



Regional Divide? A Study of Income Inequality in Australia

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Introduction

Regional diversity is a hot topic in Australia's policy agenda. There is growing evidence that the economic and social circumstances of Australians vary significantly by region. As a result of this disparity, policies may increasingly need to target particular regions.

Income inequality in Australia has been analysed widely by social researchers, but this analysis has generally focused on the national picture (Harding 1997). However, there has been increasing interest in income inequality and social disadvantage across neighbour-hoods and regions (Gregory and Hunter 1995; Vinson 1999).

Cuts in government, banking and tele-communication services, coupled with low commodity prices and high unemployment rates, have prompted an outcry from those living in regional Australia about the growing divide between the cities and the bush. There has also been a shift in the political landscape following the Victorian State election in 1999. The Prime Minister's tour of regional Australia in 2000 and increased funding to regional Australia in recent budgets illustrate the growing government interest in regional issues.

Regional Analysis of Incomes Average Household Income by Region

Average household incomes vary significantly by region (Table 1) and grew at different rates in each region between 1991 and 1996 (Figure 1).

On average, people living in the cities enjoy much higher incomes than people living elsewhere do. For example, in 1996 households in the capital cities had an average income of around \$44 785. This was about 30 per cent more than for households in regional towns, 20 per cent more than for households in other major urban areas and 24 per cent more than for households in rural areas.

Changes in Average Household Income by Region

The data suggest that the income gap between those living in cities and those living in regional and rural towns is increasing. In the capital cities real income per household grew from \$43 900 to \$44 800—almost 2 per cent—between 1991 and 1996. For most of the rest of Australia, income growth was not as strong. For example, for the households in regional towns, income growth averaged 1.14 per cent. Households in small rural towns had the lowest average income 30 600 in 1996—and income growth averaged just under 1 per cent

during the five years. For those in major urban areas, many of which were profoundly affected by the decline of manufacturing enterprises, real income growth was negligible.

Yet rural households did particularly well as their incomes increased by 3.35 per cent during this period. However, rural incomes increased from a relatively low base (20 per cent below metropolitan

incomes in 1991). In addition, farm incomes fluctuate significantly from year to year as yields and crop prices change, and 1996 was a good year for the agricultural sector in some parts of Australia. Since 1996 growth in agricultural incomes has slowed, suggesting that they have not grown as strongly as metropolitan incomes since the census was conducted.

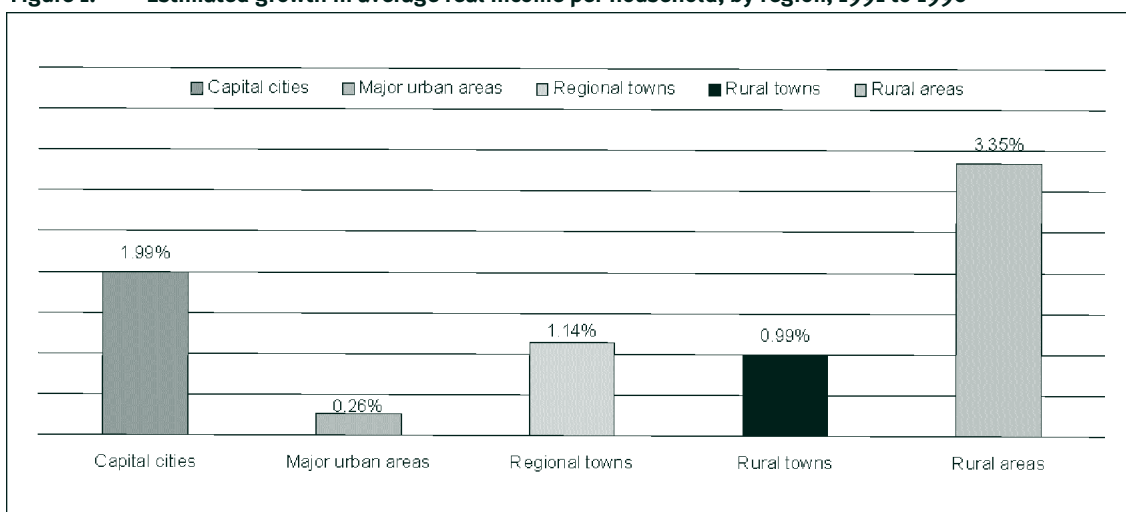
Table 1. Estimated average household income, by region, 1991 and 1996

In 1996 dollars

	1991	1996
	\$	\$
Capital cities	43 908	44 783
Major urban areas (population 100 000+)	37 468	37 567
Regional towns (urban areas with a population of 1000–99 999)	34 225	34 615
Rural towns (bounded rural locality with a population of 200–999)	30 308	30 609
Rural areas	34 895	36 063

Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Figure 1. Estimated growth in average real income per household, by region, 1991 to 1996



Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Average household income by State and region

Analysis for Australia as a whole tends to mask the vastly different experiences of each State and Territory in Australia during the 1990s. Analysing broad heterogeneous regions across States means that positive performances in one State can cancel out negative performances in another, resulting in

little overall change. In this section, changes in regional incomes are analysed by State.

Demographic changes and the shift from manufacturing to service and technology industries in the Australian economy have meant that the States have faced different experiences in terms of regional incomes. While Sydney benefited from increasing globalisation, and both Queensland

Table 2. Estimated average household income by State and region, 1996

	Capital cities	Major urban areas	Regional towns	Rural towns	Rural areas	All areas
	\$	\$	\$	\$	\$	\$
New South Wales	49 003	38 044	3 309	30 360	35 232	43 528
Victoria	44 466	35 015	32 186	28 587	36 725	41 363
Queensland	41 898	37 708	36 926	31 646	35 948	38 959
South Australia	37 047		31 333	28 720	35 943	35 868
Western Australia	42 162		42 048	34 286	39 090	41 787
Tasmania	36 408		32 064	30 752	33 586	34 037
Northern Territory	52 856		52 252	39 155	38 863	50 227
Australian Capital Territory	54 726				37 469	54 707

Source: ABS CDATA 1996 with NATSEM amendments

Table 3. Estimated average household income by State and region as a percentage of Sydney average household income, 1996

	Capital cities	Major urban areas	Regional towns	Rural towns	Rural areas	All areas
	%	%	%	%	%	%
New South Wales	100	78	68	62	72	89
Victoria	91	71	66	58	75	84
Queensland	86	77	75	65	73	80
South Australia	76		64	59	73	73
Western Australia	86		86	70	80	85
Tasmania	74		65	63	69	69
Northern Territory	108		107	80	79	102
Australian Capital Territory	112				76	112

Source: ABS CDATA 1996 with NATSEM amendments

and Western Australia enjoyed strong population and income growth, South Australia, Tasmania and regional Victoria lagged behind.

Table 2 shows average household incomes in each region in each State and Territory in 1996.

Table 3 illustrates how the average income in each region compares with the average income in Sydney.

In both 1991 and 1996 the average income in the capital city area of New South Wales (Sydney and surrounds) was significantly greater than in any other state region (Table 2). The average household incomes in the ACT and parts of the Northern Territory were higher, but both Territories have small and specialised populations and economies. In every State, the average household income was greater in the metropolitan area than in other urban and rural regions. However, the degree of income inequality between metropolitan areas and other areas varied significantly between States. In general, the urbanised States with high metropolitan incomes—particularly New South Wales and Victoria—showed the greatest income differences between the capital city and other areas of the State. States with larger regional populations and greater reliance on agriculture, mining and tourism, such as Queensland and Western Australia, had much smaller differences in household income between metropolitan and other areas.

For example, in 1996 the average household income in the regional towns of New South Wales was \$33 309, just 68 per cent of the average in Sydney (Table 3). In contrast, the average household income in regional towns of Western Australia was just over \$42 000, almost the same as the average income in Perth. Similarly, household incomes in the rural areas of South Australia were on average 97 per cent of those in Adelaide.

In general, the larger and more urbanised a State, the higher the average income in the metropolitan

area. Melbourne's average household income in 1996 was about 91 per cent of Sydney's; Brisbane's and Perth's about 86 per cent; and Adelaide's and Hobart's about 75 per cent. There is similar inequality in the other urban and rural incomes between States, but in this case the less urbanised States, such as Western Australia and Queensland, tended to have higher incomes in non-metropolitan areas than the other States have.

Both South Australia and Tasmania have relatively low average incomes. The shift in the economy away from manufacturing and certain primary industries has significantly affected these States. In 1996, the average household income in rural towns of South Australia was just 59 per cent of the average income in Sydney, and the average incomes in regional and rural towns of Tasmania were 65 per cent and 63 per cent of Sydney incomes respectively. Victoria's rural towns had the lowest average incomes—just 58 per cent of the average income in Sydney.

Changes in average household income by State and region

Table 4 and Figure 2 show the regional changes in average real household incomes in the States and Territories between 1991 and 1996. These illustrate very different experiences.

The highest growth in state household incomes occurred in Western Australia, where all four regions experienced income growth of at least 5 per cent—the rural areas 11.8 per cent. Queensland households also had strong income growth, particularly in Brisbane, regional towns and rural areas. In New South Wales, metropolitan household incomes grew strongly but households in regional towns suffered a drop in real income. In Victoria, although metropolitan and rural incomes rose, there was a sharp drop in incomes in regional and rural towns. Melburnians enjoyed an average real increase in income of almost \$600 per household between 1991 and 1996, while those living in regional towns in Victoria faced an average income fall of \$619.

This amounted to a 1.3 per cent increase in the average real income of Melburnians and almost a 2 per cent fall in the income of those living in Victorian regional towns.

Table 4. Estimated percentage change in average real household income, by State and region, 1991 to 1996

	Capital cities	Major urban areas	Regional towns	Rural towns	Rural areas	All areas
	%	%	%	%	%	%
New South Wales	2.4	0.3	-0.4	0.8	1.0	1.6
Victoria	1.3	-0.4	1.9	-1.0	2.1	1.0
Queensland	3.9	0.3	3.7	1.4	2.9	3.2
South Australia	-2.3		0.2	0.7	10.5	-1.0
Western Australia	4.9		6.9	7.3	11.8	5.7
Tasmania	-0.4		-1.2	-1.5	2.5	-0.2
Northern Territory	8.8		5.6	-8.2	-2.3	5.8
Australian Capital Territory	-0.2				-31.6	-0.2

Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Figure 2. Estimated percentage change in average real household income, by State and region, 1991 to 1996



Source: ABS CDATA 1991 and 1996 with NATSEM amendments

South Australia and Tasmania were the only States in which average real incomes fell between 1991 and 1996. The decline was driven by a fall in metropolitan incomes in South Australia and by a drop in average incomes in Hobart and regional and rural towns in Tasmania.

The decreases in incomes in South Australia and Tasmania, coupled with the increases in incomes in the other States, served to increase the divide between States with high and low incomes during the early 1990s.

The inequality between regions in each State increased in some States but decreased in others due to different experiences in metropolitan and non-metropolitan areas. In New South Wales and Queensland the divide between metropolitan and non-metropolitan regions widened as city incomes increased faster than those elsewhere. A widening gap between the city and non-metropolitan towns was evident in Victoria and Tasmania. In South Australia and Western Australia the inequality between metropolitan and non-metropolitan areas actually decreased a little, as incomes in Adelaide fell and those in non-metropolitan regions of Western Australia showed stronger growth than in Perth.

Income distribution—the disappearing middle

The average household income in a region is a single value that can be compared easily with the average income in another region or at another time. But averages cannot tell us about the regional distribution of income—how many people are rich or poor. To look at this we divided households into four income groups—low income (under \$15 600 a year), lower middle income (\$15 600 to \$36 400), upper middle income (\$36 400 to \$78 000) and high income (over \$78 000). Table 5 shows the proportion of households in each region with incomes in each of these groups in 1991 and 1996.

The results echo those of other income distribution studies—a hollowing out of middle Australia, with accompanying increases in the proportions of both high and low income households. In all regions, between 65 and 70 per cent of households had incomes ranging from \$15 600 to \$78 000 in 1996. The cities had a predominance of households with upper middle incomes, while the other areas had a predominance of lower middle income households. There were also considerable regional differences in the proportion of low and high income households.

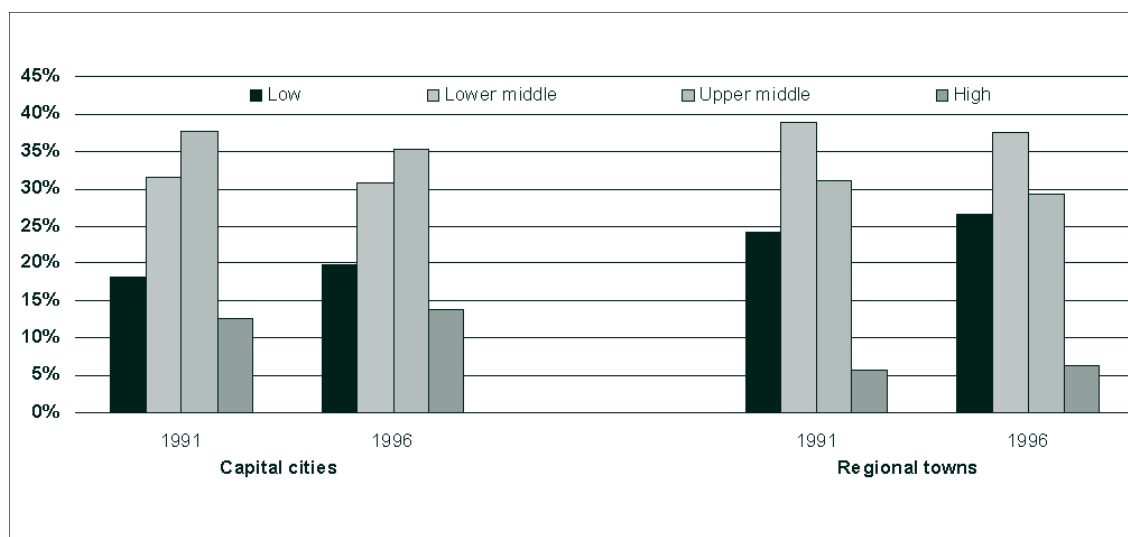
The results for the four-fifths of all Australians living in capital cities and regional towns illustrate the main findings clearly (Figure 3). There were about twice as many high income households in the cities as in regional towns, and there was a much smaller proportion of low income households in the cities. Both the cities and the regional towns show similar falls in the proportion of middle income households between 1991 and 1996. In the cities, for example, the proportion of households with incomes between \$36 400 and \$78 000 fell by a striking 2.3 percentage points between 1991 and 1996. At the same time, the proportion of households with high incomes rose by 1.3 percentage points in the cities. Between 1991 and 1996 both the proportion of households with low incomes and the proportion of households with high incomes increased in all regions, suggesting increasing inequality. The biggest change was in rural towns, where the proportion of households with low incomes increased from 27 per cent to 30 per cent and the proportion with high incomes increased only marginally.

Table 5. Proportion of households with income in given ranges, by region, 1991 and 1996

Income Group	Capital cities	Major urban areas	Regional towns	Rural towns	Rural areas	All areas
	%	%	%	%	%	%
Low (under \$15 600)						
1991	18.2	22.3	24.2	27.1	22.9	20.2
1996	20.0	25.0	26.7	30.0	23.3	22.1
Lower middle (\$15 600–36 400)						
1991	31.5	36.0	38.9	43.1	41.3	34.3
1996	30.8	34.7	37.6	40.8	39.9	33.3
Upper middle (\$36 400–78 000)						
1991	37.7	33.7	31.2	26.2	29.3	35.2
1996	35.4	31.7	29.2	25.2	29.4	33.2
High (over \$78 000)						
1991	12.6	8.0	5.7	3.6	6.6	10.3
1996	13.9	8.6	6.5	4.1	7.4	11.3

Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Figure 3. Proportion of households in capital cities and regional towns, by income group, 1991 and 1996



Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Table 6 gives the proportion of households in each of the income groups by region and State in 1991 and 1996. In general, the metropolitan areas of each State had the smallest proportion of households with low incomes and the highest proportion with high incomes. In 1996, about 20 per cent of the households in Canberra and Darwin had incomes greater than \$78 000 and less than 14 per cent had incomes under \$15 600. Among the state capital cities, Sydney had the greatest proportion of high income households (17.6 per cent) and the smallest proportion of low income households (18.6 per cent). About a quarter of the households in Hobart, Adelaide and Perth had incomes under \$15 600 in 1996.

In the non-metropolitan areas of most States, the 1996 income distribution was strongly skewed to low income households. In Victoria, Tasmania and South Australia, around 30 per cent of households in regional towns and in rural towns had low incomes, while less than 5 per cent of households earned more than \$78 000. Apart from the capital cities, regional towns and rural areas in the Northern Territory and Western Australia had the greatest proportion of high income households and a relatively small proportion of low income households.

The trend in almost all States and regions between 1991 and 1996 was an increasing proportion of households with low incomes and an increasing proportion of households with high incomes, suggesting increased inequality of gross household income. It should be emphasised here that we are looking at *gross* household income (income before the payment of income tax). Income distributional analysts normally regard *disposable* household income as a better measure of the resources available to households, and there is some evidence that the income tax system has become more progressive and provided a countervailing force to growing inequality of gross income (Harding 1997).

Figure 4 illustrates the change between 1991 and 1996 in the proportion of households with low and high incomes in each of the capital cities. During the five years ended 1996, slow economic growth and industry restructuring in Adelaide and Hobart prompted sharp rises in the proportions of households with low incomes—close to 3.5 and 2.5

percentage points respectively. Melbourne also fared relatively poorly in the first half of the 1990s, with the proportion of households with low incomes increasing by 2 percentage points.

All state capitals except Adelaide, where the proportion of households with high incomes was stable, showed increases in the proportions of households with high incomes. In Sydney, Brisbane and Perth growth was particularly strong—1.5 percentage points or more.

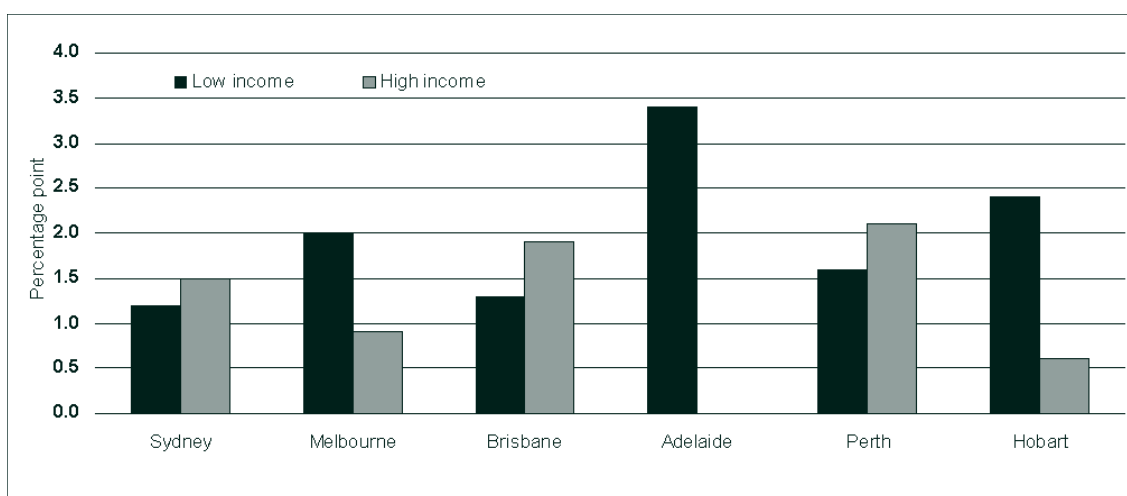
Overall the evidence suggests growing income inequality *within* regions. In 1996 there were more low income households and more high income households than in 1991, with a ‘hollowing out’ of middle Australia.

Table 6. Proportion of households with real incomes in given ranges, by State and region, 1991 and 1996

	Low income (under \$15 600)		Lower middle income (\$15 600–36 399)		Upper middle income (\$36 400–78 000)		High income (over \$78 000)	
	1991	1996	1991	1996	1991	1996	1991	1996
	%	%	%	%	%	%	%	%
Metropolitan								
NSW	17.4	18.6	28.4	28.1	38.0	35.7	16.1	17.6
Vic.	17.6	19.6	31.4	31.0	38.6	36.1	12.4	13.3
Qld	18.7	20.0	34.9	33.1	37.2	35.8	9.2	11.1
SA	21.9	25.3	35.4	34.9	34.6	31.7	8.1	8.1
WA	19.6	21.2	34.7	32.4	36.2	34.7	9.5	11.6
Tas.	22.8	25.2	36.7	36.1	33.4	30.9	7.1	7.7
NT	12.4	11.5	27.6	26.7	44.9	42.4	15.1	19.4
ACT	10.9	13.4	22.6	24.4	45.0	40.5	21.5	21.8
Major urban								
NSW	23.0	26.2	34.3	32.8	34.1	31.6	8.7	9.3
Vic.	24.3	27.6	36.6	35.0	32.7	30.8	6.3	6.6
Qld	20.4	22.3	38.4	37.6	33.6	32.0	7.5	8.2
Regional towns								
NSW	25.4	28.1	39.3	38.1	30.0	27.9	5.4	5.8
Vic.	25.3	28.2	39.3	39.1	30.8	27.9	4.6	4.8
Qld	22.3	24.1	39.2	37.2	32.2	30.9	6.3	7.8
SA	27.3	30.7	40.1	37.8	28.6	27.1	4.0	4.4
WA	19.7	21.8	35.0	32.1	36.7	34.6	8.5	11.5
Tas.	26.4	29.7	39.5	37.9	29.5	27.4	4.7	4.9
NT	10.2	9.6	27.9	27.7	47.5	45.2	14.4	17.5
Rural towns								
NSW	27.3	29.8	43.4	41.6	25.7	24.4	3.6	4.1
Vic.	29.6	33.6	42.1	40.3	25.5	22.7	2.8	3.3
Qld	26.0	28.7	43.9	41.0	25.7	25.5	4.3	4.8
SA	29.5	32.6	43.8	40.3	24.0	24.4	2.8	2.7
WA	23.7	24.7	42.4	39.4	30.3	30.5	3.6	5.5
Tas.	26.1	30.7	42.0	39.5	28.3	25.7	3.6	4.1
NT	10.3	13.0	37.6	40.7	42.6	40.6	9.5	5.7
Rural areas								
NSW	23.8	25.1	40.8	40.0	28.3	27.4	7.0	7.5
Vic.	21.8	22.4	39.6	39.4	31.7	30.6	6.9	7.6
Qld	22.0	22.9	42.9	40.1	28.6	29.8	6.4	7.1
SA	25.3	22.3	41.7	40.8	27.8	29.9	5.2	7.0
WA	23.3	20.8	42.2	39.0	27.8	30.9	6.7	9.4
Tas.	23.8	25.0	42.4	41.0	29.1	28.5	4.7	5.5
NT	16.9	20.2	38.3	38.9	35.9	31.8	8.9	9.2
ACT	14.2	13.2	33.9	44.7	30.5	38.2	21.4	3.9

Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Figure 4. Percentage point change in the proportion of households with low and high real incomes between 1991 and 1996, by capital city



Source: ABS CDATA 1991 and 1996 with NATSEM amendments

Household incomes in local government areas

Average household income and income growth in high income and low income LGAs showed that even within States and regions, there are a variety of different income experiences. Analysis of smaller areas such as local government areas (LGAs) provides greater insight into income trends.

The LGA with the highest average household income in 1996 was Peppermint Grove in metropolitan Western Australia, where the average household income was \$78 300. The LGA with the lowest average household income was Perry in rural Queensland, with households having an average income of less than \$20 000. Table 7 shows the average real household incomes and income growth for the 5 and 20 per cent of Australians living in the most affluent and least affluent LGAs in 1986, 1991 and 1996.

In the top 5 per cent of LGAs average real household income grew by about 8 per cent from around \$60 500 in 1986 to \$65 250 in 1996 (Figure 5), with strong growth in both the second half of the 1980s and the first half of the 1990s. In the top 20 per cent of LGAs average household income grew by 4.4 per cent in the same period. The average household income in the bottom 5 per cent of LGAs decreased by 5 per cent from about \$29 550 in 1986 to \$28 100 in 1996. There was a particularly large fall in income between 1986 and 1991 and a smaller drop over the subsequent five years. LGAs in the bottom quintile suffered a significant income fall between 1986 and 1991 but recovered slightly by 1996.

These figures suggest that households in the most affluent LGAs got significantly richer while those in the poorest LGAs suffered a strong decline in income.

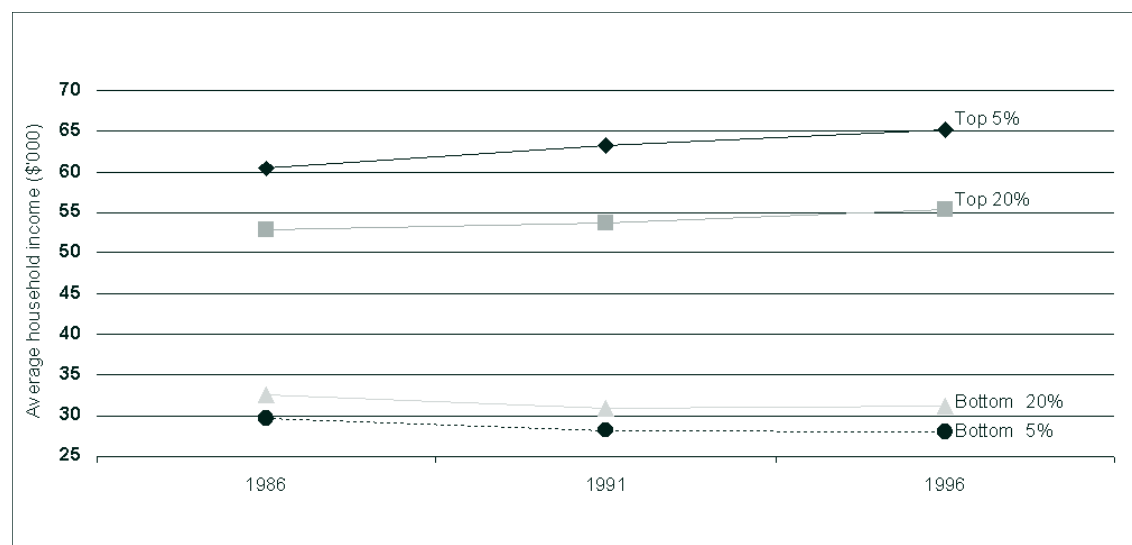
Table 7. Estimated average household incomes and income growth in the most affluent and least affluent local government areas, 1986, 1991 and 1996

	Average household income ^a			Income growth		
	1986	1991	1996	1986-91	1991-96	1986-96
	\$	\$	\$	%	%	%
Top 5%	60 478	63 325	65 246	4.7	3.0	7.9
Top 20%	52 978	53 689	55 311	1.3	3.0	4.4
Bottom 20%	32 503	30 956	31 265	-4.8	1.0	-3.8
Bottom 5%	29 566	28 157	28 090	-4.8	-0.2	-5.0

^a In 1996 dollars

Source: ABS CDATA 1986, 1991 and 1996 with NATSEM amendments

Figure 5. Estimated average household incomes in the most affluent and least affluent local government areas, 1986, 1991 and 1996



Source: ABS CDATA 1986, 1991 and 1996 with NATSEM amendments

Is there growing income inequality between regions?

Answering this question is a complex task and the results of the analysis can be regarded as only broadly indicative. For this analysis we have calculated the average needs-adjusted gross household income in each LGA in Australia. We used the OECD equivalence scale to adjust incomes, so that we could compare the incomes of LGAs with higher than average household sizes with those with a predominance of single person households.

The population was then ranked by the average equivalent gross household income of the LGA in which they lived and divided into ten groups of equal size (deciles), so that the bottom decile consists of the 10 per cent of Australians who lived in the poorest LGAs.

The results suggest that during the first half of the 1990s there was an increase in the share of total household income accruing to the 10 per cent of Australians living in the most affluent LGAs. Figure 6 expresses the income share of each decile as a percentage of the top decile's share of total gross household equivalent income in 1986, 1991 and 1996. For example, in 1986 the income share of the poorest 10 per cent of the population, which was 7.44 per cent (Table 8), amounted to 54 per cent of the 13.70 per cent share held by the top decile.

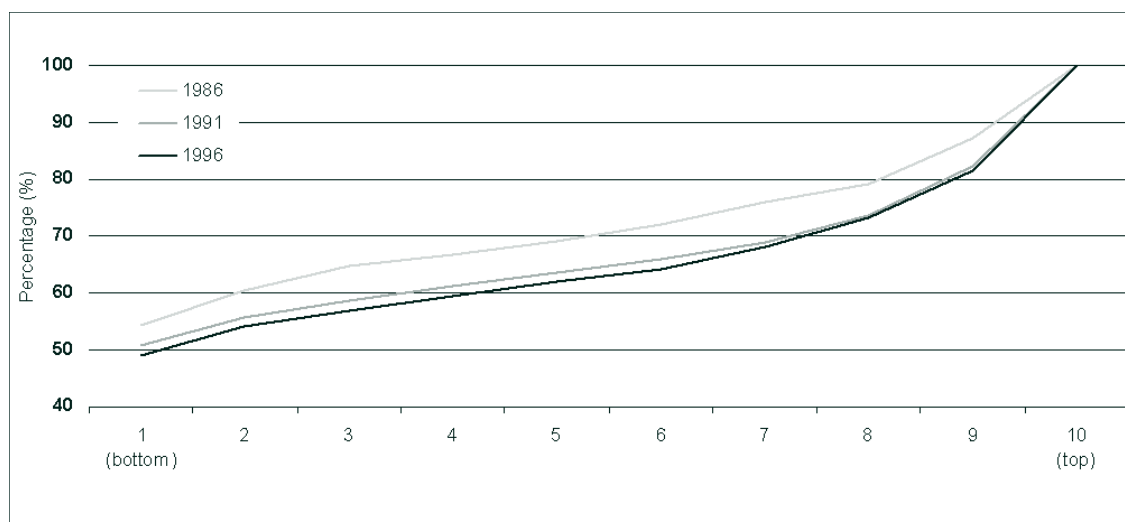
By 1996 the income share of the bottom decile had decreased marginally to 7.35 per cent of the total pie. But the share of the top decile had increased substantially to 14.96 per cent. As a result, the bottom decile's share fell to less than half of the share of the top decile. In the decade to 1996, those in the middle income LGAs generally lost ground. Although the boom in incomes at the top end meant that people in all other LGAs lost ground relative to the top, the decline was generally greater for those living in the middle ranking LGAs. Interestingly, the change appears to have been much greater over the 1986–1991 period than over the 1991–1996 period. This is in line with studies of income inequality at the national level that found growing inequality during the 1980s in Australia (for example, Saunders 1993 and Harding 1996).

Overall these results suggest a widening income

gap between those living in affluent LGAs and those living in middle ranking LGAs. Although there is also a growing gap between those living in the poorest and richest LGAs, those at the very bottom appear to have fared somewhat better than those in the middle did.

These results are similar to those of a NATSEM analysis of disposable income trends at the *national* level between 1982 and 1996–97, which were published in the newspaper *The Australian* from 17 to 23 June 2000 (Harding 2000). This analysis suggested that the bottom and top deciles had fared better than the middle deciles during this period. As a result, overall income inequality indexes suggested no change in income inequality during this period. While there are technical differences between the studies, the results in this paper suggest that the lack of change in *national* income inequality has been masking growing *spatial* inequality.

Figure 6. Share of total gross household equivalent income received by each decile as a percentage of the share received by top decile



Note: Individuals were ranked by the equivalent gross household income (in 1996 dollars) of the LGA in which they lived.

Source: ABS CDATA 1986, 1991 and 1996 with NATSEM amendments

Table 8. Share of total equivalent gross household income received by each decile of Australians

Decile	1986	1991	1996
	%	%	%
1 (bottom)	7.44	7.46	7.35
2	8.28	8.17	8.07
3	8.86	8.62	8.49
4	9.17	8.98	8.92
5	9.48	9.36	9.28
6	9.86	9.69	9.60
7	10.41	10.11	10.20
8	10.85	10.81	10.94
9	11.95	12.10	12.19
10 (top)	13.70	14.70	14.96

Note: Individuals were ranked by the equivalent gross household income of the LGA in which they lived.

Source: ABS CDATA 1986, 1991 and 1996 with NATSEM amendments

Summary and Conclusions

There is a large and growing gap between the incomes of those Australians living in the capital cities and those living in the rest of Australia. The incomes of metropolitan residents increased at about double the rate of those living in major urban centres and regional and rural towns in the five years to 1996. However, people living in rural areas (not rural towns) enjoyed by far the strongest income increase between 1991 and 1996.

The results indicate that 'regional Australia' is not uniformly disadvantaged and not uniformly declining. The biggest losers appear to be the residents of small rural towns rather than residents of rural areas.

The picture for regions aggregated across Australia hides the very different experiences of particular States and regions. Income inequality between regions becomes more apparent when the States and Territories are analysed separately. While incomes grew strongly in Sydney and Melbourne between 1991 and 1996, the growth was not as strong in most other areas of New South Wales and Victoria. Both Western Australia and Queensland had strong growth in most regions. In rural South Australia and Tasmania incomes increased substantially, but in other areas of both States real incomes were stagnant or even declined. These results mirror those found by the Department of Family and Community Services (1999).

Not only did the income gaps between regions increase in the 1990s, income inequality within regions also increased. The proportion of households in the middle income ranges declined while the proportions in the high and low income ranges rose—evidence again of the hollowing out of 'the middle' found in other income distribution studies.

Non-metropolitan areas had a much higher proportion of low income households than did the capital cities and a lower proportion of high income households. The proportion of low income households grew more slowly in the capital cities than in the rest of Australia (except rural areas) during the 1991–1996 period, while the proportion of high income households grew more rapidly.

An analysis of high and low income local government areas suggested that spatial income inequality increased in Australia between 1991 and 1996. Average household income grew strongly in the most affluent LGAs and declined in the poorest LGAs.

Between 1986 and 1996 the share of income received by the 10 per cent of the population living in the most affluent LGAs increased sharply, while the share of total income received by the bottom 70 per cent declined.

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