

Knowledge Rich, Knowledge Poor

Peter Vintila
Social Research Consultant
Integrated Planning Solutions

© Integrated Planning Solutions, April 2001

Summary

Opportunities for a university education are 250 times more available in the city's inner and western suburbs than they are in the east. Where the east (providing home to some 500,000 people and well over one third of Perth's population) provides just 1 place for each 5,000 residents, the city's west enjoys the benefit of 1 place in 20. In the inner west (the wealthiest dozen or so of Perth's central and western suburbs clustered around the Swan River provision is richer still: 1 place per 4 residents. These privileged areas are effectively selling - and even exporting - knowledge to Perth's outer suburbs. This astonishing picture is shown in mapped and tabular form below. However much in need of qualification this broad sketch may be - especially in relation to the city's north western and south western regions, Perth's east would, by any measure, be grossly underprovided with easily accessible university. Nor does this highly skewed geography of higher learning opportunities relate meaningfully to demand or ability: almost one third of Perth's university students have eastern post codes attached to their permanent home addresses.

It is not difficult to see where the new information economy is likely to be taking root in Perth, or where globalisation's winners are most likely to work and live. Modern cities like Perth which gradually became more equal places over much of the last half century are unlikely to continue this trend as we move more fully into the post-industrial 21st century and become a more fully-fledged "knowledge nation". And the evidence of unravelling equality is already clearly emerging: over the past 30 years, the community's sense of an acceptable level of unemployment has risen 3 or 4 fold, there are more chronically underemployed households and, nationally, almost a million children are living in households which have no wage earner. On the one side, welfare needs are growing while welfare capacities decline; on the other a doubling of the number of Australian and Western Australian millionaires in recent years.

The local economic impacts of higher learning also warrant an additional brief remark. If it does not already, Perth will soon benefit from \$1 billion in direct higher learning expenditures annually. This is an investment working

for the almost exclusive benefit of communities in Perth's richer Western suburbs. A more realistic assessment of local economic impacts would also include the ancillary expenditure, which university students bring to local communities and any multiplier effects thereby set in motion. On a straight per capita basis, 37% or 38% of this annual investment should be going into Midland and Morley and then into future and redeveloping centres like Ellenbrook and Gosnells. At the moment the East is exporting not just its brainpower but the money it spends on the further enhancement of that brainpower. It can ill afford to do either - and such an arrangement seems especially perverse when it serves only to make life in the already affluent West yet more affluent and rewarding still.

Background

No special research skill is needed to recognise that Perth's western suburbs - particularly those enjoying river or coastal foreshore - are wealthier than those lying to its drier inland and eastern side. A casual drive or an extended walk is sufficient. And many routes could be followed: to the west, a walk from UWA to Peppermint Grove roughly following the course of the Swan; to the east, a walk downstream along the thirsty Helena River from Bellevue to Midland and down to Garret Road Bridge. Stark evidence of inequality meets the eye at every turn: grand mansions set in generous and tranquil gardens on the one side and modest cottages on shrinking lots on the other. Cars and their garaging to the west are often alone worth more than hearth and home to the east.

Despite the rich visual evidence provided by these contrasting urban landscapes, statistical evidence can help us to improve our understanding of the economic and social inequalities with which we live. And there is plenty of such evidence - much of it collected by the ABS. For example, ABS data show how the prevalence of high-income earning households varies from west to east - or how the prevalence of higher status occupations or university degrees vary in similar ways. Some of these data are also available in geographic representations in Perth's Social Atlas produced after each Census by the ABS. In its mapped forms, these data provide immediate insight into the city's divided architectural forms. Bright reds in the 1996 Social Atlas maps indicate neighbourhoods in which the well paid, the well-employed and well-educated are strongly represented. These characteristics all coincide neatly, and not surprisingly, with the city's grand houses and rich green streetscapes.

Significantly, a number of more recent studies are showing that these inequalities are becoming more severe. While descent into poverty has arguably been contained by welfare policies, some studies have indicated

that the number of poor households may still have increased by 10% in recent years - representing as many as 80,000 additional poor families nationally. However effective our welfare system, it is a sad truth that ten times as many Australian children as this (ie 800,000) are living in homes in which no wages are earned.(1)

Whatever doubts may surround the question of poverty and its relief, no one questions the fact of massive increases in wealth and income inequalities. These were extensively reported in The Australian last year. A few highlights are worth repeating. The nation's privileged elite of millionaires has doubled to become a team some 240,000 strong in the last 5 years. At the same time, this group has increased its share of Australia's wealth by 45% since 1986. The 90,000 families making up the group are now worth some \$400 billion. Representing just 1.4% of the population, they own 16% of Australia's total wealth. This is reflected in the increasingly skewed distribution of asset-based income (rent, interest and dividends): between the early 1980s and the late 1990s, the wealthiest 10% of Australians increased their share of asset-based incomes from 39% to 49%. When all incomes are considered (ie wages and pensions as well), the top 20% of households now enjoy average incomes of \$142,000 per annum while the bottom 20% get by on just over \$12,000. Labour market deregulation and uncontrolled executive pay packages are another part of this harsh story - but one which must be left to one side here.

The New Knowledge Economy

The connection between education, wealth and power is a long standing one but it is also now true that economic success depends increasingly on knowledge and its deployment in the new global information economy. Thus, as the next federal election approaches, we will hear much more about how the nation can best cultivate its intellectual resources and become a "knowledge nation" or something brighter, smarter and more competitive still. And in this respect it is interesting to note that Perth's wealthiest half dozen western riverside suburbs are claiming an ever greater share of the new currency that knowledge has become. Between 1986 and 1996 the percentage of the population in our leafy western riverside suburbs attending university rose from 5% to almost 10%. It doubled in a corresponding group of eastern suburbs too - but moved from a base of 1.8% to just 3.5%.(2) The difference between West and East grew markedly over the decade in question - so, too, is positioning of individual and neighbourhoods for success in the new global information economy.

The purpose of this short article, however, is to explore another, though related, difference between east and west. The article focuses not on the

distribution of degrees or university enrolments but in the first instance, on the geographic distribution of our degree-conferring and knowledge-creating institutions. It focuses, in other words on the distribution of our universities and centres of higher learning across the metropolitan area: How many are located centrally or to the west of the CBD and how many lie to the east?(3) [The map](#) shows the answer at a glance. East of Victoria Park, universities barely register a presence.

[Table 1](#) provides more detailed information. It indicates the distribution of university places (both part-time and full-time enrolments of students permanently resident in Perth) on either side of a boundary which divides the metropolitan area into its Western and Eastern sectors. The general impression that the West is better served by universities than the East will be common enough. Nevertheless, the conclusions generated by a simple mapping and counting exercise are quite shocking: **at the turn of the millennium, metropolitan Perth afforded university places to almost 47,000 of its 1.3 million residents. All but 98 of these places are effectively located in its western half. On a per capita basis, Perth's western local government areas offered around 1 university place per 20 persons. At the same time, the very wealthy west (the dozen or so of Perth's central and foreshore local government areas) offered one place for every four persons. In the eastern divide, by contrast opportunities were thinner on the ground: 1 place per 5,000 persons. The East commands around 0.2% of the city's higher learning capacity whilst accommodating over one third of its population!**

Equity Issues

This simple spatial analysis of higher education opportunities is, of course, just that: simple. And a range of more complex mapping techniques based on variously sophisticated modelling of individual campus catchments would, in some cases, tell a less extreme story. It would not however be a very different one: the city's western hemisphere would show thinning opportunities moving to the north or south but Perth's east would, by any measure, be grossly under-endowed with easily accessible places for higher learning.

The equity issues which arise here are enormous. Higher education accounted for a massive public and private investment totalling some \$9 billion per annum nationally in the year 2000. Whatever the outcome of the next Federal election that figure will rise significantly as our ambitions to become a knowledge nation - or something better - are funded. If WA's politicians do their job properly, Perth will soon be on the receiving end of a higher education investment of around \$1 billion annually. This very

substantial (and rising) sum of money is clearly being spent in ways which provide long term strategic advantage to the city's inner, western and already wealthy and privileged households and neighbourhoods.

Perhaps there would be a slim justification for this arrangement if intelligence and academic achievement were distributed in the same proportion across the city: ie Perth's westerners were 250 times more clever than its easterners. But they are not. In proportionate terms the difference would now seem to be negligible: where 4% of the Perth's western population qualify for and enter our universities (some 34,000), the corresponding figure for the Eastern population is around 3% (13,000). By this very crude measure Westerners are only .25 times more clever - a long way short of the "250" figure called for by the most minimal claims of justice. Even the figure of .25 is questionable here when one takes into account the well-documented impact which family history and wealth have on the academic performance of children.[\(4\)](#)

Questions about larger cultural and built environments also arise in this context: how are the academic aspirations and abilities of children living within a few kilometres of a half dozen university campuses different from those of a child who rarely sees them or in whose lives they remain just remote abstractions? While there may be very little direct evidence that can be brought to bear on this question a great deal of related research suggests an important hidden factor here.

Local Economic Impacts

Another important equity issue is also worth noting here. Perth's substantial annual investment in higher education has important short term local economic impacts as well as long term implications relating power, privilege, and the beast of competitive advantage sought now individuals, businesses and governments alike. What the distribution of University campuses in Perth tells us here is the following: **a sum of money, soon likely to surpass \$1 billion, is an investment working almost entirely for the benefit of communities in Perth's richer western and inner suburbs. A more realistic assessment of local economic impacts would also include the ancillary expenditure which university students bring to local communities blessed with substantial campuses and centres of higher learning - and then the further multiplier effects of this direct spending.**

The story of local economic impacts also has another and more perverse dimension. The monopoly over university education enjoyed by Perth's western suburbs means students living in the East are compelled to travel to and spend their education dollars in the Western suburbs. This is so whether

the dollars are their own or whether parents and government in some combination advance them. But wherever the dollars may come from their loss further penalises local economies not well placed to bear the loss. Current levels of academic achievement alone suggest that the Eastern suburbs deserve campuses offering at least 13,000 student places while a more generous bid to equalise (based on equal per capita shares) suggests around 18,000 places - and as much as 40% of the \$1 billion pa noted above.⁽⁵⁾ Again, when multipliers and associated expenditures are added to the picture, these are losses - or possible gains - of huge proportions. Midland, Morley, Gosnells to the south-east and future regional centres to the north-east like Ellenbrook should be staking claims. Midland, of course, has an already recognised claim - and exceptional potential as well. The commitment so far made there is barely noticeable.

Students from the eastern suburbs also suffer more directly here. They must, either on their own account or that of their families, bear average transport (or relocation) costs significantly higher than those of their western counterparts in gaining regular access to university classes. To complete the picture, both the city's public transport and road networks are so configured as to offer much better connections between the homes of western university students and the range of near-by campuses they might choose to attend. The extent to which these privately borne costs contribute to possible under-achievement by eastern students once attending university is completely unknown and it is a question calling for attention in its own right. But another interesting statistic derived from the 1996 Census is worth noting in this regard: students harking from the eastern divide are 25% more likely to study part-time than are their western counterparts. This further suggests that tertiary study is a greater burden for those coming from less advantaged households and city regions. For many easterners, the acquisition of knowledge is a harder and longer slog.

It would also be valuable to determine how the double burdens of full-time study and part-time work are distributed across the east-west divide but in broad terms at least, it is not difficult to guess where they would fall more heavily. What we know with more certainty is that current university funding policies tending to privatise costs will exacerbate all of these disadvantages.

Conclusion

In concluding it is worth returning for a moment to the bigger questions at stake here. For better or for worse, the new global and information economy in which we are making our way is rapidly transforming "knowledge" and the learning processes by which it is acquired. As noted above, knowledge

(of certain kinds, at least) is not simply becoming a commodity, a thing to be bought and sold. It is becoming, rather, a capital good and an economic resource of increasing strategic significance. It is not simply something we buy but something in which we are constantly enjoined to invest - as nations, societies and individuals. To lack knowledge and the ready means for acquiring it are no longer simply disadvantages. Today, these absences prelude almost certain economic failure.

Of course, Local, State and Federal politicians will need to support the idea of a Midland University. They will not, however, need to spend massive amounts of money. Rather, our politicians need to commitment to ideas in principle and to establish appropriate forward planning capacity. They may also need to take a few prudent measures to protect public resources in Midland which might serve higher learning and associated uses well. This could be a special challenge for local government. Planned in the right way, however a Midland campus could serve as a powerful integrating force for Midland's problematic divided structure. It could help to pull Midland Gate, the old Town Centre and the Railway Workshops site together. The State Government could do much to help here by drawing up a more far-sighted, focused and publicly-spirited charter for the Midland Redevelopment Authority. If Kim Beasley becomes our next Prime Minister, he could help by remembering his old seat and, more seriously, by honouring his specific promises to a more geographically equitable national system of higher education.

1 MacKay, H. 1999, Turning Point, McMillan, Sydney.

2 ABS, C-DATA, 1996

3 Inner and West include those local government areas lying predominantly to the west of the CBD and those classified by the Ministry for Planning as "inner" in its official area classification scheme. Of the latter, only Victoria Park lies to the (immediate) east of the CBD but, as a rapidly gentrifying inner area with its own broad river foreshore, and monumental city entry statements it belongs both socially and physically to the West. Victoria Park is also more or less fully encompassed by the new circle bus route, connecting the inner city's major campuses and providing a powerful medium of integration with the West. By the same token, Curtin University's major centre (the most eastern of substantial campuses) sits in Victoria Park on an alignment which is less than a kilometre to the east of the Causeway.

4 What we may be seeing here is the effect of an extended democratic investment in primary and secondary schooling over the period of economic and baby booming. While that courageous experiment may, sadly, have run its course, it provides an encouraging indicator of what a more democratic distribution of higher education might accomplish.

5 This is the kind of formula which our state politicians use all the time in their arguments with their federal counter parts. They should understand it very quickly when local government politicians make use of it to claim their share of higher education dollars.