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Perth: Australia’s most prosperous city

In only seven years, the annual mean personal taxable incomes (MPTI) in Perth almost doubled, rising from $38,060 to $75,806 or $1,500 a week. The findings in research by the Committee for Perth also revealed that the average annual income of people living in Perth is $7,000 more than Sydney and Melbourne residents.

“What makes this income increase impressive is that it happened between 2005 and 2012, which included the 2008 global financial crisis. There’s no doubt that wages rose on the back of the energy and minerals sectors. Perth went from being a relatively small city, to home to some of the largest companies in mining and energy and supporting sector services,” said Committee for Perth CEO, Marion Fulker.

While the GFC did slow our state economy, we still outperformed Australia’s other capital cities. Before and just after the GFC, Sydney was the most prosperous capital in Australia but by 2010, Perth had comfortably overtaken it.

“But there is a downside to Perth’s strong wage increases. It has been offset by a rising cost of living. We all talk about the price of a coffee in Perth, eating out, renting, buying clothes and tickets to sporting events and our research found that our cost of living has increased more than any other capital city between 2004 and 2012.”

The FACTBase report found that while MPTI across Perth rose, the wealth wasn’t evenly spread, with historically rich local government areas becoming even better off. The local government areas with the highest MPTI during the 2012-13 financial year were:

- Peppermint Grove - $179,965
- Cottesloe - $178,691
- Nedlands - $142,335
- Mosman Park - $141,553
- Claremont - $129,193

“Cambridge, Subiaco, Vincent, Stirling South-East, South Perth, parts of Fremantle and Melville create a ring of medium income earners of between $80,000 and $139,000 around the city,” Mrs Fulker added.

The lowest MPTI for 2012-13 were:

- Wanneroo South - $60,751
- Gosnells - $62,790
- Bassendean - $63,977

“The rankings of the average income of people living in Perth’s wealthiest and poorest local government areas haven’t changed very much in recent years. However, the disparity between the haves and have-nots has dramatically increased with the starkest contrast between Peppermint Grove, which has the highest MPTI and Wanneroo South.

“In 2004-05, the average annual income in Peppermint Grove was $64,000 more than people living in Wanneroo South. In 2011-12, it’s almost doubled so that Peppermint Grove residents are on average now earning $119,000 more,” added Mrs Fulker.

“The average increase in MPTI between 2005 and 2012 was 64% but much of this increase was experienced in the western suburbs with Peppermint Grove rising by 70%, Cottesloe 69% and Claremont 68%.”
"Outside of the Perth inner metropolitan area, the highest income increases were in Joondalup North and Stirling Coastal both up 48% and Stirling South-Eastern up 47%.

“The issue arising from this income inequality, is that Perth is a highly liveable city and it won’t serve us well to be known as a place where the gap between rich and poor is widening.

“The challenge for policymakers, welfare agencies, charity groups and organisations interested in the well-being of Perth and its residents is to make sure that the growing income gap doesn’t translate into people living in certain suburbs feeling disadvantaged and less than equal to others,” Mrs Fulker said.

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