Community regeneration in Melbourne’s west

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TABLE OF CONTENTS

Executive Summary...................................................................................................................................... iv
1. Introduction..................................................................................................................................... 1
   Basis for the Research.................................................................................................................. 1
   Research Questions .................................................................................................................... 2
   Outline of the Positioning Paper................................................................................................. 3
2. Restructuring the Globalised city ............................................................................................... 4
   Globalisation and the City........................................................................................................ 4
   The Global Integration of Urban Economies ............................................................................ 4
   Dividing Urban Labour Markets .............................................................................................. 5
   New Regions of Growth .......................................................................................................... 6
3. Social exclusion and urban change ......................................................................................... 10
   The ‘Other Side’ of Globalisation .......................................................................................... 10
   Housing in the Divided City ................................................................................................... 11
4. Australia's urban economy.................................................................................................... 13
   Restructuring Australia’s Urban Economy ............................................................................ 13
   Urban Spatial Change ............................................................................................................. 13
   Locating Australian Urban Social Disadvantage ................................................................... 15
   Housing and Urban Disadvantage .......................................................................................... 16
5. Urban change in Melbourne’s West ...................................................................................... 19
   The Study Region .................................................................................................................. 19
   Disadvantage in the ‘Old West’ ............................................................................................. 19
   The Emergence of the ‘New’ West ......................................................................................... 21
   Investigating the West ............................................................................................................ 23
   Western Melbourne and Government Policy ......................................................................... 23
6. Methodology ................................................................................................................................ 25
7. Conclusion ..................................................................................................................................... 27
References......................................................................................................................................... 29

TABLES

Table 1. Unemployment in Western Region Statistical Local Areas, 1996. ............................... 20
EXECUTIVE SUMMARY

This positioning paper outlines an AHURI research project which will examine the effects of urban economic change on the western region of Melbourne, focussing specifically on local labour and housing markets. Drawing on a wide international literature concerning processes of globalisation and economic change, the project seeks to identify how these processes have been played out at the metropolitan and sub-metropolitan scale, specifically in the western region of Melbourne, an area which has long been considered to be disadvantaged relative to the broader metropolis. The specific concern of the study will be how changes in the dynamics of labour and housing markets may be alleviating social disadvantage in this region or conversely producing new patterns of disadvantage.

The project will use Population Census, Victorian Activity and Travel Survey (VATS), and Valuer General (VG) House Price, and Department of Infrastructure land-use data to assess new spatial labour market and housing trends in the west, and will include a case study of the new ‘Caroline Springs’ housing estate. This data will be augmented with qualitative information based on interviews with key industry, government and community sector agencies operating in Melbourne’s West.

The project anticipates a series of conclusions arising from the empirical research that will address the potential for policy interventions in the western region aimed at the market-led regeneration and strengthening of communities and which reduce the need for housing assistance to households in the west.
1. INTRODUCTION

Basis for the Research

This project is located at the conjuncture of a series of contemporary literatures regarding economic and social change at the scale of economic regions. Since the late 1970s an increasing number of authors have begun to examine the notion of ‘globalisation’ and the economic and social changes associated with this process. Globalisation is understood by many observers as the process by which the economies of capitalist nations become more closely integrated, under conditions of neo-liberal economic governance, featuring the removal of trade barriers and restrictions on the flow of money capital, and the increasing power of trans-national corporations. Combined with deregulated trade and financial systems, continuing communications and transport technology advances have reduced the effective distance between sites of economic production and the sites whence the commodities produced are consumed.

Globalisation has emerged as an object of study in many fields of scholarly research, from geography, history and economics to management and development studies. Within the interdisciplinary field of urban studies, the notion of globalisation has been examined relative to the effects that this process is having on the world’s metropolitan regions. Globalisation has been demonstrated to have wide-reaching effects on the urban fabric of cities, and the literature on globalisation has been accompanied by a resurgence in academic interest in ‘the city’ and the economic, social and cultural processes and forces which intersect in contemporary urban centres around the world.

While many orthodox globalisation proponents within government and the private sector have lauded the purported benefits of unrestricted trade and capital flows under globalisation, numerous scholars and researchers have examined the mixed consequences of globalisation for particular groups within urban settings. Such scholars have noted the changes in, for instance, urban labour markets following international re-structuring of the spatial structures of production in a given region, or the social effects of such restructuring on local and regional communities. A key focus of such research has been the notions of social polarisation and social exclusion and the attendant notions of inequality, disadvantage, marginalisation and divided communities. The results of this disparate body of research and its accompanying critical literature are reviewed in the following chapters.

This project is set within the context of globalisation and its associated implications for urban social and economic conditions. The aim of this project is to examine a metropolitan region, which has historically been characterised as suffering disadvantage, to discern the spatial effects of globalisation on the social and economic conditions within this region. The geographical area selected for study is the ‘western’ region of metropolitan Melbourne, Australia, often referred to simply as ‘the west’. This region includes the local government areas of Melton, Brimbank, Moonee Valley, Wyndham, Hobsons Bay and Maribyrnong. Melbourne’s west is seen as having undergone somewhat of a transformation in recent years, from an economically marginal area within the broader Melbourne metropolitan region, to a region with significant economic connections to the globalised economy of broader Melbourne and Australia.

The project will concentrate on the effects of economic change on first, the labour markets of the western region, and second, on the housing markets in that area. We hypothesise that the economic rearrangements that have occurred in Melbourne’s west will have likely altered the geographic patterns of disadvantage but that these patterns will not necessarily have been eliminated, and may even have been exacerbated. These uneven socio-economic patterns we suggest will be apparent in the dynamics of the emerging spatial labour and housing markets of the western region of Melbourne.

Further to our concerns with labour and housing markets we anticipate that new forms of housing in the west may be identified as potentially playing an important role in the distribution of opportunity and disadvantage in the west. During the past ten years there has been a strong level of residential development in this region. One development in particular,
the new suburb of Caroline Springs exhibits some features which may have the potential to produce spatial exclusionary effects relative to other residential areas in the west. These effects may be a result of the mid-level market positioning of Caroline Springs, and of the planned community management model adopted by the developers.

**Research Questions**

In summary the key research questions posed by this project are:

1 – What are the main contours of recent changes to Melbourne’s spatial economy, with emphasis on the western sub-region, and how does this compare to patterns of urban regeneration apparent in other industrialised countries?

2 – What effects are changes to Melbourne’s spatial economy having on the labour market of the western metropolitan region?

3 – How are spatial housing markets in metropolitan Melbourne, and particularly the western sub-region, responding to the changes identified in questions 1 and 2; and how is housing, land-use and urban policy changing?

4 – To what extent are the dynamics of labour market and housing market change implicated in the creation of opportunities in Melbourne’s west, or conversely in reproducing patterns of disadvantage.

5 – What are the positive and or negative spillover effects on local economic and community development arising from new large-scale residential developments in Melbourne’s west? Focussing on the new estate of Caroline Springs, is this development the driver for broader regeneration and community building in the region, or an isolated island of change. This question raises a number of specific sub-issues for consideration:

    a) How have local businesses re-positioned themselves relative to the development of Caroline Springs and complementary infrastructure improvements?
    b) What impacts on surrounding and nearby housing values have occurred?
    c) In what ways have local and state government policies contributed to these impacts?
    d) What are the implications of these changes for the residential social mix of the region?
    e) How have different subgroups responded to the changing regional social and economic conditions, as measured in their regular and non-work travel patterns?
    f) What are the alternative scenarios for the western region, given the likely development of further residential communities of a scale and type similar to Caroline Springs?

6 – What are the lessons from this research for the creation of sustainable communities in the western region of Melbourne; and, How can federal, state and local government policy mechanisms and interventions contribute to and strengthen market-led regeneration of traditionally disadvantaged sub-regions, and, consequently, reduce the need for housing assistance?

The specific methodology used in the project will be a combination of three complementary forms of data and analysis:

a) Review and assessment of secondary data sources which report on economic change, labour markets and housing outcomes in Melbourne’s west. These include academic research, government reports, policy documents and bulletins, news media sources, as well as private and community sector publications.

b) Analysis of quantitative data sources, including:

    i) analysis of ABS 2001 and earlier household census data (to the extent available).
    ii) analysis of Victorian Activity and Travel Survey household data.
    iii) analysis of Valuer General house price data.
    iv) analysis of DOI land use data

Where possible these data sources will be spatially coded for GIS representation.
c) Qualitative data gathering through key person interviews*, including:
   i) Local government officials,
   ii) Industry professionals (housing and non-housing sectors)
   iii) Community workers (health and welfare sectors)

(* Interviews will conform to RMIT’s research ethics regulations)

The project anticipates a number of outcomes arising from the findings. These will include issues of policy relevance, including the extent to which recent private sector housing activity has been influenced by policy existing settings. This understanding will then enable some conclusions to be drawn with respect to how the positive aspects of the private sector investment can be further encouraged and developed in the west and in comparable urban regions across Australia via adjustments to government policies which encourage and facilitate the private housing sector in expanding the regional housing supply.

**Outline of the Positioning Paper**

The review of relevant urban social and economic literature begins with Chapter Two which examines the notion of the global city and urban restructuring, particularly in relation to notions of ‘post-fordism’ and ‘flexible specialisation’. The chapter is particularly concerned with the labour market effects of this restructuring, and the urban spatial patterns which emerged from this change. The chapter then turns to discuss theories of industrial growth under these conditions, dedicating particular attention to the concept of industrial clustering, and the ‘new regions of growth’ literature. Accompanying this ‘new regions of growth’ debate has been the resurgence of interest in regional governance models, particularly in establishing the appropriate governance frameworks to enable such economic development.

Chapter Three addresses the negative dimensions of global economic change, focusing on how researchers have attempted to understand new forms of social disadvantage through notions of ‘social exclusion’, ‘spatial polarisation’ and ‘marginalisation’. The chapter also reviews how housing is seen as contributing to these socio-economic patterns. Finally the role of physically exclusionary housing form is noted as a contributing, but not necessarily causal element in the phenomenon of new socio-economic disadvantage.

Chapter Four turns to the particular Australian experience of global economic change beginning with changes to macro-economic conditions since the 1970s. The spatial effects of this globalisation on metropolitan regions are then considered, and the findings of various studies are reviewed. In particular the way in which industrial and labour market restructuring has impacted on socio-spatial patterns in Australian cities is examined. Western Sydney is identified as a region which exhibits broadly similar patterns to that of the focus area of the present research project, western Melbourne. Finally the chapter examines how urban spatial disadvantage has been understood in the Australian context, and reviews key findings from this literature, which informs the present research.

Chapter Five focuses on the region investigated by the present research project. The chapter sets out how the region will be defined and the Local Government Areas that will be included in the west. The depiction of Melbourne’s west as disadvantaged is then reviewed along with a brief assessment of the economic fortunes of the region since the late 1970s. But the chapter notes that relatively high unemployment experienced by the region is spatially concentrated, suggesting uneven economic development patterns. Finally Chapter Five summarises the emergence of reports suggesting that a ‘new’ economically strong west has emerged in recent years and which is contributing to community redevelopment in the region. The role of housing developments in these processes is noted, particularly the new estates such as Caroline Springs. The chapter reviews critical appraisals of the ‘new west’ reports, and concludes by setting out the relevant policy research questions which are of key interest to the present project.

Chapter Six details the anticipated methodological basis for the research on the western region of Melbourne, and identifies the connection between the methodology and the research questions. Chapter Seven concludes the paper.
2. RESTRUCTURING THE GLOBALISED CITY

Globalisation and the City

The process and effects of globalisation have come to the fore in recent economic and social debates. Numerous policy commentators and scholars have identified the increasing global integration of markets and other national institutions as a key aspect of contemporary economic, social and political life (Wiseman 1998; Yeoh 1999; Sheil 2001). As the literature concerning globalisation is immense and covers a variety of disciplinary and topical fields, this project will concentrate only on those authors who are concerned with investigating urban change. Subsequent discussion will assess the relevance and extent of consideration within this literature of the Australian experience.

Since the late 1970s, many authors have identified a new phase of capitalist development which is popularly referred to as ‘globalisation’. Writing from the Australian experience of this economic process, Fagan and Webber (1999) describe the notion of contemporary ‘globalisation’ as the result of three aspects of economic change. The first aspect is the increasing importance of trans-national corporations (TNCs) as a principal means by which global production has been organised and integrated; second, is the heightened level of international trade connections between global producers and consumers; and third, the increasing importance of global flows of financial capital since the development of deregulated global financial institutions in the 1980s. Harvey (1989) has noted that such processes are marked by the ‘compression’ of time and space through continual transformations in the use of transport and telecommunications technology.

While the discussions of globalisation have taken place around the nature of places and nations under this new phase of capitalist development, a series of authors writing in the late 1980s and early 1990s focussed on the way that capitalist organisations underwent significant changes to their structures and modes of operations (Scott and Storper 1986; Amin 1994; Massey 1995; Sabel 1997). Under this shift to ‘post-fordist’ production or ‘flexible specialisation’ many, particularly international, corporations re-configured their management and locational practices to adapt to the advantages provided by improved transport and telecommunications technology. Further changes to such practices occurred through modifications to the traditional vertically integrated corporation, with the introduction of outsourcing and specialised sub-contracting, which have resulted in increasing flexibility in the use of labour in production processes (Standing 1999).

The Global Integration of Urban Economies

Given the increasing interest in notions of globalisation, attention among urban studies academics began to turn towards the effects on urban centres of these global processes. Cities in the contemporary world have been viewed as the key loci of global restructuring. Harvey (1989), for example, traces how urban economies around the world have been transformed by late capitalist processes. Other authors have concentrated on ‘global cities’ particularly London (King 1991), Tokyo (Sassen 1991), New York (Fainstein 1992), and Los Angeles (Dear 1996). Sassen’s investigation of the global economic and social changes that have affected urban centres around the world, is perhaps the clearest assertion of a renewed importance for the city as a conceptual and empirical object of study in contemporary social and economic change (Sassen 1994). Sassen asserts:

In the current phase of the world economy, it is precisely the combination of the global dispersal of economic activities and global integration – under conditions of continued concentration of economic ownership and control – that has contributed to a strategic role for certain major… global cities.

(Sassen 1994: 4, emphasis in original)

In examining the impact on economic activities of global economic processes, Sassen (1994) identifies the growth of financial activities and service industries as replacing traditional manufacturing-related activities in the centre of cities. Producer services – legal, financial, management, innovation, design, information technology, transport, communications, personnel, advertising, and security – are the key elements of this urban economic shift. Drawing on US data (which preceded the information technology boom of the mid to late
1990s), Sassen (1994) demonstrates that while growth in manufacturing employment grew only marginally from 19.9 million in 1970 to 20.4 million in 1991, the growth in producer services almost tripled from 6.3 to 16.35 million. The urban spatial aspects of this shift have been particularly marked:

The key process from the perspective of the urban economy, however, is the growing demand for services by firms in all industries and the fact that cities are preferred production sites for such services, whether at the global, national or regional level. As a result we see in cities the formation of a new urban economic core of banking and service activities that comes to replace the older, typically manufacturing oriented office core. (Sassen 1994)

While Sassen has traced these global effects on the central business precincts of large cities, her analysis did not focus so closely on the spatial effects of the decline in manufacturing industries. In the case of London, King (1991) demonstrates that the spatial centrality of manufacturing capital in the city’s economy has during the past two decades been supplanted by the ascendance of finance capital. Fothergill et al (1986) examined the effects of transformations in the global economy and the location of industrial production in the UK, discovering that the universal availability of power, telecommunications and transport and minimal geographic variations in cost had reduced the importance of cities as centres of manufacturing, resulting in a general trend towards urban de-industrialisation. This process they stated, was marked by a shift in the employment balance away from manufacturing to services, the failure of full employment, and a trend in the UK towards peri-urban industrial expansion. Freestone and Murphy (1998) have also noted the pattern in US cities for manufacturing and businesses generally to shift from the urban core to suburban locations, particularly on the urban periphery. Given the long history of such industrial movements in the US, it remains debatable whether these processes are driven by global change, or by the dynamics of local urban capitalism.

### Dividing Urban Labour Markets

Within the debates over globalisation and changes to income and employment structures has been a concern with the effects on labour markets. Labour market changes which accompany the changes in urban structure identified above mirror Reich’s (1991) suggestion that the division of labour in late twentieth century capitalism has produced three broadly identifiable occupational groups. These groups, Reich asserts, are ‘routine production’ services, ‘in person’ services and symbolic-analytical services. Tying in with the global cities debate and urban restructuring, we can see that the professional symbolic analysts have become associated with the global city core, while routine production services have migrated to the urban periphery following the sites of production which have also relocated, though some need to commute long distances back to the central core remains for those in low waged service jobs.

Sassen (1988) paid particular attention to labour demand in the ‘globalising’ cities of London, New York and Los Angeles. She suggests that the increasing spatial concentrations of globally connected services and occupations associated with corporate headquarters within these cities emerged as a key source of low-wage jobs both directly and indirectly: directly, because of the occupation structures of these industries, and indirectly because of the ancillary services and consumption patterns associated with the corporate workforce (Sassen 1988). Sassen demonstrated that in the major world cities, high-wage and low-wage jobs are co-concentrated, around that part of the city which is most connected to the global economy.

By comparison to Sassen and other authors in the ‘global cities’ genre, Sayer and Walker (1992) suggest that the transformations in the spatial industrial organisation of cities are less an outcome of the effects of global integration of urban regions, but are instead the outcome of the specific social processes arising from the re-arrangements of capitalist enterprises within specific national spatial economies. Hence, for them, the re-arrangements within a particular urban economy are the result of the dynamics of capitalism at the local scale, rather than at the global scale. But like other authors with an interest in capitalist divisions of labour, such as Massey (1995) and Peck (1996), Sayer and Walker’s analysis is concerned primarily with how these divisions are expressed socially, rather than spatially. Their consideration of the relationship between urban spatial labour market restructuring and urban industrial restructuring, particular at an empirical scale, is not well developed.
In a study of urban restructuring in the US, Elliott (1999) found that manufacturing decline is an important but subordinate factor in explaining changing labour market outcomes. He suggests that shifts in the organisation of the local manufacturing sector rather than its size, particularly the proliferation of small firms and diversification of industrial organisation is the key aspect of this spatial re-structuring (Elliott 1999). Smith’s (1988) examination of global capital restructuring and community change suggests that while the decentralisation of manufacturing has been a key process in urban change, the overall outcomes are often more complex, with re-arrangement of patterns of social disadvantage in the inner city, rather than the complete expulsion of lower socio-economic groups to the urban periphery.

Freestone and Murphy (1998) have noted a devalorization of older inner urban industrial areas under globalisation and the emergence of suburban industrial spaces. Such new industrial locations are typically associated with high levels of capital-to-labour ratios, and knowledge intensive processes. Suburban business clusters, Freestone and Murphy (1998) note, after Barnett (1992), have challenged the commercial dominance of established urban cores, and are changing metropolitan regions into broader, much more complex, urban landscapes.

The suburbanisation of industrial location has been accompanied by a similar suburbanisation of employment. This effect has driven the rise of ‘edge cities’ (Garreau 1991) located around freeway intersections in the middle and outer reaches of urban regions. In the US context this has resulted in a ‘spatial mismatch’ whereby inner city residents (who are often poor) are spatially segregated from the suburban employment locations (Kain 1968; Mayer 1996; Holzer 2001). While predominantly a long evident US phenomenon, these patterns of industrial dispersion and employment are arising in many urban centres around the world. In examining changes in how industrial location and employment location have changed in Sydney, Freestone and Murphy (1998) found that the rise in the globally connected ‘new economy’ industries – with Reich’s (1991) symbolic-analytical occupations - have pushed ‘old economy’ industries, such as manufacturing, away from the inner city, to the periphery of the metropolitan region, either shedding or taking with them many routine production jobs. This shift in turn affected a change in residential location as new economy workers displaced the older economy workers from the inner city, resulting in a significant degree of ‘gentrification’, and increasing marginalisation on the metropolitan periphery.

New Regions of Growth

What the literature examining the relationship between global processes and regional restructuring suggests, is that labour markets and urban restructuring are closely linked. But the connections between the urban spatial location of industry and labour markets at a regional scale have not been closely examined within this literature relative to conditions which promote growth. This is particularly important given that with global processes becoming increasingly influential and under the widespread withdrawal of governments from direct economic intervention, the economic status of regions has become in part dependent on their competitive ability to attract international investment and industry.

While urban scholars have concentrated on the effects of recent economic internationalisation on the economies of urban centres around the world, a similar extent of attention has recently been directed towards regional scale perspectives of economic activity and governance within nations and states (Amin 1993; Keating 1997; Brenner 1999; Raco 1999; Gordon and McCann 2000; Webb and Collis 2000; MacLeod 2001; Maskell 2001). Under this ‘new regionalism’ the importance of regional economic, social and governmental structures has come to the fore as a highly relevant level of analysis from which to view the re-arrangements to spatial patterns occurring under globalisation.

This reinvigorated attention to regions is comprised of two distinct facets which are directly related to the notions of ‘flexible specialisation’ or ‘post-fordist’ production under globalisation (Sabel 1997). The first of these literatures examines the agglomeration of firms and industries within a sub-national spatial area – often defined by local government boundaries – and attempts to identify the characteristics of the linkages between these firms in terms of their contribution to the greater economic growth of the region. The second set of writings
attempts to delineate the forms of state action which appear most relevant in the administration of such regions, particularly regarding economic growth. The purpose in this section is to examine the notion of a region, relative to both sets of discussions, and to establish the value of a regional perspective in the present study.

Regions as Growth Clusters

The new interest in regions as appropriate scales from which to understand urban restructuring and changes in economic growth, particularly within debates about globalisation, has been accompanied by a concomitant interest in the way in which the regional spatial relationships between firms can contribute to this growth. Central to this 'new regionalist' perspective has been an understanding of the connections between related businesses and firms within a particular geographic area, whose interactions and interrelationships contribute to the economic success of the region as a whole. This literature draws from the early twentieth century writings of the economist Alfred Marshall (1920) on 'industrial atmosphere' and the work of Schumpeter on innovation and business cycles (Schumpeter 1939). Recently the notion of 'industrial' or 'innovative' clusters has emerged, most clearly in the works of Porter (1998) and Omae (1996), and has been accompanied by a significant literature concerning the 'competitive' character of industrial regions and their abilities to undergo economic growth (Amin 1993; Simmie 1998; Costa-Campi and Viladecans-Marsal 1999; Raco 1999; Enright and Roberts 2001).

Porter's (1998) thesis on 'clustering' concerns the nature of competition between firms under capitalism. Porter contends that instead of a regulatory neutrality between firms being the main driver of competitiveness, the quality of socio-spatial relationships between firms is of greater importance in determining the long-term competitiveness of not only individual firms, but also those with which they are clustered. Under Porter's hypothesis, clusters are:

"[G]eographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (for example, universities, standards agencies and trade associations) in particular fields that compete but also cooperate. Critical masses of unusual competitive success in particular business areas, clusters are a striking feature of virtually every national, regional, state and even metropolitan economy, especially those of more economically advanced nations" (Porter 1998)

Viewing economic and social organisation through the category of industrial clusters, Porter suggests, provides a means of examining the means of inter-organisational cooperation and mutual improvement in areas of shared concern, without diminishing or distorting the competitive impulses or reducing the extent of competitive rivalry. The cluster model provides a constructive and efficient forum for communication and interaction among related companies and their suppliers, as well as government and other relevantly engaged institutions. According to the cluster theory, the sum of these relationships enhances productivity and competitiveness of all firms within the cluster, relative to each other and relative to other competitors in markets external to the cluster. Clusters, under this conceptualisation, do not necessarily occur at any single geographic scale, and can occur at local, regional, state and in some instances national levels depending on the size of the units in question.

Porter gives examples of regional economies around the world which appear to follow the cluster model of economic competition. The case par excellence is the leather and footwear industry in Italy which operates at both regional and national scales. Further examples of clusters identified by Porter include the wine industry in California; the institutional furnishings cluster in Grand Rapids, Michigan; automotive production in Detroit; medical devices in Massachusetts; and forest products in Sweden.

Other authors such as Simmie (1998) have examined clustering as a means of fostering innovation. In a study of the British region of Herefordshire, Simmie examined hypotheses which explain the significant innovations that have emerged from this region of medical, military and advanced production systems manufacture. He determined that strategic location relative to London, and the ability of firms to readily arrange production resources (technology, labour markets) and hierarchies, and access global markets from within the
region were the key determinants of the region’s success in innovative product creation. In a study of industrial competitiveness in Spain, Costa-Campi and Viladecans-Marsal (1999) found that the geographic concentration of companies in the same industrial activity has a positive influence on their degree of competitiveness.

It is not necessary at this point to go into significant further detail concerning clusters, rather it suffices to suggest that the western region of Melbourne appears to be exhibiting some features of a regional scale cluster, in terms of nationally and globally focussed manufacturing and the associated provision of inter-state and international logistics services. If confirmed, this concentration of such manufacturing and logistics firms would suggest that the region is a key link between the metropolitan and state economy and the global economy. This question will be addressed in further detail in Chapter 5.

**Governing ‘new regions’**

The debates concerning competitiveness among clusters of spatially concentrated enterprises, and the growth effects that result from this clustering have been accompanied by a similar literature examining forms of regional administration and governance. Under the rubric of ‘new regionalism’ (Amin 1993; Keating 1997; Lovering 1999; Raco 1999; Allmendinger and Tewder-Jones 2000; MacLeod 2001) this literature is primarily concerned with the mode of government that is required to foster the type of growth identified by ‘clustering’ authors, such as Porter. Eraydin (2001) suggests that governments’ roles in encouraging industrial cluster regions have become those of a ‘mediator’, ‘enabler’ or ‘catalyst’ as well as strengthening local networks and institutions, rather than involving direct regulatory or fiscal intervention. MacLeod (2001) suggests that new regionalism also includes an appreciation of the economy as an ‘instituted process’, echoing Polanyi (1944), and containing a necessary dimension of social capital (after Putnam, 1993).

Porter also specifies a series of similar government roles, including: ensuring general economic stability; ensuring and sustaining general inputs such as an educated workforce and physical infrastructure; effective regulation of competition, facilitating development of all clusters; and strategic long term planning of business, institutions and citizens towards cluster upgrading (1998).

Webb and Collis (2000) suggest that the logic of this regional focus is closely linked to the industrial locational arrangements of post-fordist production, as this paper has identified above. Conceptually, ‘new regionalism’ can also be understood as a combination of the broadening of the spatial scale of the entrepreneurial mode of urban governance as identified by Harvey (1989; see also Winter and Brooke 1993), and new forms of urban territorial competition (Budd 1998; Gordon 1999) arising from the spatiality of processes of globalisation. Lovering (1999) has identified the emergence of this new interest in regions as characterised by first, the assumption that ‘the region’ is the spatial crucible for economic development, combined with second, a normative insistence that ‘the region’ should form the central focus of economic policy. In this regard the ‘new’ regionalism differs from the ‘old’ regional planning, which was informed by a territorialised form of ‘sub-national Keynesianism’.

Regional governance frameworks, have become a key factor in policy and planning regarding economic development, particularly within, for example, the European Union, and in the United Kingdom (Keating 1997). European regional policy has undergone a resurgence in the past two decades, combining economic objectives with strong social and environmental goals. The European Structural Funds which provide regional financial support became the second largest items in the EU budget during the 1990s (Keating, 1997). In the United Kingdom, the national government has engaged in a process of devolution of constitutional and administrative powers to Scotland and Wales, while establishing a series of Regional Development Agencies (RDAs). The purpose of the RDAs has been typified by Lloyd (1999) as ‘developing the potential of their regions by restoring, promoting, and sustaining regional competitive advantage and improving the economic and social infrastructure’, demonstrating the ‘enabling’ role of such agencies in the ‘new regionalism’. A lack of such governance oversight in London formed a central part of the reasoning behind the recent establishment of the Greater London Authority.
If Melbourne’s west is experiencing a form of ‘clustering effect’ of the sort depicted by Porter and others, then the appropriate policy mechanisms that might be brought to bear on the economic and social parameters for the region are likely to be best understood relative to the governance frameworks which have been identified as most strongly contributing to this kind of economic growth. It should be noted here that the question of governance frameworks forms at most a minor component of the present research project; nevertheless, given the potential for policy settings for which may encourage private sector regeneration as well as the siting of the project within the innovation and clustering literature, some reference to the ‘new regionalist’ mode of government is appropriate.
3. SOCIAL EXCLUSION AND URBAN CHANGE

The ‘Other Side’ of Globalisation

While the effects of globalisation on urban structure and industries and governments have been charted above, the divergent social effects of globalisation also deserve significant attention. Accompanying the literature on global cities and globally integrated industrial clusters has been an increasing interest in the way in which processes of social differentiation have played out, particularly within urban settings (Fainstein 1992; Hamnett 1994; Lee 1994; van Kempen and Marcuse 1997). While urban poverty is nothing new, a number of authors have asserted that the forms of economic restructuring accompanying globalisation have produced new forms of economic and social disadvantage from those previously experienced in urban settings (Sassen 1991). Such divisions have been described variously as social polarisation, social exclusion, social fragmentation, spatial concentration and ghettoisation. Wacquant (1999) has suggested that urban ‘marginality’ has emerged as an outcome of the regime of post-fordism and is linked to four logics of this mode of capitalism: macrosocietal drift towards inequality; ‘flexibilisation’ of wage labour; retrenchment of welfare states; and the socio-spatial concentration of poverty. 

More recently Pahl (2001) has suggested that urban phenomenon such as social exclusion have more to do with the taxation and fiscal policy settings of the macroeconomy (and labour market restructuring) than with any specifically urban policies. But while this suggestion might reflect the causality, it remains that the spatial effects of tax and fiscal policies are also the result of urban processes of property investment and industrial location, growth and decline. Income inequality may largely arise from processes that are not specifically urban, but this does not mean that this inequality will not have significant urban spatial outcomes, suggesting that spatiality is intricately linked to such processes.

Hamnett and Cross (1998) have examined the changes in London’s income distribution between the mid-1970s and the mid-1990s. The authors discovered that incomes for males in the central City of London increased 136 per cent during the study period compared to 73 per cent for those in Greater London. Similar patterns were found for females. The central City of London is the financial and business services centre of the UK and is more closely integrated with the global financial system than the adjacent urban areas. Hamnett and Cross’ work suggests that income inequality in London has been enhanced under globalisation.

Byrne (1995) has examined social divisions in the US ‘rustbelt’ arising from what he terms ‘deindustrialization’ during the late 1980s and early 1990s. Byrne demonstrates that the patterns of socio-spatial divisions which emerged during this period were significantly different to those divisions occurring under the full employment of previous decades. His research suggests that while the outcome of this form of economic change has not been the creation of a new ‘underclass’, the new forms of social division have created an urban ‘industrial reserve army’ which is particularly suited to the flexible demands for labour under post-fordism (Byrne 1995).

In an examination of long-term census data in New Zealand, Callister (1998) found that a number of urban regions, particularly South Auckland were ‘work-poor’ relative to other areas such as central Auckland, and that this effect contributed to decreased well being for the residents of those areas.

Van Kempen and Marcuse (1997) connect changes in the global economy and the urban structure of cities to rising socio-spatial polarization, focusing on the imperatives for firms to reduce labour costs. They argue as follows: “Although many low-skilled people have jobs in services that can be seen as ancillary to highly paid jobs, in certain areas the number of such jobs is growing. it is also clear that a pool of ‘unneeded’ labor is increasingly being created in many cities, posing problems of social peace and social justice. Segregation and concentration of ‘unneeded’ people in specific urban areas lead to ghettolike structures that are new.” (van Kempen and Marcuse 1997: 7)
This observation draws attention to the other side of the global cities divide (Fainstein 1992). However Hamnett (1996) has criticised the assumptions about spatial polarization that have accompanied the global cities debate. Instead, Hamnett suggests that the rise of particular employment types, particularly professional occupations, has driven spatial polarization in cities, rather than the direct economic effects of globalisation. Hamnett (1996) further argues that the particular structures of welfare provision that operate in different cites complicate the assumption that globalisation inevitably produces enhanced urban social polarisation. Sound welfare regimes, Hamnett (1998) suggests, ‘enable’ many who would otherwise be socially excluded, or suffer the effects of spatial socio-economic effects of polarization, to avoid exclusion and retain their potential for participation in broader social and economic processes.

**Housing in the Divided City**

Housing has been identified by a number of authors as a key contributor to urban social polarisation, social exclusion and segregation (Lee 1994; Somerville 1998; Winter and Stone 1998; Cheshire et al. 2000; Berry 2001). Somerville identifies housing as a central aspect of social exclusion, with housing disadvantage exacerbated by alterations to the welfare regime (Somerville 1998). Cheshire et al (2000) however identify increasing labour market inequality as an important aspect of social exclusion and segregation. The authors note that both decreases in real wages over recent decades, and increased ‘flexibility’ in labour markets have both contributed to these effects (Cheshire et al. 2000). But Cheshire et al (2000) also suggest that relative labour market status largely determines spatial location, through the relative ability to access the housing market that this status confers. However, under conditions of increasing labour market inequality, such as ‘the disappearing middle’, they suggest that the extent of residential segregation will become more intense. This finding is supported by Musterd, Priemus et al’s (1999) review of literature which found that social inequality exerted a greater causal effect on spatial inequality than vice versa. Musterd, Priemus et al also note, where social inequality is large, so too will be spatial segregation. The policy solutions they suggest, involve direct government intervention in the housing market to ensure greater housing mix, while simultaneously promoting policies to reduce social inequality (Musterd et al. 1999).

While not a core issue in the ‘divided cities’, ‘social exclusion’ and ‘social polarization’ debate, the issue of the direct physical exclusion of communities from one another has become increasingly prominent in recent years, particularly with the increase in numbers of ‘gated communities’, especially in the United States (Davis 1990). While there is some diversity in the forms taken by gated communities, these developments can be described generally as residential areas with restricted access in which otherwise public spaces have been privatised (Blakely and Snyder 1997). Typically, this structure consists of a perimeter wall with a (guarded) entry gate. Frequently, such ‘communities’ have their own private local governance structure and exclusive local services such as retail centres. There are estimated to be over 20,000 gated communities in the US, containing over 3 million residential units. In their review of the socio-spatial effects of the phenomenon of gated communities in the US, Blakely and Snyder suggest:

> White and middle-class flight from the city, the inner suburbs and even entire states, and walls built to help protect those who stay behind, leave poor neighbourhoods increasingly isolated from municipal land, labor and social markets, and from the benefits of society as a whole. (Blakely and Snyder 1997:153)

Gated communities are a largely US phenomenon, arising from questionably founded fears over security and crime linked to perceptions of a prominent malign ‘underclass’. But the issue of physical exclusion can be seen as closely linked to processes of social exclusion. In a context of socio-economic polarization, such as that of the US, the gated community is a prominent form of such residential spatial segregation. Australia has a limited history and experience of the gated community extreme of residential segregation, despite recent indications of an increased demand for this form of residential development (Allenby 2001). The issue surrounding physically constructed residential exclusivity is worth examining in the Australian context of social exclusion and polarisation and will be discussed in greater detail below, relative to the present research project.
This project is particularly concerned at the way spatial patterns of social and economic inequality have been developed and transformed within Melbourne’s west under conditions of global transformation. As a result we are primarily concerned with attempts to understand the globalising city in terms of the spatial effects which this transformation has on these patterns of advantage and disadvantage.

So far, the present discussion has sketched the contours of debates and concerns within the international literature concerning how, under processes associated with globalisation, economic and social changes have been played out within urban contexts. We reviewed the notion of global cities and the economic restructuring associated with these. Attention was then directed towards the importance of economic geography, particularly the importance of industrial ‘clustering’ in driving regional economic growth and competitiveness. Some consideration was directed towards the ‘new regionalist’ debate concerning the appropriate governance structures for such regional economies. Finally, the discussion engaged with the long running debate over social polarisation of cities during the past twenty years. Some merit was found in the conclusion that the economic changes associated with globalisation have been accompanied by significant socio-spatial effects which have reshaped the ways different groups are treated and allocated within urban economies. So far then, the effects described above have not been considered in terms of the Australian experience. It is to these considerations that discussion now turns.
4. AUSTRALIA’S URBAN ECONOMY

Restructuring Australia’s Urban Economy

While debates about globalisation and its impacts on cities and urban regions have taken place in the international literature, scholars in Australia have turned their attention to how such process are impacting Australian cities and regions. Since the early 1990s a number of authors have examined the spatial transformations taking place in Australian urban centres. This section discusses this literature, before turning to examine issues of social polarisation and spatial disadvantage arising from the economic changes. The analysis will cover Australia generally and where available will discuss literature specific to the circumstances of Melbourne.

Australia has been particularly exposed to the processes of globalisation. Many local authors, including Fagan and Webber (1999), Rimmer (1997) Sheil (2001), Wiseman (1998), and Marceau (1997), among others, have charted in detail the spatial effects of the interaction between local and global restructuring processes experienced by the Australian economy. In their survey of Australia’s links with global restructuring, Fagan and Webber (1999, p.53) note four key economic changes that occurred during the 1980s, which marked the increased links with the global economy. These changes were:

1. Rapid movement of financial capital between economic sectors, leading to surge in service industries and decline of manufacturing.
2. Rapid flows of investment in and out of regions and internationally.
3. Employers discovering new processes of production and organisation of work within plants.
4. Pressure on Federal governments to alter regulatory regimes and policies which encouraged manufacturing production.

These economic changes were accompanied by a shift in the share of exports received by destination countries, particularly in the western Pacific Rim. Agricultural exports declined, in favour of mining and manufacturing. Despite the trend, however, only a very small proportion of the large foreign capital inflow during this period was directed towards manufacturing. And despite the increase in manufacturing as a share of exports, the actual proportional contribution of manufacturing to the Australian economy declined, from 25.1 per cent of gross domestic product (GDP) in 1970, to 19 per cent in 1985 and 15.8 per cent in 1995 (Fagan and Webber 1994: 83). This decline was matched by declining proportions of workers employed in manufacturing, from 24.2 per cent in 1971 to 13.2 per cent in 1996 (Fagan and Webber 1999: p.82). Beer and Forster (2001: p.11) suggest that between 1971 and 1991, Melbourne alone lost 103,000 manufacturing jobs. Meanwhile, the services sector of the economy grew from 23.8 per cent of total employment in 1971 to 40.4 per cent in 1996 (Fagan and Webber 1999: p.82). Manufacturing is a key industry in urban processes, as the location of manufacturing premises defines the location of employment and establishes ‘pull’ factors in daily commuting patterns. Manufacturing change has also been identified as one of the main causes of decline in urban employment in Australia (Murphy and Watson 1994). Clusters of manufacturing are also important components of economic growth, as identified in the review of the international clustering literature, above.

Urban Spatial Change

Coincident with concerns about the economic transformations taking place across the Australian macro-economy, have been attempts by a number of urban scholars to understand how these transformations have played out in socio-spatial patterns at the metropolitan level (O’Connor and Stimson 1995; Fagan 1997; Stimson 1997; O’Connor 1998; Stimson et al. 1998; Baum et al. 1999; Brain 1999; Connell 2000).

The differentiation under globalisation across urban regions in Australia has seen Sydney take on a significant international role as the centre of Australia’s financial connections to the Asia-Pacific rim (Brain 1999). O’Connor and Stimson (1995) note that manufacturing in Australia is largely a Melbourne and Sydney activity with these cities together having over
half the nation’s manufacturing activities. However, the role of manufacturing is particularly important in Melbourne’s economy, with greater reliance on this industrial sector in Melbourne than Sydney, despite the proportion of metropolitan employment shared by manufacturing in Melbourne declining since the 1960s (O’Connor and Stimson 1995).

In a study of Sydney, Baum (1997) suggested that three broad types of employment status could be discerned in the urban labour market. These types are that of a growing group of high-income, high-status jobs, with strong attachments to the global economy, a second growing group with only weak attachments to the global economy (low wage service workers) and a group outside the labour force who are dependent on welfare, and who have benefited very little from global processes (Baum 1997). Baum’s findings, although lacking a spatial component would seem to be supported the more recent research of Brain (1999) which contains a significant spatial component.

Brain (1999) agrees with the global cities hypothesis and applies this analysis to metropolitan growth in Sydney and Melbourne. Brain asserts that globalisation has created urban push/pull forces of centralization and decentralisation, which attract financial and producer services into the city core, and push manufacturing and similar industries to the cheaper outer suburban land. Meanwhile, the outer suburban regions ‘pull’ manufacturing, industrial and distribution/logistics operations away from their traditional inner city locations, in a manner similar to the US experience described by Freestone and Murphy (1998). Brain identifies a set of 24 occupational types (‘C21s’) as being closely associated with global financial and producer services, such as business analysts, computing professionals, legal professionals, finance managers, media producers, IT managers, and policy and planning managers1 (1999). These occupations Brain suggests, are associated with superior real income gains compared to occupational groups falling outside this C21 category.

When the LGAs of Australia’s main urban centres are examined for the spatial distribution of these C21 occupations, Brain suggests that these jobs are mostly concentrated in the ‘global core’ of the inner Sydney LGA in particular, with similar but slightly weaker concentrations in the centres of Brisbane and Melbourne. In the CBD LGA of Sydney for example, at least 25 per cent of workers had jobs in this C21 sector. Notably, the outer suburban metropolitan LGAs of both Sydney and Melbourne (including Melbourne’s west) have a medium to very low concentration of such jobs (Brain 1999). The longer term effect of this concentration/deconcentration effect will be for C21 workers to push lower income households away from the inner city and to the more marginal outer metropolitan regions. The implication of Brain’s work is that the outer suburbs of Sydney and Melbourne will become increasingly important as spaces where the outcomes of this occupational marginalisation are worked out, particularly in relation to the fortunes of the ‘old economy’.

Brain’s suggestions regarding the role of economic change in shaping the location of jobs within urban labour markets has produced similar findings to those of Fagan regarding labour markets in the western region of Sydney (1997; 2000). This region is of interest to the present research, as there are many similarities between western Sydney and western Melbourne, in terms of economic and social change, and spatial patterns that have emerged during recent decades. While there are of course also many differences, a number of the processes apparent in western Sydney are relevant to the study of western Melbourne, given the comparable development trajectories of the two regions.

Fagan (1997) found that the outer western suburbs of Sydney received 70 per cent of that city’s population growth between 1981 and 1991 while some of the highest unemployment levels in Australia during this period were experienced by western Sydney Local Government Areas. Residents of many outer suburbs fell behind metropolitan averages in their local access to social, cultural and transport services (Fagan 1997). Significant changes in this region occurred with a significant degree of job shedding, combined with a large growth in commercial and personal services (Fagan 1997). But during the 1990s, Sydney’s outer suburban areas, particularly in the west, also received significant industrial relocation and reinvestment. Blacktown, Fairfield and Liverpool now host some of Australia’s largest agglomerations of industrial plants and the region is a key location for food processing, an increasingly internationalised industrial sector.

1 Interestingly, urban researchers do not appear to fall within Brain’s ‘C21’ occupations.
In understanding the interplay between global and local processes, Fagan (2000) suggests that western Sydney is in fact a complex ‘jigsaw puzzle’ of rapid population growth, combined with simultaneous processes of industrial growth and decline. But the perceptions of many observers regarding the ‘disadvantage’ of Sydney’s western region persist, resulting in the popular metropolitan cultural denigration of the region’s residents as socially deficient ‘westies’ (Powell 1993). Dowling and Mee (2000) attest to the diverse socio-cultural attributes of western Sydney that defy reductions to such simple socio-economic stereotypes. Comparably nuanced depictions of the region have been offered by Latham (2002) and Gleeson (2002). Gleeson contends that economic change combined with poorly conceived government policies and chronic social and infrastructure underinvestment has diminished social cohesion within the communities of western Sydney, leading to a ‘culture of anxiety’ over social development and provision of public services. He suggests that the responsibilities of state and federal governments to address these issues have not so far been met (Gleeson 2002).

As this project will demonstrate, the western region of Melbourne is sufficiently different from the comparable region in Sydney that social and economic patterns occurring in Sydney cannot automatically be assumed to be taking place in the Melbourne. However, what is similar about the two regions is that they have been recent sites of suburban industrial and employment volatility, combined with an historical – if not necessarily fair – reputation as locations of social and economic disadvantage. And as Macdonald (1995) noted in 1995, given their strategic locations and existing underutilised land and infrastructure, both western Sydney and north-west Melbourne had significant potential to enhance their status as centres of transport, warehousing and ‘elaborately transformed manufactures’.

This is not to suggest that urban social disadvantage does not exist in Australia. Numerous studies during recent years have identified issues of disadvantage in Australia’s large cities. In particular, the socio-spatial patterning of disadvantage has been charted by a number of scholars. The following section examines some of this research, and its relevance to Melbourne’s west.

**Locating Australian Urban Social Disadvantage**

During the 1990s a number of reports and studies were published which examined the connections between spatial location and social disadvantage (Murphy and Watson 1994; Gibson et al. 1996; Gregory and Hunter 1996; Badcock 1997; Baum 1997; Baum et al. 1999; Wulff and Reynolds 2000; Berry 2001; Gleeson and Randolph 2001). All these authors have a shared concern with the changing patterns of social opportunity and disadvantage, and how these have emerged as urban issues.

Concerns with the connections between disadvantage and location arose in the context of significant economic and social restructuring. In the mid-1990s, the Federal government investigated the issue of ‘locational disadvantage’ in its review of urban and regional development (McDonald 1995; McDonald and Matches 1995). In Sydney and Melbourne, Macdonald found that the most disadvantage was present in the ‘old industrial’ areas, such as the west, north and south-east of Melbourne. These areas were noted as also experiencing higher unemployment, housing and income disadvantage, lower labour force participation, higher rates of early retirement for men and women, and high unemployment among young people, all indicators of disadvantage (McDonald and Matches 1995).

Murphy and Watson (1994) note that with the significant re-structuring that has taken place within Australian cities since the 1970s, it has been the ‘poorer areas’ which have been disproportionately affected. The authors constructed an index of ‘socio-spatial divisions’ based on data about unemployment rates, proportions of jobs in manufacturing vs producer services, and proportion of recent immigrants. This index was calculated for the cities of Sydney, Melbourne, Adelaide, Brisbane and Perth. Based on the results of this calculation Murphy and Watson (1994) suggested that during the period 1971-1991, socio-spatial divisions had widened in Australian cities. This finding would appear to echo the international work of, for example, Fainstein (1992) and Sassen (1994) on the recently emerged divisions in large metropolitan regions around the world.
The Murphy and Watson findings have been further supported in the research of Baum et al (1999) who attempted to identify the way in which socio-economic differences were spatially ‘clustered’ within Australian communities. In their examination of large cities, Baum et al found that nine distinct socio-spatial groupings could be identified emerging from the census data between 1986 and 1996. These groupings were based on the characteristics of the residents in these spatial groups rather than the employment opportunities of the locations. On a scale of high to low ‘opportunity’, these community groupings were:

- Global economy/high-income opportunity cluster
- Suburban expansion opportunity cluster
- Transitional/gentrifying opportunity cluster
- Public sector/moderate opportunity cluster
- Suburban marginal cluster
- Outer metro vulnerable growth cluster
- Vulnerable suburban social disadvantage cluster
- Vulnerable peri-urban extractive-industry-based cluster
- Extremely vulnerable old manufacturing economy cluster

(Baum et al. 1999)

Examples of the ‘Global economy/high opportunity’ cluster included the affluent suburbs of Mosman and North Sydney in Sydney, and Camberwell, Kew and Brighton in Melbourne. At the other end of this spectrum were the localities of Elizabeth in Adelaide, and Brimbank-Sunshine, Broadmeadows and Maribyrnong in Melbourne (Baum et al. 1999). When the vulnerable peri-urban extractive industry area of Hobsons Bay-Altona in the Baum study is added to Maribyrnong and Brimbank-Sunshine, the inner western region of Melbourne containing these suburbs can be seen as containing a spatial arc of vulnerability, on the Baum et al scale.

The research of Baum et al (1999) demonstrates that Australia’s large cities are significantly divided along socio-spatial lines, with distinct areas identifiable as experiencing high levels of social disadvantage, relative to other localities. However, while Baum et al’s (1999) work revealed characteristics of the residents of particular locations, it didn’t identify how the patterns of such characteristics were articulated with spatial labour markets. Nor were housing markets investigated to assess how these might be connected to issues of socio-economic polarisation in Australian cities.

**Housing and Urban Disadvantage**

Other studies have demonstrated links between housing markets and social polarisation, particularly the work of Wulff and Reynolds (2000), and Winter and Stone (1998). Winter and Stone’s research centres around claims made by Hamnett (1994) than the occupational polarization in global cities is accompanied by social, tenurial and ethnic segregation. Winter and Stone (1998) examined the extent to which social polarization was occurring in relation to housing tenure in Australia in an attempt to discern whether there was an identifiable trend towards greater polarization along tenure lines. To do this they constructed an imputed tenure hierarchy which assumed that outright homeownership was preferable to mortgaged ownership, which in turn was superior to public and then private rental housing.

On the basis of an analysis of census figures, Winter and Stone (1998) demonstrated that while there was limited support for their tenure polarization thesis in the Australian context, there were indications that a process of socio-tenurial marginalisation has taken place during the past twenty years. Under this process, households in lower status tenures, such as the private rental market are no longer able to use the private rental tenure as a stepping stone to full home ownership, and as a result many are permanently locked out of this high-status tenure. Yates (2001) provides further evidence of the links between home ownership and social inequality. Yates found that under the ongoing process of urban restructuring, any tendency for income to polarize will be translated into spatial polarization via the price
mechanism of housing markets. While Winter and Stone do not make any assertions concerning the spatiality of this effect, it is likely that there will be distinct spatial patterns associated with this marginalisation, particularly given the findings of Wulff and Reynolds (2000).

Locating their study within the globalisation/urban change school of thought, Wulff and Reynolds (2000) hypothesized that changes in the housing market, such as house prices trends, reflect changes to the economic and social structures of regions, as measured by patterns of household income between 1986 and 1996. They constructed a specific index of polarization based around changes in household income, re-classified on a regional basis, and combined with changes in quartile house prices, to measure the extent to which the proportion of low, medium and high income groups was increasing or declining relative to household growth in the sub-regions of Melbourne. A score of 100 on this index indicates that the particular income group maintained its proportion of households during the ten-year study period.

Wulff and Reynolds (2000: 4) found that across all areas within Melbourne, there was an increase in the proportion of low and high income groups, but a decline in the proportion of middle income groups. The rise in the proportion of low-income households was greatest for the outer metropolitan localities of Melton-Wyndham and Hume in the west, and Dandenong in the east. When factoring in house prices, Wulff and Reynolds found that for the households in the lowest quartile of house values, the gap between highest house prices and lowest for the most advantaged and least advantaged regions had polarized significantly between 1986 and 1996. The same effect was observed for quartile 3 households. In both cases, the first quartile group of most disadvantaged households experienced a drop in house value (adjusted to 1996 levels) of 14 per cent, while the comparable quartile of the most advantaged households received, on average, an increase of almost 33 per cent in the value of their house during the same period.

The results reported by Wulff and Reynolds appear to strongly support the polarization thesis as it has played out in the suburbs of Melbourne. Importantly, also, they demonstrate that there is a strong link between housing wealth, personal opportunity and spatial location. Of particular relevance to the present project, Wulff and Reynolds also determined that the Melton-Wyndham sub-region of Melbourne was undergoing a process that they termed ‘fast polarization’. Their research would appear confirm Gregory and Hunter’s (1996) finding that socio-economically ‘low-status’ Australian localities are becoming more homogeneously low status (ie losing high-status households), while ‘high status’ localities are becoming increasingly high status (ie losing low status households). This observation has significant implications for the present project, suggesting that the western Melbourne region is one of relative disadvantage, and that the spatial patterns of disadvantage and advantage are becoming increasingly polarized, both within the west and relative to the wider metropolitan region. Melbourne, it can be suggested, is experiencing similar processes of socio-spatial polarization as are occurring in other Western cities, and identified in the foregoing review of literature on spatial patterns of socio-economic urban change.

In this context it is worth noting the work of Gibson et al (1996), as the papers within that AHURI collection chart the connections between specifically social forms of polarization and other (cultural) modes of marginalisation and differentiation. Of specific concern to the present project, Gibson et al (1996) criticise what they describe as the ‘mono-causal, economic determinism underlying descriptive, positivistic approaches to urban change and global economic restructuring’, and particularly regarding the ‘social polarization’ debate in light of recent post-structural theories of ‘difference’. Such criticisms are not in themselves unfounded, but will be largely set aside here, as the key issue at stake in the present research is precisely one of economic and social processes. As Powell (1993) and Dowling and Mee (2000) have noted regarding Sydney’s west, economic, social and cultural processes are intimately intertwined. Yet, given the research aims of the present project, the methodological practices identified by Gibson et al as offering alternatives to descriptive positivism are not appropriate. The methodology of this project, described in Chapter Six, does however contain a significant qualitative component, and where possible some of the concerns expressed by Gibson et al will be addressed.
That the western region of Melbourne is implicated in patterns of polarization and disadvantage raises a number of implications both for research imperatives, and for government urban and social policies. In recent years, the west has been hailed by many commentators as an example of an historically less advantaged region which has undergone a form of resurgence under significant investment from the private and public sectors. If this is the case, then propositions concerning the rejuvenative effects of such investment deserve some attention. Where the available data reveals that patterns of disadvantage remain in the west, then some attention to their causes is of great relevance. It is possible that economic change might have in fact re-arranged the spatial aspect of any patterns of disadvantage while retaining the underlying causal processes from which these patterns emerge.
5. URBAN CHANGE IN MELBOURNE’S WEST

The Study Region

This research project takes the region referred to as Melbourne’s west as the local government areas of Moonee Valley, Maribyrnong, Hobsons Bay, Wyndham, Brimbank and Melton. This grouping of LGAs has been used by O'Connor (1998) in analyses of the Melbourne metropolitan region and corresponds to the LGAs covered by the Western Region Economic Development Organisation (WREDO) (1998). It should be noted that not all agencies use this delineation as to what constitutes the west, with Grace and Shield (1998) listing at least five different definitions used by differing government departments. Most of these however differ on the basis of whether they include the LGAs of Hume and/or Moreland, which lie to north of the study region. The Australian Bureau of Statistics however, (in the 1996 census), separated Melton/Wyndham from the Western Melbourne region, as defined by the present study.

Disadvantage in the ‘Old West’

The western region of Melbourne has historically been viewed as socio-economically ‘disadvantaged’ (Grace and Shield 1998). In a study of socio-economic status by location in Melbourne in 1969, for example, Jones (1969) identified most of the western region as being of medium-low or low socio-economic status while O’Connor and Maher (1982) identified the western region as having experienced a falling share of metropolitan employment during the 1970s. The view of the west as disadvantaged has been reproduced in media reports referring to the region as a place of ‘hard times’ (Flanagan 1995). Schwartz (1993), for example, cites the former Premier of Victoria, Joan Kirner, as stating that “most people drive [into the west] over the West Gate Bridge, look down here, and say ‘Yuk I wouldn’t want to live here’ and drive on to Geelong”. In a report suggesting that unemployment had risen 2 per cent during April of 1991, Backhouse (1991) cited the then director of the Western Region Commission as stating: “Melbourne’s west is traditionally an area for heavy industry, and because of the switch away from protection of certain industries, these industries have closed down en masse”. The reference to the change of state policy regarding industry, also reflects the observations of, for example Hamnett (1994) and Sayer and Walker (1992) concerning the role of the state in restructuring under globalisation.

The more recent fortunes of the West have been tracked as part of an ongoing series of studies monitoring economic and social change in Melbourne since the late-1980s (O’Connor 1989; O’Connor 1990; O’Connor 1993; O’Connor 1998; O’Connor and Healy 2002). While these studies provide mainly individual items of information concerning the west, some particular prominent features of socio-economic trends can be identified.

In 1989, O’Connor noted the need to accommodate the growing metropolitan population in the outer suburbs. East Melton was identified as being suitable for this expansion, particularly given increasing employment opportunities associated with the airport at Tullamarine. The following year, O’Connor (1990) reported that the west was one of the top five regions for housing construction. In 1990, the west was also the Melbourne metro region area with the highest proportion of unemployed per capita, as well as the highest receipt of sole parent pension. O’Connor also reported that during the period 1981 to 1987, manufacturing employment in the Western Region had declined by almost 24 per cent. Both these figures suggest declining regional opportunity in the west. Macdonald (1995) noted that the west (Altona, Footscray, Sunshine, Williamstown) was particularly disadvantaged regarding unemployment, housing and income levels. However in a separate report McDonald also noted the potential of the north and west based on it’s strategic location, and relatively cheap land and access to infrastructure (McDonald 1995).

By the mid-1990s, some improvement in the economic situation of the western region had been identified. There was a significant rise in factory construction in the west, between 1992 and 1995, with the region receiving over 50 per cent of all metropolitan factory construction during 1993 (O’Connor 1998). During the mid-1990s the west was among the top three regions for non-office, non-factory business premises construction. Unemployment in the
west rose steadily during the 1990s, peaking at over 15 per cent in 1993, but then declining gradually to about 8 per cent by 1998. O’Connor also noted the likelihood that housing prices in the inner and eastern regions were driving lower socio-economic status persons to the north west and western regions (O’Connor 1998).

Recent analysis of spatial economic change and labour market shifts in the Melbourne metropolitan area has also been undertaken, using census data, by O’Connor and Healy (2002). While the statistical boundaries used by the authors do not correspond exactly to the definition of the west used in the present study, the findings are of some use in shedding light on economic and social trends in the region. O’Connor and Healy reported that the growth in jobs in the outer west and the inner north/west was 66.6 per cent and 9.6 per cent between 1986 and 1996 respectively, as compared to 26.3 per cent for the entire Melbourne metropolitan region. The inner north/west however lost its share of total metropolitan employment declining from 12.0 to 10.4 per cent of total metropolitan jobs. The outer west received a marginal gain in employment from 1.4 per cent in 1986 to 1.8 per cent in 1996 (O’Connor and Healy 2002). The growth in employment in the outer west (LGAs of Melton and Hume) is particularly noteworthy, although this region had the second lowest number of jobs in the mid-1980s and was thus growing from a low base.

These employment growth figures contrast with 8.4 per cent and 52.5 per cent growth in resident population during this period in the inner north/west and outer west respectively compared to the 26.3 per cent growth for the entire metropolitan region. The outer west had 28,909 residents in 1986, a number which expanded to 44,075 by 1996 (O’Connor and Healy 2002). Grace and Shield (1998) reported that the municipalities of Maribyrnong and Brimbank had average weekly incomes of $289.6 and $305.33 respectively, markedly lower than the $379.95 average for the entire Melbourne region. Therefore, while there has been a notable growth in the west in terms of both population and employment, this has not necessarily been more remarkable than that occurring elsewhere in Melbourne.

When inspected directly, the raw census data demonstrates that the west has been in an uncertain position relative to the broader metropolitan region as table 1 shows:

<table>
<thead>
<tr>
<th>Statistical Local Area</th>
<th>Per cent unemployed aged 15 and over, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brimbank – Keilor</td>
<td>11.0</td>
</tr>
<tr>
<td>Brimbank – Sunshine</td>
<td>17.0</td>
</tr>
<tr>
<td>Hobsons Bay – Altona</td>
<td>11.2</td>
</tr>
<tr>
<td>Hobsons Bay – Williamstown</td>
<td>9.0</td>
</tr>
<tr>
<td>Maribyrnong</td>
<td>18.9</td>
</tr>
<tr>
<td>Moonee Valley – Essendon</td>
<td>9.6</td>
</tr>
<tr>
<td>Moonee Valley – West</td>
<td>8.5</td>
</tr>
<tr>
<td>Melton – East</td>
<td>6.6</td>
</tr>
<tr>
<td>Melton – Balance</td>
<td>10.2</td>
</tr>
<tr>
<td>Wyndham – North west</td>
<td>7.7</td>
</tr>
<tr>
<td>Wyndham – Werribee</td>
<td>8.5</td>
</tr>
<tr>
<td>Wyndham – Balance</td>
<td>5.8</td>
</tr>
<tr>
<td>Total Melbourne Region</td>
<td>9.1</td>
</tr>
</tbody>
</table>

(Australian Bureau of Statistics 1998)
Table 1 demonstrates significant spatial patterns in the unemployment levels present in the west at the time of the 1996 census. While some areas have very low levels of unemployment, others have remarkably high levels, relative to the Melbourne average. Particularly noticeable are the differences in unemployment levels between the geographically adjacent SLAs of Melton-East and those of Brimbank. Where both Brimbank SLAs have unemployment rates of 11 per cent or greater, Melton-East has only 6.6 per cent. However Melton-East has a very low labour force of approximately 2200 compared with 30,684 for Brimbank-Keilor. What is distinctive about the Melton-East SLA is that it contains recent housing developments, notably Caroline Springs. But this semi-exclusive development began after the 1996 census, so Caroline Springs cannot account for the disparity in unemployment rates.

When viewed at the regional scale, the picture in 1996 is somewhat varied, with a tract of unemployment running through Brimbank, Maribyrnong and parts of Hobsons Bay (similar to that visible in Baum et al (1999)), while just to the west of these SLAs, are pockets of greater prosperity, such as Melton-East and the areas of Wyndham. Half of the western region SLAs recorded an unemployment rate less than the metropolitan average, while half recorded a rate greater than this. Obviously, the labour market outcomes experienced by the workforce of the west are mixed and spatially patterned. Of course, unemployment data do not reveal the entire picture of socio-economic circumstance in the west, and given the foregoing discussion concerning the effects of global processes and social differentiation arising from these, the western region can be seen to be marked as a zone of uneven response to such processes. That there are distinct spatial patterns associated with this uneven development suggests that urban processes, such as housing markets, are playing an important role in the re-distribution of socio-economic opportunity in this region.

The Emergence of the ‘New’ West

While the socio-economic fortunes of the western region of Melbourne during the late 1980s and early 1990s were decidedly mixed, the late 1990s provided a period where significant growth was perceived as taking place, and which was claimed to be leading to a ‘resurgence’ and ‘regeneration’ of this region. Much of this ‘new west’ assertion arrived via commentators in the news media, and centred around apparent shifts in investment into the western region during the late 1990s. Numerous articles (see below) asserted that the west was receiving significant inward investment, largely in the form of factories and warehouses, and that this investment was being driven by the state government’s construction of the western ring road (WRR). The WRR is the western section of an outer metropolitan beltway which is planned for Melbourne. The WRR which runs from the Hume Highway in the north, to the Princes Highway in the south was constructed in stages from 1992 to 1997.

An example of this perceived ‘new west’ rhetoric can be found in a 1996 supplement to the Age newspaper which suggested that the presence of cheap industrial land in the west, combined with the purported benefits of the WRR, were bringing ‘exceptional benefits’ to the region (The Age 1996a). This article highlighted the availability of industrial land, and the proximity of these locations to the CBD, Tullamarine airport, and Port of Melbourne, mediated by the WRR. The article claimed that there was more cheap industrial land in western Melbourne, than in the whole of Sydney (The Age 1996a). Another article in The Age newspaper heralded “$2 billion growth” over the coming five years (The Age 1996c). A Mr Hennessy, Executive Director of the Western Region Development Organisation (WREDO) claimed that “Melbourne’s West is possibly the most dynamic region in Australia”, based on the presence of the ‘cheapest industrial land in the Western world’. Yet another article claimed that “the phenomenon of vast areas of developable land close to the centre of the metropolis is what makes Melbourne’s west unique among industrial cities” (The Age 1996b). The focus on land and transport linkages in the west continued, with the Australian Financial Review citing one land agent as stating:

Improved road infrastructure, coupled with an extreme shortage of industrial office and warehouse space in the Port Melbourne and mid-south eastern suburbs will increase the west’s popularity among distributors looking for relatively cheap land in close proximity to docks, rail, and freeway links to interstate markets

(Barrymore 1996)
By mid-1997 the west was identified as a ‘booming region’, with by now over $7 billion in projects listed as planned for the following four years (Hurst 1997). Again, cheap industrial land was cited as the key aspect of this boom, with the $2 billion State government sponsored ‘Docklands’ project to the west of the metropolitan CBD, and the $1.5 billion Caroline Springs development among the investment projects identified as contributing to the ‘boom’. The recently completed Western Ring Road was again cited as being a key transport link, mediating investment into the west (Hurst 1997).

This heady depiction of the west as a location of booming industrial investment, continued in various media articles during the late-1990s (Cave 1997), with residential developments being added to the apparent industrial and transport infrastructure boom (Booker 1998). Pockets of wealth were identified as developing in the west, with Lyon (1998) citing Grace and Sheild’s (1998) review of 1996 census data as demonstrating the increasing affluence of some sections of the west’s population. By 1999, breathless commentators were describing recent urban socio-economic change in the west as ‘a revolution’ (Hopkins 1999). The underlying assumptions of much of these exuberant ‘western revolution’ statements are that the west has become attractive to investors as a result of two features, the first and most important of which is, the cheap and available industrial residential land. Second in importance are the close transport and logistical linkages to the broader metropolitan region (and Victoria), as well as the global portals of Tullamarine Airport and the Port of Melbourne. Connecting all of these is the newly constructed Western Ring Road.

But few, if any, of the commentators who were pushing claims that the west was booming appeared to have gone beyond the boosterism of regional development officials, property agencies and public servants to examine the empirical evidence supporting the claims of a western resurgence. Mees (2001), has undertaken a limited form of such an analysis, in an investigation of the economic effects arising from the Western Ring Road (2001). While concentrating on the WRR, the analysis of economic gains is of relevance to the western region. Mees investigated two alternative hypotheses, the first that the WRR had induced a higher level of economic activity in the previously depressed west, and the second, that there has been no increase in activity due to the WRR. Mees noted in respect of the latter hypothesis, that while there was evidence of a cyclical recovery during 1991-96, the improvements in the west were no greater than the comparable ‘Scoresby’ region in the outer east. Unemployment in the west near the WRR remained higher than for the Melbourne average. Further, Mees notes that the apparent changes in industrial location are likely to have been driven by the differential in industrial land prices in favour of the west over the south eastern suburbs where much manufacturing has historically been located. Mees concluded that by 1996 there was limited evidence for the putative resurgence of the west. Mees also suggests therefore, that in the absence of evidence for such growth, claims regarding the economic stimulative effect of the Western Ring Road were not supported. Mees (2001) did concede however that the forthcoming availability of 2001 census data will provide greater clarification in this regard.

Accompanying the apparent industrial boom were a raft of residential developments in the west. Included among these were the subdivisions at Cairnlea and Wyndham Park as well as the massive development at Caroline Springs in the LGA of Brimbank. When announced in October 1996, Caroline Springs was cited as involving $1.5 billion of investment (Barrymore 1996). The project involves the creation of 8,000 residential lots/units of varying sizes, and a town centre with shopping, education, recreation and educational facilities. The population of the development is anticipated to reach 23,000 by 2013 (Delfin Corporation 2000). The planned basis for the Caroline Springs development gives a superficial appearance of exclusivity through the interior provision of community services. But Caroline Springs is not an exclusive estate in the sense of a gated community. However the appearance of exclusivity, and the pricing of the lots, suggests that Caroline Springs is placed at the mid-range in the housing market of the western region. Given that Caroline Springs is a recent development, there are few conclusions that can be drawn immediately concerning how the development is situated relative to patterns of decline or growth and social exclusion in the western region. Part of the purpose of the present research project is to examine the role of recent housing estate developments in the western region. Caroline Springs offers an excellent opportunity in this regard.
Investigating the West

The foregoing discussion about the changing economic fortunes of Melbourne’s western region raises significant questions of importance to policy makers. The review of literature undertaken suggests that the west has undergone a mixed economic change, with emerging patterns of industrial regeneration combined with persistent patterns of disadvantage. It can be argued that global influences have been at play in the west both in terms of the restructuring of industrial location and organisation, and in terms of transport linkages, particularly to international markets. In this regard the west would seem to be showing some indications of being an incipient regional ‘cluster’ focussed around the transport and logistics industry. Should this be the case, then 2001 Census data, for example, should reveal a concentration of such activity in the west.

But the industrial and economic influences have interacted with local labour and housing markets. For some, the labour markets of the west appear to have provided relief from the historical position of the west relative to the rest of Melbourne. For others the transformation is much less apparent. This emerging situation has seen little direct government policy intervention. The partial resurgence in the west has taken place largely under the impetus of private sector re-investment, particularly regarding industrial re-location. Further, the housing developments that have taken place in the west have had little government input, save at the land-release level and at the local government zoning level. The major input from government has been in the form of the Western Ring Road, and at a cost of over $630 million this is a significant investment in the west, despite the uncertainty over the immediate economic effects generated.

To date, little empirical research has been carried out regarding these issues of disadvantage, economic and urban restructuring and potential for regeneration and renewal in the west. In particular, questions about the extent to which the spatial economy of the west has become increasingly articulated with global processes is of immense importance, given the international literature on metropolitan industrial restructuring, and on the often stated importance of this restructuring for the west. Further, the question of whether the historical disadvantage, which has persisted in the west, has been reduced through the economic changes of the past decade remains unanswered. Has economic change benefited all residents of the west, or just a minority, and, if so, how have the patterns of disadvantage been altered in the process? The performance of labour markets is central to this question, as are the dynamics of housing in the west. Finally, are new housing estate developments reflective of broader patterns of regeneration, or are they simply reflective of a polarization of the socio-economic profile of the west? The present research project aims to address these questions with reference to the government policy settings which are of relevance.

Western Melbourne and Government Policy

The problems and questions identified in the western region of Melbourne are closely connected with many of the current policy concerns and agendas of both the state and federal governments. This section reviews current policies concerns of government which relate to issues in the west, as these relate to housing, land development and community strengthening policies.

The issue of affordable housing is an obvious question which is of interest to both the state and federal governments. Through its role as a housing provider, the Victorian government has an inherent interest in ensuring an adequate supply of affordable housing in the west. The federal government as a provider of housing related income payments through the social security system also has an interest in the ability of households to secure affordable housing. Current state government policy initiatives include the Office of Housing Neighbourhood Renewal programme (DHS 2002). While largely aimed towards public housing estates, this program is attempting to generate housing renewal strategies, diversification of the tenure mix in neighbourhoods, building links with outside employment opportunities, developing regional economic strategies, improving health, education and child welfare outcomes, dealing with crime and safety issues and improving access to services. Given the issues of disadvantage identified in the review of the western region, it would appear that questions to do with community generation are of particular relevance to this state government policy.
The relationship between employment generation and private sector housing provision can be identified as key issues that will be addressed in this project.

The federal government currently has in place a series of programmes which attempt to address issues of disadvantage in communities throughout Australia. The Commonwealth Department of Family and Community Services Strengthening Communities programme aims to: encourage the development of community capacity for self-help, ameliorate the effects of pressures on and within communities; and facilitate partnerships between business, community groups and governments to achieve development solutions (Department of Family and Community Services (DFACS) 2002). Like the state government’s Neighbourhood Renewal program, the Strengthening Communities program has a focus on regeneration, capacity building and a role for the private sector. By focussing on the recent dynamics of urban restructuring and possible regeneration in the west of Melbourne, the present research project will examine socio-economic processes and patterns relevant to those which the respective government programmes seek to enhance.

Finally this project intersects with a related element in state government policy regarding urban and regional planning. Through the Department of Infrastructure (DOI), the state government is currently preparing a ‘Metropolitan Strategy’ which includes taking into account such pan-metropolitan issues as: the shape of metropolitan development, including the role of the urban fringe, existing urban areas and non-metropolitan regional centres; the adequate provision of affordable housing; the role, development and management of activity centres within the region; and constraints and priorities for major infrastructure investment and management.

While these policy concerns relate strongly to the physical urban environment, issues concerning the urban fringe, the provision of infrastructure and the management of activity centres are of particular relevance to the present research project. Much of the housing development which has occurred in the west has taken place as greenfield ‘fringe’ development. DOI data suggest that during 2000-2004 the west will receive approximately 20 per cent of new residential development in Melbourne. Any moves to restrict further expansion of this supply will therefore have significant implications for regeneration in the west. Further, the DOI intends that the ‘activity centres’ of Sydenham and Footscray, both of which are in the west, are among six such locations for the development of ‘transit cities’ within the metropolitan region. How these centres are developed will also have implications for regeneration and renewal in the west.
6. METHODOLOGY

The methodology for the study is comprised of four related and complementary strands which are linked to the research questions as set out in Chapter One. The following discussion identifies the connections between the specific research questions and the methodology which will be used in this project.

**Research Question 1.**

The first research question examines recent changes to the spatial economy of Melbourne to identify how this compares to patterns of urban restructuring apparent in other industrialised countries. Methodologically, this question will be addressed in three ways:

a) Through a review of literature describing recent economic change in Melbourne, and internationally. A substantial proportion of this question has been addressed by the literature review in Chapters Two to Five of this positioning paper.

b) Further analysis of census and other data such as valuer general and DOI land information. This analysis will be undertaken to provide a finer grained analysis than is present in the existing literature. In particular, 2001 census data, when available will provide a very recent view of economic change in the west. The ABS has indicated that the 2001 census data will begin to be available from June 2002 onwards.

c) A more detailed review of government policies, particularly as these relate to the west. While the review of government policies in Chapter Five noted the policy context for the present research, the examination of such policies envisaged here will concentrate specifically on the effects of government policies on economic and social change and urban restructuring in the West. Qualitative data will also be gathered to assist with responding to this research question. In particular, interviewing of key persons in policy, business, community and local government positions will assist in understanding the relationship between policies at different levels of government, as well as business strategies regarding the west. Such interviews would augment the policy reviews and statistical analysis.

**Research Questions 2, 3 and 4.**

The second, third and fourth research questions aim to identify the connections between urban spatial restructuring and spatial labour market change, and spatial housing market change in the metropolitan region, and in the west.

These questions will be addressed through:

a) Analysis of employment data. Of interest in this analysis will be the emerging employment structure, in terms of the quality and quantity of jobs in the west, relative to previous labour market conditions in that region, and relative to the metropolitan region generally. We will give particular attention to the spatial distribution of job characteristics within the west, identifying, if possible, locations of concentrations of particular types of employment.

b) Complementing the analysis of the location of jobs, will be an investigation of census data regarding the spatial distribution of unemployment throughout the west. When combined with household income data, the locations of advantage and disadvantage will be able to be identified.

c) Housing market trends will also be revealed through analysis of quantitative data. Valuer General (VG) house price data will be inspected to assess the broad conditions of the housing market in the west, relative to the Melbourne metropolitan region. While VG data doesn’t provide information about the quality of the housing, it does provide price and locational information. This data will be used to identify spatial patterns of house value across the west and the metropolitan region generally. If an appropriate data set can be assembled, quantitative analysis drawing on hedonic regression techniques will be undertaken. Further information on housing market changes will be obtained via DOI residential land use information.
d) Further information concerning additional dimensions of housing and household characteristics will be obtained from the census over the past twenty years, with the 2001 data being of particular relevance. Such data will reveal the tenure mix of the study region, relative to the wider metropolis, and will identify the spatial patterning of tenures across the region. Further, the census data may permit links to be drawn between household income and employment status and housing tenure, as well as location of any employment undertaken by the household members. This will be particularly useful in assessing how household activities may have changed under processes of urban restructuring.

e) Patterns of disadvantage in the west will be identified through analysis of census data. This analysis will focus on the changing distribution of income levels within the region, as well as unemployment concentration and other indicators of disadvantage, such as receipt of government welfare benefits. These patterns will be used in comparison with locations of relative advantage, where indicators of disadvantage are lower.

f) The analysis of labour market and housing trends and processes in the west can also be supplemented by qualitative interview-based research. In this instance, persons with particular knowledge of labour market trends, such as Centrelink administrators, will be of particular relevance. Real estate agents constitute an obvious group with knowledge of the housing market, while housing assistance workers in both the public and community sectors will provide a perspective on those in the west who are under housing stress in the west.

Research Question 5.

a) Questions concerning the spillover effects on local communities of large regeneration projects such as Caroline Springs will be investigated using both quantitative and qualitative methods. The spatial socio-economic relationships between Caroline Springs for example and adjacent and more distant locations can be identified through Census and VG data. The analysis of this data will attempt to draw out how local trends have changed since the development of Caroline Springs. House prices for example are an obvious indicator in this regard, but also the social mix of households within and near to Caroline Springs is of relevance.

b) The changing patterns of daily activities in the west in relation to Caroline Springs will be investigated through journey-to-work analysis of the census data. This will be supplemented by use of the Victorian Activity Travel Survey (VATS) data supplied by the Transport Research Centre at RMIT. This data, while of relatively small sample size, will provide detailed information concerning the travel patterns of individuals and households within the west. While not as comprehensive as census data, the VATS does provide otherwise unavailable insight into multiple patterns of, and reasons for, household mobility within and between sub-regions of the metropolitan area.

c) Further understanding of the spillover effects of Caroline Springs can be obtained by use of qualitative techniques, such as in-depth interviewing. In particular, local government policy and research workers will be of particular relevance, as well as other workers, such as maternal and child health workers, local small business managers, and community leaders.

Research Question 6.

The final research question will be addressed through a policy analysis of the three broad research issues investigated by this project. These are a) global and metropolitan restructuring and the west; b) recent economic and social change in the west and c) the specific effects of large residential developments in the west. From the findings of each of these sections, and with regard to the established policy settings, the potential directions for future government action, particularly regarding the role of the private sector, will be identified.
7. CONCLUSION

This project has identified urban economic change under globalisation as a key issue to be understood in the regeneration of previously ‘disadvantaged’ urban regions, such as Melbourne’s west, and has set out a clear set of research questions and an appropriate strategy to address this issue.

First, the project reviewed the international literature on globalisation and urban restructuring in relation to the metropolitan regions of Western nations. The literature identified the increasing importance of financial capital and the declining importance of manufacturing industries as key elements in recent urban restructuring. In particular, the flight of industrial activity and employment from inner cities was acknowledged as a key contributor to socio-economic change in western cities.

Accompanying the understanding of the effects of global economic change on industrial practices was the increasing acceptance of the notion of ‘industrial clusters’ as drivers of growth and innovation under global conditions. Clusters, defined as networks of similar and associated firms, are seen as having a key locational character, and can best be understood as regional economic phenomena. Accompanying the understanding of regional clustering has been the rising acknowledgement that regions can be an appropriate scale of governance at which to foster economic growth. Under this ‘new regionalism’ governments are seen as having roles of providing the appropriate infrastructure and regulatory settings to support the private sector in furthering economic growth.

However, the ‘other side’ of globalisation and regional economic growth has been identified in the international literature, particularly in debates concerning ‘divided cities’, social exclusion and spatial polarization. These socio-economic phenomena have been identified as being exacerbated under global economic conditions. While the specifics of the debate differ between authors, the general consensus is that urban disadvantage continues and is frequently enhanced by the conditions which have enabled global and regional economic change.

Discussion subsequently turned to examining the Australian experience of global restructuring. The decline of manufacturing industry has been seen as one of the key issues, but is related to the rise of global financial capital, and the spatial location of these industries within metropolitan regions. Western Sydney was identified as a key example of urban restructuring in Australia, exhibiting many of the features identified in the international literature, particularly multiple forms of disadvantage, combined with uneven and divergent patterns of economic growth.

Locational disadvantage in Australia was identified by a series of authors. Declining urban industrial districts were noted as particularly affected by disadvantage arising from restructuring under global economic conditions. Among these was the western region of Melbourne, which was found to be a place of declining opportunity. This declining opportunity was matched by findings which demonstrated increasing housing-related polarization in Melbourne, to the disadvantage of the west.

Finally, the western region of Melbourne was defined and reviewed, in particular regarding industrial performance and the socio-economic profile of the west during the past two decades. The west was marked by disadvantage, particularly high unemployment, during the early 1990s. During the latter part of the 1990s, however, the west appeared to have undergone a ‘resurgence’ as reported by many commentators. These assertions concentrated on the low cost of industrial land in the west, and the logistics/transport links of the Tullamarine Airport, Port of Melbourne and Western Ring Road. However, as the review of literature revealed, significant doubts remain about the empirical basis for the claims of a regenerated ‘new west’. It would appear that while some have indeed benefited from the enhanced industrial fortunes of the west, there are many who have not received these new advantages. The role of new housing developments in perpetuating or ameliorating patterns of disadvantage in the west was considered, particularly regarding the role of the high-profile ‘Caroline Springs’ estate. Caroline Springs appears to exhibit some indications of exclusivity and deserves some analytical attention relative to issues of housing disadvantage in the west.
Finally, the project reviewed the key research questions regarding economic change and urban disadvantage in the west and set out a research methodology to address these questions. The methodology will incorporate three distinct elements, which will be combined in responding to any particular research question. These methodological practices include a review of government policies and practices in the west. Second, the project will analyse census data (if possible 2001 data) and VATS and VG property price data, and DOI land use information. This analysis will concentrate on patterns of economic and social change in the west. Finally, the policy review and data analysis will be supplemented through the use of detailed interviews with key actors and agencies with an interest in the western region.

Flowing from the project, the authors anticipate a series of proposals regarding the appropriate government policy settings to address issues of socio-economic change in the west, focussing on the role of the private sector in community regeneration and renewal, and the means of effecting this process.
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