

AMP·NATSEM Income & Wealth Report

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Trends in taxable income

Over the five years to 1999, the average taxable income of Australian taxpayers has risen by almost 20 per cent, with taxpayers in the ACT (26.3 per cent), NSW (20.4 per cent) and Victoria (18.5 per cent) showing the highest increases across the nation.

The average Australian's taxable income grew by 18.6 per cent from \$29,339 in 1994-95 to \$34,798 in 1998-99. The nation's total taxable income in 1998-99 was \$279 billion (up from \$231 billion in 1994-95), of which \$71.5 billion in income tax was paid (up from \$53.7 billion).

(Refer Table 1 below)

Increases in income of between 16 – 19 per cent were fairly evenly spread across 80 per cent of taxpayers, while the income of

taxpayers in the top 20 per cent increased by between 21 – 25 per cent.

This report was jointly produced by AMP, Australia's leading international financial services business, and NATSEM, the National Centre for Social and Economic Modelling based at the University of Canberra.

Taxable income – national trends and state analysis

This report examines trends in taxable income by postcode in Australia between 1994-95 and 1998-99.

The report is based on statistics published by the Australian Taxation Office on the number of taxpayers by postcode, their taxable income and the amount of tax paid. Data are provided annually for most postcodes in Australia, and the latest available data are for

1998-99. Further details about the data and methodology are included in the Technical Notes at the end of this report.

The national trend – strong growth in income

Overall, the average taxable income for Australian taxpayers grew by almost one-fifth between 1994-95 and 1998-99.

The average taxable income was \$34,798 in 1998-99 compared to \$29,339 in 1994-95. The effective income tax rate was 25.6 per cent of taxable income in 1998-99 compared to 23.3 per cent in 1994-95, an increase of 9.9 per cent.

The number of taxpayers rose marginally from 7.86 million to 8.02 million, an increase of 2.0 per cent.

TABLE 1: NATIONAL TRENDS IN TAXABLE INCOME AND TAX PAID, 1994-95 TO 1998-99

	1994-95	1995-96	1996-97	1997-98	1998-99	% CHANGE 95-99
Mean taxable income (\$ pa)	29,339	30,344	31,345	32,902	34,798	18.6
Total taxable income (\$ billion pa)	231	248	258	271	279	21.0
Mean tax paid (\$ pa)	6,828	7,279	7,700	8,236	8,915	30.6
Total tax paid (\$ billion pa)	53.7	59.4	63.4	68.0	71.5	33.2
Effective tax rate (%)	23.3	24.0	24.6	25.0	25.6	10.0
Number of taxable taxpayers (millions)	7.86	8.17	8.24	8.25	8.02	2.0

STRONG GROWTH, NO UNIFORM DISTRIBUTION

Another interesting aspect of trends in taxable income relates to what researchers term spatial inequality. Measuring spatial inequality essentially means looking at the level of, and rate of change in taxable income in different areas of Australia.

To examine relative changes in taxable income, taxpayers were ranked by the average taxable income of their postcode and then divided into ten equal groups. This was to prevent results being distorted by postcodes with only a few hundred taxpayers in them.

Taxpayers therefore fell into one of 10 deciles ranked by the taxable income of their postcode.

Table 2 indicates that on average each decile benefited from economic growth with every decile showing growth in average taxable incomes of at least 16 per cent over five years. The higher income postcodes recording the greatest increases in average taxable income.

In 1994-95 the 10 per cent of taxpayers who resided in the postcode areas with the highest average taxable income had an average

income of \$41,652. This increased by just under 25 per cent to \$52,017 in 1998-99.

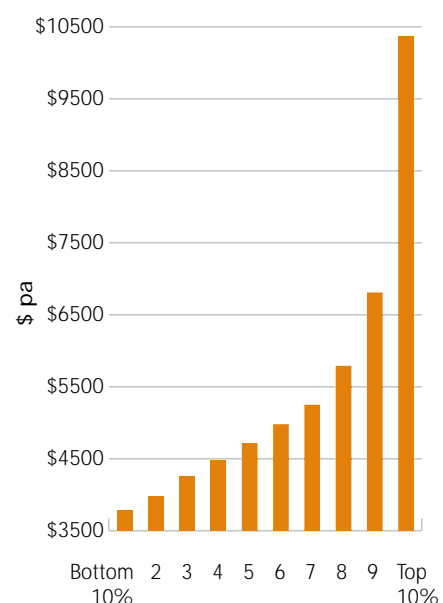
The 10 per cent of taxpayers who resided in the postcode areas in the second decile had an average taxable income of \$33,170 in 1994-95 and \$39,980 in 1998-99. This was an increase of 21 per cent.

In 1994-95 the 10 per cent of taxpayers who resided in the postcode areas with the lowest average taxable income had an average income of \$23,399. This increased by over 16 per cent to \$27,183 in 1998-99. (Refer Figure 2)

Large variations in changes in income

Following are some details of the differences in average taxable income in each State or Territory in Australia. Figure 1 (on page 3) shows the average taxable income by State in 1994-95 and 1998-99. In each case, the change has been positive. However, there are significant differences in rates of change across the nation. The Australian Capital Territory for example recorded an increase in average taxable income of 26 per cent compared to just 8 per cent in the Northern Territory.

FIGURE 2: DOLLAR CHANGE in average taxable income, 1994-95 to 1998-99, for taxpayers by decile



Deciles of taxpayers, ranked by the average taxable income of their postcode

TABLE 2: CHANGE IN AVERAGE TAXABLE INCOME FOR TAXPAYERS RANKED BY THE TAXABLE INCOME OF THEIR POSTCODES, 1994-95 TO 1998-99

	Deciles of taxpayers, ranked by the taxable income of their postcode									
	Bottom 10%	2	3	4	5	6	7	8	9	Top 10%
1994-95 average taxable income	\$23,399	\$25,092	\$26,136	\$27,025	\$27,822	\$28,646	\$29,723	\$31,050	\$33,170	\$41,652
1998-99 average taxable income	\$27,183	\$29,063	\$30,395	\$31,506	\$32,541	\$33,626	\$34,973	\$36,841	\$39,980	\$52,017
Dollar change	\$3,785	\$3,971	\$4,259	\$4,480	\$4,719	\$4,980	\$5,250	\$5,791	\$6,810	\$10,364
Percentage change	16%	16%	16%	17%	17%	17%	18%	19%	21%	25%

AUSTRALIAN CAPITAL TERRITORY – HIGHEST INCOME

The Australian Capital Territory recorded both the highest average taxable income and the highest percentage increase in income during the period.

Taxpayers in the Australian Capital Territory had the highest average taxable income in Australia. Their average taxable income was \$39,300 in 1998-99. Over the five years from 1994-95 to 1998-99 the average taxable income in the ACT rose by 26 per cent.

As the national capital, Canberra is seen as being primarily a public service city. However, the private sector now accounts for more than half the workforce in the Territory.

Industries such as hospitality and advanced technology, including computing, electronics and communication, are growing strongly. Research and development activities are also strongly represented.

NEW SOUTH WALES – STRONG PERFORMANCE

Taxpayers in NSW had the second highest average taxable income in Australia.

The average taxable income in NSW was \$37,100 in 1998-99. During the five years from 1994-95 to 1998-99 average taxable incomes rose by just over 20 per cent.

This relatively high average taxable income for New South Wales taxpayers reflects the strong economy. The state also had a large degree of exposure to the growing finance, property, technology and business services sectors.

Health and community services is another growth area with employment in this sector rising significantly over the period. This is a reflection of the aging of the population as well as advancements in medical technology and increased usage of non-traditional health services.

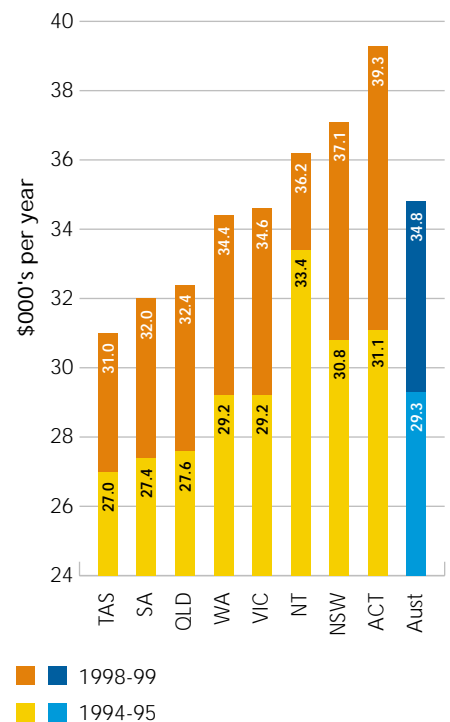
NORTHERN TERRITORY – STABLE INCOME

Taxpayers in the Northern Territory have the third highest average taxable income in Australia.

The average taxable income in the NT was \$36,200 in 1998-99. During the five years from 1994-95 to 1998-99 average taxable incomes rose by 8.5 per cent, the lowest percentage increase in Australia.

Mining and tourism are the main contributors to the Northern Territory's economy and employment levels. Both industries have been fully developed for many years, and there has been little change to the structure and nature of employment in the area. This may explain the modest increase in income over this period.

FIGURE 1: AVERAGE TAXABLE INCOME by State, 1994-95 and 1998-99



VICTORIA – SOLID PERFORMANCE

Taxpayers in Victoria had an average taxable income of \$34,600 in 1998-99. During the five years from 1994-95 to 1998-99 average taxable incomes rose by just over 18 per cent.

The Victorian state economy was constrained by weakness in the manufacturing sector during this period. However, this was offset by exposure to growth in the property, technology and business services sectors.

WESTERN AUSTRALIA – MINING SECTOR THE MAIN INFLUENCE

Taxpayers in Western Australia had an average taxable income of \$32,400 in 1998-99. Over the five years from 1994-95 to 1998-99 average taxable incomes rose by almost 18 per cent.

The Western Australian income figures were boosted by relatively highly paid jobs in the mining sector. However, growth was constrained by a general weakness in mining sector employment during this period.

QUEENSLAND – RETIREMENT AND TOURISM MAJOR FACTORS

Taxpayers in Queensland had an average taxable income of \$32,400 in 1998-99. During the five years from 1994-95 to 1998-99 average taxable income rose by over 17 per cent.

The Queensland figures were impacted by a high percentage of part-time employees servicing the tourism industry. In addition

there is a relatively large number of retirees who have migrated from the southern states.

However, some of the top 10 postcodes in Queensland are mining areas and the high paid jobs in this sector had a positive impact on the overall figures.

SOUTH AUSTRALIA – AUTOMOTIVE INDUSTRY A KEY DRIVER

Taxpayers in South Australia had an average taxable income of \$32,000 in 1998-99. Over the five years from 1994-95 to 1998-99 average taxable incomes rose by almost 17 per cent.

The South Australian economy is dominated by the motor vehicle industry, which is its single biggest sector. During this period the automotive industry was performing relatively poorly, which had a negative impact on wages and jobs growth in the area.

TASMANIA – WEAK EMPLOYMENT GROWTH

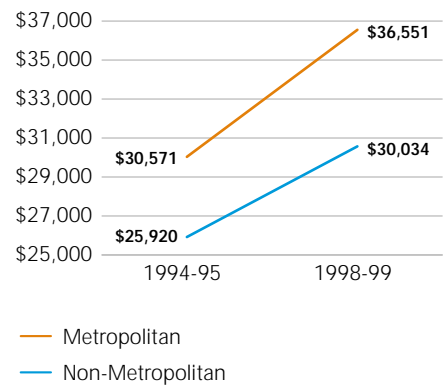
Taxpayers in Tasmania had an average taxable income of \$31,000 in 1998-99. Over the five years from 1994-95 to 1998-99 average taxable incomes rose by almost 15 per cent.

The average taxable income in Tasmania is roughly one-fifth less than in the ACT.

There was relatively weak employment growth in Tasmania. Employment in mining, construction and electricity/gas and water industries fell markedly over this period.

However, employment in property, business services, health and tourism rose.

FIGURE 3: AVERAGE TAXABLE INCOMES in metropolitan and non-metropolitan areas



The city and the bush

In general, postcodes in metropolitan areas had higher average taxable incomes than those in non-metropolitan areas.

In addition, metropolitan postcodes recorded higher growth in average taxable income over the five years from 1994-95 to 1998-99.

In 1994-95 the difference between average taxable incomes in non-metropolitan areas and metropolitan areas was 17.9 per cent. This compares to 21.7 per cent in 1998-99.

This reflects the long term trend away from a reliance on primary industry, and a move towards employment in the technology and services industries, which is primarily domiciled in metropolitan areas. *(Figure 3 on page 4)*

Top 10 postcodes

In 1998-99, the postcode with the highest average taxable income in the nation was Darling Point in Sydney. The average taxable income was \$93,600.

Nine of the top 10 postcodes were in the Sydney metropolitan area. One – Toorak – is located in the Melbourne metropolitan area. *(Refer Table 3 below for details)*

TABLE 3: TOP TEN POSTCODES IN 1998-99 BY AVERAGE TAXABLE INCOME

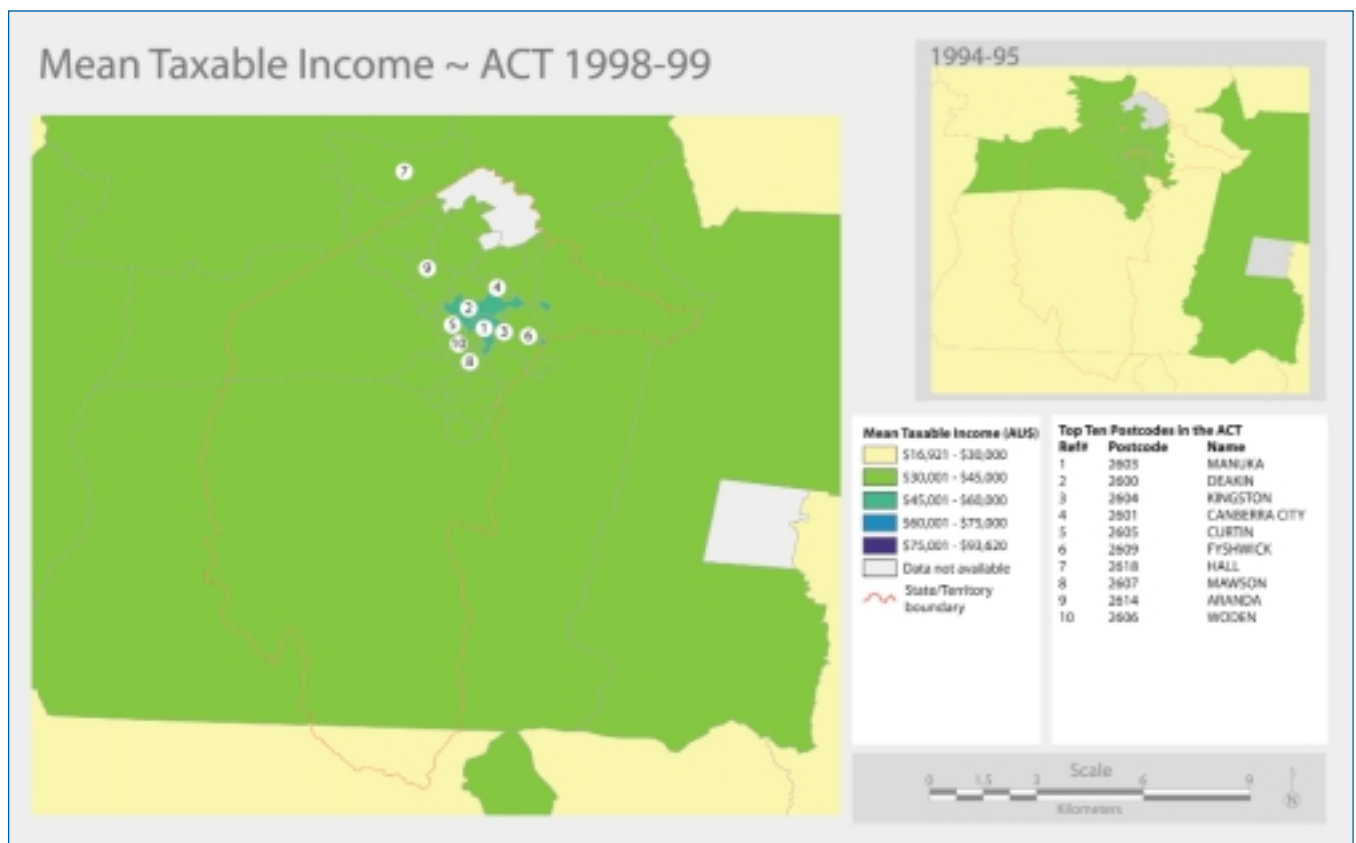
Postcode	Locality	State	Average Taxable Income	Percentage income growth since 1994-95	Rank 1994-95 ^a	Rank 1998-99 ^a
2027	DARLING POINT	NSW	\$93,620	35%	1	1
3142	TOORAK	VIC	\$84,399	30%	3	2
2088	BALMORAL	NSW	\$79,197	42%	7	3
2023	BELLEVUE HILL	NSW	\$76,498	15%	2	4
2110	HUNTERS HILL	NSW	\$74,298	40%	10	5
2063	NORTHBRIDGE	NSW	\$72,406	40%	12	6
2030	VAUCLUSE	NSW	\$70,709	26%	6	7
2071	KILLARA	NSW	\$68,076	26%	9	8
2025	WOOLLAHRA	NSW	\$68,022	36%	14	9
2073	PYMBLE	NSW	\$66,849	37%	18	10
Average for the top 10			\$75,670	33%	na	na

^a The rank indicates the position of each postcode relative to the 2,413 postcodes in Australia included within the analysis. The average for the top 10 is weighted by the number of taxpayers living within each of the top 10 postcodes.

STATE BREAKDOWNS

Australian Capital Territory

The postcodes with the highest average taxable incomes in the Australian Capital Territory centre around the centre of the Canberra CBD, including the areas of Manuka (2603) and Barton (2600).



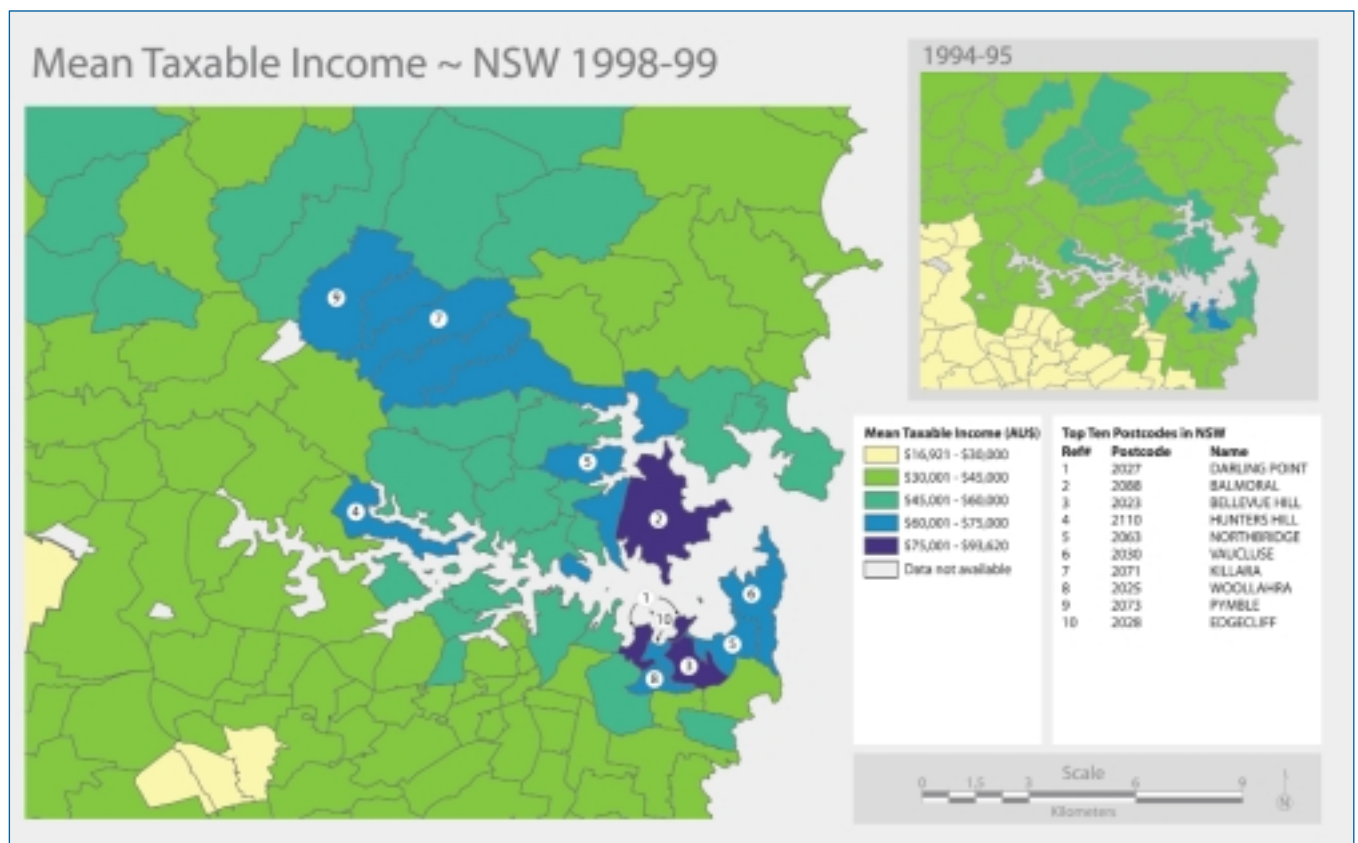
New South Wales

The postcodes with the highest average taxable incomes in New South Wales are located in the inner metropolitan areas of Sydney.

Postcodes surrounding Sydney Harbour such as Edgecliff, Darling Point, Balmoral, Vaucluse and Hunters Hill, recorded high average taxable incomes in both 1994-95 and 1998-99.

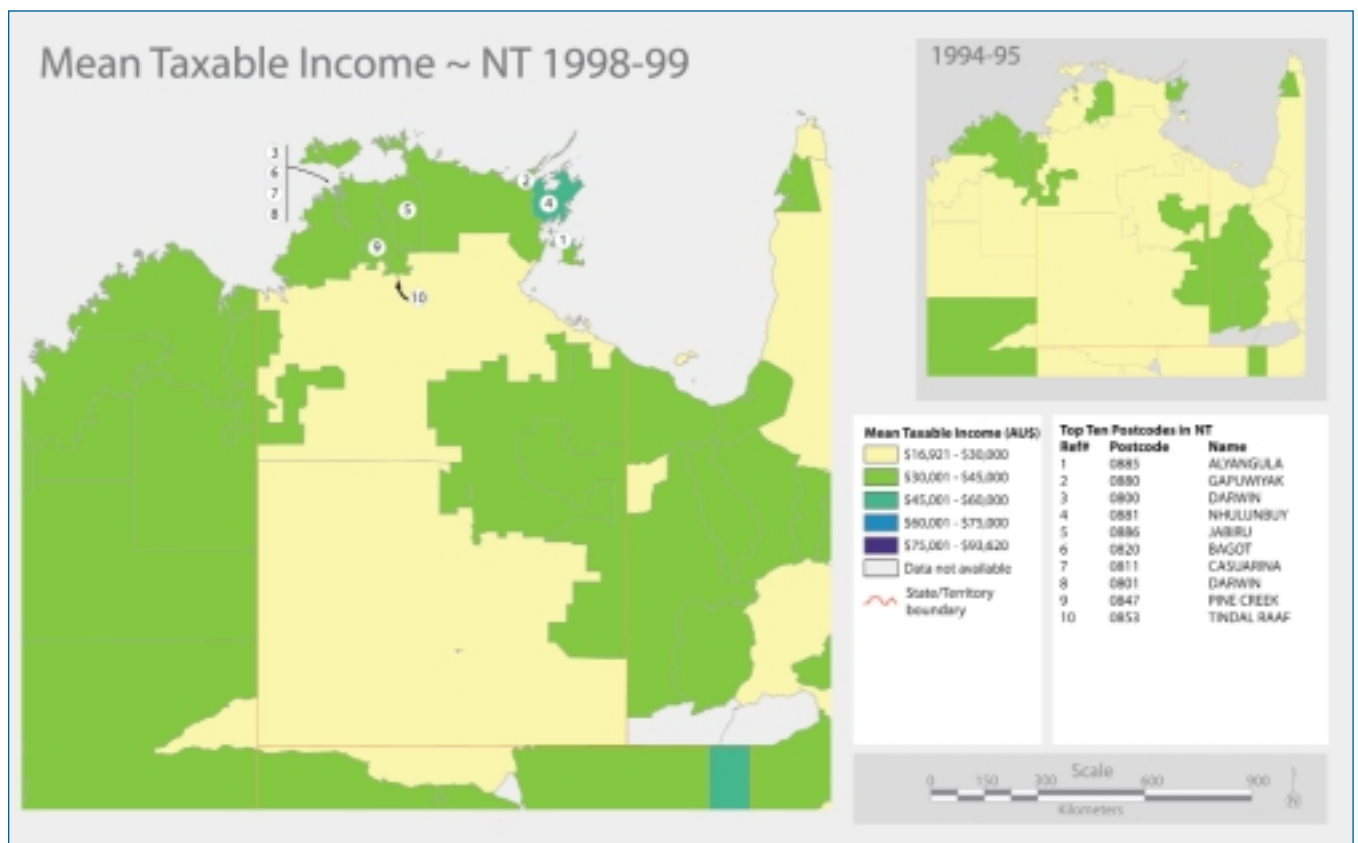
A band of high average taxable income also extends north-west from the Harbour towards Pymble and then further north towards Bayview and the Pittwater surrounds.

The pattern of income growth shows similar distribution with the Harbour surrounds and northern Sydney postcodes recording strong growth.



Northern Territory

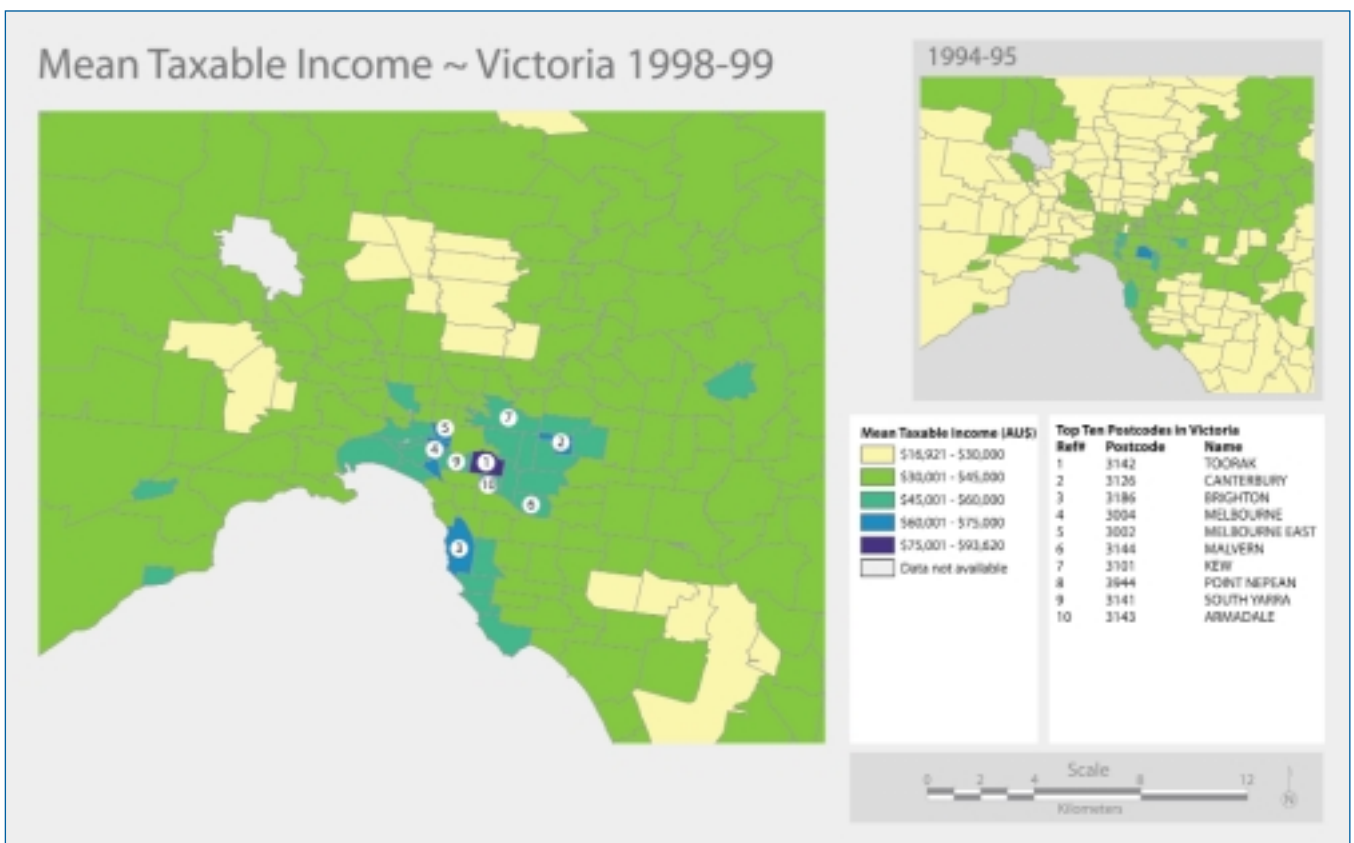
The postcodes that recorded the highest average taxable income in the Northern Territory were split between mining areas such as Alyangula (0885) and Nhulunbuy (0881), and suburbs in and around Darwin, including Bagot and Casuarina.



Victoria

The postcodes that recorded the highest average taxable income in Victoria are concentrated in three regions – the inner suburbs surrounding the city centre and the banks of the Yarra River, the eastern suburbs of Melbourne and coastal postcodes south of the city.

One exception is Point Nepean / Portsea that is located at the end of the Mornington Peninsula. It has the eighth highest average taxable income in Victoria.

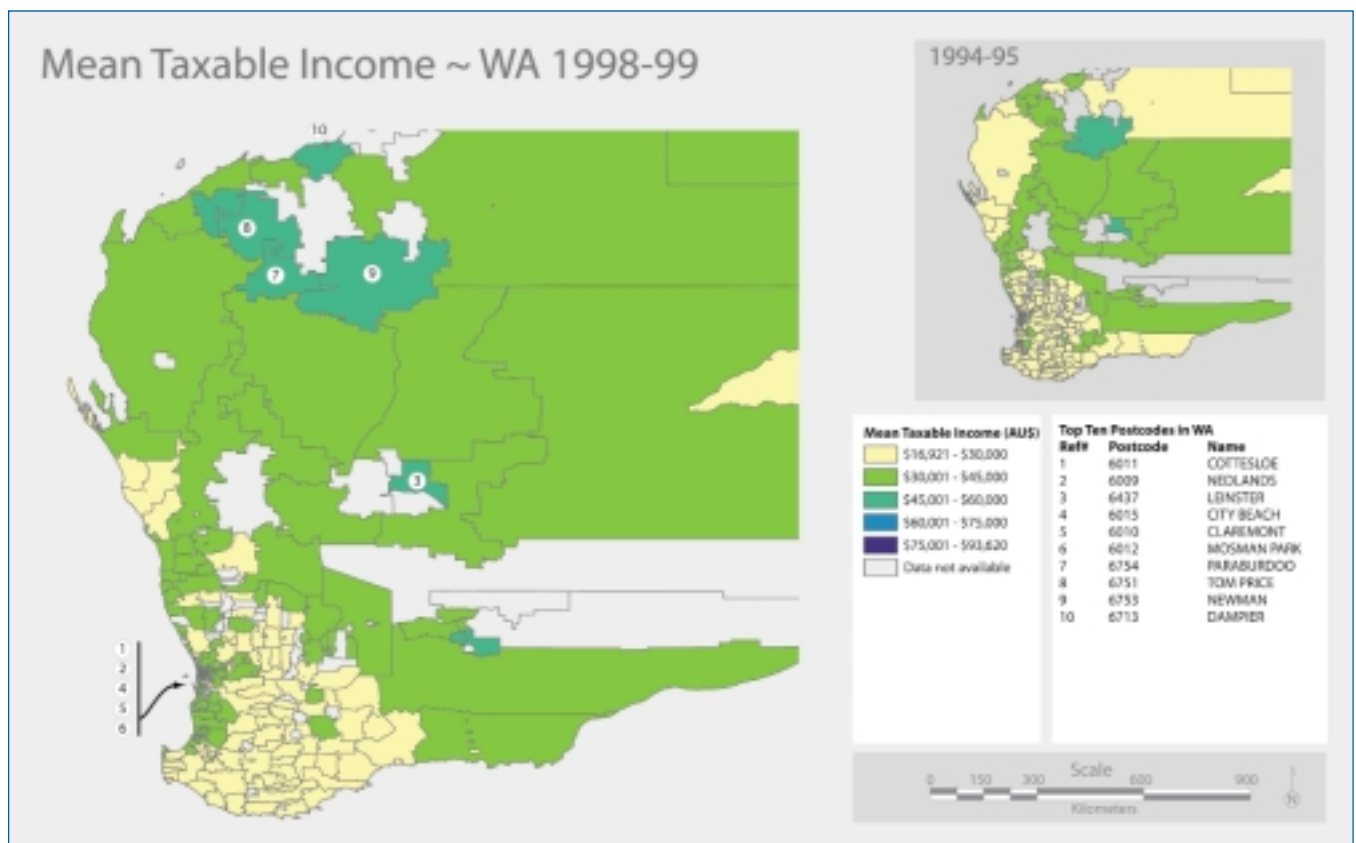


Western Australia

Average taxable income in Western Australia is characterised by a split between remote and metropolitan postcodes.

The metropolitan postcodes are clustered around the coast north of the mouth of the Swan River.

The more remote postcodes are clustered in the Pilbara region centred on the iron ore deposits at Tom Price and Newman, south of Port Headland.

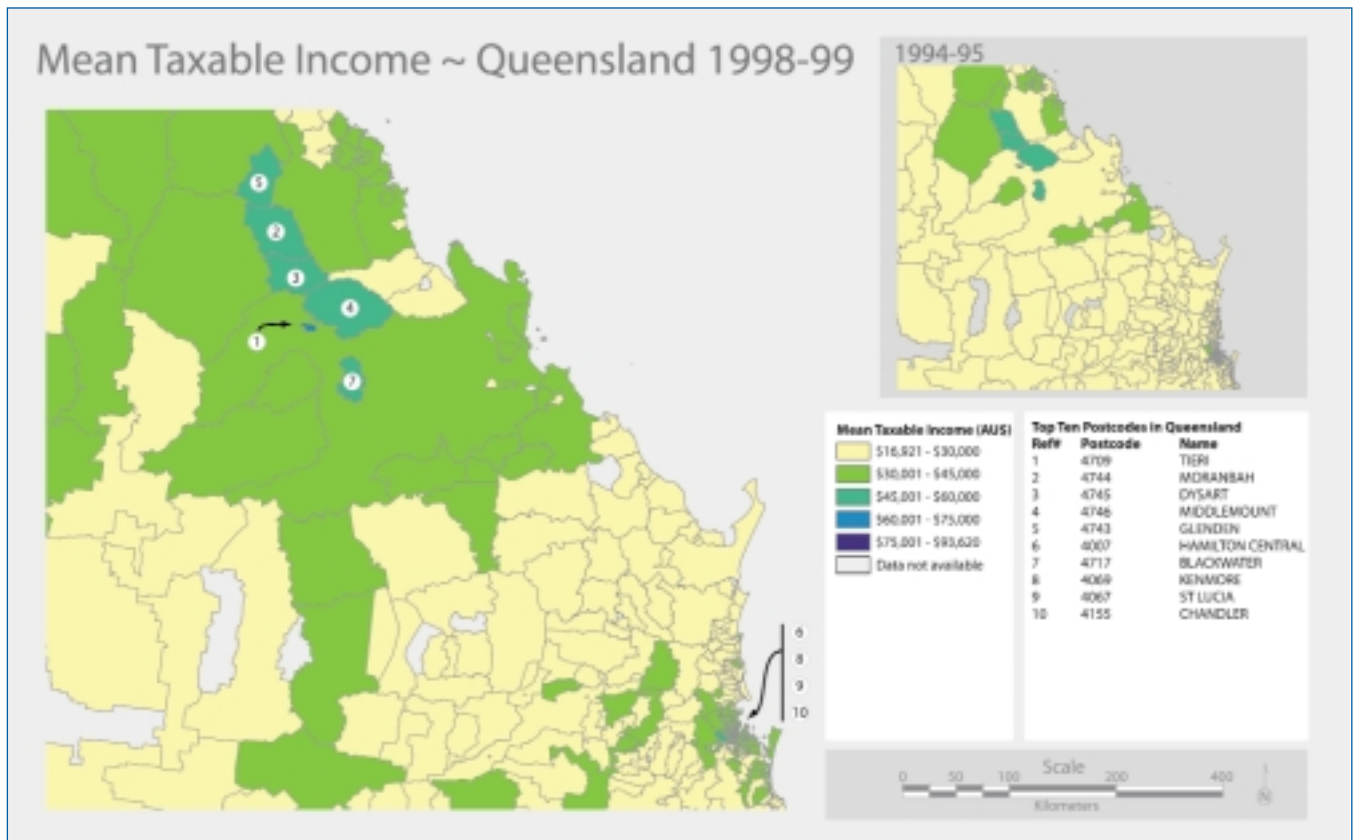


Queensland

Queensland illustrates a pattern of income typical of several other States and Territories.

Postcodes with the highest average taxable income are split between mining regions in remote areas and metropolitan areas in the State capital.

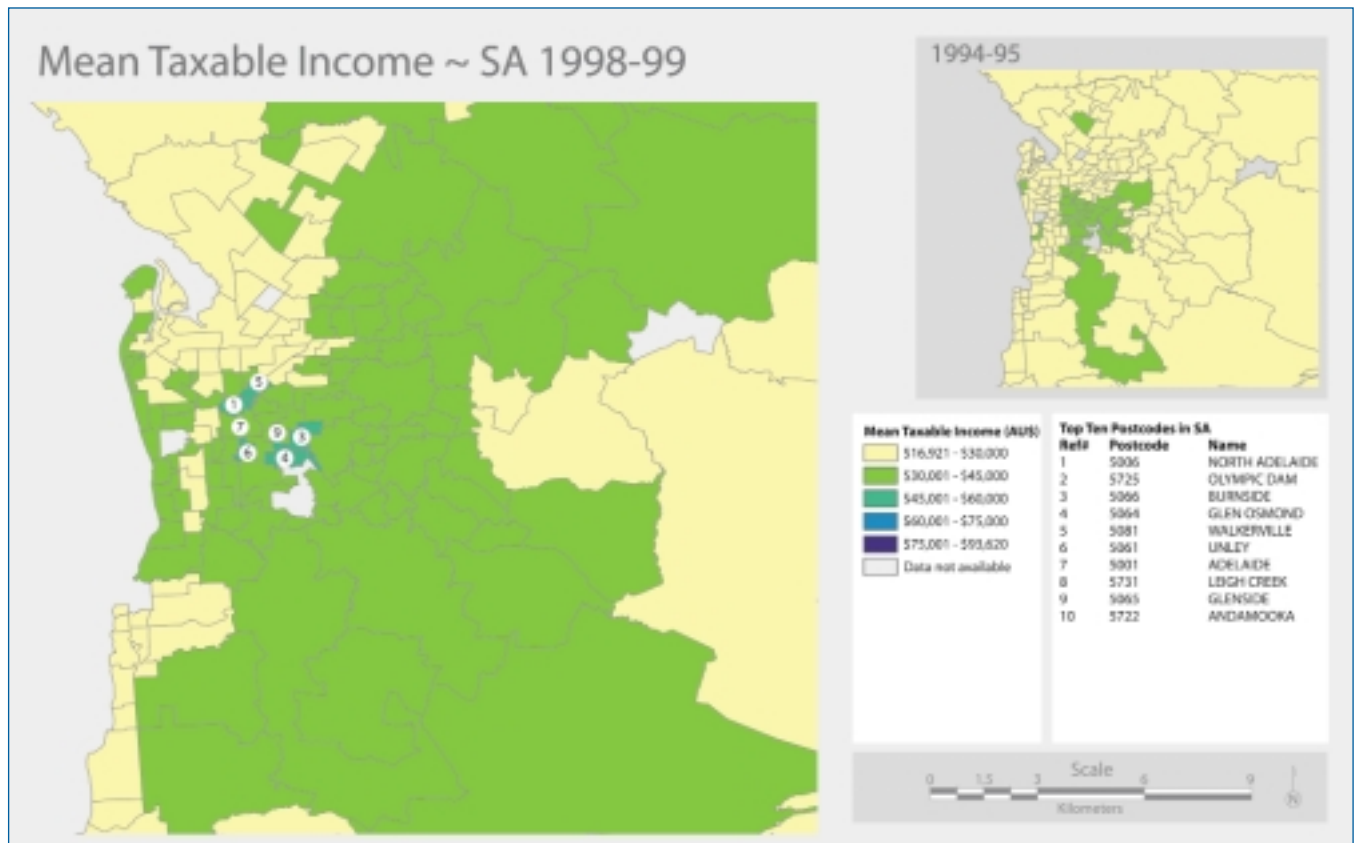
In Queensland six of the top ten postcodes are located in coal mining areas west of Mackay. This band of postcodes consists of towns such as Tieri, Moranbah and Dysart where industrial activity is dominated by coal and precious metal mining.



South Australia

Postcodes with the highest average taxable incomes are concentrated in either the inner suburbs, North Adelaide and Unley, or to the east of the city centre such as Burnside and Glen Osmond.

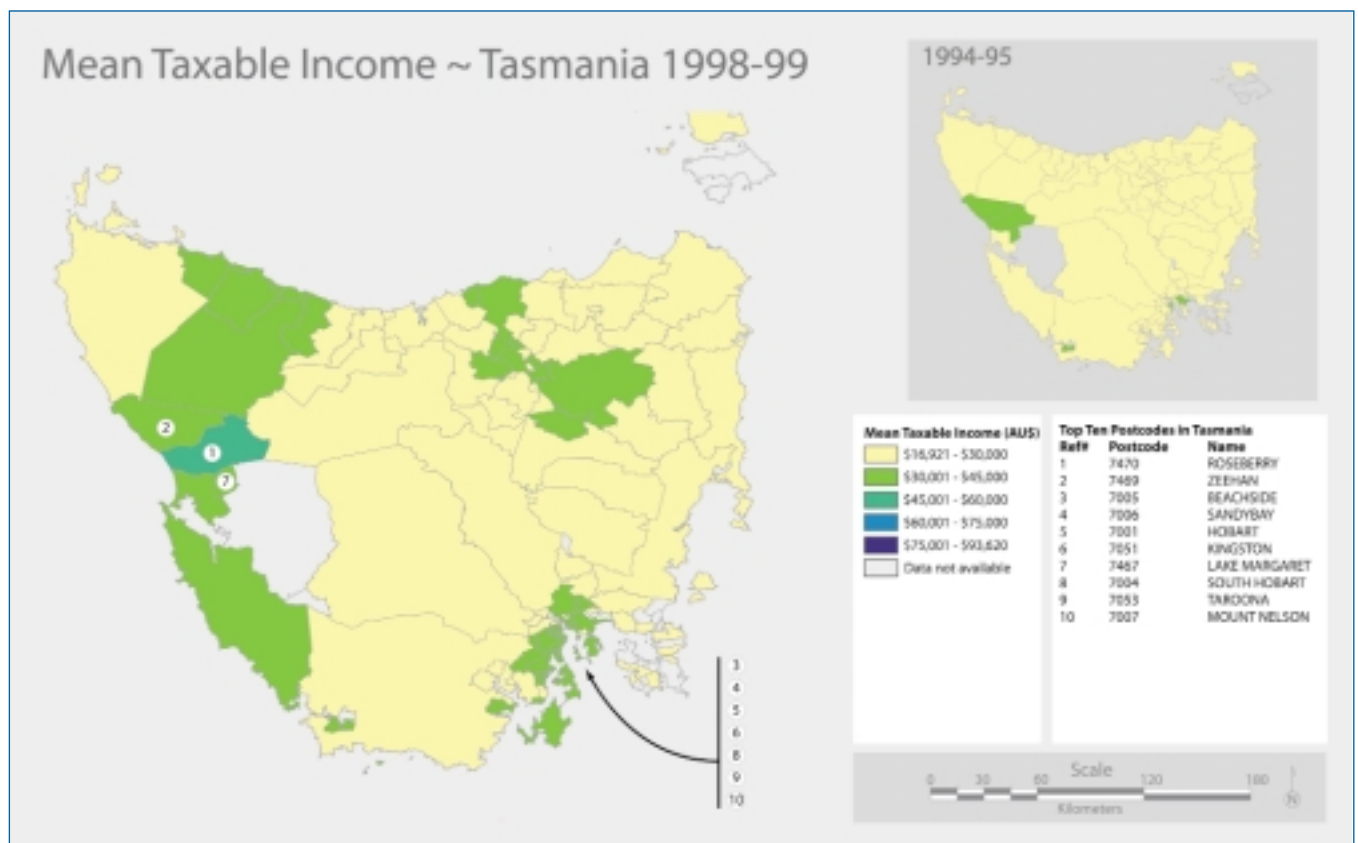
Mining areas including Olympic Dam, Leigh Creek and Andamooka are located approximately 500km north of Adelaide.



Tasmania

The postcodes with the highest average taxable incomes are concentrated around the city of Hobart, including suburbs such as Beachside, Kingston and Mount Nelson.

The other area of concentration centred on mining areas such as Roseberry and Zeehan (7467).



AUSTRALIA-WIDE STATE BY STATE SUMMARY

NEW SOUTH WALES

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
2027	DARLING POINT	\$93,620	35%	1	1
2088	BALMORAL	\$79,197	42%	7	3
2023	BELLEVUE HILL	\$76,498	15%	2	4
2110	HUNTERS HILL	\$74,298	40%	10	5
2063	NORTHBRIDGE	\$72,406	40%	12	6
2030	VAUCLUSE	\$70,709	26%	6	7
2071	KILLARA	\$68,076	26%	9	8
2025	WOOLLAHRA	\$68,022	36%	14	9
2073	PYMBLE	\$66,849	37%	18	10
2028	EDGECLIFF	\$66,188	45%	34	11

WEST AUSTRALIA

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
6011	COTTESLOE	\$59,044	31%	40	26
6009	NEDLANDS	\$56,342	24%	35	36
6437	LEINSTER	\$55,200	22%	37	43
6015	CITY BEACH	\$53,217	27%	68	53
6010	CLAREMONT	\$52,998	29%	73	58
6012	MOSMAN PARK	\$52,687	22%	58	60
6754	PARABURDOO	\$52,191	22%	63	66
6751	TOM PRICE	\$50,769	16%	52	75
6753	NEWMAN	\$50,540	7%	27	76
6713	DAMPIER	\$50,434	13%	42	78

VICTORIA

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
3142	TOORAK	\$84,399	30%	3	2
3126	CANTERBURY	\$65,678	27%	13	13
3186	BRIGHTON	\$63,030	32%	22	16
3004	MELBOURNE	\$62,670	27%	17	18
3002	MELBOURNE EAST	\$62,270	19%	11	20
3144	MALVERN	\$58,727	26%	30	28
3101	KEW	\$56,233	31%	62	37
3944	POINT NEPEAN	\$56,094	59%	164	38
3141	SOUTH YARRA	\$55,929	30%	60	39
3143	ARMADALE	\$55,854	28%	54	41

TASMANIA

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
7470	ROSEBERY	\$45,580	13%	83	118
7469	ZEEHAN	\$44,924	18%	103	125
7005	BEACHSIDE	\$44,048	18%	115	138
7006	SANDY BAY	\$43,912	20%	133	143
7001	HOBART	\$39,776	11%	155	256
7051	KINGSTON	\$38,056	14%	240	318
7467	LAKE MARGARET	\$37,400	13%	253	371
7004	SOUTH HOBART	\$37,047	26%	652	398
7053	TAROONA	\$36,484	12%	298	440
7007	MOUNT NELSON	\$36,405	14%	356	446

QUEENSLAND

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
4709	TIERI	\$61,134	31%	29	23
4744	MORANBAH	\$58,807	0%	4	27
4745	DYSART	\$55,896	-4%	5	40
4746	MIDDLEMOUNT	\$53,125	12%	26	55
4743	GLENDEN	\$52,785	19%	48	59
4007	HAMILTON CENTRAL	\$52,382	28%	76	63
4717	BLACKWATER	\$51,265	8%	25	71
4069	KENMORE	\$48,073	24%	97	88
4067	ST LUCIA	\$46,397	27%	141	103
4155	CHANDLER	\$46,357	42%	288	104

NORTHERN TERRITORY

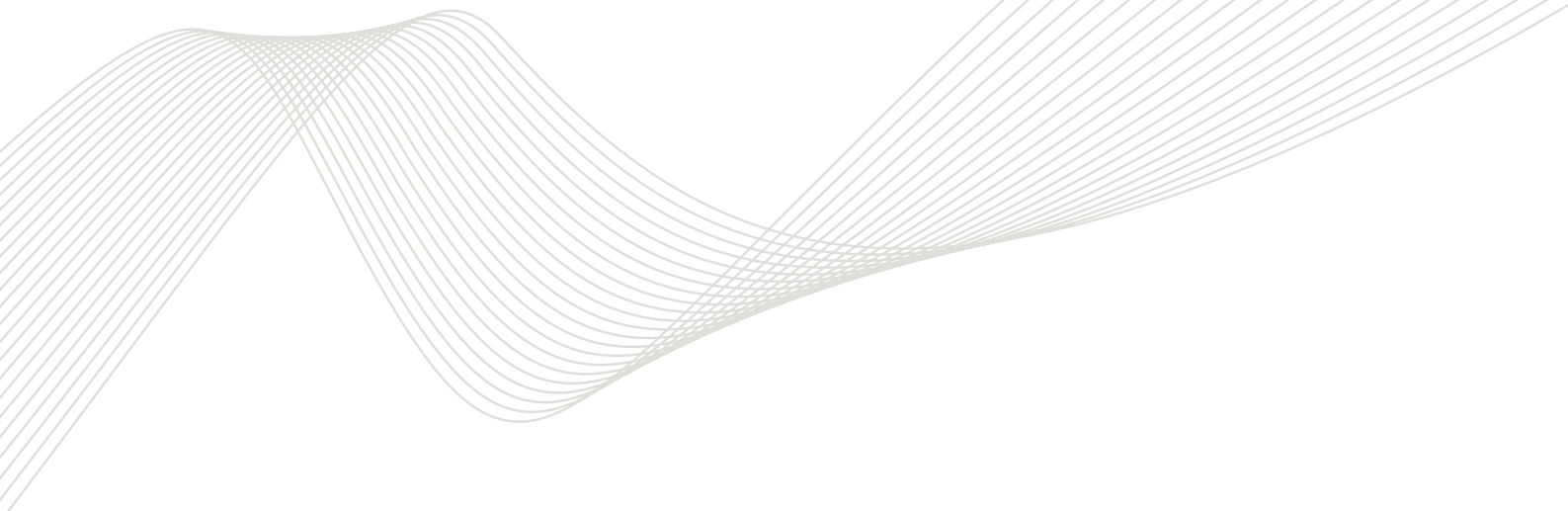
APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
0885	ALYANGULA	\$52,163	14%	33	68
0880	GAPUWIYAK	\$48,741	23%	88	83
0800	DARWIN	\$47,269	39%	209	96
0881	NHULUNBUY	\$44,300	17%	110	135
0886	JABIRU	\$40,570	20%	217	226
0820	BAGOT	\$39,354	18%	243	269
0811	CASUARINA	\$38,906	18%	272	286
0801	DARWIN	\$38,788	19%	286	290
0847	PINE CREEK	\$37,637	8%	180	349
0853	TINDAL RAAF	\$37,213	11%	238	385

SOUTH AUSTRALIA

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
5006	NORTH ADELAIDE	\$53,082	26%	66	56
5725	OLYMPIC DAM	\$51,391	25%	72	70
5066	BURNSIDE	\$48,200	20%	85	87
5064	GLEN OSMOND	\$47,368	16%	79	95
5081	WALKERVILLE	\$47,070	15%	74	97
5061	UNLEY	\$46,332	24%	112	106
5001	ADELAIDE	\$45,018	18%	104	123
5731	LEIGH CREEK	\$45,018	14%	89	124
5065	GLENSIDE	\$44,628	21%	124	128
5722	ANDAMOOKA	\$43,729	39%	401	151

AUSTRALIAN CAPITAL TERRITORY

APO Post code	Locality	Mean Taxable Income	Percentage income growth since 1994-95	Rank 1994 -95	Rank 1998 -99
2603	MANUKA	\$54,992	21%	55	45
2600	DEAKIN	\$49,074	22%	86	82
2604	KINGSTON	\$44,053	31%	231	137
2601	CANBERRA	\$43,101	27%	213	166
2605	CURTIN	\$43,051	18%	134	171
2609	FYSHWICK	\$42,398	30%	290	180
2618	HALL	\$42,338	20%	168	181
2607	MAWSON	\$41,839	17%	160	188
2614	ARANDA	\$40,526	18%	203	229
2606	WODEN	\$40,490	23%	273	230



Conclusions – average income on the rise

The inaugural AMP NATSEM Income and Wealth Report used taxation statistics by postcode to examine trends over the 1994-95 to 1998-99 period.

The results indicate that average taxable incomes for Australians rose by an average of 19 per cent over the period.

Increases in taxable income were not equally distributed across all areas of Australia.

- Average taxable incomes increased by almost \$19,000 over the five years for the taxpayers in the ten most affluent postcodes.
- Average taxable incomes for postcodes in metropolitan areas were higher than average taxable incomes in non-metropolitan areas, and were rising at a higher rate
- Taxpayers in the ten per cent of postcodes with the highest taxable income recorded increases in their income of 25 per cent while those in the middle and lower income postcodes achieved more modest growth of around 16%.

Technical Notes

The data source used for this study is the set of tables provided by the Australian Taxation Office (ATO) with its annual 'Taxation Statistics' publication. The taxation statistics include data for almost all postcodes in Australia, providing one of the few data sets

that allow a comprehensive comparison of postcode incomes throughout the country.

In this first AMP-NATSEM Report, we compare the 'mean taxable incomes' of all Australians who paid income tax, in each State and in each postcode over the five years from 1994-95 to the most recently available data in 1998-99.

The taxation data have some limitations for analysing income. First, the concept of 'taxable income' is defined for administrative purposes and so has some limitations when used to measure income distributions. Second, taxation data does not cover the whole population: this analysis is restricted to taxpayers who were required to pay tax ('taxable taxpayers'). Third, the nature of taxation data creates an incentive for people to understate their incomes and this may affect the quality of the data. Finally, postcodes are defined for administrative purposes by Australia Post and are not necessarily the best way of measuring regional groupings. This is because, each year, existing postcode boundaries are redefined, new postcodes are added and old postcodes are removed.

INCOME DEFINITION

Income is the nominal taxable income of the individual. This is a person's assessable income, less any deductions. Assessable income includes wages and salaries, earnings from a business or from investments, welfare payments, lump sum payments and capital gains. Deductions can be made for, amongst

other things, work-related expenses, and business or investment losses.

In this report income was **not** adjusted for changes in prices (i.e. for inflation).

POPULATION

The taxation data excludes non-taxpayers: people who have no income and people who earn so little income that they are not required to lodge a return. The postcode data is further restricted to taxpayers who are required to pay tax after taking account of deductions, the tax-free threshold, credits and rebates. Consequently, many low-income earners will have been excluded from the data set. There is some evidence to suggest that the number of people excluded in this way has varied over time and this may have affected some of our conclusions.

REGIONAL DEFINITION

The regions are the residential postcodes recorded by taxpayers on their tax returns. Postcodes are defined by Australia Post and, each year, existing postcode boundaries are redefined, new postcodes are added and old postcodes are removed. Consequently, postcodes that have been created or eliminated between 1994-95 and 1998-99 have been removed from this analysis (about 100 postcodes). Some 2,413 postcodes remained. Some people recorded a post office box for their residential postcode and they were excluded from the regional analysis (although not the state or national analysis). The unit of analysis is the Postcode as it is described on the tax return provided by individuals. Errors associated with this

postcode (incorrect knowledge, transcription etc) means that not every Postcode, as defined by Australia Post in 1998-99, is represented in this data set. In addition, the Australian Taxation Office also suppresses the results for some very small postcodes, to avoid the identification of individuals.

METRO/NON-METRO DEFINITION

Returned residential postcodes were classified as metropolitan or non-metropolitan by comparing estimates of 1999 postcode boundaries (published by MapInfo Corp.) against boundaries defined by the ASGC 1996 Edition Section of State structure (SOS). The SOS structure classifies urban centres and localities into the categories shown in the table below.

A metropolitan/non-metropolitan classification was constructed by grouping the SOS categories 'Major Urban' and 'Other Urban' together to form 'Metropolitan' areas, with 'Bounded Localities' and the 'Rural Balance' then grouped to define 'Non-metropolitan areas. Due to the fact that Postcode boundaries do not coincide exactly with ASGC boundaries, there is no direct method for comparing which postcodes fall within which SOS area. Therefore, postcodes were classified Metro/Non-metro according to whether their geometric centroid fell within these grouped SOS areas.

Construction of deciles of taxpayers

One of the interesting questions that can be answered using the taxation statistics is whether higher income postcodes have experienced above-average growth in taxable income over the period. If postcodes are simply divided into ten equally sized groups, with 10 per cent of postcodes in each group, then there is a risk that the results will be distorted by the outcomes for extremely small postcodes, with only a few hundred taxpayers.

Consequently, to look at this question we weighted the results for each postcode by the number of taxable individuals living within it. This means that a postcode with 6,000 taxpayers was effectively given 10 times as much importance as a postcode with 600 taxpayers. The decile results are thus for deciles of taxpayers, ranked by the average taxable income of the postcode in which they live.

COST OF LIVING

Regional comparisons in this report have not made any adjustment for differences in costs of living.

AUTHORS: This issue of the report was written by Ann Harding, Harry Greenwell and Marcus Blake of NATSEM.

SOS code	SOS category	Definition
0	Major Urban	Urban centres with a population of 100,000 and over
1	Other Urban	Urban centres with a population of 1,000 to 99,999
2	Bounded Locality	Localities with a population of 200 to 999
3	Rural Balance	The remainder of the State
4	Migratory	Areas composed of off-shore, shipping and migratory CCDs