

WELFARE DEPENDENCE IN AUSTRALIA

Bob Birrell, Chris Maher and Virginia Rapson

An analysis of adult welfare dependency shows that 32 per cent of the Australian population aged 20+ are primarily dependent on a government benefit or pension. A further analysis shows that 41 per cent of children aged 0-15 are living in low income families defined as families in receipt of Additional Family Payments. This article offers some preliminary findings concerning the nature of these transfers and the spatial distribution of these welfare beneficiaries. It also explores some of the social and economic implications of this distribution.

Australia, like many advanced industrial countries, is experiencing rapid social and economic changes. These changes are challenging both the capacity and the will of government to deal with their implications. Foremost amongst the changes are the economic impacts of globalisation and economic restructuring, demographic change, and alterations in living arrangements and household composition.

Under globalisation the Australian economy has become increasingly exposed to forces stemming from the new international division of labour, the emergence of global capital and currency markets, the increasing influence of transnational corporations, and the volatility of world commodity markets. The response of successive national governments since the early 1980s has been to effect a restructuring of the Australian economy through deregulation of finance, trade and labour markets in order to make Australian producers more competitive. The result has been a major re-orientation of the Australian economy. Jobs in the manufacturing sector have fallen sharply in the last few years, to be partially replaced by growth in the service sector.¹ Some of the new service jobs are highly paid, but many are routine, insecure, and poorly paid. Employment restructuring has been insufficient to cope with both those needing redeployment and with new entrants to the job market. As a result, high and intractable levels of unemployment are apparent.

At the same time a restructuring of households is occurring. This is a product in part of the ageing of the population. While Australia is a country with a relatively young population in comparison to the more mature industrial economies of Europe, the mean age of the population is increasing, with the result that over the next few decades there will be a sharp increase in the proportion of the population over the age of 65. More significantly, the movement of the baby-boom generation through middle age and towards retirement, at a time when the birth rate is relatively low and longevity is increasing, means, as Bruce Bacon shows elsewhere in this issue of *People and Place*, that the proportion of the retirement-aged population to those in paid work will increase sharply.

Superimposed upon this, households also display a greater variety of, and less predictability

in, living arrangements. Increases in divorce and separation, and reduced fertility have resulted in a greater proportion of smaller, single-person, single parent and couple-only households. These changes, in combination with new work opportunities in the service sector, are contributing to an increase in the number of households with more than one income earner, and simultaneously, an increase in the proportion of households with no income earned from paid labour.

All these trends are producing a population which is increasingly differentiated, even polarised, not only in terms of their current income, job situation, and household circumstances, but also in terms of their prospective future well-being. The winners are those households where income is high (frequently the result of two incomes), and where security is relatively assured in terms of employment, education and housing. The losers are those with no jobs or whose employment is insecure and poorly paid. In these latter households it is often hard to secure the basic necessities of life.

The outcome is a growing need for state assistance largely in the form of income transfer payments. To date, Australia has a mixed social welfare record as regards income transfers, housing assistance, health and other social benefits. Since Federation the focus has been on ensuring employment on terms and conditions sufficient for workers to provide for their families at a standard acceptable within the wider community. However, both the extent of public expenditure is under review, as is the role of the state in ensuring minimum wages and working conditions. The overall outcome is a growing polarisation of the life chances of the population, generally represented through levels of income. A good indicator, at least at the lower end of the income distribution, is income derived from government transfer payments.

There are two broad objectives for this paper. The first is to document the overall level and type of welfare payments currently being dispensed; the second is to introduce a preliminary analysis of the degree of spatial variation which occurs in the levels of concentration of the welfare dependent population. In order to pursue these questions further, the Centre for Population and Urban Research at Monash University has established a data base compiled from Department of Social Security (DSS) and Department of Veterans's Affairs (DVA) records which we are using to chart levels of welfare dependence throughout Australia at the local community level. Because it is possible to map such dependence to the postcode and Statistical Local Area (SLA) level, social security data offers major advantages over Australian Bureau of Statistics (ABS) income survey data for the analysis of spatial analysis of disadvantage. This article provides an account of the indicators developed and some preliminary findings relevant to the issues raised above.

DEFINING WELFARE DEPENDENCY

Two indexes of welfare dependency have been developed. The first is the proportion of adult Australians (aged 20 years or more) who depend on the Commonwealth Government for the bulk of their income in the form of pensions or benefits; the second consists of the proportion of all children aged 0-15 years who are living in families in receipt of Additional Family Payments (as they were known in 1995). The data reported here are for mid-1995. This is the latest year for which comparable data from DSS and DVA are available which can be matched against Australian Bureau of Statistics estimates of the age distribution of the

residential population at the SLA level.

We have chosen the population aged 20+ for the adult welfare benefit ratio because, from the point of view of the impact on particular communities, what matters is the proportion of the adult population dependent on welfare benefits. If a high proportion of the potential bread winners in a community are unemployed, outside the workforce, or retired, and are relying on the relatively low incomes paid by the Government as pensions or benefits, this has direct implications both for the financial resources of the community in question and for the demands placed on it for help.

The Commonwealth Government payments include all pensions and benefits such as the Age, Sole Parent, Jobsearch/Newstart and other payments (see note to Table 2) paid by DSS which provide the primary source of a recipient's income, subject to the qualifications outlined below. All adult partners, or adult dependents aged 20+, of these beneficiaries have been included (as where a beneficiary receives a married rate intended to cover his or her spouse). In the case of labour-market allowances (Job Search/Newstart, Sickness, Special Benefit and Drought Relief) the number of dependent partners was calculated from the DSS files. This was estimated to be 218,914 as of May 1995. The total number of DSS recipients aged 20+ (including their partners) counted was 3,591,632.

Similarly, those in receipt of payments from the DVA where the payment is judged to provide most of the recipient's income were included. These data were provided by DVA in aggregated form to postcode level. The DVA payments are less well documented, but are a very important in the picture of income transfers. They include veterans receiving service pensions (and their partners where relevant), widows receiving DVA pensions and veterans receiving disability payments who are not also in receipt of a service pension. As of June 1995, there were 505,984 people in these categories. They included 198,739 in receipt of a Service pension, 148,974 partners of these pensioners, 88,980 war widows and 69,291 disability pensioners (not concurrently receiving service pensions).

Given that the criteria for inclusion as a welfare recipient is that the person is primarily dependent on the welfare payment, it is important to establish that this is indeed the case. Since all of the benefits in question were means-tested as of mid-1995 it is conceivable that the payment made to some recipients was too small to meet the criterion of primary dependence. Nevertheless, we have not excluded any of the pension or benefit recipients described above on this account. The reason is that our analysis of the DSS files indicates that very few recipients are not primarily dependent on the benefit in question. The category most likely to be 'not primarily dependent' are Age pensioners, since they have had a lifetime to accumulate income-producing assets. According to the DSS, 32.7 per cent of Age pensioners were receiving a part-pension as of June 1995.² It is conceivable that many of these part-pensioners might not be primarily dependent on the pension. To explore this possibility, we analysed the pension amounts paid to pensioners living in New South Wales as of June 1995. Only 7.3 per cent of these pensioners received the pension at an annual rate of \$3,999 or less, that is less than half the full-rate. This implies that, if our figures overstate the numbers of persons 'primarily dependent' on a Commonwealth benefit, it will only be to a minor degree.

We have not included family payments or rental assistance payments in the welfare benefit category, both because these benefits do not constitute the major income stream for recipients and because to include them would involve a high degree of double-counting. Though there may be a case for including Austudy recipients aged 20+, we have not done so because, as students, such persons are not analogous to those unable to find work nor are they in any sense ‘casualties’ of economic change as described above. A final omission which helps explain the relatively low welfare-beneficiary ratio for the Northern Territory (see Table 2) is that of recipients of the Community Development and Employment Project (CDEP) payments available to unemployed Aboriginal and Torres Strait Islanders. These recipients were omitted because no data were available at the SLA level for this group.

The data source for welfare recipients, and for those receiving additional family payments, is customised machine readable files purchased from DSS covering all pensioners as of June 1995 and all beneficiaries as of May 1995 by type of benefit and postcode of residence. In order to match these figures to the base population derived from the ABS estimated resident population, they have been aggregated to SLA by using a postcode to SLA concordance developed by the ABS. The DVA records were treated similarly.

TREND ESTIMATES OF WELFARE DEPENDENCE

Table 1: All pensioners and beneficiaries^a aged 16+ as a percentage of Australia’s total population

	1978	1981	1983	1986	1988	1989	1990	1991	1992
Percentage	16.6	18	21.3	20.4	19.5	18.6	18.7	20.6	22.1

^a Includes all DSS pensioners and beneficiaries plus DVA service pensioners and net war widows.

Source: DSS, *Pensioners and Beneficiaries as a Proportion of the Population and Labour Force, Australia*, 1978-88 and 1983-92

The social and economic changes sketched earlier imply an increase in the welfare dependency ratio as defined above. Unfortunately it is very difficult to compile a comparable trend series to establish accurately the recent changes. The last official compilation of the level of welfare dependence in the population was the DSS statistical series entitled *Pensioners and Beneficiaries as a Proportion of Population and the Labour Force*. This ceased publication with the presentation of 1992 figures. That series presented estimates of the total number of pensioners and beneficiaries (including veterans service pensions and war widow pensions) aged 16+ as a proportion of the total Australian population. These estimates are listed in Table 1. They demonstrate that there has been an increase in welfare dependence from the late 1970s to the early 1990s.³ The nature of that increase is not entirely clear, however. Increases can stem from two potential sources: the first is when more households qualify for existing programs because of changes in personal or household circumstances; the second is where more households or individuals qualify for assistance through changes to the range or eligibility of programs. To our knowledge there has been no subsequent analysis updating the 1992 DSS figures.

It is difficult to replicate the 1978-92 DSS analysis for 1995 because of the limited information provided in the DSS series as to which pensions and benefits were included, though our data do suggest a further marginal increase in the DSS welfare indicator between 1992 and 1995.

The snapshot we provide for 1995 can therefore be interpreted as indicating the continuation of a progressively increasing share of the adult population needing state assistance. Our hypothesis is that this is one result of the movement towards a more globalised economic environment.

ADULT WELFARE DEPENDENCY IN 1995

The results of the analysis at the national and state level for the pensions and benefits included in our definition are shown in Table 2. Some 32 per cent of Australia's population aged 20+ were dependent on a pension or benefit as of mid-1995. One of the many implications is that around one in three voters are dependent on the Commonwealth Government for their direct well-being.

Table 2: Adult welfare dependency^a by state and Australia, 1995

	DVA		DSS payment type				DVA & DSS
	Total	Age Pension	Disability Pension	Sole Parent Pension	Job Search/ Newstart	Other ^b	Total
New South Wales	3.9	12.3	3.6	2.5	5.0	4.6	31.9
Victoria	3.7	12.4	3.3	2.2	5.5	4.5	31.6
Queensland	4.2	11.3	3.5	2.8	5.4	4.6	31.9
South Australia	4.4	14.5	4.0	2.6	5.6	4.7	35.7
Western Australia	3.8	10.4	3.3	2.7	4.6	3.9	28.6
Tasmania	4.5	12.9	4.6	3.1	6.7	5.8	37.7
Northern Territory	1.0	4.1	3.3	4.0	8.9	4.1	25.4
ACT	5.1	5.6	1.9	2.1	3.6	2.1	20.4
Australia	3.9	12.0	3.5	2.5	5.3	4.5	31.7

^a Adult welfare dependency defined as the number of persons aged 20+ in receipt of pensions or benefits as a percentage of the total population aged 20+.

^b Other includes Widows B, Wives and Carers Pensions, Mature Age Allowance, Mature Age Partners Allowance, Special Benefit, Sickness Allowance, Widow Allowance, Drought Relief and payments made for partners of labour-market allowance recipients including Newstart/Job Search.

Source: Centre for Population and Urban Research, Monash University

Commentators who hold an image of Australia as an ageing society with relatively high levels of citizens of Age pension age may have expected such a high figure. Those receiving Age pensions and DVA pensions (almost all [89 per cent] of whom were in the Age pension age category, according to data supplied by DVA) do constitute half of all the adult welfare dependents we have identified as of 1995. But they are not responsible for the increase in welfare dependency indicated in the DSS series cited earlier. In 1995 the 'baby boomers' of the 1950s and 1960s, people who will reach the pensionable age in the next fifteen to thirty years, were still in the pre-Age pension age bracket. Indeed, partly because of tighter means testing of the Age pension since the early 1980s, the proportion of Age and DVA pensioners to the total 20+ population appears to have fallen slightly between 1982 and 1995.

The growth in the proportion of welfare beneficiaries since the late 1980s (identified in Table 1) is due to an increase in the number of beneficiaries still in their pre-pension or 'working ages'. Since 1986, the number of unemployment benefit, disability and sole parent pension recipients have all increased at a faster rate than the 20+ population, despite strenuous attempts on the part of the Commonwealth Government to more sharply means test beneficiaries and to encourage workforce participation.⁴ By mid-1995 we estimate that 20.1 per cent of persons aged 20+, but still under the Age Pension eligibility age, were in receipt of the benefits included in our definition of welfare benefit recipients. By comparison, 79.8 per cent of those in the Age pension age category were receiving an Age or DVA pension or a disability allowance as of mid-1995.

There are a number of implications of this very high one-in-five working-age (or pre-Age pension) dependency ratio, particularly in reference to estimating the future financial burden which the public sector will need to shoulder. The proportion of people who are dependent on transfer payments during their working age may continue to rise as a result of the rapid change in economic and social conditions. If this occurs at the same time as the proportion of the older population starts to expand significantly (see Bacon's article in this issue), the potential expenditure will soar. It is highly likely that we will see both increasing efforts to encourage older Australians to become more self reliant in old age, and a more targeted qualification for the Age pension.

SPATIAL VARIATION IN ADULT WELFARE DEPENDENCY

The next section of this paper is a preliminary examination of some of the spatial implications of a growing level of welfare dependence. A feature of many of the processes leading to an increasing need for income support is that the outcomes occur quite unevenly. Some communities and localities are little affected, while others may experience quite dramatic change. This is a result of a number of factors, for example:

- Economic restructuring most adversely affects those areas where industry, and particularly manufacturing industry, is of most significance in the local economy. On the other hand, it advantages those areas which have concentrations of high level functions, such as head offices, producer services, research and development services, and which have high levels of international connections.
- Competition for areas offering high accessibility and/or amenity means that persons

dependent on welfare may either have to vacate such areas or will not be able to afford to locate within them. This is particularly the case in the gentrified areas of the inner cities. Such pressures will be less in cities with lower rates of economic and population growth.

- When standardised by age, lower income groups (the unemployed and those not in the labour force) are marginally more mobile than the population as a whole.⁵ Of those contemplating moving, persons not in the workforce (retired, sole parents, some unemployed) are not constrained by the location of employment, and thus can more readily move to areas which may reflect other locational determinants — often some combination of lower living costs, high amenity, and more equable climate.

Thus the concentration of welfare recipients can result from local economic changes which increase the extent of welfare dependence, or it can result from the attraction of pension or benefit recipients to an area from elsewhere.

We intend to explore the detailed spatial distribution in later reports. But the impact of the factors noted above can be seen in variations in the level of welfare recipients even at the highly aggregated state level. Tasmania has the highest proportion of population aged 20+ who are in receipt of these transfer payments (38 per cent), followed closely by South Australia (36 per cent). These two also have the lowest economic and population growth rates. New South Wales, Victoria, and Queensland are all on the national average of 32 per cent and Western Australia below this average at 29 per cent. Both the Northern Territory and ACT are significantly lower (Table 3) but, in the case of the Northern Territory, an additional four to five per cent must be added to cover those receiving CDEP payments.

These differences stem largely from the variations in the proportion of the total 20+ population in receipt of the Age pension. South Australia has 14 per cent of those aged 20+ in this category, compared with the ACT at only six per cent. NSW and Victoria again are at the national average (12 per cent), with the Queensland figure slightly lower at 11 per cent. While the Northern Territory has the lowest proportion of aged recipients, it is by far the highest in terms of the Job Search/Newstart category.

Table 3: Adult welfare dependency^a by selected metropolitan, non-metropolitan areas and SLAs, 1995

	DVA		DSS payment type				DVA & DSS
	Total	Age Pension	Disability Pension	Sole Parent Pension	Job Search/ Newstart	Other ^b	Total
State capital cities:							
Sydney	3.4	10.9	3.1	2.1	4.3	4.0	27.9
Melbourne	3.2	11.6	3.1	2.0	5.5	4.3	29.8

Brisbane	4.3	10.9	3.4	2.6	4.4	3.6	29.0
Adelaide	4.4	14.5	4.1	2.6	5.5	4.4	35.5
Perth	3.9	10.8	3.3	2.5	4.6	3.9	29.0
Hobart	6.2	12.2	4.3	3.2	6.3	4.5	36.6
Queensland:							
Gold Coast and hinterland	5.7	13.2	3.0	2.9	7.5	4.6	36.9
Sunshine Coast and hinterland	6.1	13.6	3.3	3.5	8.2	6.1	40.8
Hervey Bay (C)	7.1	18.1	5.8	3.3	9.1	9.1	52.5
New South Wales:							
Tweed (S) - Pt A	10.8	20.6	4.9	3.3	7.4	6.2	53.2
Ballina (S)	8.6	15.9	4.0	3.4	6.8	5.1	43.7
Coffs Harbour (C)	6.4	14.3	5.0	4.1	9.9	7.3	46.9

a, b See Table 2

Source: Centre for Population and Urban Research, Monash University

The state averages, however, hide considerable intra-state divergences. As indicated in Table 3, the state capitals in NSW and Queensland show lower adult welfare dependency rates than is the case for their respective state rural areas and particularly for their rapidly growing non-metropolitan coastal communities. The dependency levels for the NSW north-east coast, Queensland's Sunshine Coast and Hervey Bay areas of more than 40 per cent are very high. These figures reflect high Age and DVA pension levels but also significant levels of working-age benefits as well. How far such concentrations are a consequence of people who need welfare assistance deciding to move from areas where competition for housing has increased costs (as in Sydney) will need to be explored in the context of forthcoming 1996 Census data. Nevertheless, this hypothesis gains some credence from the Adelaide's high Age pension dependency level (15 per cent) compared with Sydney (11 per cent) and Melbourne (12 per cent). The factor of housing costs could work in two ways — both forcing out those with insufficient resources to compete for that housing, as well as enabling retiring home owners to capitalise on a considerable asset and use part of the proceeds to relocate.

ADDITIONAL FAMILY PAYMENTS

Table 4: Percentage of children aged 0-15 years living in families receiving Additional Family Payments, 'working poor', welfare recipients and total, 1995

Per cent of population aged 0-15 yrs		
Working poor	Welfare recipients	Total

States and Australia:

New South Wales	15.4	24.2	39.6
Victoria	16.4	22.0	38.4
Queensland	19.8	25.0	44.8
South Australia	18.0	25.8	43.7
Western Australia	16.1	22.2	38.3
Tasmania	17.7	30.2	47.9
Northern Territory	16.6	31.2	47.7
ACT	9.8	16.2	26.0
Australia	16.7	23.9	40.6

Queensland:

Gold Coast and hinterland	18.0	27.6	45.6
Sunshine Coast and hinterland	24.0	33.9	57.9
Hervey Bay (C)	22.1	41.8	63.9

New South Wales:

Tweed (S) Pt A	19.5	37.5	56.9
Ballina (S)	23.4	34.3	57.7
Coffs Harbour (C)	22.4	39.7	62.1

Sydney:

Auburn (M)	20.7	39.4	60.1
Canterbury (M)	20.8	31.0	51.8
Liverpool (C)	14.6	33.4	48.0
Fairfield (C)	14.9	34.4	49.3
Campbelltown (C)	12.6	31.6	44.2
Hornsby (S)	8.6	6.3	14.9
Baulkham Hills (S)	7.9	6.9	14.8
Sydney Statistical Division	12.8	21.6	34.4

Source: Centre for Population and Urban Research, Monash University

One of the serious consequences of the high level of adult welfare dependency amongst those in their working ages in Australia is that a high proportion of the people affected are raising children. In addition, many other low-income families who do have paid work are also raising children. As Table 4 shows, a remarkable 41 per cent of all Australian children aged 0-15 are living in families in receipt of Additional Family Payments (AFP), 24 per cent of them in families in receipt of a Commonwealth pension or benefit and 17 per cent in families who are best described as the 'working poor'. The 'working poor', by definition, do not include the families dependent on social welfare benefits which we have been discussing so far. But, in order to qualify for the income-based AFP paid by the Commonwealth Government, they must meet an austere income test which puts the family's financial situation close to that of those dependent on welfare benefits.

The income means test for Additional Family Payments was set at a taxable income level of \$21,700 for a family with one child in 1995 (and progressively higher for families with additional dependent children). The payment is reduced by 50 cents in the dollar for income levels over the initial threshold. A good indication of the low income qualification met by 'working poor' AFP recipients is that our analysis of the 1995 recipients showed that 75 per cent of the families qualifying reported annual taxable incomes of \$24,000 or less.

The proportion of children aged 0-15 living in families receiving AFPs was just 20.1 per cent in 1986. Since then it has doubled to reach 41 per cent in mid-1995. Part of the increase reflects the increase in the number of families in receipt of welfare benefits since the late 1980s. Such families automatically qualify for the AFP. But a major part of the growth is attributable to the increased number of families who meet the 'working poor' criteria. The total number of children in such families increased from 92,982 in 1987 to 688,000 in 1995. Again this could be a combination of increasing need and a widening of the program scope. For example, there has been an increase in the income threshold at which the means test cuts in (it was increased by \$2,200 in 1992) as well as progressive increases in the dollar value of the AFP. Both factors became more evident after 1987 when Bob Hawke declared that 'no child shall live in poverty'. This gave families more incentive to apply and there were also increased efforts on the part of the Government to make low income people aware of the payment. Because of these administrative changes we cannot say how much, if any, of the jump in 'working poor' recipients of the AFP is due to a greater incidence in the number of working-poor families in Australia. But it does not alter the importance of transfer payments as a basic underpinning of living standards for the less well off.

The disconcerting conclusion following from these data is that the poor are shouldering more than their 'fair' share of the task of raising the next generation of Australians. We noted earlier that 20 per cent of Australia's pre-pension age population aged 20+ are dependent on welfare benefits. Yet 24 per cent of Australian children aged 0-15 are being raised in families dependent on such benefits and a further 17 per cent by parents whose family income from work is so low as to necessitate supplementation. The AFP system is clearly vital to maintaining a reasonable standard of living for low-income families with children, a responsibility that recent governments have accepted. But there remain grounds for real concern that so many children are being brought up in families with very low income levels. This implies that they will be struggling to give these children the opportunity to succeed in a world where success depends heavily on the parents' willingness and capacity to invest in

their children's education. The concern stems in part from the increasing trend for public service providers to require greater contributions from recipients for the services that the state administers.

These equity concerns look even more serious when considered in the light of spatial variations in AFP recipient patterns. These concentrations necessarily mirror those of welfare dependency described above, since welfare dependency is the major determinant of AFP eligibility. But, in the case of AFP recipient households, the concentrations telescope in a far more striking way. Even at the state level we find high concentrations, particularly in South Australia (44 per cent), Queensland (45 per cent) and Tasmania and the Northern Territory (both 48 per cent), relative to 40 per cent in NSW and 38 per cent in Victoria.

But once we move down to the regional and local government (SLA) level the variation is dramatic. Table 4 lists a selection of areas similar to those cited above for the adult welfare-dependency ratios, plus some local government variations for the Sydney metropolis. For both the coastal communities and the relatively low-income Sydney middle and outer suburbs cited we find 50 per cent or more of the children are being raised in families in receipt of AFPs. (The outer Sydney areas of Hornsby and Baulkham Hills indicate the contrast for higher socio-economic status areas). We find even higher concentrations in the lower income areas of Australia's less affluent cities, including Brisbane.⁶ Such spatial concentrations imply troubling consequences for community service providers, particularly the primary and secondary schools located in such areas. The latter will inevitably struggle to provide a quality education when their classes contain so many children with parents who would have difficulty providing financial assistance for their children or the school their children attend.

CONCLUSION

Australia's social welfare system is important in ensuring that the degree of income inequality has not become too extreme in a period of substantial changes in the nature of work and access to employment. How it will deal with an apparently increasing level of burden is less clear. Saunders has argued that '...the tax transfer system managed to stem the rising tide of income inequality, but did not reverse it'.⁷ The implication is that further resources will be required to maintain the already difficult position.

The main function of this paper has been to lay out a methodology and provide a preliminary analysis of the nature, extent, and distribution of welfare dependence in Australia under some significant structural changes. Two basic implications can be drawn and highlighted for further investigation. The first is that there is a high and seemingly increasing level of welfare dependence amongst the Australian population. This appears to be a result of the unequal impacts of workforce restructuring and the changing nature and availability of jobs, and the changing nature of households. These processes are resulting in an increasing degree of income inequality and a growing vulnerability of the lower paid. If we are to avoid growing social divisions, these conditions will necessitate a strong and continuing commitment on the part of the public sector to maintain and enhance programs which will ameliorate the worst effects of these processes.

The second implication is that the outcomes are highly uneven in locational terms. Some states, cities, regions, and neighbourhoods are benefiting in terms of an increase in jobs and income; others are suffering a decline in both. This unevenness is apparent in the distribution of welfare dependents, even at the relatively aggregated spatial scale analysed here. The degree of spatial concentration poses additional problems in that the facilities and services in local communities will be taxed by a population less well placed to substitute private for public consumption. In this case, not only income support, but also community development support is necessary to ameliorate the worst effects of the concentration of disadvantage.

Acknowledgments

We thank the Department of Social Security and the Department of Veterans' Affairs for their assistance with the data utilised. We also gratefully acknowledge the financial assistance supplied from the Australian Housing and Urban Research Institute.

References

- 1 Australian Urban and Regional Development Review, *Urban Australia: Trends and Prospects*, Canberra Australian government Publishing Service (AGPS), 1995
- 2 Department of Social Security, Annual Report, 1994-95, AGPS, Canberra, p. 111
- 3 See, for example, the articles in *The Australian* by Michelle Gunn, 2-3 November 1995, and Mike Steketee, 4-5 January 1997.
- 4 L. Bryson, 'The welfare state and economic adjustment', in S. Bell and B. Head (Eds), *State, Economy and Public Policy*, Oxford, Melbourne, 1994, chapter 12
- 5 M. Bell and C. A. Maher, *Internal Migration in Australia 1986-91: The Labour Force*, AGPS, Canberra, 1995
- 6 For Brisbane, see R. Stimson and S. Taylor, 'Sunbelt welfare: geographic patterns of dependency on Additional Family Payments in Brisbane and the South East Queensland region', *People and Place*, vol. 4, no. 4, 1996, pp. 46-57.
- 7 P. Saunders, *Unpacking Inequality: Wage Incomes, Disposable Incomes and Living Standards*, Social Policy Research Centre, University of New South Wales, Sydney, 1995, p. 4

Back to [Contents Vol. 5 No. 2](#)

Back to [People and Place Home Page](#)