a wide range of corporates and individuals, it runs an educational program focused on global environmental concerns, energy conservation, waste minimisation, aquatic ecosystems, Melbourne’s Indigenous heritage and global futures issues (CERES 2005).

Building on the CERES model, the Initiative could develop new urban sustainability centres to lead awareness and behaviour change through the involvement of new community-business coalitions.

While environmental concerns such as climate change and how to promote sustainability are justifiably prominent in the public mind, there remains a key question of equity and how to ensure that disadvantaged people are not left out of the sustainability debate. Some issues of concern are:

- Disadvantaged people are not reaping the benefits of greater energy efficiency measures. We have talked in section 1.2 about the cost of utilities and the exclusion of many low income earners in Melbourne from the opportunity to improve energy efficiency. Water conservation, also, is becoming an increasing concern. Will low income earners be able to access water efficient technology, or will they pay higher costs for water use?
- Climate change may have an impact on internal mobility in Australia and regional population growth projections. If the most severe temperature increases come about in the next 30 years, the north of Australia may not be so desirable, and we may see increased inter-state migration to southern cities. If sea levels rise then low-lying areas will become less desirable; with implications for housing markets and the spatial distribution of desirable housing.

Box 1.3.12: ‘Smelly Footscray’: the impact of environmental pollution on Melbourne’s social divide

Historically Melbourne’s social divide is at least partly to do with pollution and the unpleasant environmental side effects of early industrialisation. Early on in Melbourne’s history the noxious industries such as factories, mills, and abattoirs were located on the rivers – particularly, by the 1880s, along the Maribyrnong River (Lack 1991: 87-108). Poorer people and labourers lived here, close to the manufacturing industry but also to the vile smells and effluents; richer people could afford to live in the more desirable eastern suburbs on the cleaner Yarra. This is one of the reasons for the continued lower status of the suburbs of the inner west of Melbourne such as Footscray, Kensington and Flemington today. What will happen in Melbourne’s future if pollution and waste disposal becomes a problem and concentrated in certain areas? Will we follow the same pattern? Will a lack of planning ensure that those with the resources and wealth will be able to live in the cleaner, more desirable suburbs, while the less advantaged will live with the toxins and pollutants, and the associated poor health outcomes?

Ideas File
1.3.13 Strategy: social equity and environmental sustainability

There are a range of groups and programs aimed at improving the environmental efficiency and sustainability of Melbourne, but there is room for the MacroMelbourne Initiative to work to keep the environmental policy agenda focused on issues of equity and disadvantage. Some issues to consider may be: access to clean air, water and open space and access to energy efficient products and homes.
Policy change

One of the aims of policy making is to bring about change (or to ensure things remain unchanged). It is self-evident to say that government policy making can impact on the future development of Melbourne, and on the direction of Australia as a whole, although the degree to which policies will bring about the desired changes will always be contested. In Section 1.1 we documented the changes in the policy landscape in Australia which has moved from a more protective ‘Australian Settlement’ approach to a market-oriented neoliberal approach. This changing policy context has had an effect on disadvantage in Australia, in particular the devolution of service delivery responsibilities from (federal) government to state and local governments, non-government welfare organisations, the philanthropic community and the corporate sector.

Throughout this paper we have referred to policies of particular interest to the MacroMelbourne Initiative, including:

- **Melbourne 2030.** The Victorian Government’s plan for the urban development of Melbourne is likely to have at least some influence on the future shape and direction of Melbourne.

- **Federal Industrial Relations and Welfare to Work Legislation.** Welfare and workplace reforms are likely to have a lasting impact on the distribution on the haves and have nots in Melbourne.

- **Environmental Sustainability Focus.** The push for greater environmental accountability is on the whole, a worthy pursuit likely to bring benefits to all Australians. However, care needs to be taken that certain people and groups of Melburnians are not excluded from the benefits of greater energy efficiency, or at heightened risk of poor wellbeing connected to poor environmental outcomes.

Conclusions: dealing with risk and uncertainty

We can only speculate about what will happen to Melbourne in five years, 30 years, or 100 years’ time. Trends and projections are valuable and can help prepare us for the future. But they depend on historical contextual analysis, and they really can only tell us what has happened up to this point. Forecasts change as our knowledge of society and events change. Future processes such as trend forecasting and scenario planning don’t tell us about the future, they reshape our understanding of the present. This means that trend forecasting and developing projections and scenarios is not a ‘once off’ activity. It needs to be an ongoing process.

However, based on urban planning models and projections, there is some consensus about the major changes which are likely to hit in the next 30 years. The global economy has already placed its own demands on the skill sets and structure of our city, and raises concerns about the plight of those vulnerable to economic recession and change. Globalisation also brings with it greater mobility of peoples and ethnic groups: putting pressure on cities to adapt to greater ethnic diversity. Climate change, also, is already a reality. The world is projected to become a warmer place within the next thirty years. This may have serious effects on the desirability and liveability of certain cities, and within cities, certain suburbs.

Locally, Melbourne’s population looks like it will continue to grow, at least in the short term. Planning bodies are considering how to preserve quality of life and access to amenity while halting urban sprawl and putting a limit to Melbourne’s growth boundaries. The push for higher density living may have flow-on effects, particularly in relation to access to housing for low income or disadvantaged households. We are on the verge of major demographic and social changes: our population is ageing, the baby boomers are approaching retirement, fertility levels are dropping, family structures are changing and more people are living alone or in childless couple households. Many of the issues, transformations and changes discussed here are likely to have a lasting impact on the structure, society and geography of Melbourne. And these changes are likely to place new and different demands on the welfare and philanthropic sector.
The MacroMelbourne Initiative wishes to take a more strategic and long term approach to issues of disadvantage and future need in Melbourne. In order to do this, we recommend that the Initiative:

• Recognises that developing a strategic policy making direction is an ongoing and long-term process, including long term plans and analysis of ongoing systems, projects and development models.

• Invests in future research methods, particularly scenario planning, in order to develop a strategic focus and to establish a leadership role in the area by inspiring dialogue and debate.

• Develops the concept of resilience as a tool to combat disadvantage, and researches what makes people and communities resilient to change, resistant to exclusion and able to ‘buffer risk’.

• Considers possible futures and develops strategic responses to the seven ‘drivers of change’ identified here: demographic change, changing economic context, location of affordable housing, population and household growth, social and cultural change, environmental change and policy change.
1.4 CONCLUSION TO PART 1

The landscape of advantage and disadvantage is changing in Australia. Global economic transformations have changed our common assumptions about secure employment and pathways to economic security and quality of life. Population and demographic change is coming, and the outcomes of these transformations are difficult to predict. This paper has looked broadly at current social problems and the dimensions of disadvantage in Melbourne, and has attempted to point at the pressing issues confronting Melbourne over the next 30 years. The aim has not been to tell the definitive story of disadvantage in Melbourne, but to present the different approaches we currently take to issues of social inequality, poverty and disadvantage, and to explore how the social changes we see on the horizon may influence Melbourne’s future society and geography. Most of all, the aim of this paper has been to encourage strategic thinking around issues of disadvantage in Melbourne, and to provide some tools for the MacroMelbourne Initiative to develop ongoing policy models and projects.

As governments seek to meet the challenge of significant proportions of society being locked out of active participation in society and adequate income security, full-time permanent work or the amount of work needed to support themselves and dependents, there is a need to re-think new institutions, programs and systems that are supportive, enabling and that buffer risk by investing in people and communities over the longer term. Some are particularly vulnerable to increased risk: families with children, older people, people with disabilities, recent immigrants and refugees, Indigenous people. The pared-down and market-driven approach to policy making adopted by governments worldwide have meant we need to re-think the role of government, philanthropy and the corporate sector in providing support, access and amenity to our communities and citizens. In particular there is a need for us all to take a longer term approach to issues of disadvantage, and to tackle the emerging problems, transformations and needs of the future head on. There is a need for leadership in Melbourne in the areas of corporate social responsibility and forward thinking by philanthropic organisations. They can play a leadership role in showing ‘what works’ and governments, which are more cautious and constrained, can then take up initiatives. There is also an emerging need for innovations that might be funded by philanthropy to be coordinated, say, in a think tank, in order to reinforce a consistent value base and to address structural determinants of inequality and disadvantage.

Ideas File

1.4.1 Research: Create a think tank focusing on philanthropy and disadvantage

Although several of the larger NGOs and some universities have developed some capacity for analysis of disadvantage in Melbourne, there is no independent think tank or strategic centre for pulling together a coherent strategy of analysis and innovation. The MacroMelbourne Initiative could consider advocating for such a think tank as one of its policy options, or become itself a centre and commissioner of innovative policy, advocacy and analysis. One possible model is the collaborative Australian Research Council project (The Transitional Labour Market project) based on Schmid’s notion of Transitional Labour Market (TLM) theory and includes partner universities (Melbourne and Deakin) and Industry Partners: The Brotherhood of St Laurence, National Institute for Economic Research and Committee for Economic Development (Ziguras, Considine, Hancock et al. 2004).
A draft framework for developing strategic responses to disadvantage in Melbourne

Drawing together the threads of this discussion, we present here the skeleton of a framework for developing strategic responses to disadvantage in Melbourne. This framework requires further work, and should be seen as a starting point for a long term strategic framework – perhaps to be worked through in greater detail in a workshop or forum.

The goal is to develop a set of guidelines for use in conceptualising a range of projects, innovations, partnerships and initiatives that seek to forge new directions, to pilot new approaches, to gain new outcomes to what have become complex and challenging issues. Central to a strategic framework are the conceptual and measurement issues we have raised, problems of definition, the need to identify underpinning values and understand the drivers of change, and above all, to understand the multi dimensional, structural and distributive elements of disadvantage.

Underpinning values of the MacroMelbourne Initiative

- Human rights.
- Tolerance and diversity.
- Equality of opportunity.
- Universality.
- A fair go.
- Access to a decent quality of life.
- Opportunity to participate fully in the community.
- A city which is ‘liveable’ for all citizens.
- A city which provides equitable access to services and networks.
- Sustainability.

Drivers of change

- Demographic change.
- Changing economic context.
- Location of/access to affordable housing.
- Population and household growth.
- Social and cultural change.
- Environmental change and ecological sustainability.
- Policy change.

Mediating influences on inequality and people and place

- Transitions, flows and mobility.
- Resilience.
- Connectedness.
- Accessibility.
- Built environment.
- Family supports.

Structural/distributional factors in the experience of disadvantage

- Wealth and income.
- Expenditure.
- Health, wellbeing and quality of life.
- Employment and the labour market.
- Education.

Approaches to measurement: indicators

- Poverty.
- Community wellbeing.
- Social exclusion.
The diagram below summarises these elements. Once again we emphasise this diagram is a working model: to be revised and redefined as the MacroMelbourne Initiative develops its policy framework further.