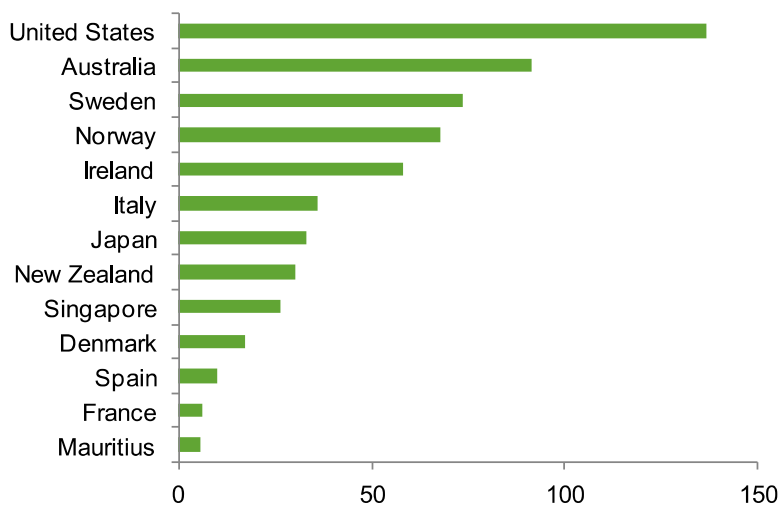


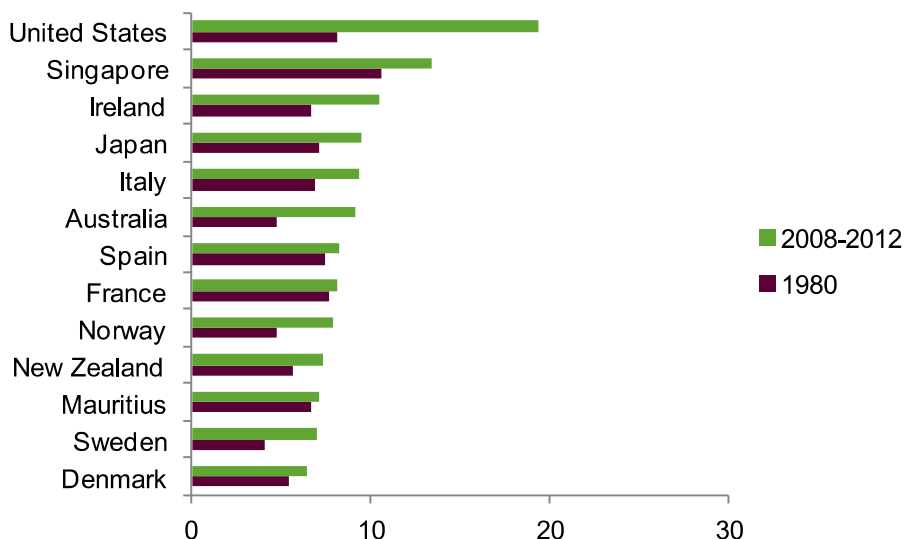
### 3. The rich are getting richer everywhere, and particularly rapidly in Australia

The Oxfam Report to The Davos Meeting in 2014 contains the two graphs below, which reveal the growth in inequality in 13 rich nations over the past 30 years. Because we started the period so egalitarian, **Australia ranks second after the USA in the percentage increase between 1980 and 2012 in the share of income going to the richest 1%.** (Oxfam 2014)

**The percentage increase in share of income of the richest one percent, 1980–2012**



**The share of national income going to the richest one percent**



Source: F. Alvaredo, A. B. Atkinson, T. Piketty and E. Saez, (2013) 'The World Top Incomes Database', <http://topincomes.g-mond.parisschoolofeconomics.eu/> Only includes countries with data in 1980 and later than 2008.

## Inequality in Australia compared to other industrialised countries

As shown on the previous page, the average increase in the share of income of the richest 1 per cent in Australia, increased faster between 1980 and 2012 than in 11 other countries studied and was exceeded only by the United States. (Oxfam 2014) The richest 1 per cent in Australia increased their percentage share of income by about 90 per cent. Whereas in 1980 the top 1 per cent of the population received about 5 per cent of the national income, by 2012 that share had nearly doubled.

In 1995 Australia's Gini coefficient at 0.309 was the same as the average for the OECD. But in 2010 it had increased to 0.334 and was then above the OECD average. This increase is larger than the average increase across the OECD from 0.309 to 0.314. However, some of this increase is due to a change in the ABS definition of income. (Australian Treasury 2013, Wilkins 2014)

In the USA, the damaging effects of inequality are now at the top of President Obama's policy agenda. There have also been calls to reduce inequality from the usually conservative International Monetary Fund (IMF) and from *The Economist* which wrote: "Inequality has reached a stage where it can be inefficient and bad for growth." (The Economist 2012)

According to more than 700 global experts who were surveyed for the World Economic Forum's report (Global Risks 2014), growing inequality of incomes is the risk that is the most likely of 31 global risks to cause serious damage globally in the coming decade, "threatening social and political stability as well as economic development."

Yet in Australia, serious public discussion of the rapidly growing inequality of incomes and opportunity has barely commenced. Many in the community are unaware that this is a systemic problem that produces costs to societal wellbeing, and that it is something which policy makers can either choose to ignore or take active steps to change.

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Oxfam (2014) Working for the Few: Submission on Inequality to the Davos World Economic Forum, Figure 1, page 6  
<http://www.oxfam.org/sites/www.oxfam.org/files/bp-working-for-few-political-capture-economic-inequality-200114-en.pdf>