

## THE CONVERSATION

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Politicians like Malcolm Turnbull try to target middle class Australians. Lukas Coch/AAP

# Politicians, stop pitching to the ‘average’ Australian; being middle class depends on where you live

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**Liz Allen**

Demographer, ANU Centre for Social Research and Methods, Australian National University

Politicians are fond of pitching to the “average Australian” but judging by the income of Australians, whether you are middle class depends on where you live. And where we live tells a rich story of who we are as a nation – socially, culturally and economically.

Income is at the heart of access to services and opportunities, which are differing and unequal based on where you live.

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# Are you middle class?

What's your total household income?

\$80,000

How many people (other than yourself) are over 15 in your house

1

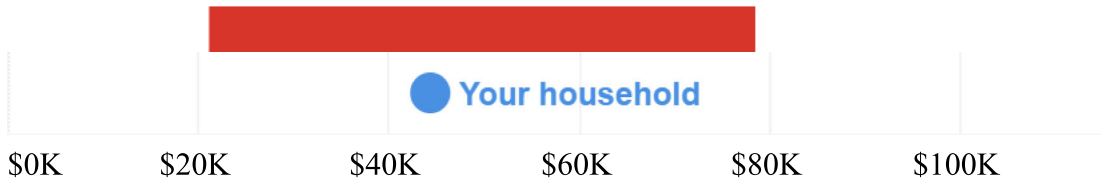
And how many people in your household are under 15?

1

Now, where do you live?

Carlton

Your equivalised household income\* is **\$44,444**, which is **within** the **Carlton** midc between \$21,317 and \$78,593...



Data is from ABS Census 2016, with middle class determined as between the 30th (bottom 30%) and 80th (top 20%) percentiles.

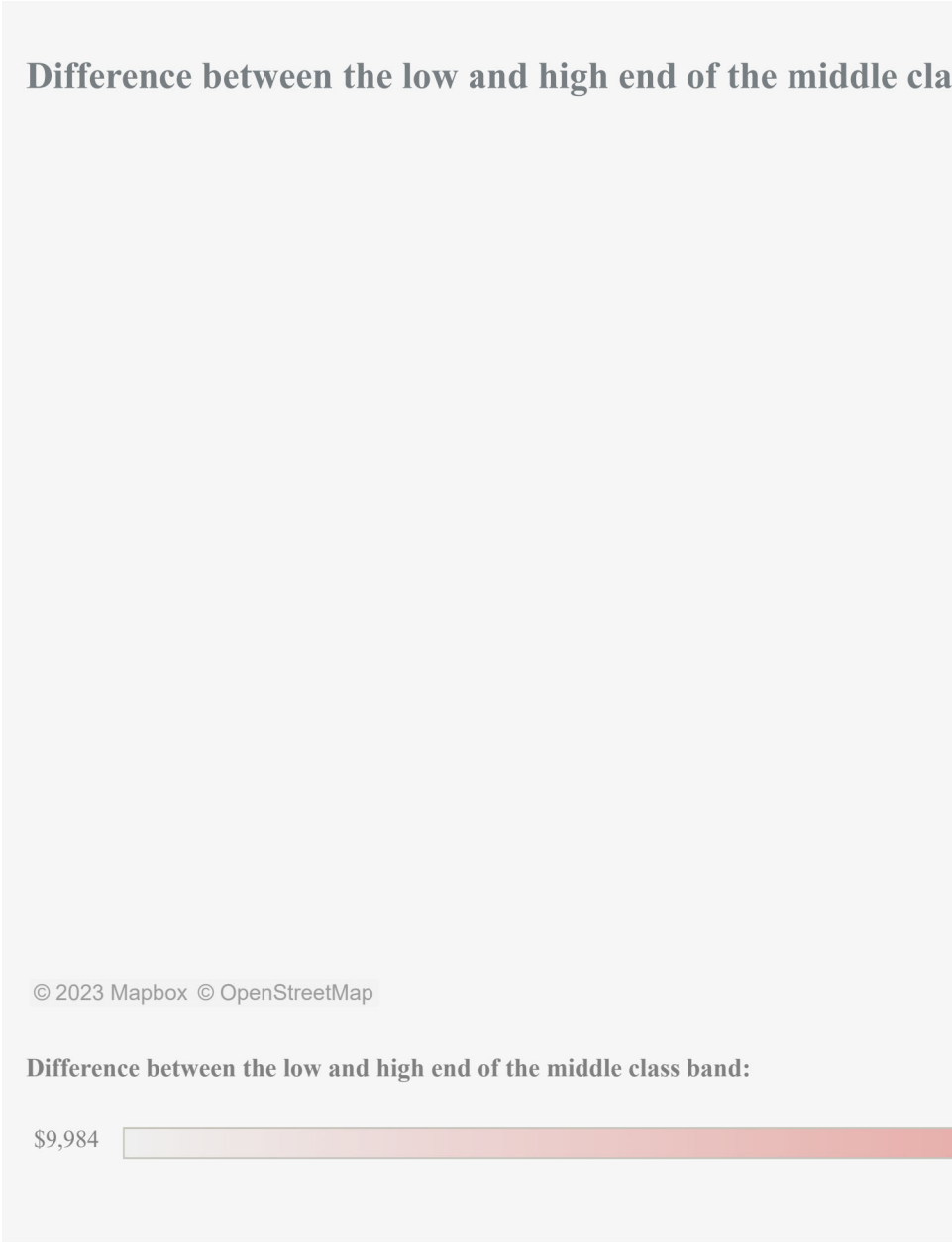
\*Equivalised household income is determined as the total household income divided by the OECD equivalence factor (where 1 point is allocated to the first adult, with 0.5 points for every additional person over 15 and 0.3 points for every additional person under the age of 15).

Our ability to afford housing that meets our needs largely determines where we live. In turn, where we live influences access to other important features of our lives which shape lifelong and intergenerational opportunities. For example, student performance is associated with everything from where a student lives to their parent’s occupation.

Household incomes in capital cities are typically among the highest, with incomes declining the further you live from major cities. So it’s understandable why Australians living outside or on the fringes of cities might feel somewhat left behind.

The Australian Bureau of Statistics presents “average” income as a range based on where you live. This range is marked by a lower number (30% of incomes) at the beginning and the higher number (80% of incomes) at the top.

This “average” income varies substantially between different rural areas from A\$78,548 - A\$163,265 in Forrest (ACT) to A\$10,507 - A\$26,431 in Thamarrurr (NT). This is actually an equivalised household income which factors in the economic resources like the number of people and their characteristics, between households.



The difference between the top and bottom of this range of “average” household income also shows greater inequality within areas.

Even within the greater Sydney metropolitan area, there’s significant differences in household income between areas. The average household equivalised income in Lavender Bay is around A\$40,000 - A\$95,000 higher than it is in Marayong.

The difference in income is marked, and there are other differences too. People in Marayong are on average younger than Lavender Bay. Family size is smaller in Lavender Bay. Over half of the Lavender Bay residents hold university degrees, compared to a more skill-based workforce in Marayong.

## **Why there is no one “average” Australian**

Cities offer access to myriad employment options. Industries associated with relatively high incomes are typically concentrated in cities to take advantage of global connections.

Sydney, Melbourne and Canberra are notable standouts based on household income. So if you live close to these major cities you'd be getting the most opportunities in terms of employment and income, given the you're the right candidate.

But not everyone wants to live in the centre of cities. Housing, lifestyle and neighbourhood preferences also play a role in where we live, but are still influenced by income and proximity to such things as employment and family and friends.

Also, infrastructure which supports social and economic wellbeing is essential in communities, regardless of where we live.

## **What politicians should be talking about instead**

Improving the different and unequal access across areas requires better internet connectivity and advances in the way we work. Policies around housing and family-friendly workplaces go some way to supporting Australians in work.

Any measures to redress inequalities require understanding the needs and wants of communities. Proposed planning to reconfigure the greater city of Sydney around population and socioeconomic infrastructure offers an example of a data-driven approach to planning. Whether the proposed reconfiguration of Sydney leads to improvements or greater segmentation will be revealed in practice.

Politicians rarely reflect the characteristics of the people they represent, particularly when we consider the remuneration, entitlements and perks of political office. The longer politicians are in office, and somewhat removed from the people they represent, the further they potentially become from gauging their electorate.

Yet politicians profess to know what the average Australians they represent needs and wants. They apply this to a range of things from service delivery to representation on political matters. And this is within reason.

But without current experience we struggle to see things from perspectives other than our own. Take for example the way some have come to label themselves outsiders from the social and political elite to advance their credibility with average Australians.

Bringing politicians in touch with the diversity of needs and wants of Australians starts with a self-check and recognition of individual bias (conscious or unconscious). This is the first step toward really understanding and connecting with Australians – be it in the “average” or otherwise.