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Welfare outcomes of migration of low-income earners from metropolitan to non-metropolitan Australia

By

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Author biography

Peter Murphy is Professor of Planning and Urban Development in the University of NSW. His research over the past decade has focused on growth and change in perimetropolitan and non-metropolitan population turnaround regions and the urban public interest implications of immigration. His most recent books are **Surface City: Sydney at the Millennium** (with Sophie Watson) and **Immigration and Australian Cities** (with Ian Burnley and Bob Fagan).

ⁱ This paper is written and presented on behalf of the research team: Professors Ian Burnley, UNSW, and Graeme Hugo, University of Adelaide, and Dr Nancy Marshall, UNSW.

Introduction

In any given year many people leave Australia's larger cities – essentially the State capitals - to live in smaller urban centres and rural parts of non-metropolitan Australia. Sydney, in particular, in every year over the past 30 years, experienced net internal migration losses. Whilst other capital cities have experienced losses in particular years, overall the gains have exceeded the losses, especially in the sunbelt capitals of Brisbane and Perth (Fig. 1).

A lot of research has been conducted on internal migration in Australia and internationally. The socio-demographic characteristics of outflows and the motivations of people leaving the cities are well understood at a general level. Net internal migration losses from large cities in the western industrialised world were generally viewed in a positive light by social researchers and regional policy-makers in the 1970s and 1980s. This was because the trend suggested an historic shift in the dominance of large cities in their respective national settlement systems. The phenomenon came to be known as the *population turnaround*. It was also labeled *counterurbanisation*, which is something of a misnomer since whilst some people leaving the cities settle in rural areas most relocate to urban centres of varying size.

Globally-driven economic restructuring in Australia from the early 1970s saw a sharp rise in unemployment that has been sustained at high levels ever since. Restructuring also saw a redefinition of regional patterns of competitive advantage (e.g. Murphy, 1995). In Australia this meant, amongst other things, an accentuation of Sydney's capacity especially compared with Melbourne, to attract globally mobile investment and consumption flows (e.g. Murphy and Wu, 2001). Restructuring also saw the decline of manufacturing based cities, such as Adelaide, and the rise of the sunbelt cities, Brisbane and Perth. These changing patterns of regional economic growth naturally influence internal migration flows with people leaving areas of lesser and moving to areas of greater opportunity.

A feature of the outflow of population from the cities that had not been noted in initial accounts of the so-called population turnaround was a significant component of lower income households, including many who were in receipt of some type of income support payment. A study by the NSW Department of Environment and Planning (1986) was perhaps the first to note this in Australia in a pioneering survey of migrants to Coffs Harbour.

It was only in the 1990s, however, that much attention began to be paid to the phenomenon and the bias towards lower-income earners in outflows to perimetropolitan and population turnaround localities started to draw significant academic attention (e.g. Murphy, 1992, Murphy and Burnley, 1993, Hugo and Bell, 1998, Morrow, 2000). This surge of interest resulted in part from the politicizing of the process from the late 1980s. It was around this time that the social commentator, Paul Sheehan (1998), articulating public concerns about the scale of immigration to Australia, noted the association between immigration and outflows and argued that people were being forced out of Sydney (in particular) by inflated housing prices and by a concern about numbers of immigrants (Fig. 1). This putative 'displacement' effect has also been used as an argument against high immigration in the United States and Canada (see Ley and Murphy 2001). Social polarisation in larger cities, resulting from globally driven economic restructuring, has also arguably been part of the causal structure.

Recent work on this topic in Australia comes in variety of forms. Burnley and Murphy (UNSW) are in the later stages of studying peri-metropolitan and population turnaround processes with a particular focus on NSW. The study includes social profiling of migration streams over time and

survey research involving a sample of 2000 residents in selected NSW localities (Burnley and Murphy 2002a, Burnley and Murphy 2002b). Hugo (Adelaide University) is currently conducting research on the relationship between immigration into cities and internal migration patterns and on migration to rural and regional Australia and its association with poverty. A current AHURI project by Bradbury et al. (UNSW) involves analysis of DFACS longitudinal data to assess the relationship between mobility patterns of income support recipients, labour and housing markets.

Aims of the Research

The principal aim of this research is to test the assumption that the bias towards lower income earners in the internal migration outflow from Sydney and other Australian cities means that movers are being forced out by unaffordable housing and that this choice leads to a net loss in their overall welfare. There is no doubt that housing costs are a factor (and not just for low income earners) in relocation decisions. But for policy-makers to conclude that there is a public interest issue that needs attention many of the people relocating would need to be saying things such as:

- “I’d much rather be living where I was but given my income it was impossible to get appropriate and affordable housing and still have enough to live on”;
- “As a result of moving I’ve had to give up my job and haven’t been able to find another one or the one I have found pays less and isn’t enough to keep my household income after housing costs at the level it was”;
- “A trade-off that has made things really difficult is that I now live in an area that is poorly supplied with human services and this is not just an inconvenience but a serious problem”;
- “Since I am income-support dependent and there is no restriction on my moving to areas where jobs are hard to come by I figured I might as well move to get better housing in a more pleasant environment etc.”

The principal question is whether a person's aggregate welfare is lessened as a result of the move. Migrants on lower incomes may arrive in localities with limited work opportunities suitable to them. They may also find that they have less disposable income than they previously had because of rent levels and the costs of travel to key services. They thus may experience housing stress, particularly in rural and regional areas where housing costs have increased in part as the result of amenity-related migration by more affluent households but possibly in other localities as well. Examples may include population turnaround areas in north coastal NSW such as Port Macquarie and Coffs Harbour, exurban and peripheral areas beyond the metropolitan fringe of Sydney as well as population turnaround regions beyond the fringes of other metropolitan cities.

This paper was written in early September, just before the survey process was initiated for our study. As a result, no data can be presented other than that extracted from DFACS’ Longitudinal Data Set. Project commencement was August, with survey results not expected until mid-November. Completion of this AHURI project is June 2002.

Methodology

The project has two main parts. The major of these is a social survey of income-support recipients who have relocated from metropolitan cities to non-metropolitan areas. The second component is an Australia-wide analysis of migration flows of income-support recipients based on DFACS' LDS.

The social survey focuses on NSW and SA. This strategy is based on three considerations. First, whilst low-income out-migration from Sydney is more pronounced than in other Australian cities it is important to avoid the charge of Sydney-centrism in research. Second, NSW and SA exemplify most sharply contrasts in the recent economic and demographic histories of the Australian states; so since the cost of an Australia-wide survey is regarded as being prohibitive the choice of these two states makes sense as a sampling basis. The target population is income support recipients since this sub-set of lower income earners is most likely to be affected by housing prices and since it is logistically possible to identify a sample of such people at reasonable cost. Contacting lower income earners who are not receiving income support is much more complex.

The research assumes the completion of up to 2500 self-administered, mail-back questionnaires, completed by income-support recipients who moved from metropolitan Sydney and Adelaide to non-metropolitan NSW and South Australia over a 12-month period and who were in receipt of benefits both before and after relocation. To achieve this number of returns, a random selection of 7000 movers will be drawn from DFACS' Longitudinal Data Set (LDS) of its income support recipients (an expected response rate of up to 35% is based on recent DFACS experience with client surveys). The sample will be stratified to include the aged, single parents, disabled, and unemployed (including unemployed youth). The sample will be drawn in such a way as to obtain sufficient returns for each income support category from NSW and SA so that reliable conclusions to be drawn from the data. Because of the relatively small numbers of movers from Adelaide to non-metropolitan SA, and variation in numbers of recipients moving in each of the categories in both NSW and SA, over-sampling will be conducted in some categories. It is therefore planned to sample 4,500 cases from NSW and 2,500 in SA. No spatial stratification will be undertaken but it is reasonable to assume that sufficient numbers of returns will be obtained from the various types of non-metropolitan regions to enable cross-regional comparisons.

Each 'mover' selected will receive a written subject information letter (which is required by the UNSW Ethics Committee), a questionnaire, and a reply-paid envelope for mailing back the survey. For privacy issues, FaCS must produce the mailing list and organise the mailing process with a contracted firm. The research team designed the questionnaire (with FaCS input). Returns will go to the Faculty of the Built Environment, UNSW for processing, entry and analysis. A commercial survey research company will undertake these tasks with the research team conducting more detailed analyses

Whilst the core of the research is based on the social survey, analysis of DFACS' LDS will yield a detailed geographical summary of migration trends. As an example of the data already obtained from the LDS, Table 1 shows numbers of income support recipient movers by FaCS' client type for each state and territory.

Table 1

Metro to Nonmetro Income Support Type	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Unemployed	96	4,866	700	5,030	1,864	680	4,805	3,039
Youth Unemployed	16	1,000	122	1,422	485	233	1,009	811
Single Parents	112	3,336	252	3,075	1,201	356	3,134	1,903
Disabled	52	2,866	166	2,525	1,131	294	2,729	1,369
Aged Pension	78	4,060	86	2,341	999	195	3,566	1,531
Totals	354	14,393	1326	14,393	5,680	1,758	15,243	8,653

Also at hand are numbers of movers from non-metropolitan to metropolitan areas and the numbers of recipients in each category in non-metropolitan and metropolitan areas. As well as these regional aggregations movements from metropolitan areas to non-metropolitan postcodes and vice versa have been extracted and will be analysed and presented in the project report.

Policy Relevance

- If there are significant numbers of people whose net welfare is being reduced due to relocation then there is support for higher levels of housing assistance to enable people to avoid the need to relocate.
- If welfare loss is due to unemployment or under-employment, or to poor access to human services after relocation, then there is support for higher levels of government effort to redress those imbalances.
- Perversely, income support payments may enable people to relocate to places where the probability of obtaining employment is actually lower.

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Figure 1

