

# Australia: Glaring social inequality in Sydney

Mark Church  
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Sydney is the largest city in Australia, with a population of 4.5 million. It is also a home of finance capital, hosting the Australian Securities Exchange (ASX), the world's 10th largest stock exchange, with a market capitalisation of \$1.4 trillion.

There is an increasingly glaring social gulf between the wealthy elite that prospers as a result of this activity and the working class people who live, amid growing unemployment and financial stress, in its far-flung suburbs. Sydney has become one of the sharpest expressions of the mounting social inequality in Australia, belying the myth of a relatively egalitarian country.

A rare article in the *Sydney Morning Herald* touching on this social polarisation provided a limited picture of the contrast between some of the richest and poorest areas of Sydney. Largely drawing on Australian Tax Office data, it compared Mosman, on Sydney's north shore, with the western Sydney suburbs surrounding Liverpool.

Mosman's postcode, 2088, had the largest taxable income in Australia—\$2.5 billion. That was higher than the gross domestic product of dozens of countries. It was similar to the GDP of Burundi, an African nation with 10 million people, and more than double the GDP of the South Pacific's Solomon Islands, according to International Monetary Fund figures.

If the incomes for two Liverpool-based postcodes, 2168 and 2170, were added together, they amounted to the same sum, but their combined population of 137,000 was five times the size of Mosman's.

One postcode, 2168, which took in the neighbourhoods of Miller, Green Valley and Busby, had a similar number of taxpayers to Mosman but only 28 percent of the combined taxable income.

These incomes were only those declared for taxation purposes, so they undoubtedly vastly understated the real differences involved, given the ability of the

wealthiest layers to minimise their tax liabilities.

Other figures probably gave a closer approximation to the social gap. Taxpayers in Mosman received franked (share) dividends worth \$226 million in 2010-11, which was 62 times more than the similar number of taxpayers in postcode 2168. Mosman residents also declared 30 times more in capital gains and earned 13 times more interest income than those in 2168.

One comparison spoke volumes about the chasm between the two worlds. In Mosman, dress shop customers "love to splurge," Jacqueline Burke of Dea Lopes Boutique told the *Sydney Morning Herald*. "They're happy to fork out three, four hundred dollars on a Christmas Day dress."

In Liverpool, however, Janet Ung, a worker at Debonair Boutique, reported that her customers would spend on average \$10–\$15 a purchase and about "\$100 at the most." She explained: "They're looking for specials. Front racks, half priced, 70 percent off."

Research by the WSWS found equally vast differences in other financial and social indices.

Mosman's house price median of \$2,218,000 is almost seven times that in Miller, \$335,000. Some houses in Mosman sell for far higher amounts. In the first six months of 2013, 10 houses sold for more than \$10 million and two for over \$18 million.

Mosman is not the wealthiest part of Sydney. Other smaller suburbs on the eastern shores of Sydney Harbour, such as Darling Point and Hunters Hill, have higher average incomes. Sydney is home to seven of the ten most expensive suburbs in Australia by house price.

By contrast, the neighbourhoods around Liverpool suffer the consequences of decades of job destruction. Industrial plants that once provided work for thousands have been shut down, a process facilitated by successive Labor and Liberal governments at state and federal levels.

As a result, more and more workers, especially young people, have been driven into lower-paying part-time and casual employment or forced to accept concessions to their wages and working conditions.

Joblessness is far higher in Miller than Mosman, even on the official, understated, figures. The Department of Employment reported that in November 2013 the unemployment rate in Miller was 10.7 percent, and 14.2 percent for youth. In Mosman it was 4.5 percent and 9.8 percent respectively.

According to the 2011 national census, 40 percent of Mosman residents were professionals and 22 percent were managers. Most were employed in law, accounting and finance. By comparison, 18 percent of Miller's residents worked in trades and 17 percent as labourers. The largest employers were the cafe, restaurant and fast food sector, and the road freight industry.

The Liverpool area, like other parts of western Sydney, also has a significantly larger number of newly-arrived and poorer migrants. In the 2011 census, Mosman and Miller had a similar number of Australian-born residents (60–57 percent), but Mosman's immigrants largely came from English-speaking nations. Miller had significant populations of Lebanese and Vietnamese migrants from poorer backgrounds (5 percent each).

According to the Public Health Information Development Unit, almost 40 percent of people who migrated from non-English speaking countries were in the lowest socio-economic quintile in 2011.

Another large gap exists in health and life expectancy. The proportion of Mosman residents with private health insurance is three times that of Miller, giving them far better access to medical treatment. Due to poverty and stress, Sydney residents in the lowest quintile have higher rates of obesity, Type-II diabetes and cholesterol. As a result, they have double the rate of avoidable deaths than areas such as Mosman.

A WSWs reporting team spoke to people in Liverpool last weekend about their experiences, and the political issues raised by the social inequality.



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Socialist Equality Party visit: