

re-examine any proposed strategy for Melbourne in the light of these new policies. In order to prepare for such a contingency it would, given the availability of resources, be desirable to examine the social, economic and environmental implications developed below, in the light of markedly changed immigration rates. As previously indicated, implications of national and/or state strategies for decentralisation are discussed later in this report. Within the context of known factors, a population level of some 4 million can still be expected within the Melbourne Metropolitan Area, at the year 2000 AD, as suggested in the Board's 1971 report (page 21).

3. Relationship between Urban Strategies and Objectives

Increasing attention is being focused on problems in our cities. Crime, poverty, high costs, pollution, congestion and other malfunctions are often ascribed to cities, rather than to the societies which create them. As a result, there has been a widespread acceptance of the notion that physical planning policies provide a panacea, and therefore investigation is required to determine the extent to which implementation of such policies will reduce these problems.

Accordingly, it is essential that the social, economic and environmental implications of any advocated strategy should be examined, and that, as far as possible, the extent to which strategies contribute or not to acceptable objectives should be determined. Implications for a number of the listed objectives will now be examined.

1. Economic implications

Although economic growth measured in terms of Gross Domestic Product per head of population may be a much less significant objective than it was even five years ago, there are income distribution effects of any strategy which may be of considerable significance. It should be noted that whilst an interrelation between strategies and income or social goods distribution is recognised, the nature of the relationship has been misinterpreted by many writers who have failed to consider the matter from an economic view-

point which would stress the importance of adequate employment generation. For example, in his book *Ideas for Australian Cities*, Hugh Stretton states that—

*"... for any given inequality in the distribution of money, the fastest increase in inequality in the distribution of real social goods can usually be achieved by combining a policy of indefinite growth around a single metropolitan centre with a policy of rising density."*⁸

Research carried out by officers of this Department suggests that a reverse situation applies in a number of cities, including Melbourne, and that adoption of **policies of dispersal** would increase income polarisation, i.e., inequalities in the distribution of incomes, and thus tend to expand interrelated social dysfunctions, i.e., disordered social conditions. The distribution and standard of "real social goods" is influenced through levels of *per capita* income. If a given urban form, involving greater concentration of activities, generates the greatest number of job opportunities, especially for the lower income groups and thus tends to raise their relative income levels due to the increased demand for that type of labour, the resultant increases in *per capita* incomes will be reflected in a greater availability and higher standard of the real social goods and thus will reduce inequality instead of increasing it. Papers relating to these issues are contained in attachments 1 and 2 but major issues will be looked at here.

An urban strategy can influence the economy of the area through its effect on the pattern of employment and the associated income structures which are generated. The influence of the strategy can be assessed only in terms of the development likely to take place at the national and state level, i.e., it has to be seen in a national and state context. This suggests that in the long term, the service sector will play an increasingly important role in providing job opportunities and that the role of manufacturing will decrease. More and more of the job opportunities required to maintain employment levels for an increasing workforce will need to come from service sector employment.

The sectors of service, or tertiary, activity that have been growing most rapidly are the relatively skilled sectors—

8. Hugh Stretton, *Ideas for Australian Cities*. (Adelaide, Stretton 1970), page 310.

banking, insurance, finance and scientific and professional services. The patterns of labour demand generated by this changing economic structure are particularly adverse for people with limited educational background. That is, more skilled jobs are being generated than unskilled ones.

The results of these changes are twofold. Firstly, they may go some way to explaining the decline in activity rates which occurred during the period 1966-71 in Central and Inner Melbourne. That is the local government areas (LGAs) where the less skilled members of the workforce tend to reside had a lower percentage of the resident workforce actually working.

A second result is a polarisation of incomes. The increased competition for jobs, which are already low paid will tend to keep those wages depressed whilst at the same time, there is an increasing demand for scarce management and professional skills, which will tend to accelerate their earnings. Associated with these movements is a relative decline in the significance of manufacturing employment with a consequent reduction in the size of the medium income group. There is thus a tendency for earnings to polarise with all the consequences for those social dysfunctions which may be associated with relative poverty.

These developments are longer term changes and will be offset or accentuated by short term fluctuations in the level of national economic activity. Thus at the present time they are masked by the abrupt upswing in activity that has taken place in 1973, but they can be expected to re-emerge as the economy slows down following the introduction of the Commonwealth Government's anti inflationary policies.

It is only by accelerating the creation of job opportunities in the personal services sector of tertiary activity at a faster rate than the supply of labour becoming available that the problem of income polarisation is likely to be overcome—i.e., by increasing rather than reducing the activity rate of the relatively unskilled. It is on such future employment opportunities that a particular form of urban development could have an important, perhaps crucial impact. It is in a centralized, urban life style that the demands for urban recreational and personal services are likely to be generated most rapidly. For example, in this life style female activity

rates amongst professionally trained women are likely to be at their highest which will consequently generate maximum demand for personal services which as suburban housewives they would have supplied themselves. Quite contrary to this, internal decentralization by means of linear city or peripheral development will tend to extend the present decentralized suburban form which is inimical to the rapid growth of broad based service sector employment.

The findings of attachment 1 then, is that decentralization will do nothing to alleviate problems of poverty and inequality. On the contrary the tendency will be to increase them. From the point of view of the income effects, it may be better to concentrate growth, at least for the time being, in larger rather than smaller cities. This would ensure that the increased income generation associated with larger cities would be available to increase the demand for service sector employment.

2. Social implications

A relationship between socio-economic status and urban social dysfunctions has been referred to above. In an economy as affluent as that of Australia's, these disordered social conditions arise not so much because segments of the community are absolutely poor, as in many other countries, but more because of perceived, relative deprivation. Thus, in the inner core of the Melbourne Metropolitan Area (MMA) there exists a situation for many people of economic poverty, compared with the rest of the community, whilst in outer areas, especially in the northern and western sectors, there exists a situation of relative deprivation of community facilities and services compared with the more favourable areas of the east and south. Both of these situations of relative deprivation will only be worsened by the present policies which are resulting in decentralization to the south-east because on the basis of research to date, it would appear that such decentralization will lead to even greater income polarization and greater community polarization than presently exists.

The concept of relative deprivation is pertinent in a situation where the economic system emphasises affluent consumption of goods and services and the striving for a higher and higher standard of living. In such a system

inequalities will arise and tend to feed on themselves. Thus, in areas such as the western and northern sectors, mainly blue collar areas, the initial failure to provide sufficient community services, facilities and utilities infrastructure has gradually been amplified over the decades until today the quality and quantity of these community goods and services available for consumption there is far inferior to the quality and quantity of similar community goods and services available in other parts of the MMA, especially in the affluent areas of the southern and eastern sectors. In the inner core, the traditional areas of relative poverty, income polarization will increase even more if job opportunities continue to be decentralized.

Among the factors which can be pinpointed as being responsible for this situation are inadequate planning and the lack of co-ordination of service agencies which have been given the brief to see to these matters. The situation is also due to the inadequate political voice and muscle of some LGAs with which to ensure that legitimate demands are met. On top of the initial paucity, the situation has been worsened by the siting of a number of Housing Commission estates in fringe areas where people have been located who, necessarily, do not have the same advantages as the upper half of the community. Further, the estates have been located in areas lacking much essential community physical infrastructure and where, also necessarily, fully rounded community mix and interaction is not possible. Another contributing factor stems from allowing particular interests to dictate where new housing subdivisions should be located, rather than locating these within the context of an overall metropolitan strategy. Thus, new subdivisions have been located in fringe areas beyond the limits of community services and physical infrastructure.

Many people in the western and northern suburbs are not able to achieve the normal standard of consumption of these goods and services because their incomes are insufficient but many others are denied even the opportunity to achieve the norm because the social infrastructure is lopsided and also because the facilities, services and opportunities are simply not available in sufficient supply. Many people in the inner core are not able to achieve the norm because family income will not allow for the normal level of consumption of goods and services, and especially

not the level of consumption achieved by the newly returning middle class in these areas.

Different segments of these communities will be affected in different ways simply because the western and northern suburbs are not socially homogeneous as, of course, no community is. Differences in age, ethnicity, familism, income, perception, education and, so on, will make for a complexity of demands, and, given the high level of expectations which the mass media and rapidly changing technology generates, if these demands are not substantially met then a reaction of frustration, anxiety and anger will ensue, as people compare their level of consumption with that of the rest of the community. These reactions manifest themselves in such various dysfunctions as family conflict, psychosocial stress, and community friction and disharmony.

These serious implications pertain especially to all isolated, small-scale, fringe development. It is essential to understand that such development is inimical to the establishment of a satisfactory community, and to the provision of services necessary to overcome the inequalities produced by relative deprivation.

3. Implications of change

It is of critical importance to the selection and implementation of any future urban strategy to recognise the fact that certain, significant trends are becoming apparent throughout the broad spectrum of today's society.

Perhaps the most notable aspect of current, modern industrial western society is change and the rapidity with which it occurs. Society, the environment, and interaction within and between the two, are changing at ever increasing tempos; change is in fact occurring so rapidly that the individual is beginning to rebel against it. The Board's 1971 Report referred to this (page 68). Alvin Toffler, in a paper titled "Coping with Future Shock", says that "Vast numbers of us seem frazzled, strung out, numbed, overwhelmed, shocked by change."⁹

It is evident that a growing number of people are yearning for some semblance of stability. Taking into consideration the growing range of problems in cities, and local, national

9. *Playboy*, March 1970, page 89.