Urban disadvantage in Australia
Evolution, anatomy and policy responses

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Response from policy discussant

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Policy implications?

A set of reflections from an old and crusty public servant
The usual caveats

I work for the Commonwealth

- We run some large universal ‘people-based’ service systems
  → Centrelink, Medicare, NDIA
- We fund some large community-based service systems.
  → Aged care, employment services, child care
- We fund the states (from their perspective: never enough)
  → Hospitals, schools, housing
- We occasionally experiment in place-based activities
  → Remote Indigenous services. Communities for children
- But we are not responsible for local government, transport, urban planning, or delivering most social policy services, etc.

Therefore, I am not a expert on place based policy
Can we fix housing markets so they do not pool the poor?

Income/Wealth

Rent/Own

Where ever there is a distribution there will be a bottom quintile.

Will there always be spatial clusters of the pooled poor?
80/20 question
How much on place versus person?

- Overwhelmingly, the Commonwealth’s social policy spend is on services to people rather than place
  → I think this is the right policy response

- At best, ‘place effects’ are second order effects
  → While there may be congregation effects from the spatial clustering of poverty, helping people appears to offer a better return on social policy investment than interventions that address issues of place (geography, place-making, interaction or congregation effects)
  → But some social policy spend on place not inappropriate (for example, extra social workers in some Centrelink offices)
  → In some places of high disadvantage—most of the cash in the community comes from Commonwealth income support
Other uses of ‘place’

- Sometimes the Commonwealth uses ‘place’ as a quick way to ‘target’ the right ‘people’ (and sometimes we use ‘place’ for policy experiments)
  - When funds are limited for a particular style of intervention, or we want to test a new idea, focusing those funds into particular sites with concentrated disadvantage can be a quick way to effectively target funds

- But there is a downside, the hidden pockets of disadvantage in wealthier locations can be forgotten in this process
  - Being poor in a top 5 per cent suburb can be more socially isolating than poor in a bottom 5 per cent suburb. It can also mean higher prices at the supermarket and for local services
Scale
How local is local

- From a demographer’s perspective, the size of the geographic unit of analysis affects where we see clusters of poverty
  - Small pockets can disappear in larger geography analyses
  - Commonwealth has a tendency to choose large geographies

- From a service provider’s perspective, the size of a service population impacts on the financial viability of (and therefore choice of) the service delivery model
  - Rural towns under (say) 10,000 people lucky to have a hospital
  - Remote Australia will always have fewer services than urban Australia
Fixing place or person?

- A focus on fixing place can be misplaced
  - A number of commentators have complained that the bad suburbs of Sydney and Melbourne today are the same as 50 years ago. They then ask what are we going to do to fix these places?
  - Typically gentrification results in one cohort of people moving out of a location and another moving in. Rarely if ever do the SES status of a location change because the people living there collectively and simultaneously improve their incomes and lifetime wellbeing (in comparison with the rest of the nation)
  - Should we judge social policy success by improved outcomes for people or improved outcomes for places?
Family effects are also important (in addition to person and place effects)

For many people, much of the life-course trajectory is set by age 15 years

Because of the pooling mechanism associated with housing markets, inter-generational family effects may be mistaken as place effects
It’s the economy stupid

- Human services and ‘place-making’ cannot make-up for a lack of economic opportunities in a location.
- Transport infrastructure can (but not always) link places with economic opportunities (often not cheap).
- In the solution space, we should look more to opportunities, levers and incentives, rather than human services. It is too easy for a Canberra bureaucrat to see the solution to a local problem as another human service—albeit with lashings of local place based responsiveness.