National Economics

Australian Local Government Association

State of the Regions 2006-07

Proudly Supported by:

JARDINE LLOYD THOMPSON

STATE OF THE REGIONS
2006-07

Preface: The accumulated insights of *State of the Regions* reports

Core objectives

The core objectives of the *State of the Regions* reports (of which this is the ninth) are to:-

1. present the latest statistical indicators (for this report to 2005-06) describing how Australian regions are performing;

2. analyse trends in equality and inequality between Australian regions;

3. make suggestions for the policy implications of current Australian regional performance;

4. steadily expand the indicators used to measure regional performance;

5. describe the reality of regional economics; and

6. assist local governments to understand their regions and to provide useful planning tools.

This and previous *State of the Regions* reports together provide a coherent framework for analysis and understanding of regional development and also provide the foundations for planning and policy direction. The reports reveal regional economic development issues and assess the effectiveness of policies in removing roadblocks to regional economic development. The benchmarks used are derived from the concept of convergence and divergence.

In order to understand the forces of divergence/convergence in economic performance successive reports have developed a list of Stylised Facts. Stylised Facts are "facts" which, in relation to a specific driver or influence regional development, describes its most probable effects. The "facts" do not apply to all regions.

Each successive *State of the Regions* report either adds to the list of Stylised Facts and/or adds additional validation to the operation of the "facts". This 2006-07 report adds evidence to reinforce previous conclusions as to the nature of the facts. Accordingly, the Stylised Facts of previous *State of the Regions* reports have been summarised with additional supporting evidence. This report adds three more Stylised Facts.

The Stylised Facts

Introduction

Over the years the conclusions of the successive *State of the Regions* (SOR) reports have been summarised as stylised facts. These conclusions do not apply to all regions and LGAs, but apply in the majority of LGAs and regions.

In general the stylized facts have been determined from Census data. However, improvements in the inter Census year LGA data produced for the SOR reports have allowed the updating of many of the data series, justifying re-assessment of the stylised facts for 2006.

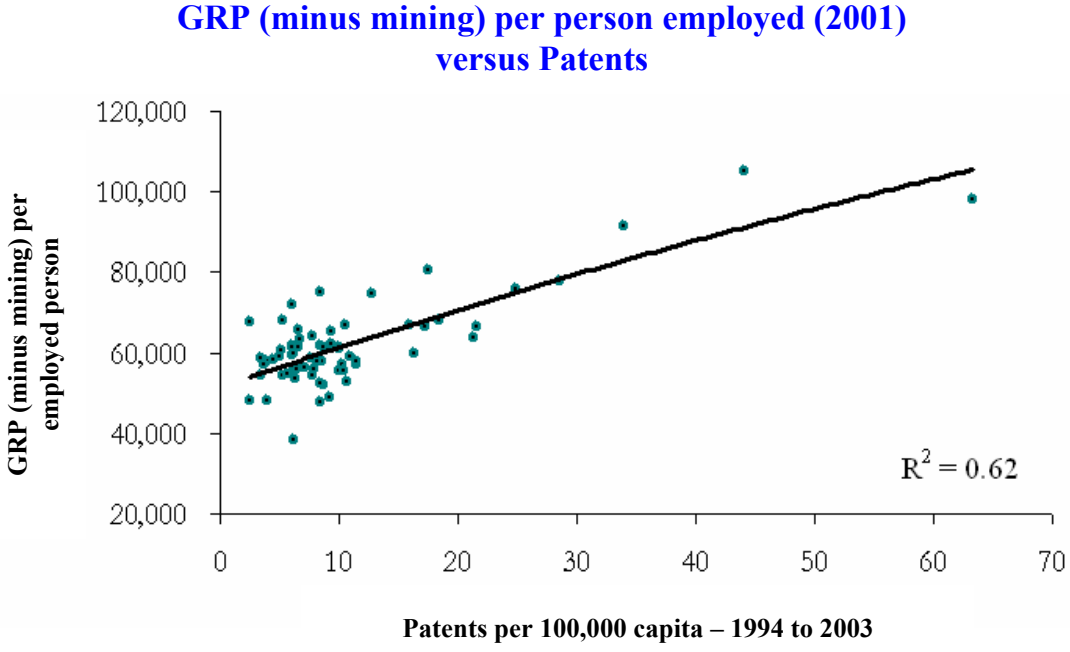
Stylized Fact One

High-income economies, apart from those with a unique and extensive natural resource base, now depend on sustained innovation as the core driver of long-term economic growth.

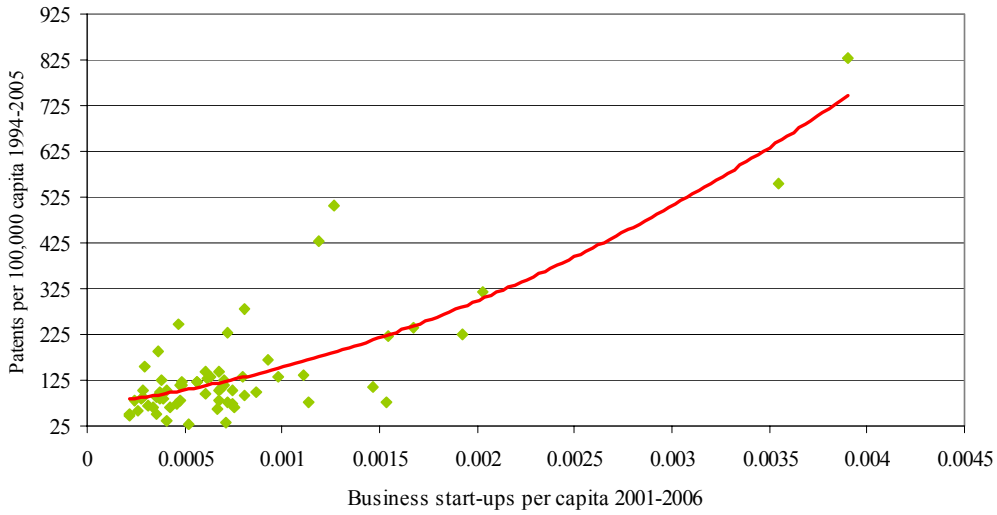
Stylized Fact Two

The capacity to innovate depends on knowledge and networks at the regional level. Most high-income countries which have maintained sustained growth have done so because they have established successful knowledge based regions.

The figures below demonstrate the relevance of this Stylized Fact in Australia. One indicator of capacity to create knowledge and innovation is patent activity. The figures below show that there is a good correlation between the economic success of a region measured in terms of non-mining gross regional product per person employed and patent activity. The data in the figure is for the regions of this report.



High tech business start-ups 2001-2006 versus patents per 100,000 capita average 1994-2005

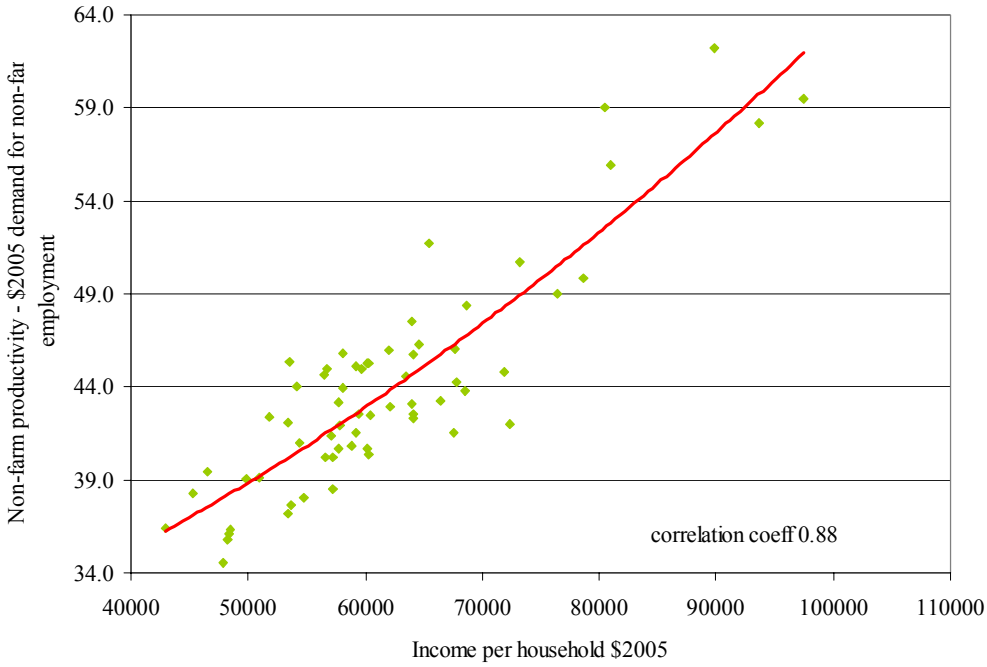


Stylised Fact Three

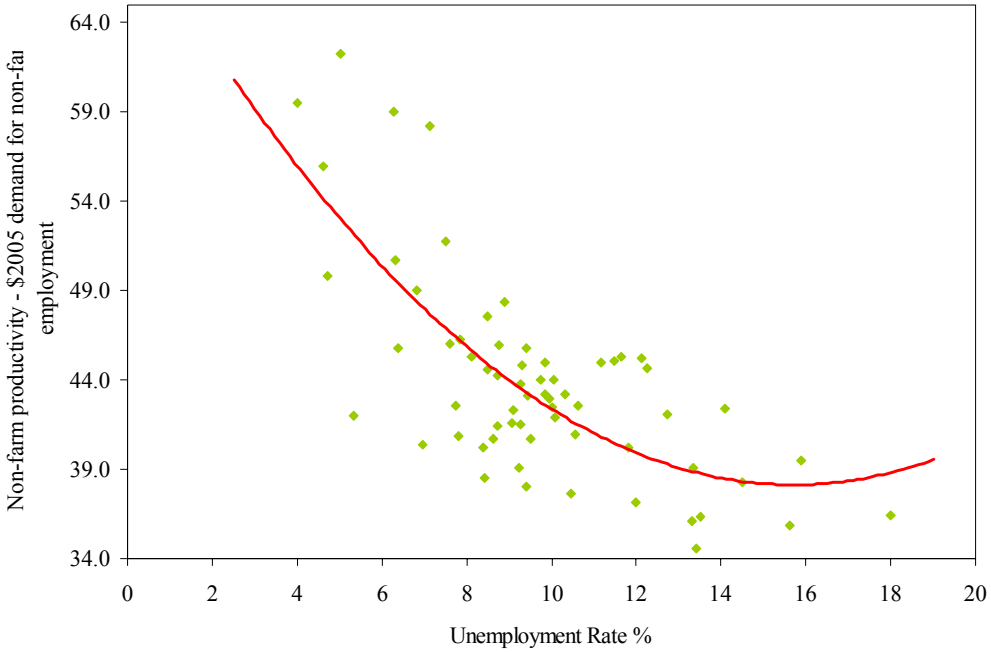
Regions with high productivity have high household incomes and low unemployment rates

The two figures below provide strong support for the stylised facts.

Non-farm productivity versus average household income 1998-2006



Non-farm productivity versus unemployment rate 1998-2006

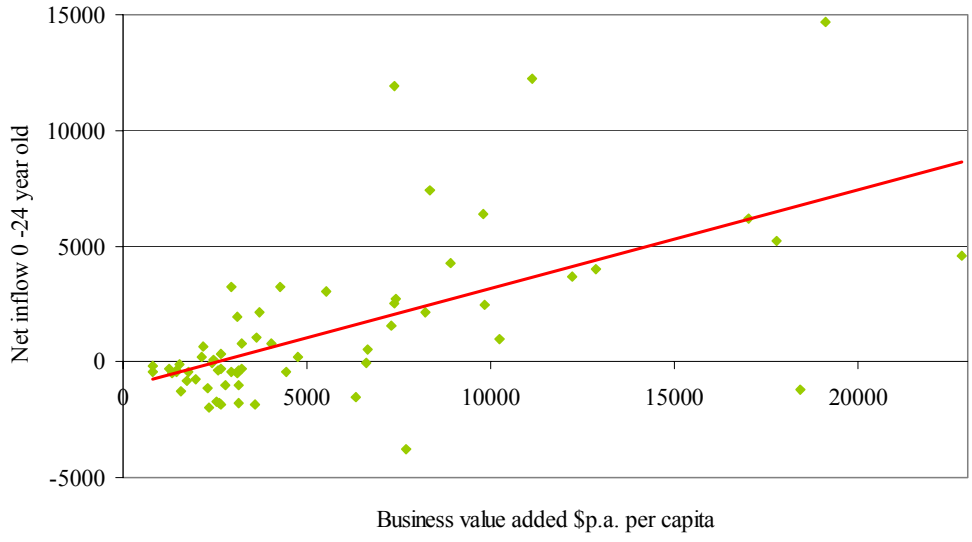


Stylised Fact Four

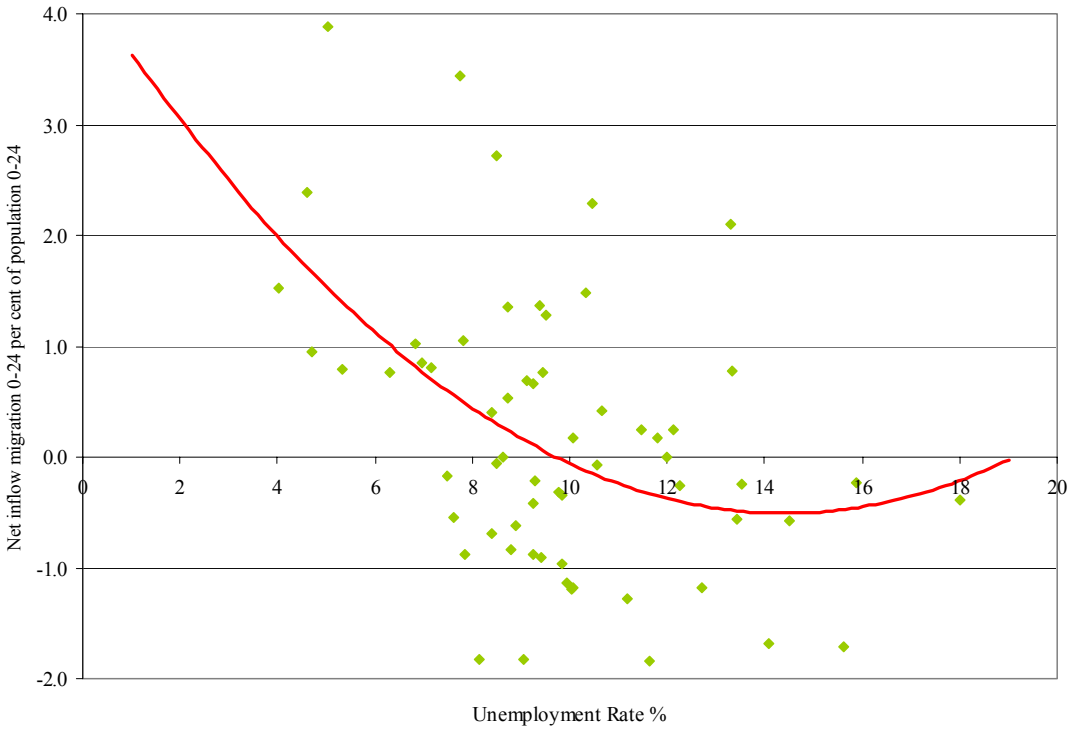
The young are leaving low-income, high unemployment regions and migrating to high-income, low unemployment regions.

The following two figures provide the support for this stylised fact.

Net migration inflow 0-24 year olds versus business value added per capita - 1998-2006



Net inflow migration 0-24 years per cent of age group versus unemployment rate 1998-2006

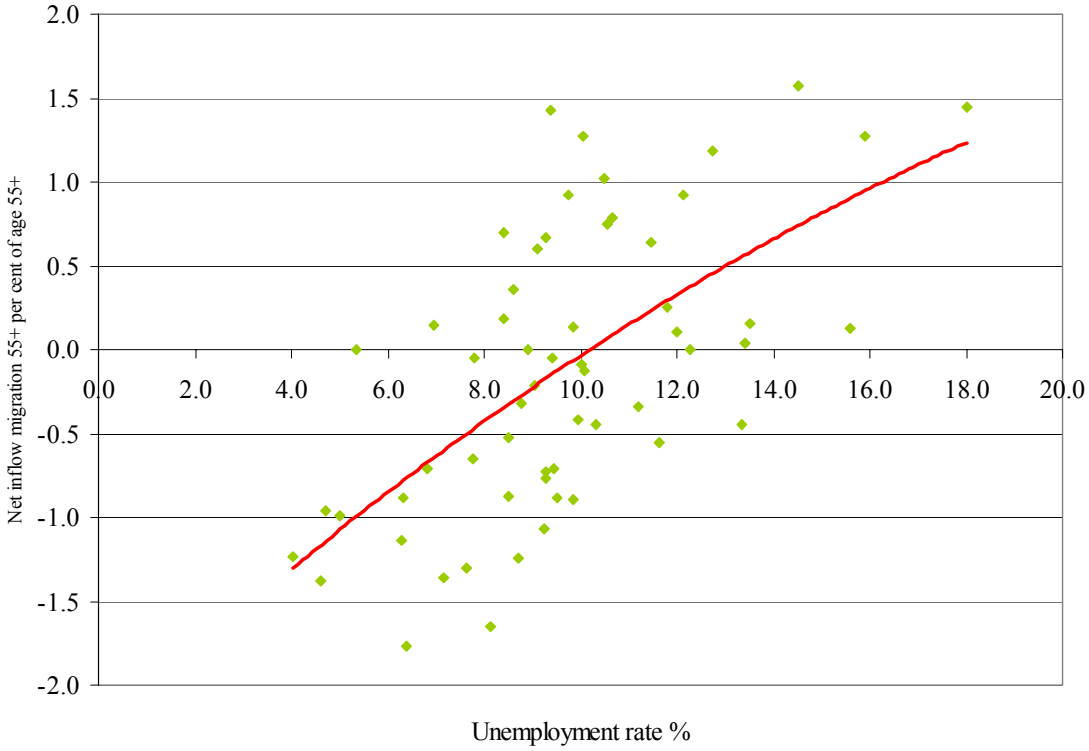


Stylised Fact Five

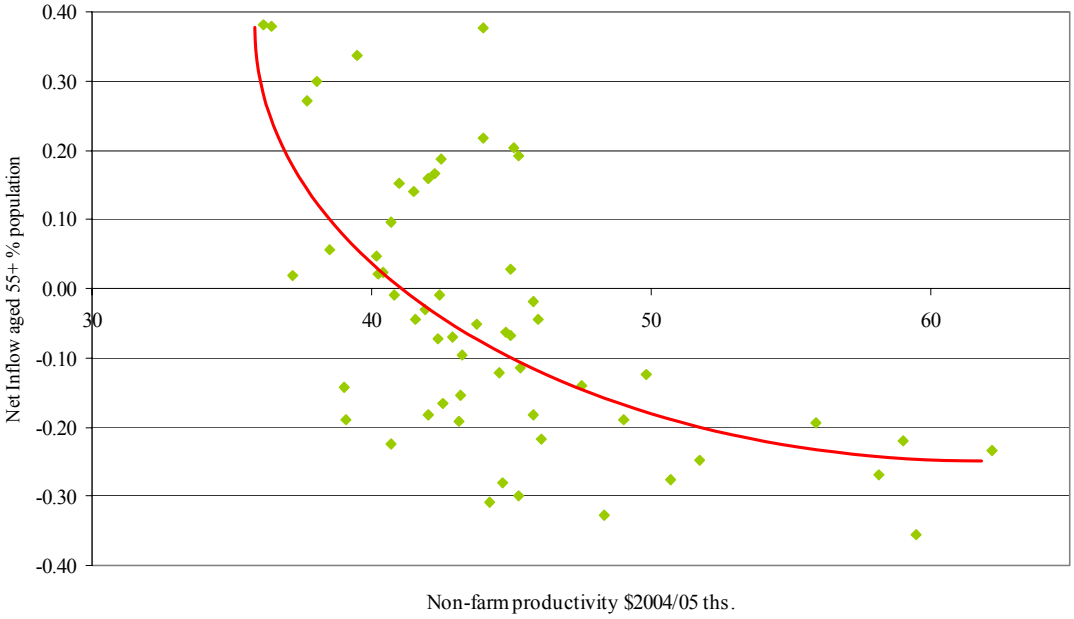
The old are leaving high-income (high cost regions) and low unemployment rate regions and migrating to low-income (low cost) and high unemployment regions.

The following two figures provide empirical support for this stylised fact.

Net inflow migration 55+ per cent of age group versus unemployment rate 1998-2006



Net migration inflow 55+ per cent of population versus non-farm productivity 1998-2006



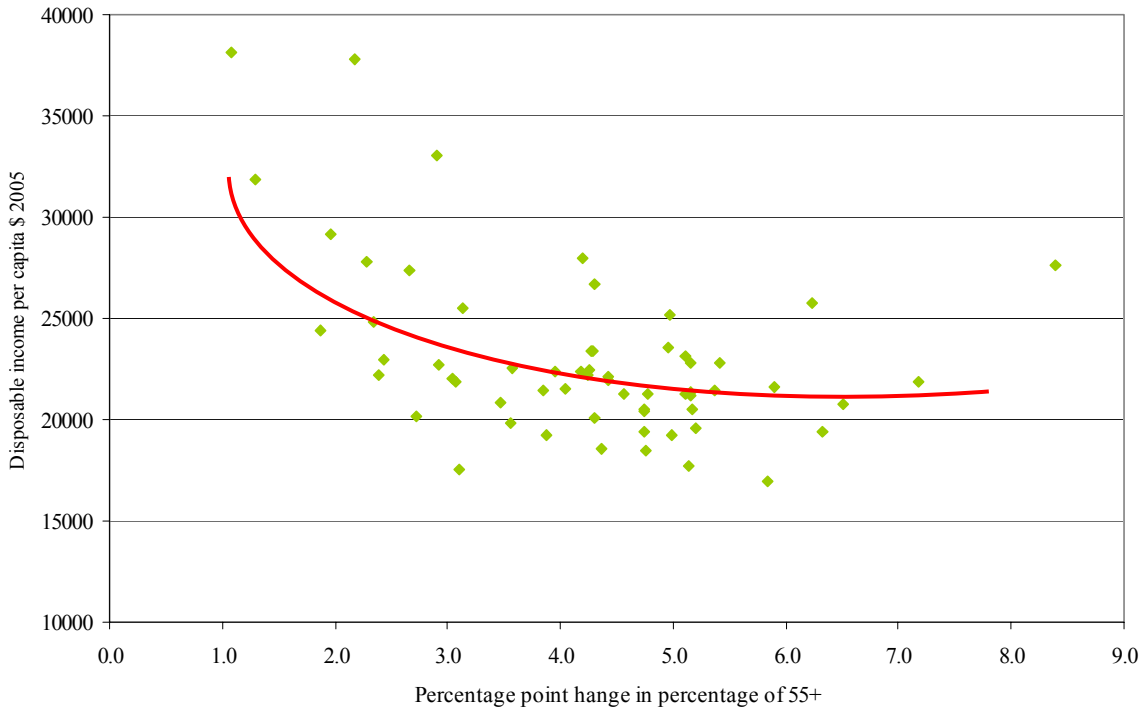
Stylised Fact Six

Low productivity regions are rapidly ageing, while high productivity regions are ageing relatively slowly.

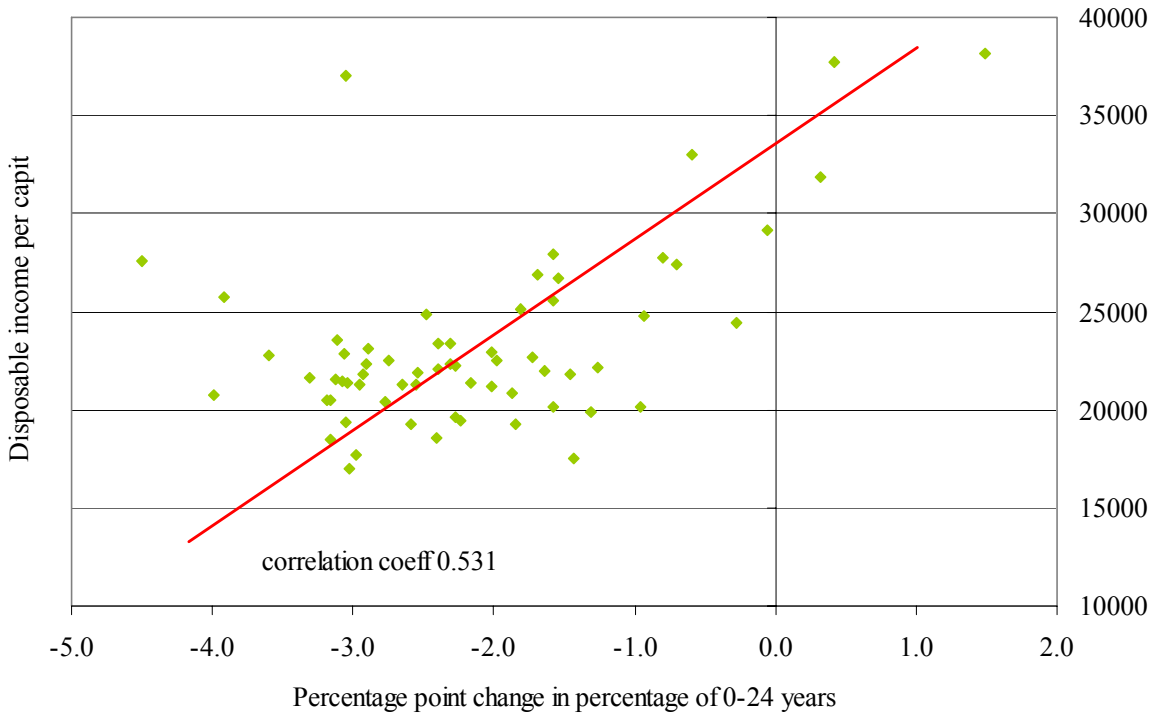
Because of the strong correlation between income and productivity, high productivity regions have low rates of decline in the share of population aged under 24 and slower rates of increase in the share of population aged over 55 (see the following two figures).

A corollary to stylised fact six is that low productivity/high unemployment regions may be locked into a vicious cycle of rising unemployment and rapid ageing. Currently this mechanism is being blunted by high levels of construction activity spreading across the nation. When the building cycle turns down, rapid ageing and rising unemployment could quickly return to these regions.

Average disposable income per capita versus change in percentage of population 55+ 1998-2006



Average disposable income per capita versus change in percentage of population 0-24 years 1998-2006



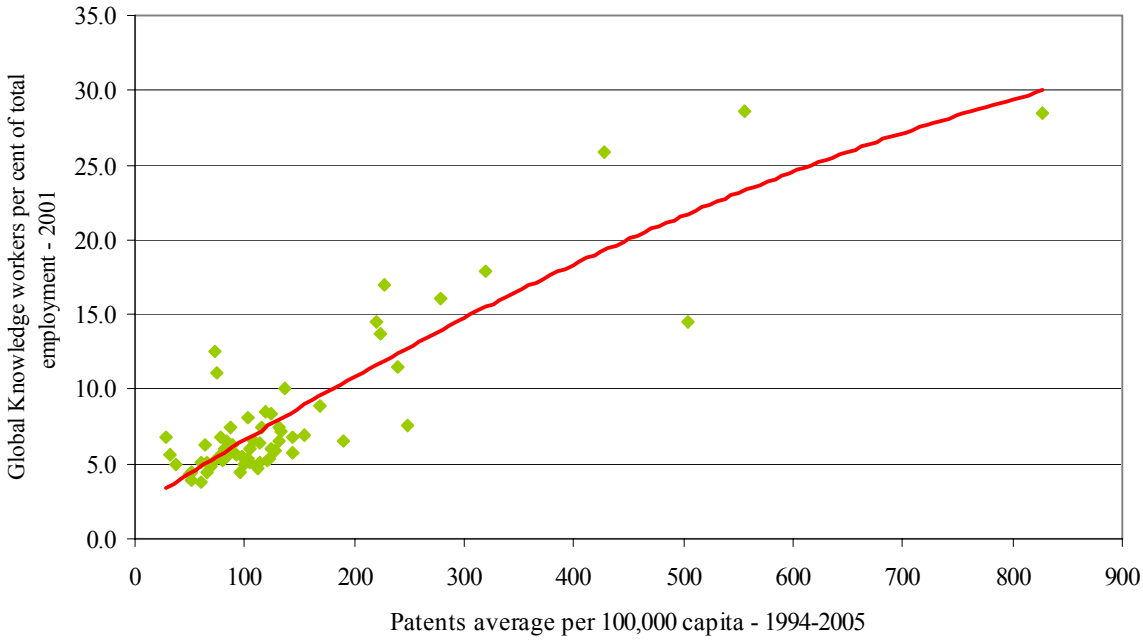
Stylised Fact Seven

Successful knowledge based regions have a high concentration of highly skilled (scientists, engineers, etc.) global knowledge workers. These workers tend to migrate to regions with scale and diversity of social and community infrastructure and cultural and lifestyle choices.

The figure below shows the strong relationship between global knowledge worker concentrations and knowledge creation (that is, patent activity). The 2002 *State of the Regions* also showed a high correlation coefficient between community infrastructure/lifestyle choice and concentrations of global knowledge workers across Australian regions.

The following figure shows the clear link between patents (and hence business productivity), therefore the inferred high correlation between high technology start-ups and the presence of global knowledge workers.

Patents per capita versus global knowledge workers



Stylised Fact Eight

The regional centres which have contributed strongly to the improved economic performance of the rural regional group have had high employment growth relative to population growth. This, in turn, has occurred in provincial cities that:

- maintained a population growth rate in excess of 0.3 per cent per annum;
- developed diversified lifestyle and cultural choices for residents;
- concentrated on attaining large-scale production in selected non-mining, non-agricultural industries; and
- developed inter-regional export capacity in business and/or education services.

Stylised Fact Nine

Regions are successful because enterprises in them are successful. To assist enterprises to grow, policy must explicitly focus on developing and strengthening the emerging flexible entrepreneurial supply lines of industry clusters on which knowledge based economies are founded.

Policies to establish a successful regional economy require complex policy strategies involving a whole of government approach. Important components are policies designed to strengthen the networks that link the institutions, organisations, enterprises and key personnel within regions and to strengthen regional supply chains.

Stylised Fact Ten

Unfortunately, current policies to encourage regions to develop and increase their productivity are acting perversely. They are imposing barriers preventing low productivity/high unemployment regions from increasing productivity.

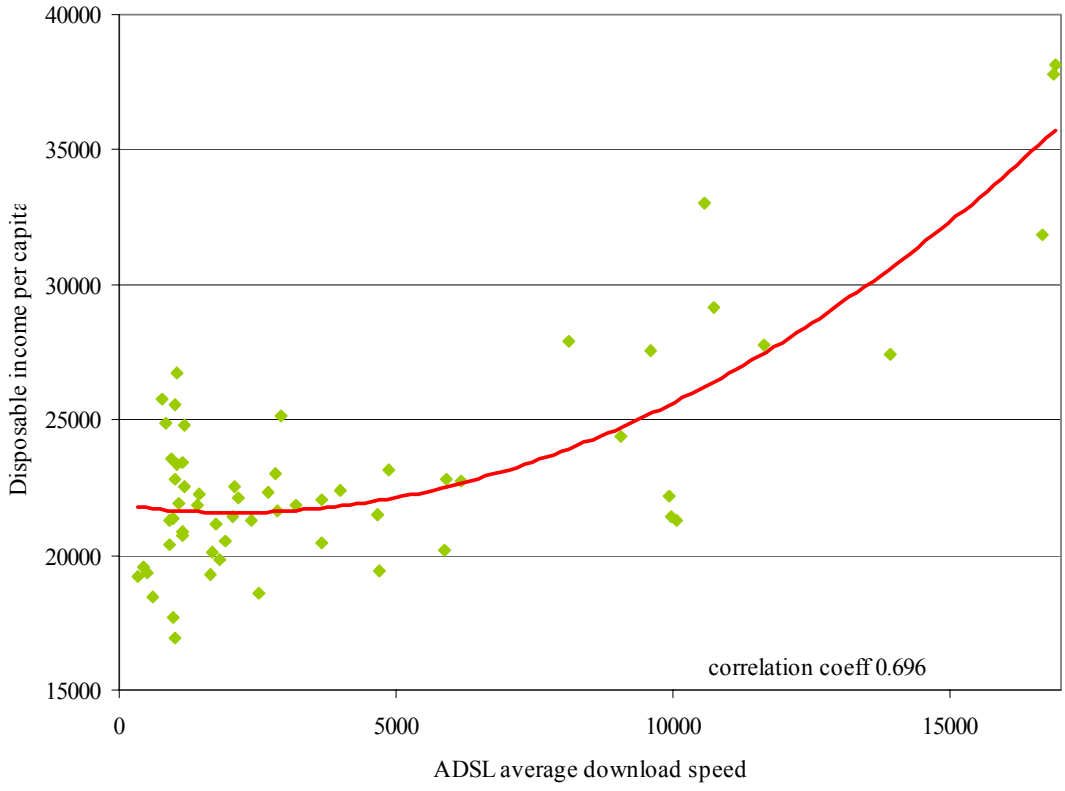
Example 1

Lagging regions have poor access to quality telecommunications infrastructure, preventing efficient internet usage and, therefore, reducing the possibilities for exporting and attracting high technology firm start-ups.

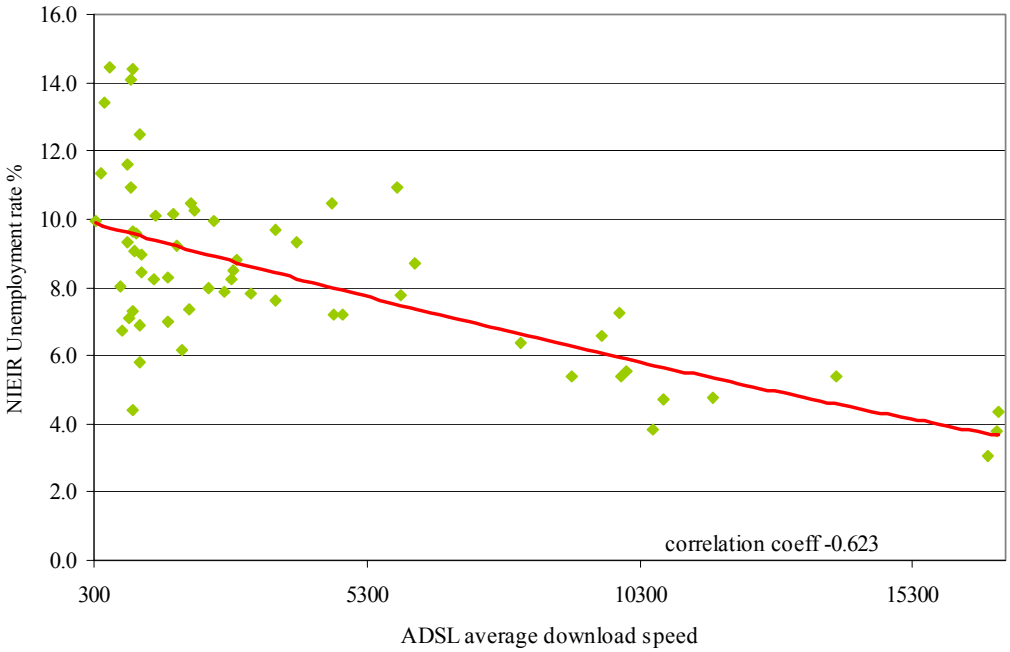
The following two figures show that in mid 2006 average download speeds available to households and firms by industry was highly positively correlated with household income per capita and negatively correlated with NIEIR unemployment rate.

This report estimates that if download speed differentials are not equalised, the cost the lagging regions will be $2.7 billion in 2005 prices in foregone gross regional product and 30,000 employment positions will be lost.

Average ADSL download speed 2006 versus per capita income



Average ADSL download speed 2006 versus NIEIR unemployment rate



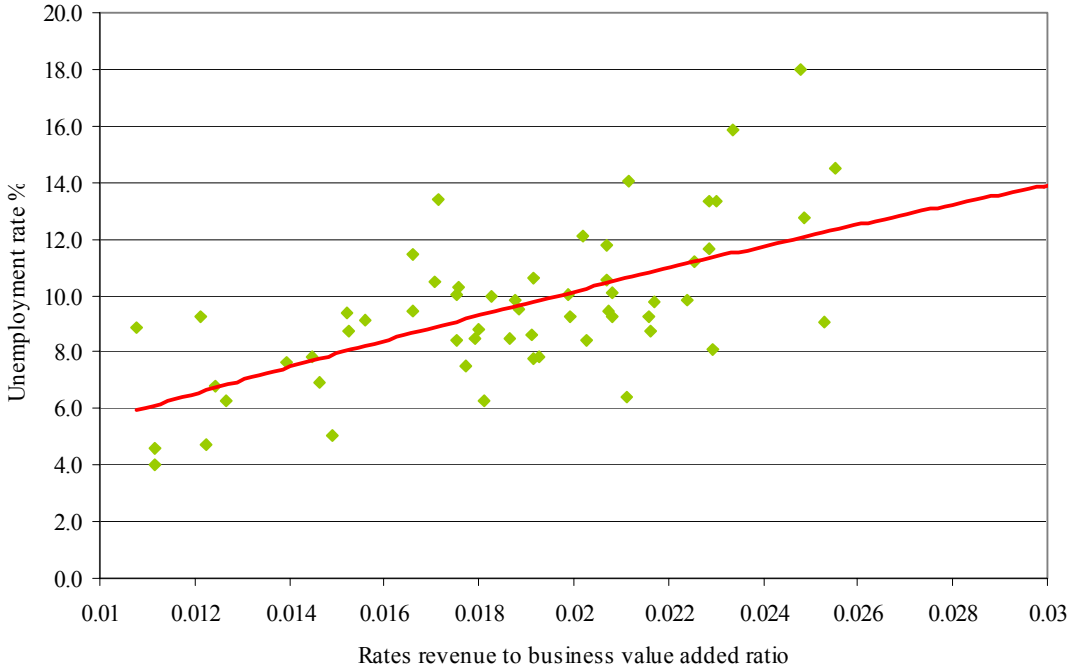
Example 2

Low productivity/economic regions have relatively high local government tax rates because the cost of delivering basic services to the community is relatively high.

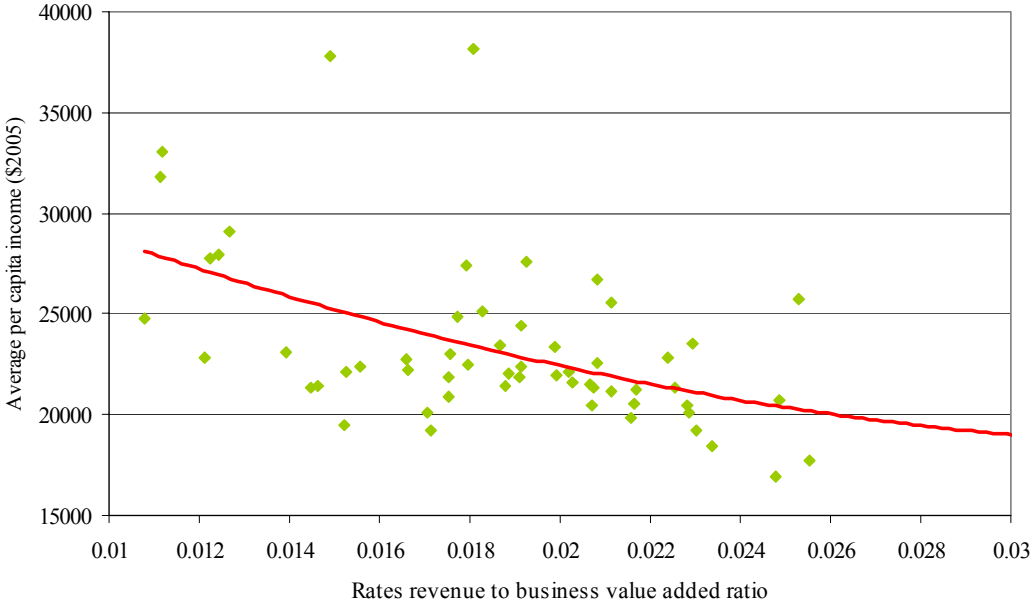
The following two figures provide the evidence of this. This report estimates that additional resources of $2.3 billion would be required to provide lagging councils with the resources to reach current average standards. In addition, another $112 million per annum (cumulating each year) will have to be found to prevent further increases in current local government financial imbalances.

The lack of local government resources for some councils means that they cannot effectively take the steps required to attract the skilled households in order to lift the productivity of their regions.

Rates revenue to business value added ratio average 2001-2005 versus unemployment rate - 2005



Rates revenue to business value added ratio average per capita income 2001-2005 versus average household per capita income - 2005

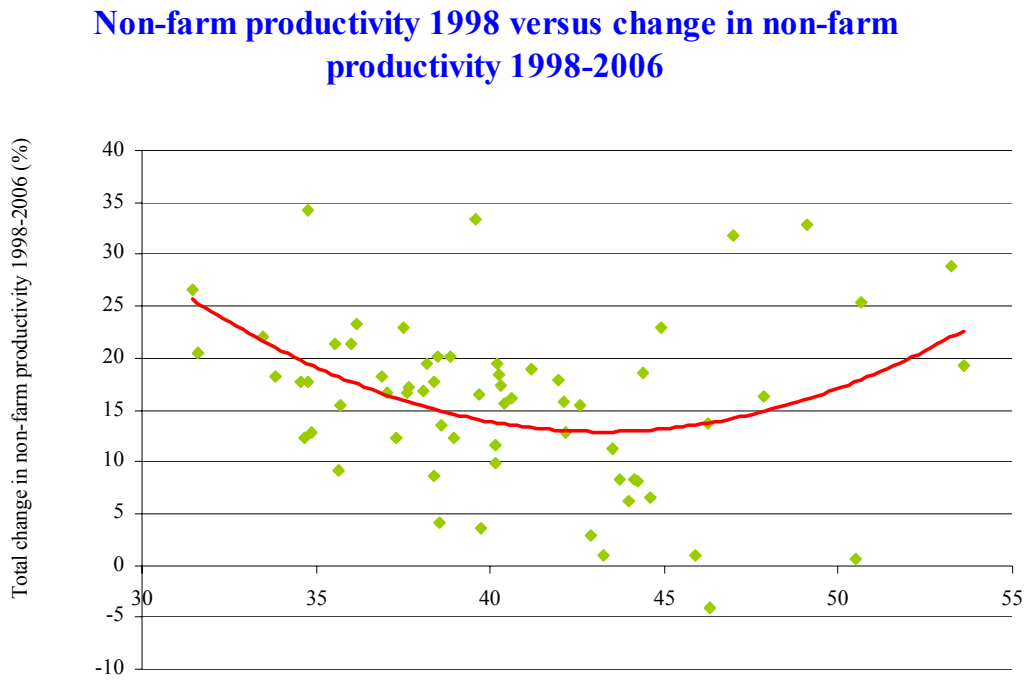


Stylised Fact Eleven

For much of the 19th and 20th centuries nations and regions tended to converge in economic performance. The rise of knowledge-based regional economies means that divergence in economic performance between regions is both possible and probable.

The rise of the knowledge based regional economy has meant that the classical mechanism for regional convergence in economic performance, namely real wage adjustment, has become a weak force. Low unemployment regions are high real wage regions.

The following figure shows there is no correlation between non-farm productivity in 1998 and the growth in non-farm productivity over the 1998 to 2006 period across the SOR regions.



Stylised Fact Twelve

Because of the weakening of market forces driving convergence in economic performance, government intervention to drive regional economic development is at least as fully justified as it was in the past.

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Executive summary

According to most publicised indicators, Australia's economic performance over the past decade has been exemplary. Incomes have increased, unemployment has decreased, and the inflation rate has remained low. In addition, nearly all home-owners have received gratifying capital gains. For many, this additional wealth has provided psychological compensation for increased working hours and reduced employment security.

In this *State of the Regions* report we look more closely at the land boom of 1996-2005, and see some of the downside of it. However delighted the recipients have been with their capital gains, such windfalls do not come without cost. In Chapters 2 and 3 we argue that the costs include the following.

- The increased price of land has increased costs for business.
- It has also increased the barriers to first home purchase, resulting in the familiar crisis of housing affordability.
- The household sector has incurred widespread and heavy mortgage indebtedness, which has reduced disposable incomes.
- At the macroeconomic level, the high level of household indebtedness has a counterpart in high international indebtedness. This is in turn associated with the chronic balance of payments deficit. While it assisted with the finance of the balance of payments deficit, the land boom did nothing to address the fundamental imbalance in Australia's trading relationships with the rest of the world.

It is not yet usual for economic commentators to characterise the period 1996-2005 as a land boom. However, one fundamental fact stands out. During the nine years, the value of land in Australia tripled. Not just inner suburban land, not just residential land, but all privately-owned land, farmland included. Even adjusting by the consumer price index, the value of Australia's land went up 2.6 times – and that without adding a single hectare to the total.

What sort of boom was this? It was, first and foremost, a residential land boom. Residential land led the charge, increasing in value by 3.2 times. Commercial and rural land lagged behind at around 2.4 times, though even this was well in advance of inflation.

Secondly, it was a land boom in the strict sense. The price of land rose, and capital gains were made on land, not on buildings. The boom was accompanied by a frenzy of construction, but construction is a competitive industry in which there have been productivity gains. As a result of the boom, the value of buildings increased, but most if not all of this was due to new construction: there was little capital gain in buildings apart from the land on which they stood.

Third, though the boom was widespread, values rose most rapidly in two types of location: the inner metropolitan areas and in ex-urban resorts. Values rose most rapidly in newly fashionable resorts like Queensland's Sunshine Coast and Victoria's Surf Coast. The boom was not nearly so extreme in older-established resort regions like the Gold Coast. At the opposite extreme, some land markets missed the boom, notably declining country towns located too far from the metropolitan areas to become centres for hobby farming.

As with most economic phenomena, the boom had both demand and supply sides. The underlying reasons for increased demand were population increase and household formation, but these move slowly, and do not account for the sudden bursts of demand for residential lots in 1996 and after 2001. For an explanation of these bursts, one has to look at financial system behaviour, as regulated and deregulated by the Commonwealth government. Fundamentally, mortgage lending has been profitable to the banks, and the only restraint to extended mortgage lending has been the prudential requirement that the loan be backed up by a more valuable asset. Current Australian practice contrasts with the

more conservative European countries, which have continued to maintain quantitative restrictions on bank lending.

The banks would not have been so keen on mortgage lending to households if they could have lent to business at similar interest rates. However, Australian interest rates are high, reflecting the necessity to attract funds from overseas to finance the balance of payments deficit. The demand from business for loans at these rates is lacklustre, both because the rates are in themselves high and because Australian business profitability has been squeezed by National Competition Policy, including the policy of exposure to overseas competition at a high exchange rate. To complete the circle, the high exchange rate and the accompanying balance of payments deficit have been maintained by the financial sector borrowing overseas and on-lending to households.

Several additional factors directed unconstrained finance into a land boom. One was the sad experience of the entrepreneurial businesses of the 1980s boom: investors were twice shy about business prospects, and preferred bricks and mortar. The boom was also encouraged by tax provisions, notably negative gearing and cuts in the taxation of capital gains.

A surge in demand does not necessarily lead to an increase in price if it is matched by an increase in supply. If one takes the point of view that land is fixed in supply, land booms inevitably result from any increase in demand, but this need not happen if the increase in demand concentrates on residential land. By subdivision of rural green acres to residential, it is possible to increase the supply of residential land. Manifestly, this process did not keep up with the increase in demand – the evidence is the rise in price.

Two major factors can be identified for this failure to keep up.

1. The legal processes of subdivision added to the physical installation of streets and utilities means that takes time to add to the supply of residential land. By contrast, the financial sector can, and did, pump up demand almost overnight.
2. Over the past decade, outer suburban residential land has not been a good substitute for inner suburban or resort land. Under 1990s conditions, no amount of increased outer suburban supply could have restrained the inner-urban and resort price increases.

The second of these points requires elaboration. We begin by contrasting the land boom of 1996-2005 with that of 1880-1890. There were common factors between the two booms, notably the rapid increase in household indebtedness financed by borrowing from overseas. However, there was a major difference. In the 1880s, the suburbs of Australian cities (particularly Melbourne) expanded rapidly in response to transport improvements, namely the construction of suburban railways, which brought the city centre within commuting range at least for those well-heeled enough to afford the fares. At the turn of the twenty-first century, with private motoring the major means of urban transport, the cities had already expanded so that middle of the metropolitan area could not be reached from the fringe within acceptable commuter travelling time. Attempts to speed the cars up were thwarted by congestion, underlying which was the simple fact that inner suburban land was too costly to buy for road construction. Those who wanted to work in the knowledge economies of the city centres and inner suburbs were faced with a choice: pay the high price for inner suburban land (increasingly economised by building flats rather than houses) or put up with unsatisfactorily long commuting times.

This invidious choice would not have arisen had employment decentralised to the fringe, but this was not the way of the knowledge economy. Instead, the good jobs remained in the city centres and inner suburbs, and the price of residential land with good access to these jobs rose inexorably. In Australian cities, the price of residential land came to be strongly correlated with job-accessibility. For each extra job within thirty minutes' commuter travel time of a residential allotment, the price of the allotment is currently higher by around $1.70. (Translating: in suburbs within half an hour of an employment centre with 50,000 jobs the average residential property gains $85,000.)

A complicating factor is that of fashion and socio-economic status. An additional point onto the ABS index of socio-economic status is associated with the addition of $70 to the price of each residential allotment in the area. Fashions change, and suburbs and resorts which are going up in status benefit, while those which are going down experience declines. The pattern in the recent boom was for the outer suburbs to become less fashionable, losing out to both the inner suburbs and the ex-urban belt further out – a further reason why outer suburban subdivision could not satisfy the boom.

The consequences of the boom from a local government point of view are spelt out in Chapter 4. The most serious consequences are probably the increase in business costs, which will hinder economic development for years to come, and the difficulty of finding affordable housing for people entering the housing market. There are opportunities too, particularly for regions bypassed by the boom and therefore with more affordable land and lower levels of household debt.

From a narrower perspective, the boom has increased the nominal value of the local government tax base – more so if that base is expressed in land (site or unimproved) value than if rates are imposed on capital value. However, the boom has also reduced household disposable incomes through high debt-servicing obligations, and has reduced business capacity to pay through higher costs. The net effect on rate paying capacity is probably negative, though with regional variation.

The communications infrastructure that is a key driver of economic growth is that which enables the delivery of high speed internet access

Telecommunications infrastructure is a key component in building knowledge intensive supply chains, linking customers and firms and diffusing knowledge based innovation. As regional or national supply chains increasingly move to global supply chain models, the more important becomes high quality telecommunications infrastructure.

The *State of the Regions 2005-06* report analysed the state of the nation's telecommunications infrastructure, with particular reference to broadband connectivity. This years report has updated this analysis and finds that Australia is still lagging behind in broadband take-up when compared to key competitors internationally.

The trend towards lowering the cost of broadband connection has led to a surge in demand. Despite this surge, the net effect of the earlier high price policy has been that Australia ranks second last before New Zealand for rates of broadband internet access of all developed nations in 2006. Australia's penetration rate of 54 per cent in 2006 can be compared to a rate of 67 per cent for the USA, 77 per cent for Canada and 89 per cent for The Netherlands.

Table E.1 Broadband connection method

Broadband technology	Percentage of subscribers
Cable	18
Satellite	7
ADSL	73
xDSL	7
Other	2

Source: Paul Budde Communications.

The surge in demand for broadband services has seen numbers increasing from 829,000 in March 2004 to 1.8 million in March 2005 and to 3.2 million by March 2006 or almost 100% per annum. By far the greatest part of this growth has been in ADSL services. The number using satellite services declined over the same period.

A year ago, from the *2005 – 2006 State of the Regions Report*, the number of exchanges yet to be enabled for broadband services was 3,241, which fell to 2847 in August 2006. There has been some progress in connecting regional areas but in a number of states progress is relatively slow. Progress in Queensland has been most rapid with a 20 per cent reduction in the number of unconnected exchanges.

This points to the fact that much of the investment in upgrading broadband services is focused on upgrading existing exchanges to higher bandwidths to provide higher broadband speeds. The connection of smaller rural and remote communities is still proceeding relatively slowly, highlighting the importance of programmes such as Broadband Connect.

The increasing role of Voice over Internet Protocol (VoIP) in intensifying the networked economy

Given the overseas experience it is likely that the increasing number of broadband connections in Australia will stimulate the take-up of VoIP services across the nation.

There are now numerous providers offering VoIP services in Australia and the overseas experience points to likely trends in the Australian telecommunications market. In Japan, Asia's most advanced telecommunications market, the number of VoIP service subscribers increased from 3.1 million users in 2003 to 8.3 million users in March 2005, this rapid take up of VoIP services is being facilitated by high speed broadband and resulting voice quality.

For existing telecommunications companies this is becoming a difficult space as companies are likely to be cannibalising their existing voice business by promoting broadband and 3G as there is an obvious correlation between the take-up of VoIP services and the growth of broadband and 3G.

VoIP is expected to influence the way business communicates, both internationally and with its remote workers and business travellers, through significantly cheaper communication costs including teleconferencing, the integration of voice mail and email and the ability to communicate without attracting global roaming charges. Teleworking is now growing rapidly after a slow start, and this growth is more likely to continue with the growth of VoIP services.

Increased broadband coverage as a mechanism to greater profitability

The World Bank has estimated that firms that use ICT grow faster, invest more and are more productive and profitable than firms that do not. They quantify this improvement as, for example, sales growing 3.4 per cent faster and value added per employees being $3,400 greater among developing country firms that use email to communicate with clients and suppliers. As a result profits are substantially higher among firms using ICT.

Local communities can take action to improve the speed and coverage of their internet services

The *State of the Regions 2006-07* report revisits the Bendigo Community Telco case study from last year's report. The benefits provided by the establishment of the community telco include enhanced capacity:-

1. to aggregate regional telecommunications demand and create the ability to provide better services, better access to new technologies and competitive pricing;
2. to improve community access to communications and information technology to provide enhanced business, educational and entertainment opportunities for the future;
3. to create demand driven services and more value added services;
4. to improve the quality of local employment;
5. to provide local investment opportunities and returns;
6. to enhance future regional competitiveness by providing the infrastructure to attract knowledge based businesses to the region and create opportunities for new local knowledge-based enterprises; and
7. to provide a platform and cluster to attract innovation and additional regional funding.

Regional innovation as a driver of knowledge creation

The *State of the Regions 2006-07* report concludes that start-up firms play a role in the commercialisation of new knowledge. However, there is no formal testing of the significance they actually make, and hence no basis to predict how far measures to encourage knowledge-based start-up businesses would result in increased generation of jobs which can withstand competition from the newly industrialising countries.

An important area which remains for empirical investigation is the relationship between knowledge generation and the appropriation of knowledge by start-up firms. By reason of their small size, start-up firms have very limited capacity to finance research and development on their own account, and therefore depend on R&D carried out by others. This is fine when they depend on non-patented knowledge – both the codified knowledge published in journals and on the internet and tacit knowledge carried over from universities and big-business laboratories by staff transfer and informal networking. However, a start-up may be prevented because a crucial part of its required knowledge base is under patent, even when the patent owner has no intention of utilising the knowledge. This puts a new sharpness into the old debate about grants of intellectual property rights as an incentive to the private finance of research.

The major centres in Australia remain the leading innovation regions with the highest levels of high tech business start-ups

In Australia the most successful regions, when measured by the number of patents per 100,000 population and high tech start-ups, are still the major cities, particularly Sydney and Melbourne with ACT (4) and the Gold Coast (9) also ranking in the top ten.

It is evident that the major centres, with their internationally networked businesses, universities and research centres attract more firms, and the impact of this is that dense clusters of activity create a higher level of patent applications. However, not all regions develop technology locally. Tasmania North, NSW North, NSW Far and North West and Vic Goulburn are all in the bottom ten in terms of patents per 100,000 population rankings but perform more strongly in the rankings for high tech start-ups.

As expected the lack of dense clusters of innovation activity limits the opportunities for patent development in many parts of rural and regional Australia. The attraction of high tech start-ups to larger centres is also obvious.

High tech clusters as a driver of innovation

Clusters drive innovation because they encourage information sharing among the firms within the cluster. Highly integrated supply chains within the cluster consolidate the knowledge base between firms in relation to changing customer needs, more sophisticated marketing and selling operations as well as technology and knowledge diffusion.

Therefore, as a regional policy objective, the development of high tech clusters appears to be an increasingly important mechanism in defending and improving industry output. The development of high tech innovation clusters is likely to have a positive impact as such developments enhance future prospects by:-

1. improving planning towards more knowledge intensive focus and high value added businesses;
2. strengthening a regions key competitiveness including such factors as innovation, regulation, market access, logistics and reputation;
3. intensifying R&D and growing the number of patents;
4. moving basic manufactures to a more knowledge intensive culture to embrace innovation including new products and processes, services and engineering solutions;
5. strengthening the opportunity to retain as much of the manufacturing supply chain as possible to avoid hollowing out the customer base of remaining firms;
6. growing exports of higher value production, associated technologies and engineering solutions which include innovation in product delivery;
7. achieving global competitiveness through scale and consolidation;
8. improving branding and marketing channels, both local and international;
9. harnessing available knowledge, skills and manpower to attract global opportunity, particularly in areas of research and development;
10. leveraging off high local demand to build world scale export industry; and
11. enhancing prospects for future growth and profitability by encouraging government and industry to work together to develop the strategies needed to create and sustain global competitiveness.

The manufacturing sector as a component of the high tech cluster

If manufacturing industries are to survive in Australia they will require increasing inputs of knowledge and innovation in processes, supply chain integration and marketing. A position in a strong high tech cluster is more likely to provide a base for future growth. It is also worth noting that as a component of regional innovation policy and cluster development, policy that encourages knowledge intensive manufacturing is likely to create significant flow on benefits to the productivity of a region.

Knowledge diffusion can also be enhanced by government activity. In the United States there is a large scale program linking State and Federal agencies to identify and facilitate firms adopting best practice technologies. The Queensland Government has a similar scheme. If the schemes are effective in the United States, they could be more effective here, given Australia's remoteness from major manufacturing best practice innovation centres.

1. The state of Australian regions in 2006: an overview

This chapter summarises, by maps and SOR zone indicators, the more detailed indicators given by SOR region in Appendix A. All data is computed at LGA level and aggregated into National Economics SOR regions and SOR zones.

The highlights of indicator outcomes for 2005-06 compared to previous years are:-

(i) the clear impact of the current mining boom on regional outcomes;

(ii) the fairly broad based growth and improved economic advance at the regional level, despite subdued overall national growth; and

(iii) the continued increase in income inequalities if not opportunities for employment.

1.1 Demographic indicators

Given the increase in the projected housing stock over 2005-2008 and current employment growth trends, most SOR regions are projected to experience positive population growth from 2005 to 2008. The exceptions are the inland Queensland regions, the Far and North West region of New South Wales, and the Gascoyne-Goldfields region of Western Australia.

At the zone level, Table 1.1 indicates that projected population increases from 2005 to 2008 are similar to the 2002 to 2005 growth outcomes, or greater.

The recovery in the rural zone population growth rate is being sustained. From 1996 to 2001, rural population growth was low, at 0.6 per cent per annum. However, over the 2002 to 2005 period there was a substantial recovery in the rural population growth rate and a further recovery is projected from 2006 to 2008. Over this period the population growth rate is projected at 1.1 per cent.

The most significant acceleration in population growth over the 2005 to 2008 period is for the resource zone, where the population growth rate is projected to increase to 1.7 per cent, compared to 1.2 per cent from 2001 to 2005. The average annual increase in population for the resource zone will rise from 9,000 for 2002 to 2005 to 13,000 for 2005 to 2008.

From Table 1.1, the 22,000 increase in average annual change in population from the increases of the 2001-2005 period compared to the increases of the 2005-08 period reflects the increase in the net international migration target adopted by the government to ease the current skill shortages.

In general:-

- there will be a net migration flow of the young from inland areas to the coast and metropolitan areas (see the Net inflow migration 0 to 24 year olds per cent of population age range, 2006 to 2008 map);
- there will be a net migration flow of the old from central metropolitan areas to the coast and inland areas of New South Wales, Victoria and South Australia (see the Net inflow migration 55 years and over, per cent of population age range 2006 to 2008 map); and
- there will be a net flow of working aged migrants to the coast, resource regions and country areas in New South Wales, Victoria and South Australia. Some metropolitan regions in Sydney, Melbourne and Adelaide will suffer a net outflow of working age population.

Table 1.1 SOR major groups – total annual average population change			
	1996-2001	2001-2005	2005-2008
Average annual growth rates (per cent)			
Rural	0.6	0.8	1.1
Core Metro	1.0	1.1	1.2
Resource Based	1.2	1.2	1.7
Dispersed Metro	1.3	0.9	0.9
Production Zone	1.2	1.3	1.3
Lifestyle	2.2	2.2	1.9
Australia	**1.2**	**1.2**	**1.2**
Average annual change ('000)			
Rural	21	30	39
Core Metro	37	41	46
Resource Based	9	9	13
Dispersed Metro	58	45	44
Production Zone	61	66	72
Lifestyle	35	39	37
Australia	**221**	**229**	**251**

In terms of the zones, Table 1.4 indicates:-

- the inflow of aged migrants into lifestyle regions is being maintained;
- improved employment conditions in rural regions are encouraging greater levels of net working age migrant inflows;
- working age net migration inflows into resource regions have increased sharply; and
- the drift of the young to core metro regions is being maintained.

The downturn in the Sydney economy between 2002 and 2005 is the main reason for the net migration outflows of working age population from core metropolitan zones from 2002 to 2005.

Tables 1.2 and 1.3 indicate that the high rate of ageing in lifestyle regions is being maintained.

Table 1.2(a) SOR major groups – share of population aged 0 to 24 (per cent)				
	1996	2001	2005	2008
Rural	36.8	35.0	33.9	32.4
Core Metro	33.3	31.9	31.2	30.4
Resource Based	40.5	38.4	36.9	35.2
Dispersed Metro	36.1	34.5	33.8	32.9
Production Zone	36.5	34.9	34.2	33.0
Lifestyle	35.2	33.6	32.6	31.4

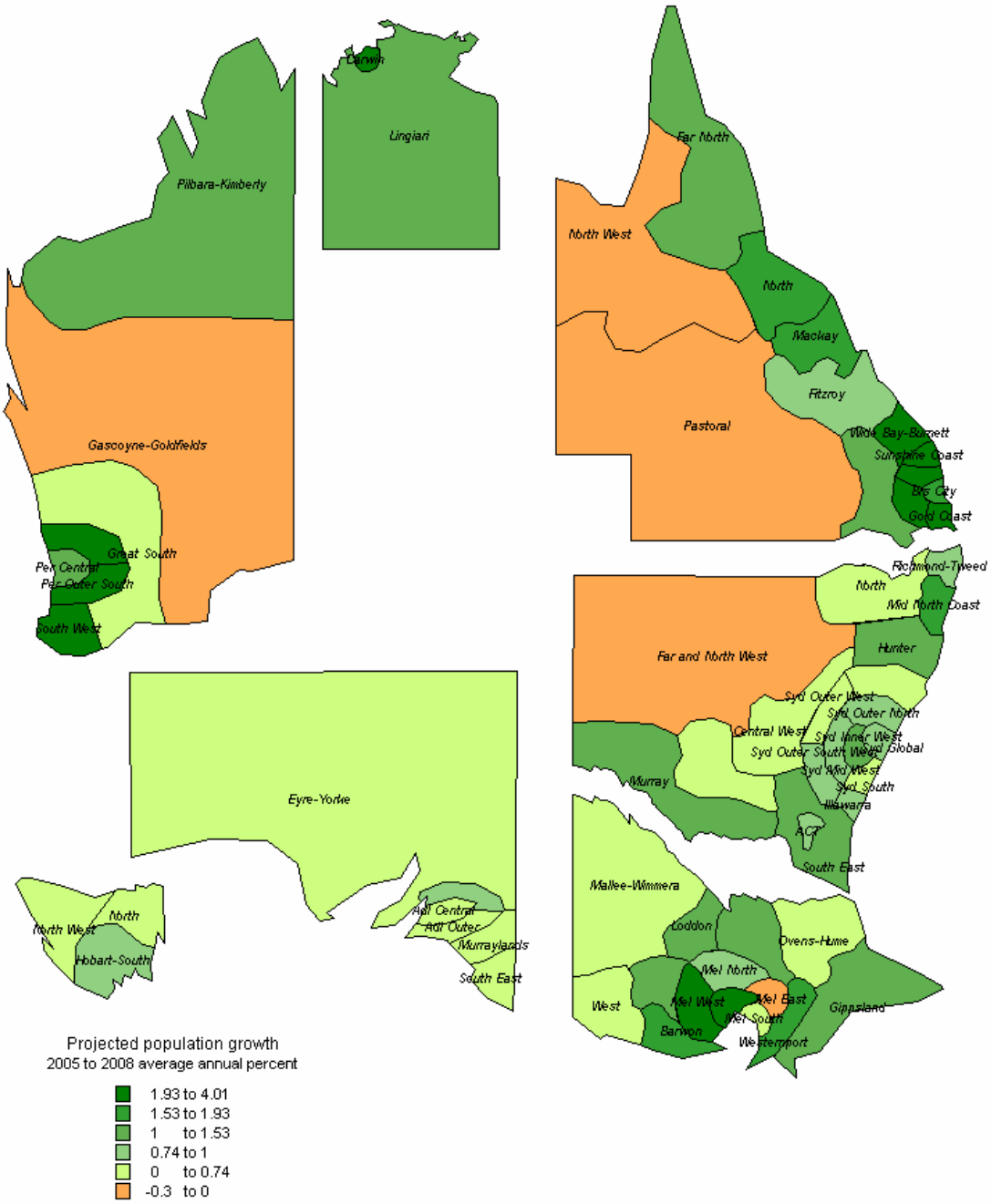
Table 1.2(b)	SOR major groups – share of population aged 25 to 54 (per cent)			
	1996	2001	2005	2008
Rural	41.9	41.5	40.3	39.8
Core Metro	46.1	46.8	45.5	45.5
Resource Based	44.1	44.4	43.4	43.3
Dispersed Metro	44.0	43.8	42.4	42.1
Production Zone	43.6	43.8	43.0	42.9
Lifestyle	42.2	41.8	40.6	40.1

Table 1.2(c)	SOR major groups – share of population aged 55 and over (per cent)			
	1996	2001	2005	2008
Rural	21.5	23.5	25.9	27.9
Core Metro	20.7	21.3	23.3	24.1
Resource Based	15.7	17.3	19.8	21.6
Dispersed Metro	19.9	21.6	23.7	25.0
Production Zone	19.9	21.3	22.9	24.1
Lifestyle	22.6	24.6	26.9	28.5

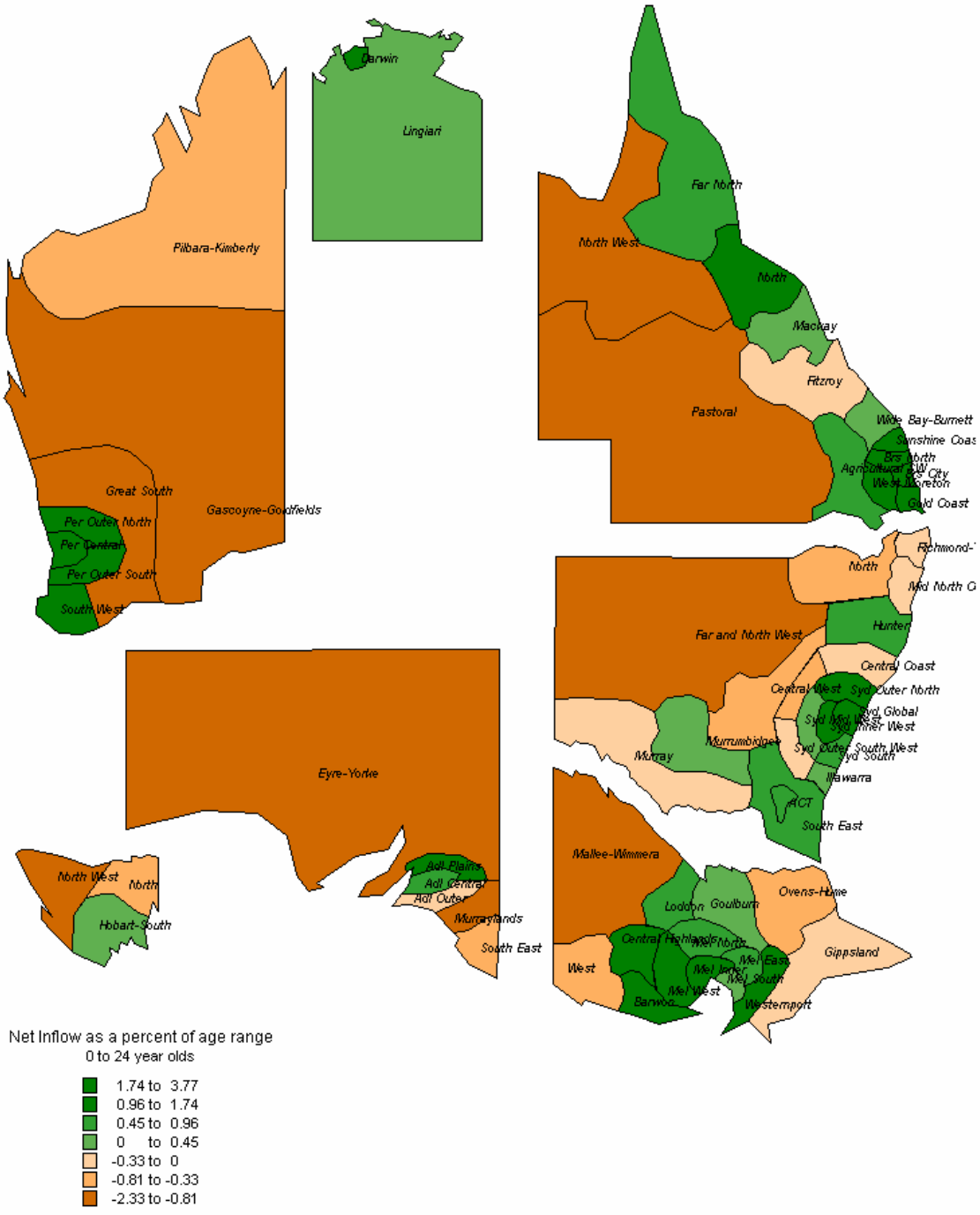
Table 1.3	SOR major regional groups – average age (years)				
	1996	2001	2005	2008	Change 1996-2008
Rural	35.9	37.4	38.8	39.9	4.0
Core Metro	37.0	37.7	38.5	38.9	1.9
Resource Based	33.1	34.6	35.6	36.8	3.7
Dispersed Metro	36.0	37.2	38.1	38.8	2.8
Production Zone	35.5	36.6	37.6	38.3	2.8
Lifestyle	37.3	38.5	39.4	40.4	3.1

Table 1.4 SOR major regional groups – net annual migration flows ('000)			
	1997-2001	2002-2005	2006-2008
Age range 0-24			
Rural	-9.9	-3.9	-1.7
Core Metro	28.5	27.8	22.8
Resource Based	-0.7	-0.5	0.5
Dispersed Metro	13.8	9.9	12.2
Production Zone	9.6	14.3	16.3
Lifestyle	6.2	7.4	7.4
Age range 25 - 54			
Rural	6.6	10.9	19.6
Core Metro	0.3	-9.8	-0.1
Resource Based	2.1	1.7	5.6
Dispersed Metro	20.1	8.1	15.4
Production Zone	14.2	12.7	23.8
Lifestyle	15.1	17	18
Age range 55 and over			
Rural	-1.2	3.4	9.4
Core Metro	-7.6	4.5	-1.7
Resource Based	-1.1	0.4	0.9
Dispersed Metro	-4.3	-2.5	-6.1
Production Zone	-2.5	-0.6	1.8
Lifestyle	4.9	6.4	6.1

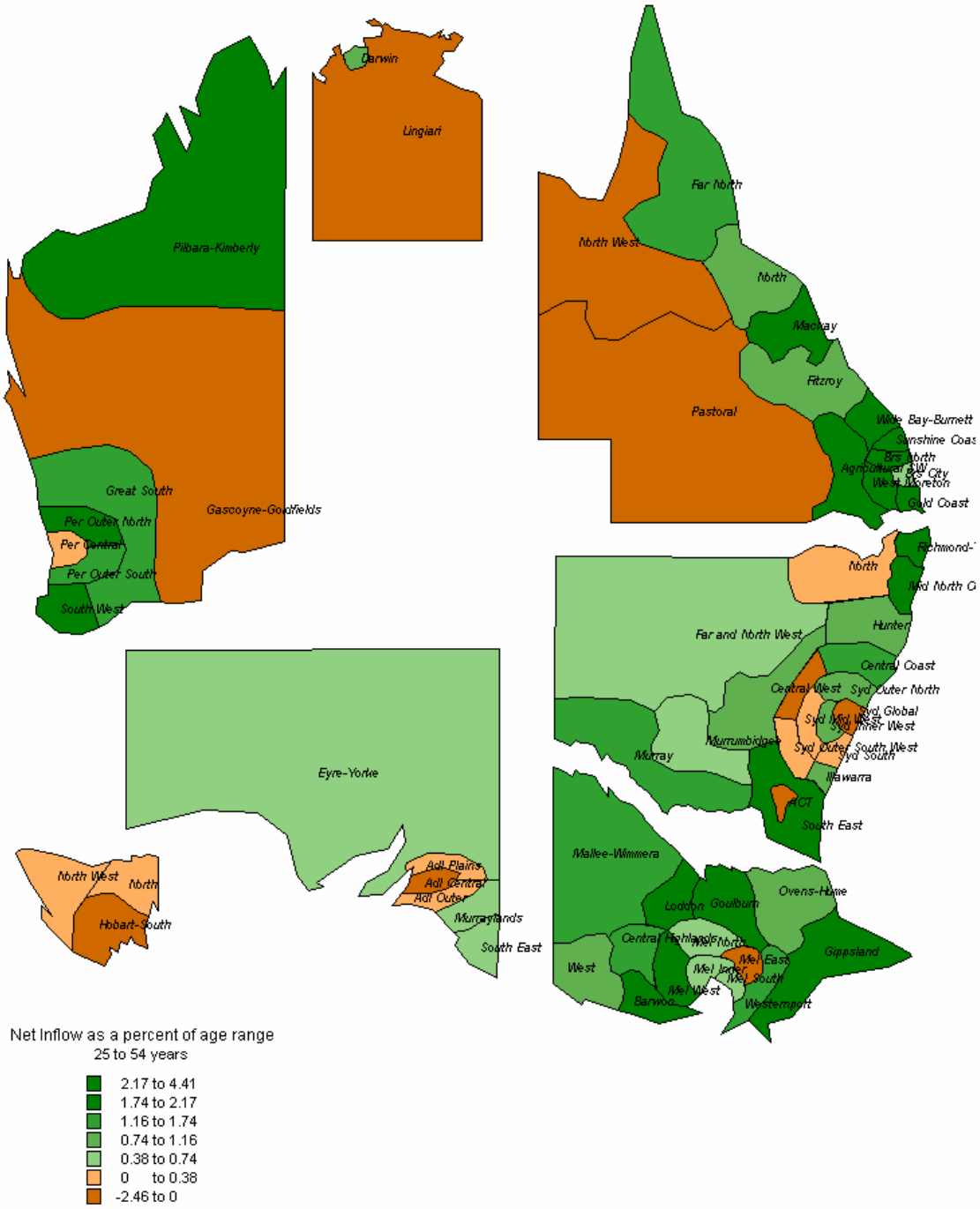
Average annual projected population growth 2005 to 2008



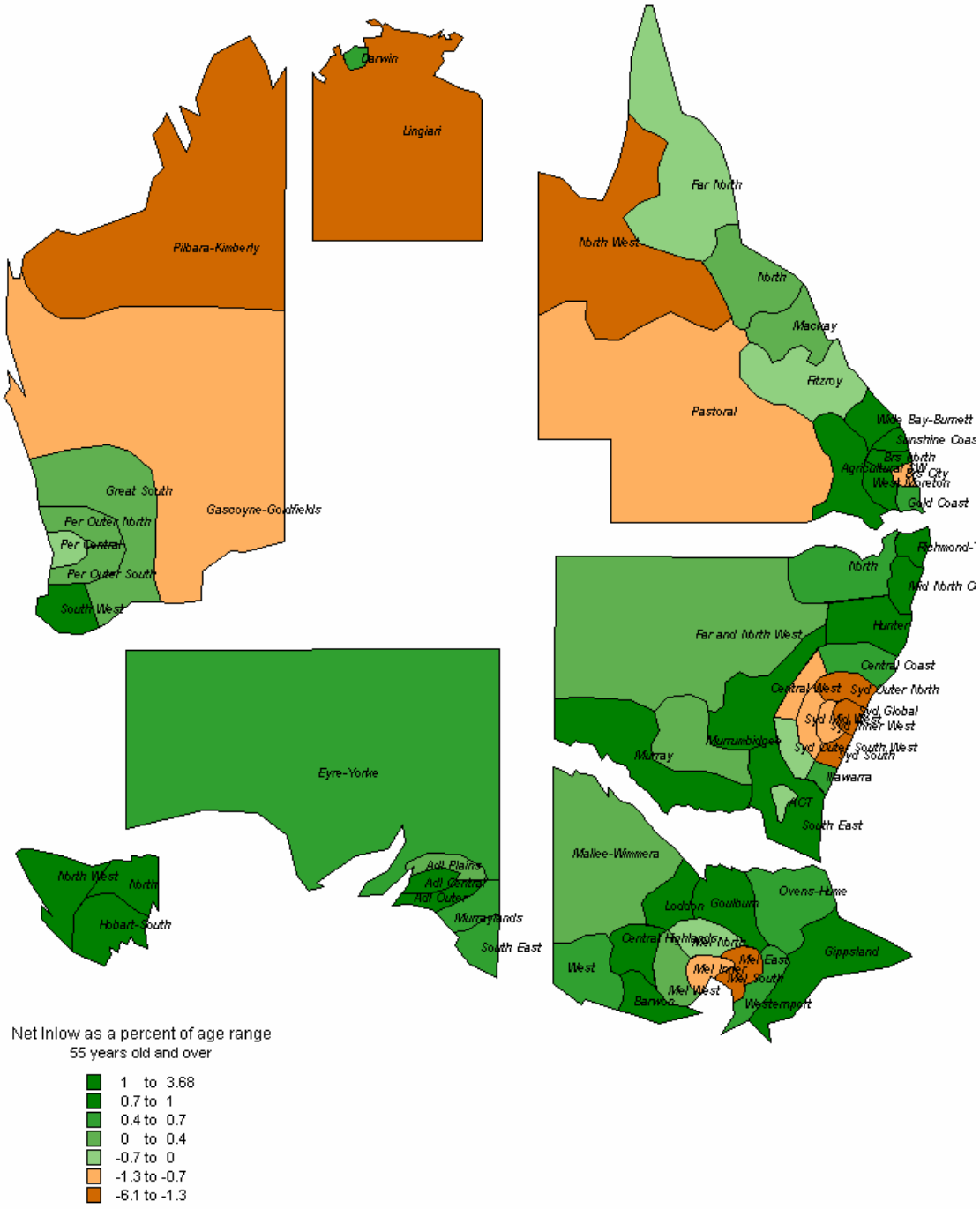
Net inflow migration 0 to 24 year olds
percent of population age range, 2006 to 2008



Net inflow migration 25 to 54 year olds,
percent of population age range 2006 to 2008



Net inflow migration 55 years and over,
percent of population age range 2006 to 2008



1.2 Baby bounce

The baby bounce phenomenon was explored in last year's report. This year it has been updated. The baby bounce indicator measures births as a per cent of population. Table 1.5 indicates that at the national level there has been no further "bounce" in 2004-05, although the "bounce" for 2003-04 has been maintained. It is clear form Table 1.5 that the "bounce" has been concentrated in the core metro and lifestyle regions and this is confirmed by the results in the SOR region baby bounce map.

Table 1.5 Baby bounce – per cent of population

							Bounce	
	1996	2001	2002	2003	2004	2005	2004-2003	2005-2004
Rural	1.51	1.35	1.25	1.23	1.23	1.23	0	0
Core Metro	1.22	1.2	1.12	1.18	1.19	1.21	0.01	0.02
Resource Based	1.7	1.63	1.42	1.42	1.47	1.44	0.05	-0.03
Dispersed Metro	1.37	1.27	1.22	1.23	1.25	1.24	0.01	-0.01
Production Zone	1.52	1.36	1.35	1.34	1.36	1.35	0.02	-0.01
Lifestyle	1.38	1.24	1.15	1.12	1.13	1.16	0.01	0.02
Australia	**1.42**	**1.31**	**1.24**	**1.25**	**1.26**	**1.26**	**0.01**	**0**

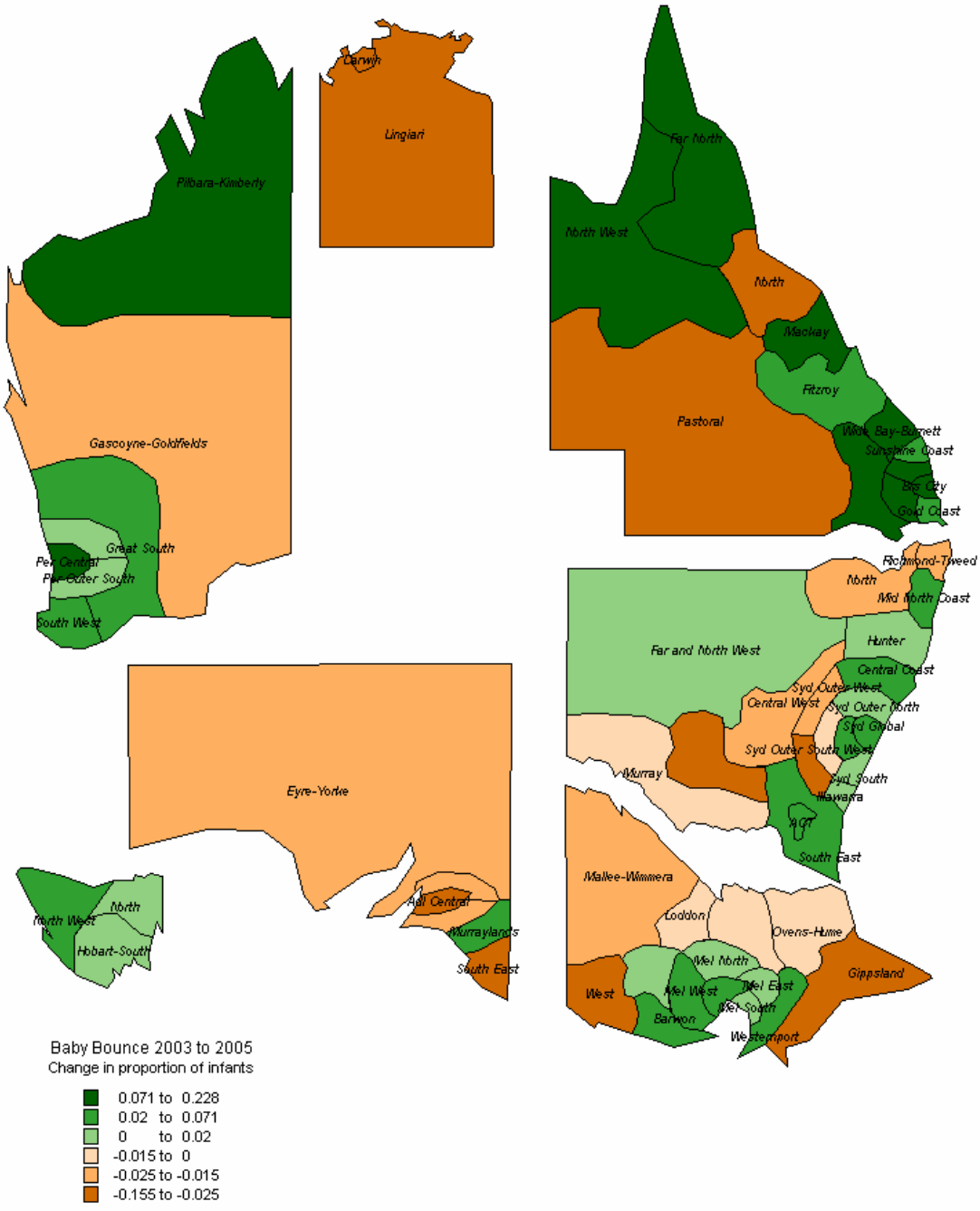
1.3 Employment and unemployment

Table 1.6 not surprisingly indicates that the employment estimates have grown fastest in the resource zone. The map of average annual employment growth 2004 to 2006 indicates that employment growth has been fastest between 2004 and 2006 for the Queensland coastal regions, the Western Australian resource region and the Perth region. The growth rate in employment in these regions has been between 4 and 6 per cent per annum. The New South Wales regions have performed relatively poorly with average annual growth rate of between 0 and 2 per cent in terms of total employment growth.

Table 1.6 Employment – annual growth (per cent)

	1998 – 2001	2001 – 2004	2004 – 2006
Rural	1.0	1.6	2.7
Core Metro	2.9	1.9	2.7
Resource Based	-0.1	1.1	3.9
Dispersed Metro	2.1	1.2	2.4
Production Zone	2.1	1.8	2.5
Lifestyle	2.8	4.3	3.7

Baby bounce percentage point change in proportion of infants 2003 to 2005



The 2006 map of the NIEIR unemployment rate indicates that the further away from the metropolitan areas, the greater the unemployment rate. However, estimates of the unemployment rate fell across most SOR regions between 2004 and 2006. The largest falls were in the Queensland regions, the Perth regions, North Tasmania and the Northern South Australian regions.

Unemployment rates were stable or increased in North and South Sydney, the Murray River region and the Far North Queensland region. The relatively poor unemployment outcomes for the Murray River region no doubt reflects the lack of a full recovery from the 2002-03 drought.

Overall the NIEIR unemployment rate estimate has declined a full percentage point between 2004 and 2006, falling from 8.5 to 7.5 per cent.

Table 1.7 Headline unemployment rate

	Per cent					Annual percentage point change		
	1998	2001	2004	2005	2006	1998-2001	2001-2004	2004-2006
Rural	8.5	7.1	6.3	5.9	5.7	-0.5	-0.3	-0.3
Core Metro	6.3	5.6	5.1	4.6	4.1	-0.2	-0.2	-0.5
Resource Based	7.1	7.1	6.1	5.6	5.0	0.0	-0.3	-0.6
Dispersed Metro	6.1	5.1	4.8	4.5	4.3	-0.3	-0.1	-0.3
Production Zone	9.6	7.6	6.9	6.5	6.1	-0.7	-0.2	-0.4
Lifestyle	11.2	9.8	7.2	6.3	5.9	-0.5	-0.9	-0.7
Australia	**7.9**	**6.7**	**5.9**	**5.5**	**5.1**	**-0.4**	**-0.3**	**-0.4**

Table 1.8 NIEIR unemployment rate

	Per cent					Annual percentage point change		
	1998	2001	2004	2005	2006	1998-2001	2001-2004	2004-2006
Rural	11.2	11.4	10.6	10.2	9.8	0.1	-0.3	-0.4
Core Metro	9.0	7.5	6.3	5.7	5.2	-0.5	-0.4	-0.6
Resource Based	8.9	10.0	9.0	8.3	7.5	0.4	-0.3	-0.8
Dispersed Metro	7.6	7.1	6.7	6.2	6.0	-0.2	-0.1	-0.4
Production Zone	11.1	10.7	9.8	9.1	8.7	-0.1	-0.3	-0.6
Lifestyle	13.8	13.4	10.6	9.6	9.1	-0.1	-0.9	-0.8
Australia	**9.9**	**9.5**	**8.5**	**7.9**	**7.5**	**-0.1**	**-0.3**	**-0.5**

1.4 Productivity and household incomes

The map of non-farm productivity, 2006, shows local non-farm value added (excluding major public corporation gross surplus) captured by the region in terms of income divided by non-farm employment. The most productive SOR regions are mostly either central metropolitan regions or resource regions. The map following shows that the same central metropolitan regions and resource region, have had the highest non-farm productivity growth from 2001 to 2006. Not surprisingly, the map of household disposable income per capita, 2006, indicates that differentials in household income per capita between regions reflect differentials in non-farm productivity between regions.

One interesting feature emerges from the attached income component growth tables. From Table 1.11, wages and salaries for the resource zone had the fastest rate of growth over the past three years. However, household disposable income growth has been modest for the resource zone. This is because property income forms a low proportion of household income for this zone. On the other hand, the core metro zone had growth in household disposable income of 5 per cent per annum between 2004 and 2006. This reflects the strong growth in property income (dividends, superannuation, income, etc.) and the importance of property income to households in the core metro zones. For the same reason the lifestyle zone has benefited from strong growth in household disposable income.

The main reason for the strong growth in household disposable income has been the financial wealth implications from the current expansion in the resource zone. In short, the wealthiest regions have continued to increase their income gap compared to other regions.

Table 1.9 Workforce (annual growth – per cent)

	1998 – 2001	2001 – 2004	2004 – 2006
Rural	1.1	1.4	2.2
Core Metro	2.4	1.4	2.1
Resource Based	0.3	0.8	3.1
Dispersed Metro	2.0	1.1	2.0
Production Zone	1.9	1.5	1.9
Lifestyle	2.6	3.2	2.9
Australia	**1.9**	**1.5**	**2.1**

Table 1.10 Workforce and working age population growth rate (annual growth – per cent)

	Workforce			Working age population aged 21 to 64		
	1998-2001	2001-2004	2004-2006	1998-2001	2001-2004	2004-2006
Rural	1.1	1.4	2.2	0.6	1.0	1.1
Core Metro	2.4	1.4	2.1	1.4	1.5	1.3
Resource Based	0.3	0.8	3.1	1.1	1.3	1.8
Dispersed Metro	2.0	1.1	2.0	1.4	1.1	1.1
Production Zone	1.9	1.5	1.9	1.4	1.5	1.5
Lifestyle	2.6	3.2	2.9	2.3	2.6	2.2
Australia	**1.9**	**1.5**	**2.1**	**1.3**	**1.4**	**1.4**

Table 1.11	Wages and salaries (2004-05 $m)		
	1998 – 2001	2001 – 2004	2004 – 2006
Rural	2.1	2.6	5.5
Core Metro	5.5	2.6	5.1
Resource Based	1.8	3.1	6.1
Dispersed Metro	4.0	1.8	4.1
Production Zone	3.1	2.4	4.9
Lifestyle	4.3	5.3	7.0
Australia	**3.8**	**2.5**	**5.0**

Table 1.12 Formation of business income

	Farm income (2004-05 $m)			Non-farm business income (2004-05 $m)			Total business income (2004-05 $m)		
	1998-2001	2001-2004	2004-2006	1998-2001	2001-2004	2004-2006	1998-2001	2001-2004	2004-2006
Rural	11	0	-10	-3	8	3	6.0	2.8	-5.2
Core Metro	6	-1	-12	2	10	3	2.3	9.4	3.0
Resource Based	14	-1	-14	-5	6	4	4.7	2.1	-5.6
Dispersed Metro	5	-2	-18	-2	8	3	-1.8	7.4	1.9
Production Zone	10	-2	-10	-2	7	3	-0.5	6.3	2.1
Lifestyle	6	-3	-2	0	10	4	0.7	8.2	3.5
Australia	**11**	**0**	**-10**	**-1**	**8**	**3**	**1.9**	**6.2**	**0.2**

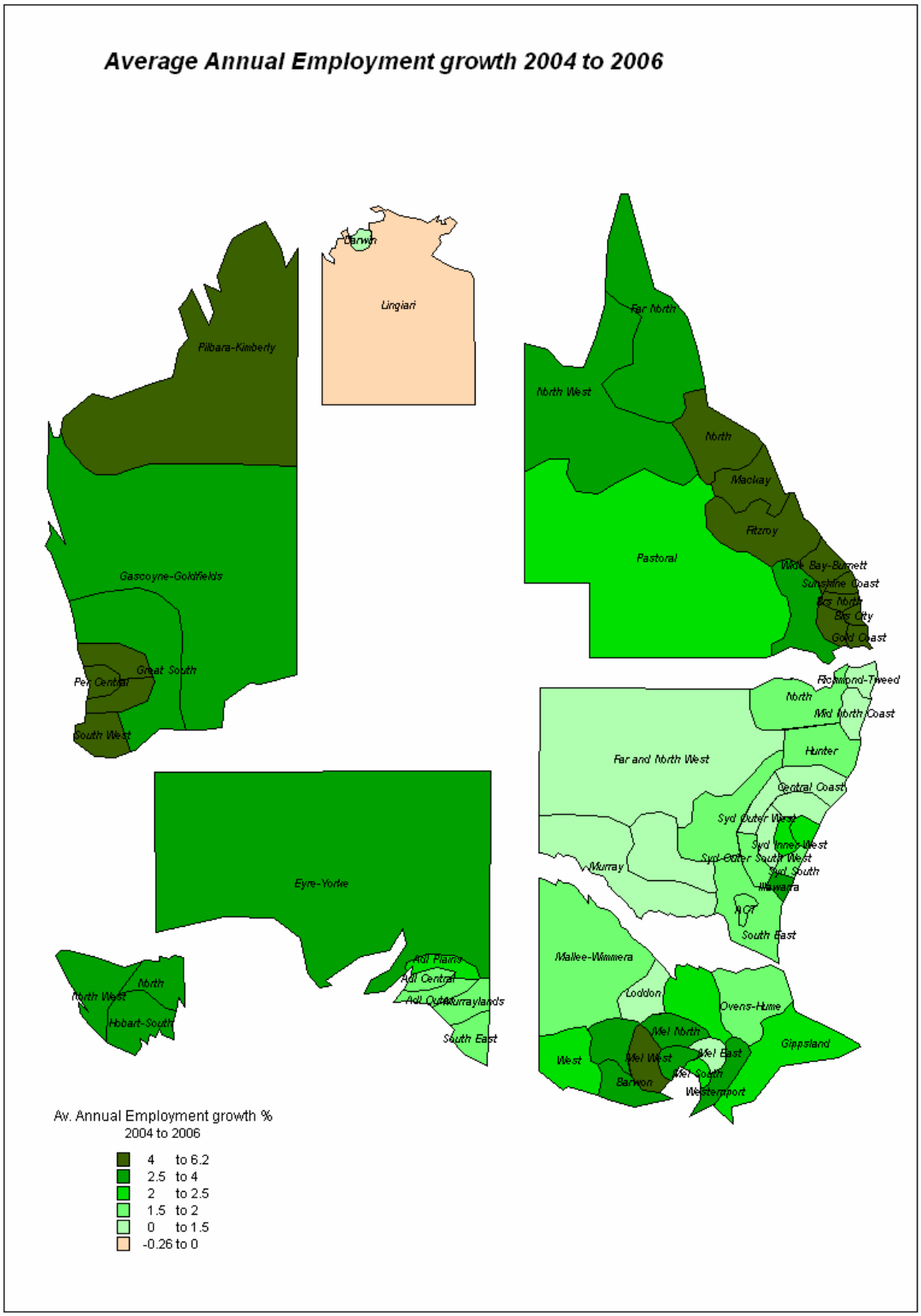
Table 1.13 Business value added and non-farm labour productivity

	Business value added (2004-05 $m)			Non-farm labour productivity (2004-05 $'000 per non-farm employment		
	1998-2001	2001-2004	2004-2006	1998-2001	2001-2004	2004-2006
Rural	3.2	2.7	2.5	1.4	1.1	2.0
Core Metro	4.9	3.7	4.7	4.5	1.8	2.0
Resource Based	2.5	2.9	3.4	0.8	2.1	1.6
Dispersed Metro	3.2	2.6	3.8	2.9	1.3	1.4
Production Zone	2.6	2.9	4.6	2.3	1.1	2.1
Lifestyle	3.6	5.8	6.3	2.9	1.7	2.4
Australia	**3.4**	**3.1**	**4.2**	**2.8**	**1.4**	**1.8**

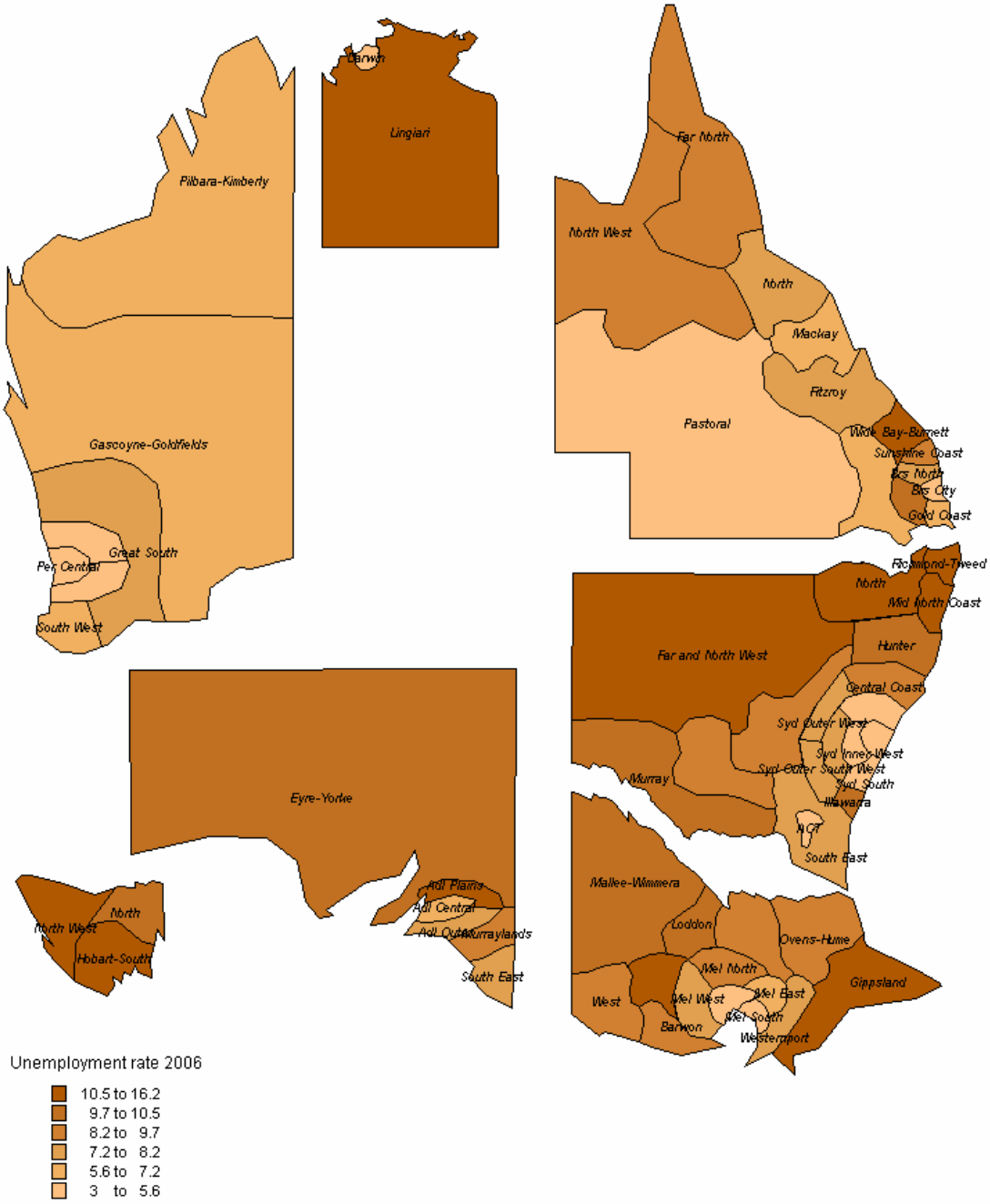
Table 1.14	Property income received including superannuation (2004-05 $m)		
	1998 – 2001	2001 – 2004	2004 – 2006
Rural	5.0	0.8	10.5
Core Metro	8.3	0.9	10.5
Resource Based	3.4	0.6	10.0
Dispersed Metro	7.0	0.3	10.0
Production Zone	6.3	1.2	11.3
Lifestyle	5.8	4.8	12.4
Australia	**6.8**	**1.0**	**10.6**

Table 1.15	Benefits as per cent of disposable income							
	Per cent					Annual growth (%)		
	1998	2001	2004	2005	2006	1998-2001	2001-2004	2004-2006
Rural	17.8	19.4	20.1	19.9	19.2	2.9	1.2	-2.3
Core Metro	11.0	11.0	10.9	10.7	10.3	0.0	-0.3	-2.8
Resource Based	14.5	17.1	18.4	17.6	15.9	5.7	2.5	-7.0
Dispersed Metro	12.2	13.2	13.9	13.9	13.4	2.7	1.7	-1.8
Production Zone	17.3	18.9	19.4	19.2	18.4	3.0	0.9	-2.6
Lifestyle	20.5	22.4	21.7	21.4	20.1	3.0	-1.1	-3.8
Australia	**14.8**	**15.9**	**16.3**	**16.1**	**15.4**	**2.4**	**0.8**	**-2.8**

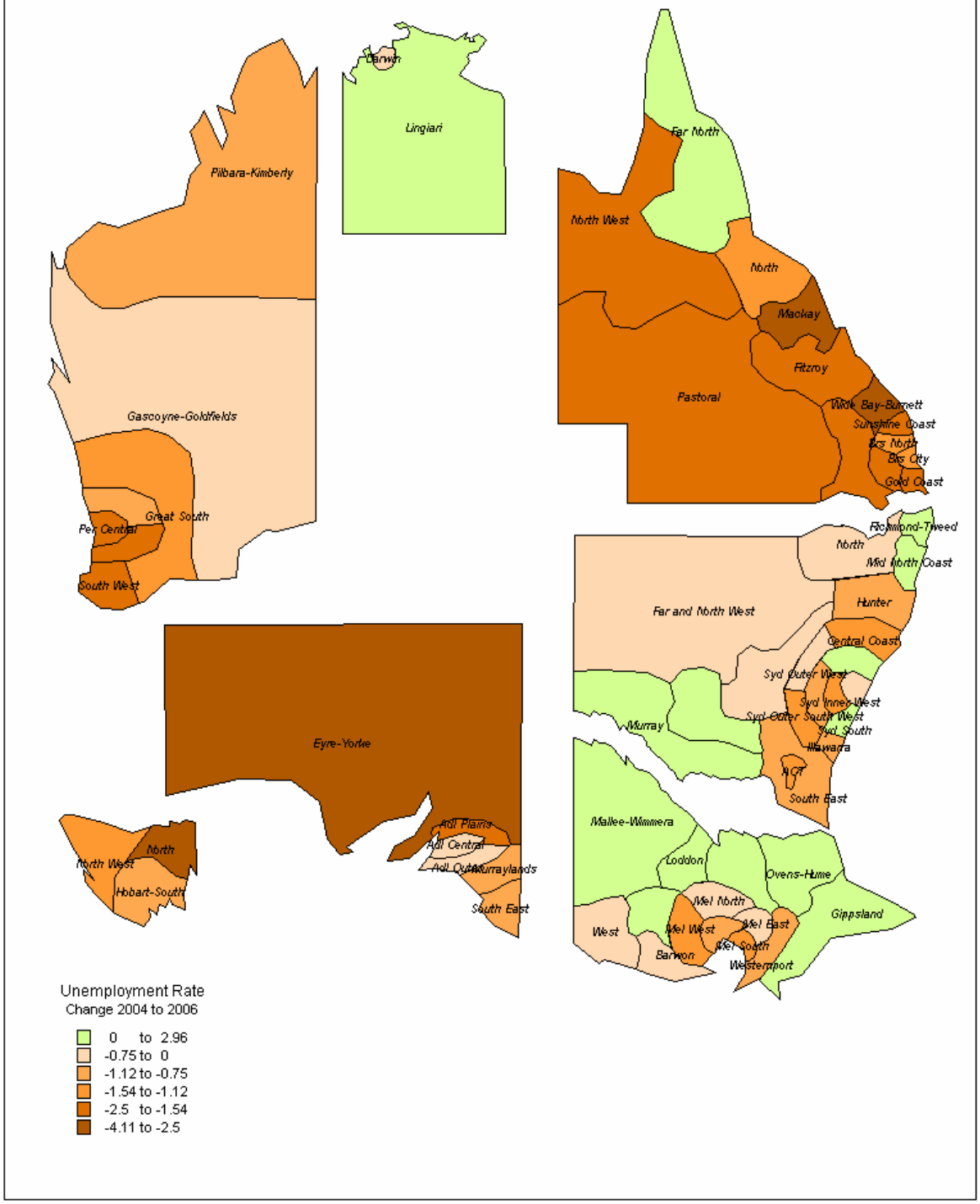
Table 1.16	Disposable income (2004-05 $m)		
	1998 – 2001	2001 – 2004	2004 – 2006
Rural	3.9	1.8	2.3
Core Metro	5.8	2.2	5.0
Resource Based	3.3	2.1	2.3
Dispersed Metro	4.4	1.1	3.6
Production Zone	4.3	1.8	4.1
Lifestyle	4.7	4.7	5.5
Australia	**4.6**	**1.9**	**3.9**

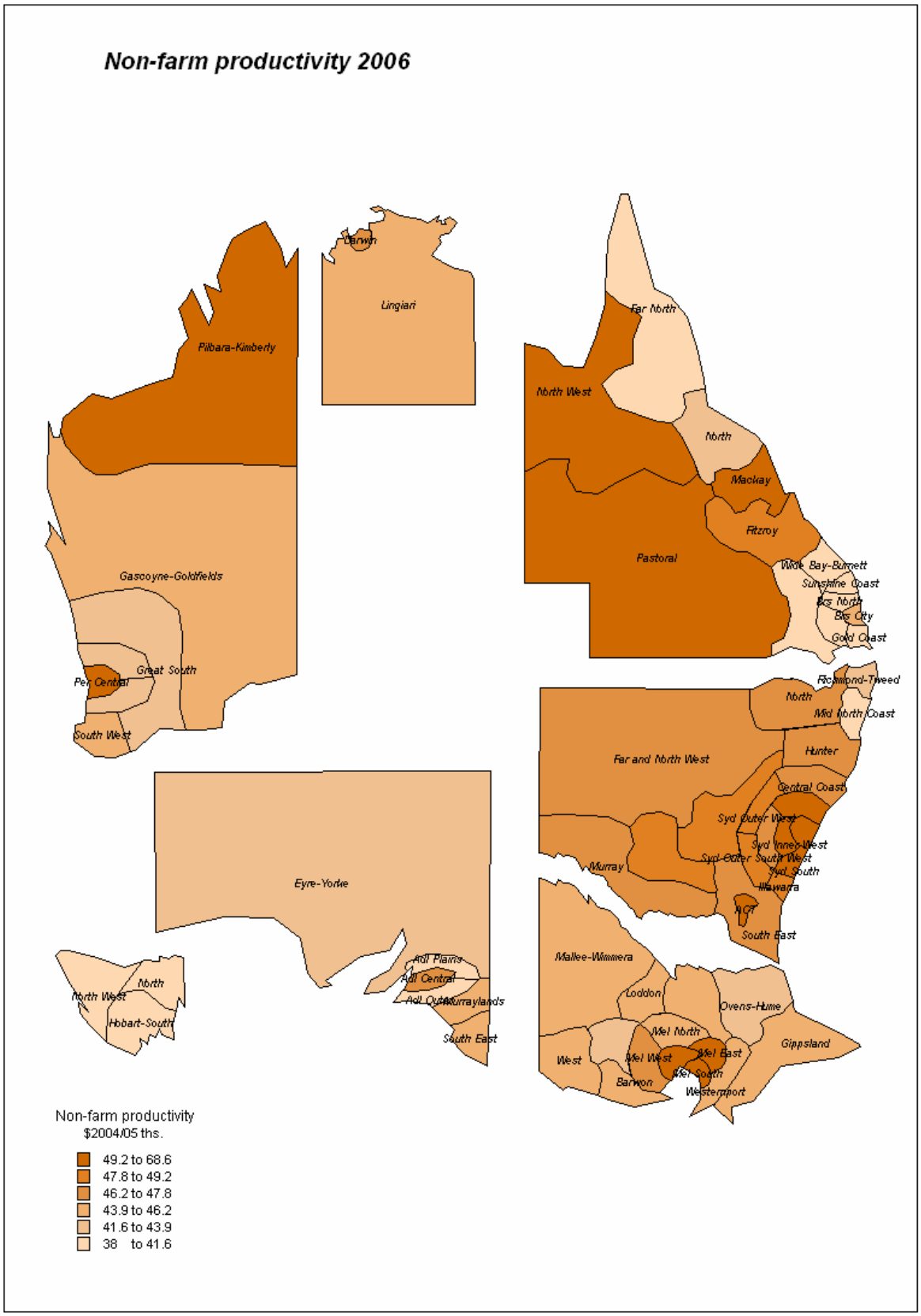

Average Annual Employment growth 2004 to 2006
Darwin
Lingiari
Pilbara-Kimberly
Gascoyne-Goldfields
Great South
Per Central
South West
Far North
North West
North
Mackay
Fitzroy
Pastoral
Wide Bay-Burnett
Sunshine Coast
Bris North
Bris City
Gold Coast
Richmond-Tweed
North
Mid North Coast
Hunter
Far and North West
Central Coast
Syd Outer West
Syd Inner West
Syd-Outer South West
Syd South
Illawarra
Murray
ACT
South East
Eyre-Yorke
Adl Plains
Adl Central
Adl Outer
Murraylands
South East
North
North West
Hobart-South
Mallee-Wimmera
Loddon
Ovens-Hume
Gippsland
Mel North
Mel West
Mel East
Mel South
West
Barwon
Westernport
Av. Annual Employment growth %
2004 to 2006
4 to 6.2
2.5 to 4
2 to 2.5
1.5 to 2
0 to 1.5
-0.26 to 0

NIEIR Unemployment Rate 2006 – per cent

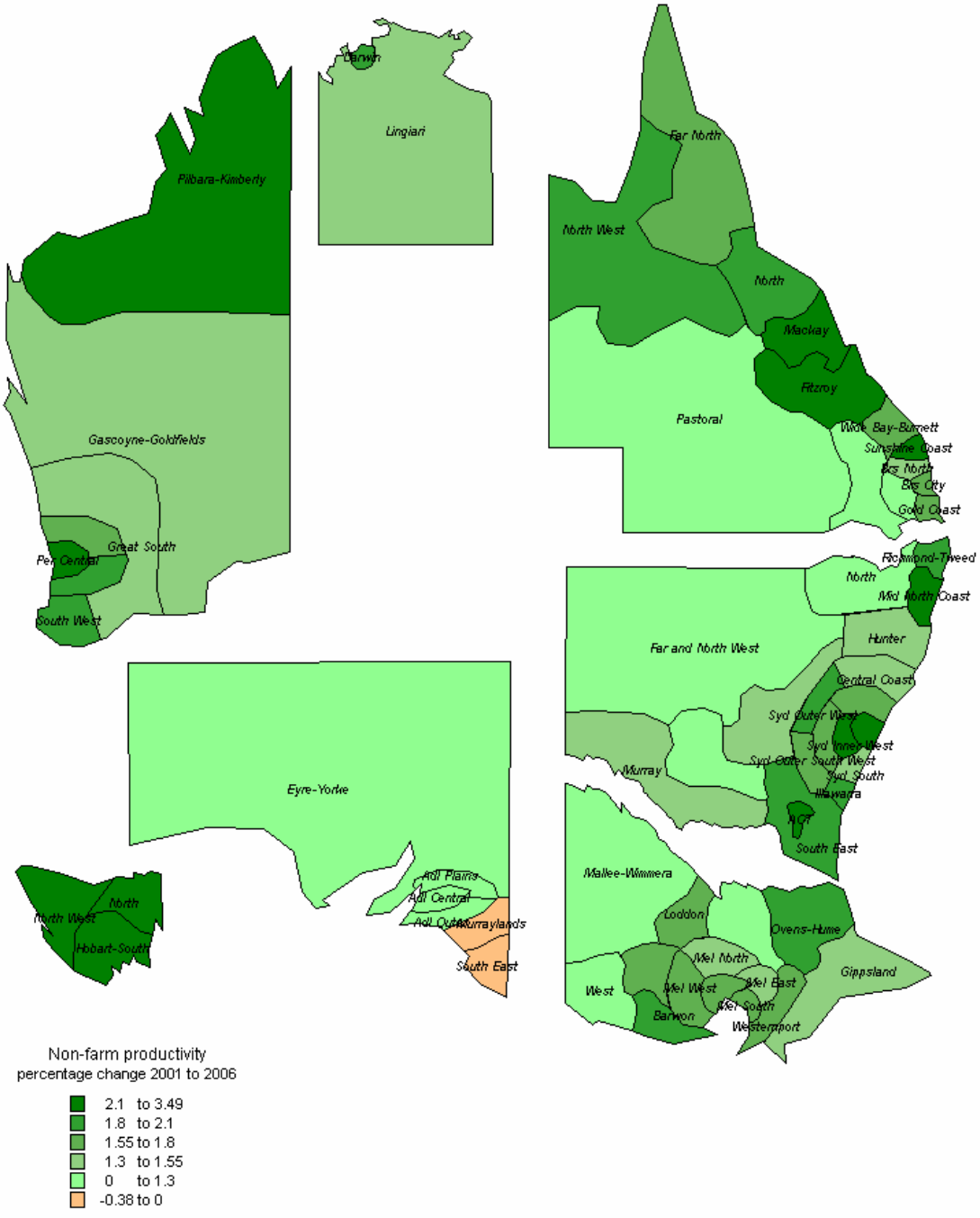


NIEIR unemployment rate percentage point change – 2004-2006

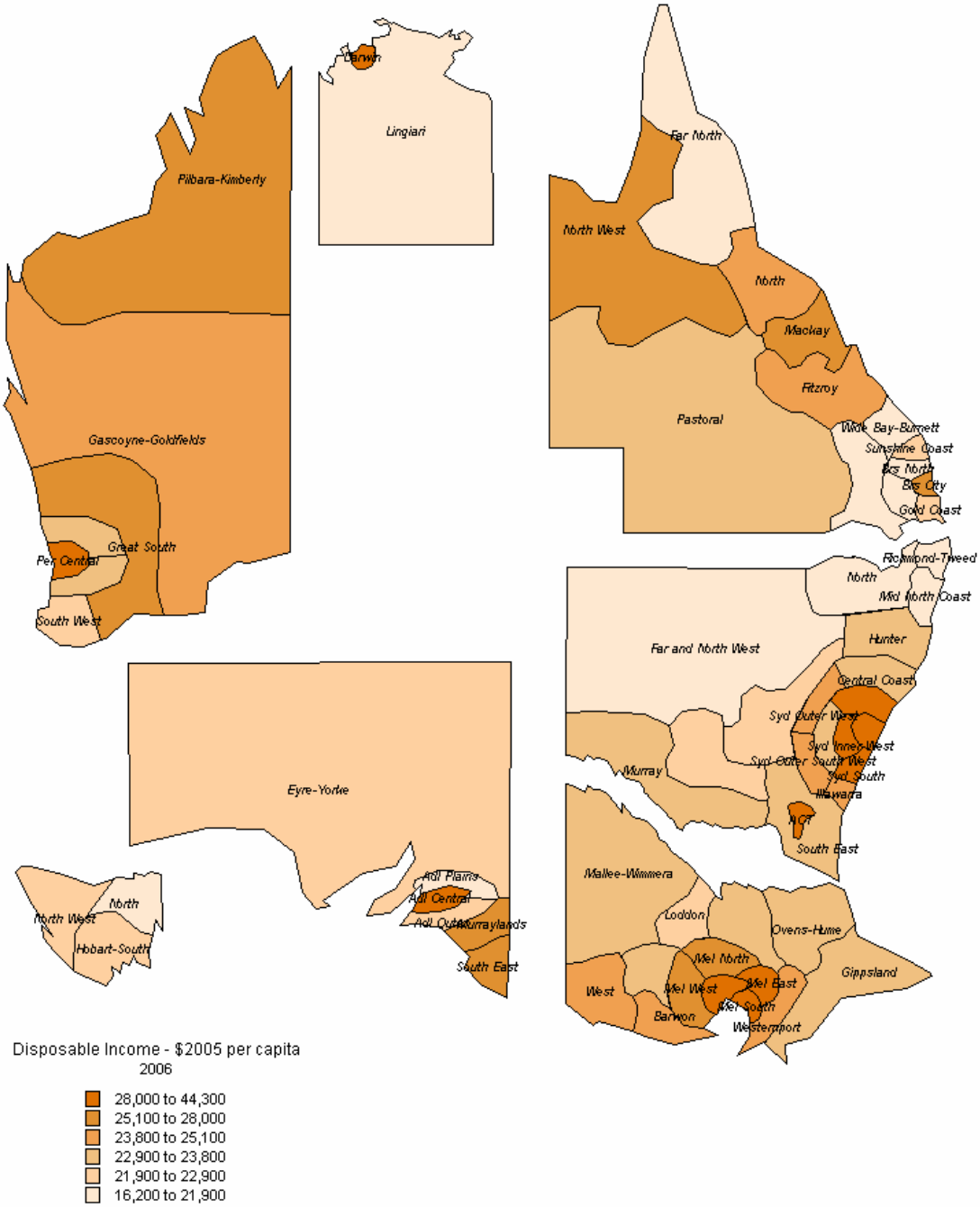



Non-farm productivity 2006
Darwin
Lingiari
Pilbara-Kimberly
Gascoyne-Goldfields
Great South
Per Central
South West
Far North
North West
North
Mackay
Fitzroy
Pastoral
Wide Bay-Burnett
Sunshine Coast
Bris North
Bris City
Gold Coast
Richmond-Tweed
North
Mid North Coast
Far and North West
Hunter
Central Coast
Syd Outer West
Syd Inner West
Syd-Outer South West
Syd South
Illawarra
Murray
ACT
South East
Eyre-Yorke
Adl Plains
Adl Central
Adl Outer
Murraylands
South East
North
North West
Hobart-South
Mallee-Wimmera
Loddon
Ovens-Hume
Mel North
Gippsland
West
Mel West
Mel East
Mel South
Barwon
Westernport
Non-farm productivity
$2004/05 ths.
49.2 to 68.6
47.8 to 49.2
46.2 to 47.8
43.9 to 46.2
41.6 to 43.9
38 to 41.6

Non-farm productivity average annual percentage change 2001 to 2006



Household disposable income per capita 2006 (2005 $'000)



State of the Regions Report 2006-07 made with the assistance of Jardine Lloyd Thompson

1.5 Building activity

The map of growth in average building work days indicates that building activity (which excludes engineering) is shifting from the Melbourne, Sydney and New South Wales coastline and moving out to the rest of Australia.

Table 1.17 Dwelling expenditure per annum (2004 $m)

	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	2739	3357	4699	4852	4645	41.0
Core Metro	5322	6543	6892	6431	5809	-2.5
Resource Based	867	851	1081	1221	1225	38.2
Dispersed Metro	5762	6258	6176	5782	5628	-6.3
Production Zone	5383	7100	7722	7267	6916	2.8
Lifestyle	3031	3630	4300	3975	3901	11.8
Australia	**23104**	**27739**	**30871**	**29527**	**28125**	**6.4**

Table 1.18 Dwelling expenditure per capita (2004 $m)

	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	796	946	1298	1327	1257	36.8
Core Metro	1542	1802	1851	1706	1523	-6.0
Resource Based	1209	1129	1391	1547	1527	31.8
Dispersed Metro	1270	1310	1265	1173	1132	-9.2
Production Zone	1072	1338	1413	1312	1233	-1.4
Lifestyle	1902	2053	2319	2103	2024	4.7
Australia	**1231**	**1402**	**1519**	**1435**	**1351**	**2.3**

Table 1.19 Non-residential construction per annum (2004 $m)

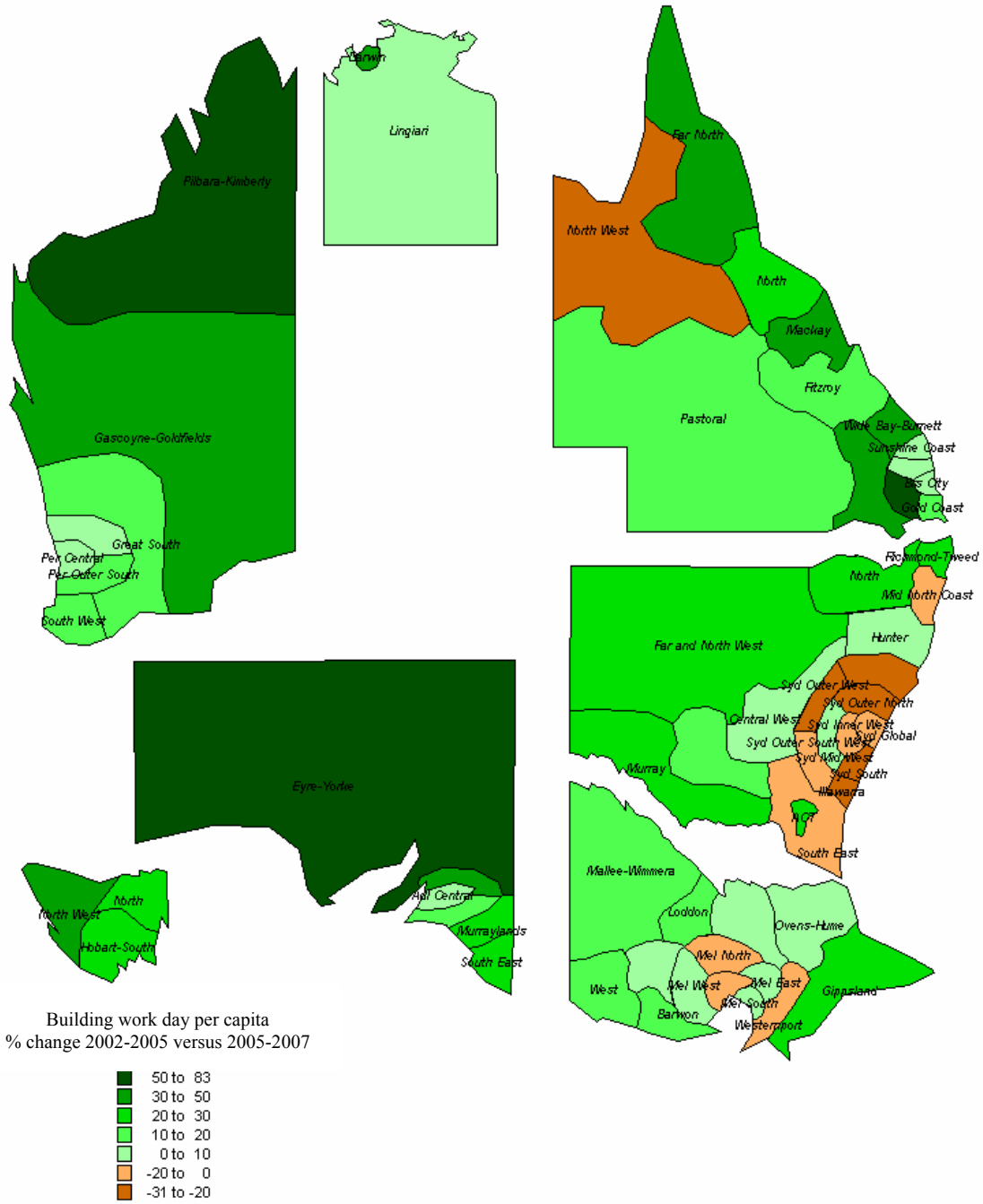
	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	2010	1786	2167	2454	2592	34.6
Core Metro	6281	6247	6576	7101	7645	13.8
Resource Based	554	442	481	546	703	30.5
Dispersed Metro	2551	2568	2990	3148	3285	22.3
Production Zone	3779	3453	4338	4864	5217	39.2
Lifestyle	1101	987	1350	1643	1846	63.4
Australia	**16276**	**15483**	**17901**	**19756**	**21287**	**26.9**

Table 1.20	Non-residential construction expenditure per capita (2004 $m)					
	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	585	504	598	671	702	30.4
Core Metro	1822	1721	1766	1884	2004	9.5
Resource Based	775	587	619	692	876	24.1
Dispersed Metro	563	538	612	639	660	18.5
Production Zone	755	651	794	878	930	33.3
Lifestyle	694	559	728	869	957	52.4
Australia	**869**	**783**	**881**	**960**	**1022**	**21.9**

Table 1.21	Total building expenditure per annum (2004 $m)					
	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	4749	5143	6866	7305	7237	38.8
Core Metro	11603	12791	13468	13532	13453	5.4
Resource Based	1422	1292	1562	1767	1928	35.6
Dispersed Metro	8313	8825	9166	8930	8913	2.0
Production Zone	9162	10553	12060	12130	12133	14.7
Lifestyle	4132	4617	5650	5618	5747	22.8
Australia	**39380**	**43221**	**48772**	**49282**	**49412**	**13.7**

Table 1.22	Total building expenditure per capita (2004 $m)					
	1996-2000	2001-2004	2005	2006	2007	Average growth 2001-04 to 2005-07 (%)
Rural	1381	1450	1896	1998	1959	34.6
Core Metro	3364	3523	3617	3591	3526	1.5
Resource Based	1984	1716	2010	2240	2402	29.2
Dispersed Metro	1833	1848	1877	1812	1792	-1.1
Production Zone	1826	1988	2206	2190	2163	10.0
Lifestyle	2596	2611	3047	2972	2981	14.9
Australia	**2100**	**2185**	**2399**	**2396**	**2373**	**9.3**

Growth in average building work day per capita 2005 to 2007 over 2002 to 2004 (%)



2. The land boom of 1996-2005

In traditional economics, the main inputs to production – the factors of production – were classified into land, labour and capital. In more recent discussions, land has tended to be assimilated into capital, but it retains its own distinct characteristics. Economic development is associated with the accumulation of capital, but no longer involves the accumulation of land, for the simple reason that, at the national level, the land area of Australia is fixed.

The current position contrasts with that of a century ago, when the economic development of Australia involved the transfer of land from the public sector to the private for agricultural or pastoral use. Since the 1970s much of the remaining remote-area public land has been re-titled for the use of Aboriginal traditional owners. There is now very little public land left to be transferred: most of what remains is road reserves, forest reserves or conservation reserves of one sort or another. We can take it as a rule of thumb that the national supply of land to the private sector is fixed. This means that, at the national aggregate level, any increase in the demand for land meets a fixed supply, and the result is a rise in price. At its simplest, this is what happened from 1996 to 2005.

It is not yet common parlance to speak of Australia experiencing a land boom over the decade from 1996. However, various results of the boom are the subject of current debate. One result has been a crisis of housing affordability, another a crisis of consumer over-indebtedness. More insidiously, there is concern about an increase in the cost-base of land-intensive industries, particularly agriculture. The concept which unites these concerns is that of a land boom. Those who failed to notice that they were living through a land boom should consider the following.

- From 1996 to 2005 the asset value of land rose sharply, in much the same way as share prices rose during the 1980s. If it is fair to speak of a stock exchange boom, it is equally fair to speak of a land boom.
- The rise in land prices has indeed made rental and first-home housing less affordable, hence the affordability crisis. However, this crisis is very different from the housing affordability crisis of the 1980s, when soaring nominal interest rates hindered entry into first home ownership. By concentrating on land prices, we concentrate on the fundamental driver of the recent boom.
- Though it was in some ways different from classic Australian land booms, there were outstanding common features, notably the increase in consumer mortgage indebtedness.

One reason for shrinking from using the term ‘land boom’ is the memory of what happened in Melbourne in the early 1890s. There is indeed plenty of historic precedent for land booms ending in financial disaster, but that need not necessarily happen. We should remember that, this time round, the finance sector is much more sophisticated than it was a century ago.

Data on land values

The most commonly quoted data on land values derive from property sales. Such data are of engrossing interest to people trading in the property markets, but because annual turnover is a small proportion of total stock cannot be taken as representative of the housing stock in any district, let alone the stock of other kinds of property. For this purpose, local government valuation data is the most comprehensive source. Its advantage is that it covers all properties, using market-related valuation principles which are applied disinterestedly to nearly all private land. These valuations are kept reasonably up to date. Values are now available which document the land boom.

Until the 1990s the ABS collated and published data on property values in each local government area. This data is still reported to the Local Government Grants Commissions, and most of them publish it. The exception is New South Wales, where, however, data is available on some council websites.

Though the ABS no longer publishes valuation data LGA by LGA, it has introduced estimates of the aggregate value of privately-owned land as part of its national balance sheet, which in turn is part of its system of national accounts. These data are available from 1989, by state and territory, and have the advantage that the ABS has endeavoured to reach a uniform definition of land value – though it includes a footnote to the effect that its estimates of land value are experimental. The national balance sheet also includes estimates of the value of dwellings and of non-dwelling construction, both of which are immoveable and hence, in general, components of capital values. (Both of these values represent the market value of the assets excluding the land on which they stand, so that capital value equals land value plus dwellings and other construction on the land. The amount reported by councils is subject to variations in state valuation practice.)

Making use of available data sets, mostly from the Grants Commissions, plus Census and other local-area data and ABS control totals at the state and territory level, National Economics has estimated residential, commercial and rural land and capital values for each region. The estimates are to be regarded as provisional, particularly for New South Wales and the Northern Territory. The methodology used to generate these estimates has been posted on the National Economics website.

In this Chapter we depend on the original data rather than on National Economics' derived numbers, and begin our account of the land boom with the national/state data published by the ABS.

2.1 The land boom at the national level

According to the national balance sheet, from 1996 to 2005:-

- the value of land in Australia tripled;
- the value of dwellings (as distinct from land) doubled; and
- the value of non-dwelling construction increased by two-thirds.

The spectacular years for growth in land values were 2001-2 to 2003-4, with the growth in value peaking at 22.7 per cent in 2002-03 – not a bad capital gain for Australia's landowners, considering that not one additional hectare was added to the area of the country. However, all the years from 1996 to date have seen growth in aggregate Australian land values – by contrast with the years from 1989 to 1996, in which aggregate land value, adjusted by the household price deflator, fell and then gradually recovered. The land value boom can be dated from 1996, because this was the year in which prices regained their previous peak in real terms.

The increase in residential land value of 268 per cent (above general inflation) considerably exceeded the increase in the value of dwellings of 172 per cent. This latter increase was accounted for by a decade's frenetic activity in dwelling construction. In the nine years from 1996 to 2005 Australia added $500 billion of new, altered and added housing to its dwelling stock. These investments in new stock, coupled with depreciation on both the new and old stock (calculated at four per cent a year), account for the whole of the increase in the value of dwellings, distinguished from the land on which they sit. In other words, there were negligible capital gains on dwellings as such. Australians frequently talk of a housing boom, but it was strictly speaking a boom in land prices coupled with a boom in house construction – not a boom in the value of the houses themselves.

There are two main reasons for the failure of dwelling values to boom.

- Building is a highly competitive industry, and competition kept profits down while productivity increases lowered the cost of new construction. Competition from new houses limited increases in the value of old houses.
- In addition, the value of many older houses fell faster than the general rate of depreciation. Housing built in the 1950s fell out of fashion, and many urban dwellings from the early to mid twentieth century lost value as land values rose and pushed the properties towards redevelopment.

An incidental result of the sharp rise in land value compared with dwelling construction costs has been an increase in the size of new dwellings compared with the size of the allotments on which they sit. This trend has been reinforced by an increase in the time the average suburban resident spends at work, so crowding out gardening time. It is customary to sneer at McMansions, but they are a rational response to major changes in relative prices and the use of time.

Table 2.1 provides a summary of the effect of the boom on property values. The table covers all types of property: residential, commercial and rural. We note that the ratio of land assets to improvements owned by the business sector is much lower than for the household sector: the land owned by business is frequently valuable, but the buildings on it are even more valuable. As to trends, we once again see that the value of land rose more rapidly than that of improvements for both the business and household sectors. However, the value of business-owned land rose more a little more rapidly than for household-owned land, while the value of business-owned improvements rose less rapidly. There are two main reasons for this.

- The construction boom concentrated on dwelling construction, and hence on household-owned improvements – though the proportion of corporate-owned dwellings may also have increased.
- By contrast, the rate of construction of business fixed assets was relatively low during the boom, particularly in manufacturing industry, which was contracting rather than expanding.

Table 2.1 Property values, Australia, 1996-2005 – $ billion (current values)

Owner	Type	Value 1996	Value 2005	Increase (%)
Corporate	Land	51.5	154.8	301
	Improvements	410.5	724.0	176
Households	Land	591.8	1768.6	299
	Improvements	543.1	1126.4	207

Source: ABS 5506.0.

2.2 The land boom in Victoria

Thanks to data kindly made available by the Victoria Grants Commission (VGC), greater geographic detail is available for Victoria, allowing a detailed description of the land boom as it affected the rate base in that state. It is unfortunate that similar data was not available for New South Wales, for it is notorious that the boom started in Sydney and that it has already peaked there. There is also indirect evidence that the contrast between a booming metropolis and a depressed periphery was greater in New South Wales than in Victoria.

The VGC data covers the period 1995 to 2004: not exactly the same as for the national land boom. The increase in site value for the whole state as recorded by the VGC, on council advice, was 2.93 times (2.4 times after allowance for inflation). The comparable ABS figure was 3.48 times (2.85 times after allowance for inflation).

2.2.1 Site values

At the LGA level the range of increases in values was considerable, from a minimum of 1.16 times (after allowance for inflation) to a maximum of 4.5 times. The land boom favoured the Melbourne metropolitan area – 30 out of the 47 non-metropolitan LGAs experienced a smaller increase in land value than the lowest increase in the metropolitan area. Even so, the largest increases occurred in a

select group of coastal non-metropolitan LGAs which became fashionable during the boom. Apart from these new watering places (or, in the case of Queenscliffe, revival of an old fashion) above-average rates of growth in land value occurred as follows.

- The boom benefited property owners in a number of inner-urban LGAs. In these LGAs land values rose for all land uses, and also rose through a process of converting formerly commercial, industrial and transport land to housing.
- The boom also benefited property owners in outer suburbs where land was converted from rural to residential use.
- Values rose rapidly in a couple of gentrifying inner to middle suburbs. In suburbs of constant high status the increase was more subdued, and in established low-status suburbs the increase in values was below state average.
- Several, but not all, of the provincial cities also experienced above-average growth in values.

The data can be examined more systematically by classifying properties in Victoria's 79 LGAs into six groups.

- Inner metropolitan – properties in five LGAs (with Docklands included in Melbourne)
- Middle metropolitan – properties in 14 LGAs outside the inner areas, all of them largely built-up by 1995.
- The rest of the metropolitan area, comprising properties in 12 LGAs in which broad acres were available for development during the period 1995-2004.
- Provincial cities: properties in the seven largest cities outside the metropolitan area.
- Inner rural: properties in eleven non-metropolitan LGAs, not being provincial cities, within easy driving distance of the metropolitan area.
- Outer rural, comprising properties in the remaining 29 LGAs (30 in 2005 due to a split).

The pattern of land value increases is shown in Table 2.2.

Table 2.2 Site value in 2004 as a percentage of site value in 1995, Victoria

Zone	Residential	Commercial	Rural	Total
Inner metro	410	283	-	358
Middle metro	317	184	-	296
Outer metro	336	226	204	309
Provincial city	347	215	196	307
Inner rural	388	280	171	292
Outer rural	237	264	171	195
All state	**332**	**228**	**178**	**295**

Source: Victoria Grants Commission.

The VGC data in Table 2.2 exhibit the same pattern as the ABS data, in that the rate of growth of residential land value exceeded the rate for rural or commercial land. The VGC data is based on Council reports, and is affected by conversion from one land use to another. The following patterns emerge.

- The land boom did not do much for rural values, though they still rose faster than inflation. It would appear that Victorian councils are stricter than the ABS in classifying hobby farms as residential, and in general reported rural values did not increase any more rapidly in the established hobby farm shires around Melbourne than they did in the fully agricultural shires. However, one may suspect that commercial farmers in these shires who wish to expand their operations have to pay rural residential prices for the additional hectares they require. We may also note that an increase was recorded for value of the remaining rural land in the outer metropolitan area and that immediately surrounding the provincial cities. This land was diminishing in area due to residential conversion, but still recorded a value increase, presumably due to speculative demand.
- The increase in 'commercial' values (i.e. commercial, industrial and other) was most rapid in the inner metropolitan area, closely followed by the inner rural belt, with outer rural not too far behind. The rise in the inner metropolitan area represents the balance between loss of area due to conversion to residential, and increase in value due to growth in office-based employment. The increase in the rural areas was presumably due to demand for retail sites in the more prosperous towns, and perhaps also to demand for industrial sites. By contrast, commercial land values grew but slowly in the middle suburbs, the provincial cities and even in the outer suburbs.
- The star performer of the boom was residential land, and the star of stars was the inner metropolitan area, with much of the increase due to the residential conversion of previously industrial, dock and railway land. The second best performer was the inner rural belt, due largely to the rapid rate of growth of residential value in the new resorts, as already mentioned. Despite all the new subdivisions in the outer suburbs, this belt trailed behind the provincial cities. Growth in the middle suburbs was still at boom levels, but less frenetic, while growth in residential site value in the outer rural area was relatively slow, though still well above the inflation rate. The outer rural area was the only part of the state in which commercial land value grew more rapidly than residential.

The VGC data does not provide any data on the area of properties, but trends in the number of properties provide a partial guide to changes in values due to transfer of land from one use to another.

2.2.2 The number of properties

Table 2.3 confirms that the process of land subdivision has continued throughout the state, with additions to the number of properties in all zones. In so far as change in the distribution of the number of properties indicates transfer of land use, there is evidence that rural land has been converted to residential and (to a lesser extent) commercial use in the outer suburbs – the usual process of urban growth. Land has perhaps been transferred from rural and commercial to residential use in the outer rural areas, while in the middle suburbs the pattern of use has been stable. There are, however, two puzzles.

- The increase in the number of residential properties in the inner suburbs is considerably less than the increase in residential land value. This means that the value per property has risen considerably. At the same time, the number of commercial properties has risen rapidly. Common knowledge insists that many of the new residential units are built on formerly non-residential land: one wonders how many of the new blocks of flats are not yet individually titled. The increase in the number of commercial properties coupled with the relatively slow rise in commercial land value meant that commercial value per property did not rise particularly rapidly. It looks as though the inner zone has lost large commercial ratepayers and gained a lot of small ones.

- A similar pattern of relatively low increases in the number of residential properties, high increases in value per residential property, rapid increases in the number of commercial properties and relatively low increases in value per commercial property also arose in the inner rural shires. The trend in commercial values might tentatively be associated with the burgeoning number of low-profit retail businesses serving the tourist trade.

Table 2.3 Number of properties in 2004 as a percentage of the number in 1995, Victoria

Zone	Residential	Commercial	Rural	Total
Inner metro	116	145	–	119
Middle metro	109	107	50	109
Outer metro	128	116	88	126
Provincial city	115	108	101	114
Inner rural	115	147	99	114
Outer rural	118	96	101	111
All state	**116**	**115**	**98**	**115**

Source: Victoria Grants Commission.

2.2.3 Improvements

Moving from land values to capital values involves adding an allowance for the value of improvements to the site value of the land. The difference between capital improved value and site value is accordingly the value of improvements – chiefly buildings. Table 4 is derived from the difference between capital and site values, and so represents growth in the value of improvements.

Table 2.4 Value of improvements in 2004 as a percentage of their value in 1995, Victoria

Zone	Residential	Commercial	Rural	Total
Inner metro	315	238	-	276
Middle metro	208	189	-	204
Outer metro	232	202	154	224
Provincial city	210	132	168	192
Inner rural	235	180	208	225
Outer rural	210	164	167	189
All state	**227**	**199**	**170**	**218**

Source: Victoria Grants Commission.

The value of improvements can change due to construction, depreciation and demolition, conversion of land use and also due to capital gains. From our discussion of the ABS data above, the chief reason is likely to be new construction. The land boom was indeed associated with a construction boom, particularly a boom in residential construction, but extending to a high level of activity in construction on commercial and even on rural land – particularly in the inner rural shires.

The boom in inner metropolitan residential land value was accompanied by a great deal of construction, but the equivalent boom in the inner rural belt generated less building activity. It was as though the rise in land value was accompanied by construction of two-storey mansions rather than high-rise. Residential construction also occurred in the outer suburbs, but apparently not at quite such a high rate. In part this arises because the area involved is much larger. Though the rate of increase of the value of residential improvements in the inner city far exceeded that in the outer suburbs, the latter were responsible for 19 per cent of the state-wide increase in the value of residential improvements, and the former only 12 per cent.

Comparing Tables 2.2 and 2.4, we see that the rate of growth of residential site value exceeded that of improvements in all zones. By contrast, the rate of growth of rural site value was similar to that of rural improvements. Commercial properties were split, with the rate of growth of site value similar to the rate of growth of improvements in the metropolitan area, but significantly greater in the country. As a result, site value crept upwards as a proportion of total capital value for residential properties in general, and also for non-metropolitan commercial properties. We will consider this a little more below.

2.2.4 Capital values

Put this all together, and we calculate Table 2.5, the increase in the capital values by zone.

Table 2.5 Capital value in 2004 as a percentage of capital value in 1995, Victoria

Zone	Residential	Commercial	Rural	Total
Inner metro	361	257	-	313
Middle metro	271	187	-	256
Outer metro	283	213	191	267
Provincial city	260	156	187	235
Inner rural	301	215	181	259
Outer rural	221	189	169	192
All state	**281**	**211**	**176**	**257**

Source: Victoria Grants Commission.

As in the ABS data, the boom increased capital values less than land values, with residential values achieving a convincing lead over commercial and rural values. There were significant differences across the state. Increases in land value and a construction boom raised capital value in the inner metropolitan area. Despite the construction of new housing estates, capital value in the outer metropolitan area did not rise nearly so much. The middle metropolitan area, the inner rural belt and the provincial cities experienced capital gains in land value with relatively less construction, so that land value crept up on capital value. Values in the outer rural shires lagged behind – though still increasing well ahead of inflation.

2.2.5 The ratio of site to capital values

The ratio of site to capital value is worth examination because a high ratio is conventionally taken as a market indicator that a residential or commercial property is ripe for redevelopment. We hasten to add that this indicator does not apply to rural properties, where the value of improvements required to operate a successful farm varies by rural industry, being low in pastoral and broad-acre farming but higher in intensive agriculture.

One of the factors generating high residential and commercial land values per hectare is high accessibility. As a result, city-centre land is valuable while country town land is not. On the other hand, the value of improvements tends to be more closely related to use: new houses are built much the same whether they are in the suburbs or the country – though we must admit that high city land values encourage the substitution of flats for houses. Even so, in the residential sector the value of improvements tends to vary with accessibility much less than the value of the underlying land. This can be seen in Table 2.6, which charts the resulting relationships between site and capital value.

Table 2.6 Site value as a percentage of capital value, 2004, Victoria

Zone	Residential			Commercial average	Rural average	Total average
	Maximum	Minimum	Average			
Inner metro	63	6	56	40	–	52
Middle metro	76	51	68	49	–	65
Outer metro	67	47	59	42	79	58
Provincial city	60	28	49	43	72	49
Inner rural	74	28	55	43	68	57
Outer rural	58	11	41	30	70	53
All state	**76**	**11**	**60**	**43**	**72**	**59**

Source: Victoria Grants Commission.

For rural properties, the ratio of land to capital value hovers around 70 per cent, the main exceptions being lower ratios in regions specialising in rural industries which require specialised improvements (chiefly dairy and viticulture). Very high ratios are found on the urban fringe, where land values are rising in anticipation of urban conversion. By contrast, commercial properties tend to have a high ratio of improvements to site value. After allowing for this, their pattern of capital-value mark-ups is similar to residential properties, which we now discuss in more detail.

Three factors are associated with high ratios of residential site value to capital value.

1. Accessibility: the better the accessibility of the site, the higher the ratio.
2. Socio-economic status: the higher the status, the higher the ratio. This applies not only to high-status suburbs, but to high-status resorts.
3. The proportion of flats in the dwelling stock. The lower this proportion, the higher the ratio, because flats take up less ground per dwelling.

As a result of these factors, the site value to capital value is particularly high in the high-status middle suburbs. It is, in general, lower in the inner suburbs, due to the high proportion of flats. It is lower in the outer suburbs and provincial cities, and lowest in the outer rural zone, due to reduced accessibility. The exception to this falling gradient is the inner rural ring, where the ratio is high.

Further thought on these patterns produces the conclusion that market wisdom is indeed correct: for residential and commercial properties, the higher the ratio of site to capital value, the greater the pressure for redevelopment. This pressure has been allayed in much of the inner Melbourne metropolitan area by redevelopment from houses to flats. It remains severe in the high-status middle suburbs, where resident action groups strongly oppose the construction of flats, and also in the inner rural ring, where again there is a conflict between construction and the preservation of the rural environment.

2.3 The land boom in the other states

In its national balance sheet, the ABS provides data on trends in land values by state. Unfortunately state data is not available for capital values, and there is no sub-state data. However, the estimates enable us to extend our discussion of what happened in Victoria.

Table 2.7 Growth in real land values 1996-2005, Australia, per cent

State/territory	Residential	Commercial	Rural	Total
New South Wales	258	197	221	245
Victoria	325	205	208	293
Queensland	252	187	176	235
SA	250	197	212	236
WA	242	191	162	224
Tasmania	139	153	133	140
NT	228	251	209	231
ACT	280	196	-	260
Australia	**268**	**196**	**203**	**250**

Source: ABS 5506.0.

2.3.1 The land boom by state

The ABS data in Table 2.7 differs from the VGC data we have been analysing in several ways.

- The time period is a little different, better encompassing the national boom, though it makes no allowance for differences in timing between states.
- Values have been discounted by a price index, so converting the increases to real gains.
- The definitions of 'residential', 'commercial' and 'rural' are likely to differ, though this is not well documented.

This said, the general pattern was for residential values to lead the boom. This was true in all states except Tasmania and the Northern Territory, where commercial values rose more rapidly than residential. We saw in Table 2.2 that a similar pattern applied in Outer Rural Victoria. It would seem that, as far as land markets go, Tasmania and the Territory had much in common with the outlying parts of the more heavily populated states.

There was noticeable divergence between states in the growth of rural values. Low growth in Tasmania, Western Australia and Queensland and higher growth in New South Wales suggests that the divergence may be partly due to the hobby farm market.

Given the publicity which has surrounded the land boom in Sydney, it is surprising to see that, on a whole of state basis, the land boom was less intense in New South Wales than in Victoria or, for that matter, the Australian Capital Territory. The reason doubtless has to do with the more decentralised nature of New South Wales. For similar reasons, state estimates are likely to understate the growth of land value in Brisbane.

At the other extreme, and despite a burst of growth in values in 2001-02, Tasmania missed most of the boom.

2.3.2 Metropolitan house prices

Some further evidence is provided, very tangentially, by the trends in dwelling prices shown in Table 2.8. The data series on which the table is based does not go back before 1998, so the table misses the first couple of years of the boom, though it includes the most frenetic period. These data are also of interest in that, being readily available, they have been much discussed.

Table 2.8 Growth in dwelling prices, Australian cities, 1998-2005 (per cent)

City	Zone	Houses	Other dwellings	Capital value (95-04)
Sydney	Inner	175	156	
	Middle	172	171	
	Outer	215	169	
Melbourne	Inner	205	202	321
	Middle	192	200	249
	Outer	237	252	221
Brisbane	Inner	259	179	
	Middle	226	179	
	Outer	220	150	
Adelaide	Inner	250	221	
	Middle	250	221	
	Outer	262	216	
Perth	Inner	252	204	
	Middle	183	214	
	Outer	219	261	
Canberra		230	237	
Hobart		263	253	
Darwin		160	168	

Source: RESI, save for capital value (per residential property), which is from VGC data. The definition of inner-middle-outer for this column does not completely correspond to the RESI definition.

The Real Estate and Stock Institute (RESI) data in Table 2.8 do not cover the whole housing stock, but only refers to dwellings which were sold during the year. For various reasons it may differ from the previous tables.

- Dwellings sold may not be representative of the total stock.
- The sales price data is based on medians, not on average values, and therefore is not influenced by trends in the top end of the market.
- Price data does not take into account increases in aggregate value due to the addition of dwellings to the stock.

The third difference means that Table 2.8 will systematically underestimate the increase in capital value, and particularly so in regions which are adding to their dwelling stock.

For Melbourne, the data on house sale prices diverges quite strongly from the valuation data we have been discussing so far. Data on capital value per residential property shows very much stronger increases in the inner suburbs, somewhat stronger increases in the middle suburbs, and weaker increases in the outer suburbs. The two series give quite a different picture of the boom. As we have been describing, the valuation data yields a picture of an inner-city boom with the outer suburbs

lagging, but the house price data yields the opposite impression. Factors which help to reconcile the two series include the following.

- Differences of time period and geographic definition may have been responsible – but the differences are a little too dramatic for this.
- A more likely reason is differences between the sold stock and the total stock, implying that sold dwellings in the inner-middle area were low in value relative to the stock, and the converse in the outer suburbs.
- Again, the sales data is represented by medians. These will show contrary trends to the valuation data if the increase in inner-middle values was dominated by high-value properties (resulting in lower growth in the median than the average), while the outer suburbs added relatively high-value properties (resulting in higher growth in the median than the average).

We may suspect a combination of these factors. For the record, the house price data is not consistent across the cities, with the outer suburbs recorded as experiencing most growth in Sydney, Melbourne and Adelaide, while inner suburban prices grew most rapidly in Brisbane and Perth.

2.3.3 The land boom in Queensland

Data has been published by the Queensland Valuer General which makes possible a comparison of unimproved capital values (UCV) in the late 1980s and 2004-05. According to the ABS, the timing of growth in Queensland land values has diverged from the country as a whole, with relatively high growth in the early 1990s and relatively slow in the second half of that decade, reviving along with the rest of the country in 2002. The growth span of 17 years covered in Table 2.9 thus includes two pulses of growth. According to the ABS the total value of privately-owned land in Queensland grew by 452 per cent from 1989 to 2005, whereas the growth shown in Table 2.9 is a mere 282 per cent. It is probable that the Queensland Valuer General has not yet caught up with the spurt of growth in value which, according to the ABS, occurred in 2004-05. Even so, the pattern of relative growth in Queensland adds considerably to our knowledge of the boom.

Table 2.9 is reported by SOR regions, listed in descending order of UCV per residential assessment. We will return to this distribution later; its main point for the present is to demonstrate that values did not necessarily grow most rapidly in regions where values are already high.

As in Victoria, growth was most rapid in the metropolitan area. However, due to the large size of the City of Brisbane it is not possible to demonstrate whether, or not, growth was more rapid in its inner suburbs than in the middle suburbs which comprise the greater part of the City. In Victoria, growth was reasonably rapid on the metropolitan fringe. In South East Queensland this was true of Brisbane North, but not of Brisbane's western fringe in West Moreton. Local factors associated with the collapse of manufacturing affected West Moreton severely during the period.

Queensland diverges most spectacularly from Victoria in its beach resorts. According to Table 2.9, these turn in a mixed report. The recent boom greatly favoured the Sunshine Coast. Land value growth was relatively subdued in the Gold Coast, in Wide Bay Burnett (which includes Hervey Bay) and in the Far North (which includes Cairns), while the Mackay region, which includes the resorts of Whitsunday Shire, was relatively depressed. This suggests that land value growth in resorts is subject to fashion. It is also possible that the low rate of land value growth in some of the resort regions reflected speculative growth in the previous period: values came off a high level, and growth moderated in order to draw them back to that sustainable from underlying demand. The low rate of growth in the Mackay region is also likely to reflect the importance of the sugar industry in that region and the poor performance of that industry during the 1990s.

Table 2.9 Residential values and growth in total values, Queensland regions		
Region	Average residential UCV per property, 2004-5, $	Growth in total UCV, ca 1988 to 2004-5, per cent
Brisbane City	116331	332
Gold Coast	99084	238
Sunshine Coast	96867	402
Far North	66810	230
Brisbane North	61851	340
Mackay	51682	180
North	44713	277
Fitzroy	35733	304
West Moreton	35160	259
Agricultural South West	32960	229
Wide Bay Burnett	32372	270
North West	26169	261
Pastoral	10661	218
Total Queensland	**75778**	**282**

Note: This table reports raw Queensland valuations, not adjusted to ABS state totals.
Source: Queensland Valuer General Annual Report 1989 and Queensland Local Government Grants Commission Annual Report 2005.

Among the more rural regions, the rate of growth in value was generally less than the state average, but not necessarily by much, particularly in those regions with resource-based developments.

An alternative way of describing these trends is to use a zonal classification similar to that used to describe trends in Victoria. The definitions in Table 2.10 are as follows.

- Outer metropolitan: regions catering to the expansion of suburban Brisbane, as distinct from the Gold and Sunshine Coasts.
- Provincial city: major independent cities, including the Gold and Sunshine Coasts. Cities are classified as coastal if they have a sea frontage, inland if not (these latter are Bundaberg, Rockhampton and Toowoomba).
- Inner rural: shires abutting both the S E Queensland metropolitan area and also those catering to overflow growth from provincial cities. Once again these are classified into those with sea frontage and those without.
- Outer rural: The rest of agricultural Queensland.
- Pastoral: the Pastoral region extended to include parts of NW Queensland and Far North Queensland. This zone has a sea frontage onto the Gulf of Carpentaria, but there is little evidence that such frontage generates high land values. Instead, locally-high values can be generated by mineral developments.

A comparison with Table 2.2 (Victoria) documents some similar and some divergent trends.

- The outer metropolitan zone grew faster than the non-metropolitan zones in both states. After allowance for the longer time-span of the Queensland estimates the rate of growth was about the same.
- Despite a star performer in the Sunshine Coast, the Queensland provincial cities as a whole experienced a lower rate of growth of values than their Victorian counterparts. Land value growth in the Queensland inner rural shires also lagged the equivalent Victorian zone – though if we exclude resorts from the Victorian group performance would have been about the same.

- Queensland's outer rural shires experienced more growth than in Victoria – perhaps because they were, on average, more distant from the metropolitan area and provincial cities, and so had less competition from these sources. There was also a contribution from resort shires and from shires experiencing resource-based development.

Though land values are generally higher on the Queensland coast than inland, a coastal location was no guarantee of growth in values. In the inner rural zone and the provincial cities, values in inland locations were catching up with the coast. All of this can be interpreted as part of the play of catch as catch can, by which values in particular land markets chase one another through the series of speculative booms interspersed and busts.

Table 2.10 Growth in land value circa 1988 to 2004 by zone, Queensland (per cent)

Zone	Rate of growth – total value			Cf Victoria 1996-04 (Table 7)
	Coastal	Inland	Total	Total
Outer metro	357	306	327	309
Provincial city	252	265	253	307
Inner rural	243	295	280	292
Outer rural	295	229	241	195
Pastoral	–	234	234	
Queensland excluding Brisbane	265	273	267	

Source: Queensland Valuer General Annual Report 1989 and Queensland Local Government Grants Commission Annual Report 2005.

Our data from Queensland do not cover capital values and do not distinguish between residential, commercial and rural properties. Even so, they both confirm and add to the conclusions we drew from the Victorian data.

- They confirm the general proposition that metropolitan values have risen more rapidly than rural values. However, they modify the Victorian generalisation of depressed residential values in the outer rural belt: Queensland has had a slightly happier experience.
- They underline the high speculative element in resort-based development. Resorts rise and fall in fashion, whereas other types of economic base tend to be more closely tied to location.

Though it raised all values, the land boom concentrated on residential rather than commercial or rural values, on inner urban rather than outer urban values, and on values in a select list of resorts. Why did it favour these locations?

2.4 The geography of land values

The land boom comprised both an increase in land value and a construction boom. In seeking an explanation of the boom, we concentrate on the increase in land value, for two reasons.

- The regions most affected by the boom are readily identified by increases in land value.
- As shown by our analysis of the national balance sheet, there were major capital gains on land, as against very little capital gain in structures.

We also concentrate on residential land, since the boom was led by the residential sector. We ask what sort of factors make for high-priced residential land? Table 2.11 provides relevant data.

2.4.1 The determinants of residential land value: Victoria and Queensland

As we have already noted in comparing data from the various valuers-general and from the ABS, the Queensland valuation data is generally on the low side – partly because it represents unimproved rather than site value, and perhaps also because of valuation lag. However, the patterns are remarkably similar to Victoria. The data is in terms of land value per property, though we would prefer value per residential hectare, the reason being that the latter data are not so readily available.

- Not surprisingly, in both states the highest land values per residential property occur in the inner to middle metropolitan area. On Melbourne evidence, they are actually higher in the middle suburbs, because of the higher proportion of flats in the inner area. (In other words, land value per residential hectare will be higher in the inner suburbs.)
- Again, in both states the lowest residential land values occur in the country beyond commuting distance of urban centres.
- Queensland's provincial cities have higher relative values than Victoria's. In large measure this reflects near-metropolitan values in the Gold and Sunshine Coasts.
- Queensland's outer metropolitan and inner rural zones have lower relative values than their Victorian counterparts. This may in part be due to Queensland's geography. Queensland's beaches attract demand more strongly than Victoria's and hence syphon it away from the outer metropolitan and inner rural zones. In addition the hill country inland from Brisbane has a reputation for summer heat, which also sends land-buyers scurrying to the Gold and Sunshine Coasts. Accordingly demand which in Victoria spreads into the tree-change belt round Melbourne is in South East Queensland concentrated on the beach cities.

Table 2.11 also records that, for all zones and in both states, the average value is higher on the coast than inland. The difference is relatively small in the metropolitan areas, but is strongly marked in the other zones.

Table 2.11 Land value per residential property, circa 2004, Queensland and Victoria ($'000)

	Queensland			Victoria		
Zone	Coastal	Inland	Total	Coastal	Inland	Total
Inner and middle metro			116	272	241	247
Outer metro	68	53	59	172	164	166
Provincial city	94	39	85	136	71	98
Inner rural	43	34	36	184	99	128
Outer rural	44	24	31	71	48	57
Pastoral	-	18	18			
All state	**82**	**40**	**76**	**182**	**179**	**180**

Note: Average for Inner Melbourne $239,000 and for Middle Melbourne $249,000. Data is not available to divide Brisbane into inner/middle or coastal/inland zones. The data has not been adjusted to ABS control totals.
Source: Queensland Local Government Grants Commission Annual Report 2005 and VGC.

Table 2.11 associates high residential land values with urban centrality and coastal location. Table 2.12 approaches the same question in a rather more abstract fashion, showing that high land value per residential assessment is associated with two variables.

- High accessibility, as measured by jobs located within half an hour's travel time of the residential location.
- High socio-economic status.

The association with accessibility is a little stronger in Queensland, and with socio-economic status in Victoria – some would say that this is evidence that Victorians are more status-conscious than Queenslanders. It may also reflect the absence in Victoria of pastoral country where very low residential values are coupled with very low job accessibility.

Table 2.12 Drivers of increases in residential land values per assessment

Increase in value per residential assessment brought about by	Victoria	Queensland	Combined
Addition of 1 job within 30'	1.41	2.52	1.70
Addition of 1 point of SES	89.4	53.9	68.5

Source: Calculated from VGC and QLGGC data. Adjusted r^2 ranges from 0.76 to 0.78.

Both work-accessibility and socio-economic status are associated with other possible drivers of residential land value. The number of jobs within half an hour is closely associated with the number of retail outlets, the number of schools and other educational institutions, the accessibility of health services and of many types of recreation (though not broad-acre recreations like fishing and bushwalking). High socio-economic status is associated with the factors which make locations fashionable: leafy streets, proximity to beaches, harbour and sea views, sloping rather than flat terrain and so on. We can see at once why Tables 2.11 and 2.12 extract similar stories from the data, since inner cities have the best accessibility, and coastal locations are in general more fashionable than inland.

National Economics has collated the available valuation data for all states and territories, and generalised these relationships to provide estimates of land and capital values in the regions. These estimates are reported in the appendix.

2.4.2 Values more generally

In Table 2.8 we provided data on trends in house prices, and noted divergences from the trends in valuation data. It is worth adding, therefore, that house price data displays a similar pattern to valuation data for all the major cities, in that house prices fall with distance from the CBD. Given that the house component of each house-land package is relatively similar across each city, the house price data can be interpreted as further evidence that residential land values decline as accessibility worsens with distance from the CBD.

Table 2.13 Median house prices in Australian cities, March 2006 ($'000)

City	Inner	Middle	Outer
Sydney	882	615	418
Melbourne	500	345	285
Brisbane	454	357	300
Adelaide	420	300	230
Perth	605	360	330

Source: RESI.

Table 2.13 provides data only for the capital cities, but has the virtue of recording values by distance from the city centre. Table 14 has different virtues and limitations. The first column provides average land valuations by state, while the next three record the mean value of owner-occupied dwellings. All these values are liable to change as the hot spots in the residential land market move from state to state, and the precise pecking order of values is never maintained for long. Even so, we can make several generalisations.

- Residential land value per household is higher in the more urbanised states, and also in those with largest cities. This aligns with the patterns of intra-state value that we have investigated for Victoria and Queensland.
- In all states and the Northern Territory the mean capital value of owner-occupied housing in the capital city is higher than in the rest of the state/territory. The difference is more marked in New South Wales and Victoria, with very large capital cities, than it is in the other states and territories. It is least marked in Queensland, with its high-value coastal provincial cities.
- Interstate variation in land values is much more marked than in capital values. Taking Tasmania (the state with the lowest values) as the standard, land values per dwelling range up to nearly 7 times Tasmania in the other states, while metropolitan capital values range up to 2.4 times and non-metropolitan capital values up to 1.8 times.

It seems that the big capital cities, and Sydney in particular, command much higher values than smaller places. Once again, this correlates with accessibility.

Table 2.14 Residential site and capital values, Australia, 2003-04

State/territory	Residential land per household $'000	Mean value of owner occupied housing			Land to capital ratio Per cent
		All state $'000	Capital city $'000	Elsewhere $'000	
NSW	242	480	590	310	50
Victoria	219	323	367	213	68
Queensland	86	295	327	268	29
WA	126	282	308	208	45
SA	84	245	265	191	34
Tasmania	36	205	248	173	18
NT	66	259	271	Na	25
ACT	149	402	402	-	37
Australia	**147**	**355**	**411**	**258**	**41**

Source: ABS4130.0 and 5506.0.

For further discussion of patterns of value by region, see the Appendix 2A to this chapter.

2.4.3 Accessibility, status and land values

The empirical association between residential land values, accessibility and socio-economic status is proved, but what causes what? The association between residential land value and accessibility arises through two mechanisms.

- People choosing places to live prefer places from which they have a wide choice of jobs, retail outlets, recreations etc. Household demand thus bids up prices in accessible locations.

- Employers locate jobs close to where people live, since this makes it easier to recruit. In the case of population-serving industries like retail and education it also pays to locate close to the households which patronise one's business. Employer demand not only bids up commercial land prices in these locations – with commercial prices tending to overflow into residential prices – but also adds to accessibility, leading to a second round of household attraction.

The attraction of accessible locations to home-buyers has probably increased over the past few decades, for two reasons.

- The proportion of two-worker couples has increased. Such couples look for locations convenient to work for both, and are less likely to settle in locations which are convenient only to one of the partners.
- The increased likelihood of career disruption involving changing jobs again means that it is prudent to settle in a location with good accessibility to alternative jobs.

Similarly, in so far as there has been a trend towards employers seeking highly-skilled personnel, workplaces will gravitate to high-accessibility locations (to maximise the pool of resident applicants) and in particular to places where highly-skilled personnel like to live.

This tendency for employers to locate near the residential locations of highly skilled personnel contributes to the association between residential values and socio-economic status. A more direct line of causation lies in the greater buying power of wealthy and highly-paid people, which enables them to buy in superior locations, if necessary bidding prices up so that lesser mortals cannot afford them. This is not to argue that fashions are constant. In the nineteenth century the rich travelled by horse and carriage, and liked to build mansions set in extensive grounds. They accordingly favoured gently sloping sites – Strathfield in Sydney, Balaclava in Melbourne. In the twentieth century motor cars replaced the horses and carriages, while mansions went out of fashion due to the high cost of servants. Land values rose on hills with views – harbour or sea views for preference. Beaches also gained fashion. More recently a minority of the wealthy have created a market for luxury high-rise apartments in highly accessible locations – in other words, close to city centres.

2.4.4 Transport and accessibility

Over the past 150 years the relationship between socio-economic status, accessibility and residential land values has been mediated by changes in modes of transport. In the 1850s the main means of transport was walking, which required that both wealthy and poor people lived near where they worked. Within the metropolitan areas, blue-collar workplaces – anything involving freight handling – were tied to the docks and the railway yards, while white-collar jobs concentrated in the city centres. When suburban railways were introduced, and later trams, fares were high in relation to wages, so the well-paid could ride while the poor still walked. This was the origin of the core of high-density low-income suburbs within walking distance of each city centre and port, and of the arc of high-status suburbs a little further away (though still close by today's standards).

In the twentieth century road transport came into its own. Trucks liberated materials handling from the wharves and railway stations, not only in cities but in the country as well. Motor cars were at first the preserve of the rich, and assisted the further spread of high-status suburbs, but the cost of motoring gradually fell in relation to earnings. By the end of the 1960s low-income earners were as mobile as high-income earners. The new-found mobility of the relatively low-paid supported a strong trend for manufacturing to decentralise to the outer suburbs. Universities and various other employers of highly-skilled personnel also decentralised, and it was anticipated that Australia's historic city centres would decline in importance, much as they already had in the United States. Meanwhile, in the country, the inexorable decline of small towns began as people started to drive past them. Once again, it was expected that regional centres would grow at the expense of the smaller towns.

Taking these predictions a step further, it was predicted that the long-run effect of the motorisation of both freight and passenger transport on land values would be to restrain their growth. Generally speaking, car transport is much faster than walking, trains or buses, and can go in any direction at any time, so that the area accessible within satisfactory commuting time (say half an hour) from any point was greatly enlarged. This increased the effective residential land supply. An increase in supply should result in a reduction in price. This waning of accessibility as a determinant of residential land value was also expected to increase the relative importance of status.

In rural Australia, these predictions have been fulfilled. Small towns waned or if lucky became outposts of larger cities as motoring became general and fast roads were built. Residential and commercial land prices fell in the bypassed towns, and grew but moderately in the larger towns. The influence of status increased as values rose in fashionable resorts. However, as we have seen (Table 2 in particular), during the recent boom land values rose faster than the consumer price index even in the rural zone beyond the commuter belt. In Victoria there were only three shires in which growth in residential land value failed to exceed the price index during the boom, all of them located in the wheat belt more than three hours' drive from Melbourne.

2.4.5 Motorisation and metropolitan land values

In the cities the 1970s prediction that land values would fall with motorisation has failed. To gauge the extent of the failure, we need to give a little more detail on the prediction, based as it was on American precedents.

- It was predicted that the activities then taking place in each CBD would be decentralised. This would apply to retail, entertainment and office employment. As a result, residential sites near the CBD would not attract location premiums – if anything the reverse, since they would be blighted by cross-town traffic.
- Each metropolitan area would grow outwards to accommodate population growth and to re-house people from the old inner suburbs at house and garden density.
- Motor transport would maintain high accessibility from all areas to all areas, thus preventing the growth of location premiums in the land prices of any suburb. The remaining premiums would be status-related.

The failure of this prediction in part reflected the differences between Australian cities and their American counterparts.

- In the United States the inner-urban low-income areas were ghettos. There were no equivalent racial prejudices to prevent the gentrification of Australian slums when the land market shifted that way.
- Australian governments did not leap into urban freeway construction, and when they did, they focussed on building routes into the city centres rather than the American's beltways. Only very recently have they begun to provide orbitals as the Americans had by the 1960s.
- In Australian cities public transport, and in particular the suburban railways serving the city centres, soldiered on despite falling patronage (with the minor exception of Hobart). Indeed, there were some notable improvements, with a city underground in Melbourne and electrification in Brisbane and Perth.

These differences incline Australian cities to develop in a more European or Canadian style rather than (US of) American. This occurs even though overall densities are low, more like the United States than Europe or even Canada.

The first reason for the failure of the prediction was that the expansion of the metropolitan areas was slowed down by the imposition of boundaries. In the 1950s green belts were fashionable, but more recently the boundaries have had a strict economic rationale.

2.4.6 The increasing cost of new sub-divisions

The prediction that expansion of the urban areas would control land prices by flooding the market with additional supply began to falter almost as soon as it was made. A first problem was that the prediction did not take into account an important effect of motorisation – the conversion of rural land on the fringe of the metropolitan area to hobby farms. This meant that land for urban expansion had to be acquired at hobby-farm rather than at rural prices. Fringe lot prices went up to cover the cost, and offered less effective competition for established lots.

A second factor was the insistence that subdivisions should be fully developed before sale, rather than sold with streets and utilities added later. This considerably improved the efficiency of land development – it is by far cheaper to service a new estate before the lots are sold, rather than sell the lots and add the services later – but it had unexpected effects.

- It was no longer possible to buy a first home in a 'heartbreak' street, trading off low initial land cost against greater subsequent costs as services were installed.
- Because of the time land spent in the pipeline of development, it was no longer possible to respond to surges in demand by rapidly subdividing outer urban paddocks.

The switch to sale of developed lots again raised the price on the developing fringe, and by implication the prices of established dwellings within the fringe. These owners received an undeserved capital gain – about which they made no complaint whatsoever!

2.4.7 The knowledge economy

These two effects were accomplished by the end of the 1970s, and it could then be predicted that urban land markets would even out at a new plateau, established by the cost of buying fringe hobby farms and subdividing them. However, two further factors intervened.

- The decline of manufacturing reduced the rate of job generation in the outer suburbs.
- The advent of the knowledge economy increased the rate of job generation in the city centres and inner suburbs. This trend was compounded by the increased importance of the finance sector in job-generation. Whether for efficiency or status reasons, of all employment sectors the finance industry is most wedded to city-centre locations.

It was at this point that Australia diverged from the United States and followed precedents set in Canada and Europe. Instead of decentralising knowledge-economy activities to car-oriented offices located on the beltways, each metropolitan city retained most of them in its city centre – and cemented this dominance by investing in sporting, entertainment and tourist facilities in or near these centres. This had the great advantage of retaining the investment already made in city centre facilities, and also meant that each city gained a major knowledge hub in which it was easy to assemble people with diverse talents. It also meant that the city centres monopolised the prestige business addresses.

Faced with competition from the city centre, knowledge hubs were slow to develop in the other parts of the metropolitan areas. With the possible exception of Macquarie University in Sydney, the suburban universities have failed to grow into centres of knowledge-based industry. With the partial exception of Parramatta, the centres to which retailing decentralised have remained but malls in the middle of car parks. There are plenty of decentralised offices, but they are not well placed for the interpersonal contact required in knowledge-intensive business.

Another disappointment has been traffic congestion. As long ago as the 1960s Colin Buchanan pointed out that British cities did not have enough land to provide the roads and car parks which would be required for full motoring accessibility. Much as governments have tried to invest in roads, this has been proved true in the inner parts of Australian cities. The city centres continue to rely on their high-

capacity radial rail systems. As a result of these trends, the accessibility of work from residences in different parts of Australian cities is far from uniform.

- Each city has a core of knowledge-economy and identity-forming activities, readily accessible from its inner suburbs.
- There are middle suburbs many of which have reasonable public transport access to the inner core, but during the day accessibility by motor vehicle is limited by congestion.
- In the outer suburbs the roads are relatively free from congestion and many types of accessibility are reasonable (especially retail), but employment access is markedly worse than in the inner suburbs, particularly access to the knowledge economy.
- Beyond the outer suburbs lies the exurban belt – a bit too far out for daily commuting, but very attractive for knowledge-economy workers who can arrange their work to avoid daily travel, as well as for retirees.

It will be noticed that we have now given a basic account of the trends underlying the land boom of 1996-2005.

- Residential land values in the inner suburbs rose due to the high accessibility of knowledge-economy jobs, not to speak of all the other city centre facilities. The increase in demand also reflected the effects of congestion in persuading people to buy apartments close to the city centre. It further reflected other social trends, notably the increased proportion of childless households in the population and the effect of increased working hours in raising the time-cost of commuting. It was associated with gentrification: higher income residents replacing lower. This further increased land prices through status effects.
- Residential values in the middle suburbs also rose, due to accessibility to the city centre, but without the same rate of redevelopment. Existing high-status middle-range suburbs retained their status, but unlike their inner-suburban counterparts low-status middle-belt suburbs failed to gentrify.
- Residential values in the outer suburbs rose due to the addition of new subdivisions. However, the outer suburbs experienced a degree of pauperisation as the poor accessibility of knowledge-economy jobs robbed them of high-status residents.
- Finally, residential values in the exurban belt rose due to the increasing number of people who either wanted to retire close to the metropolitan area, or who could rearrange their lives to commute occasionally rather than daily – very often keeping in contact through telecommunications on their non-commuting days. Values in this belt have been strongly subject to fashion, as noted when discussing resorts: the belt includes high-status locations with high values, and low-status refuges with low values.

One might add that the provincial cities maintained their status, but that outlying towns experienced pauperisation as social security beneficiaries and retirees moved in to take advantage of low-cost housing made possible by low land values.

These trends were features of the boom, but do not explain why it was so sharp. This is of some importance if we are to work out what the rise in land values meant for local economic development. We approach this question from the demand side.

2.5 The demand for residential land

People buy residential land either because they want the dwelling situated on the land, or because they want to build one or more dwellings on the land. Speculation provides the only other reason to buy, and this is discouraged by holding charges including, in their small way, rates. In any case speculation is parasitic on the demand for houses to live in.

2.5.1 Underlying factors

The demand for dwellings, from which the demand for residential land is derived, in turn has two parts.

- Home purchase is regarded as the seal of family formation, an essential step in a normal life cycle. It also happens to be strongly encouraged by the Commonwealth tax and social security systems. Owner-occupiers are not taxed on any capital gains they may receive, and owner-occupied dwellings are exempt from pension means tests.
- Dwellings are also bought as investments in rental housing. Once again, for some classes of investor this has had tax advantages over other forms of financial investment, particularly during booms. Negative gearing being allowed, speculators can borrow to buy rental housing, offsetting the net costs against other income, and hoping for an eventual profit from capital gains – as indeed they received during the boom.

Though investors in rental housing hope for capital gains, the more prudent of them also have regard to rents and occupancy rates. These in turn reflect the requirements and capacity to pay of people who are not owner-occupants. The demand for rental housing can thus be traced back to the same fundamental need for shelter as the demand for owner-occupied housing. The basic underlying factor is the rate of household formation, which in turn is influenced by birth, marriage, childbearing and death rates, as well as to rates of immigration. Economic growth from the mid-1990s onward increased the rate of household formation in several ways.

- Immigration targets were raised.
- People were encouraged by improved job prospects to form new households. These were not only young-married households, but also single-adult households.
- Continued high rates of household break-up also resulted in the formation of single-person and single-parent households.

In addition to the effects of household formation, internal migration also generates a market for dwellings in the destination areas. However, immigration, household formation and shifting regional fortunes are scarcely sufficient to account for the land boom. The number of households increased by 16.2 per cent between 1995-6 and 2003-4 (ABS 4130.0), which is scarcely sufficient to explain an increase in price of 300 per cent. We therefore look elsewhere for an explanation. The place to look is the macroeconomic story.

2.5.2 Macroeconomics and the demand for residential land

A fascinating episode in recent economic history was the rise and fall of monetarism. During the 1970s governments relied heavily on monetary targeting to curb inflation. At the household level, this translated into credit rationing – hence the odd phrase, 'credit squeeze'. Europe has persisted with monetary targeting, but Australia followed the lead of other English-speaking countries by abolishing it, more or less coincident with financial deregulation in the 1980s. Inflation was henceforth to be controlled by competition, not only in the domestic market (especially the labour market) but from tariff-free imports.

Out of fashion it may be, but monetarism helps to explain the outcome of this policy change. The end of monetary targeting released the banking system from constraints on the expansion of borrowing and lending other than prudential assessment of its loan portfolio. The result has been a considerable increase in both loans and deposits. In these circumstances, monetarism predicts a rise in price levels. The policy of competition was successful in holding down consumer prices (which do not include land), so the pressure for price increases inevitably went into asset prices, including land prices. However, the land boom did not follow immediately upon financial deregulation, so there is more to be explained.

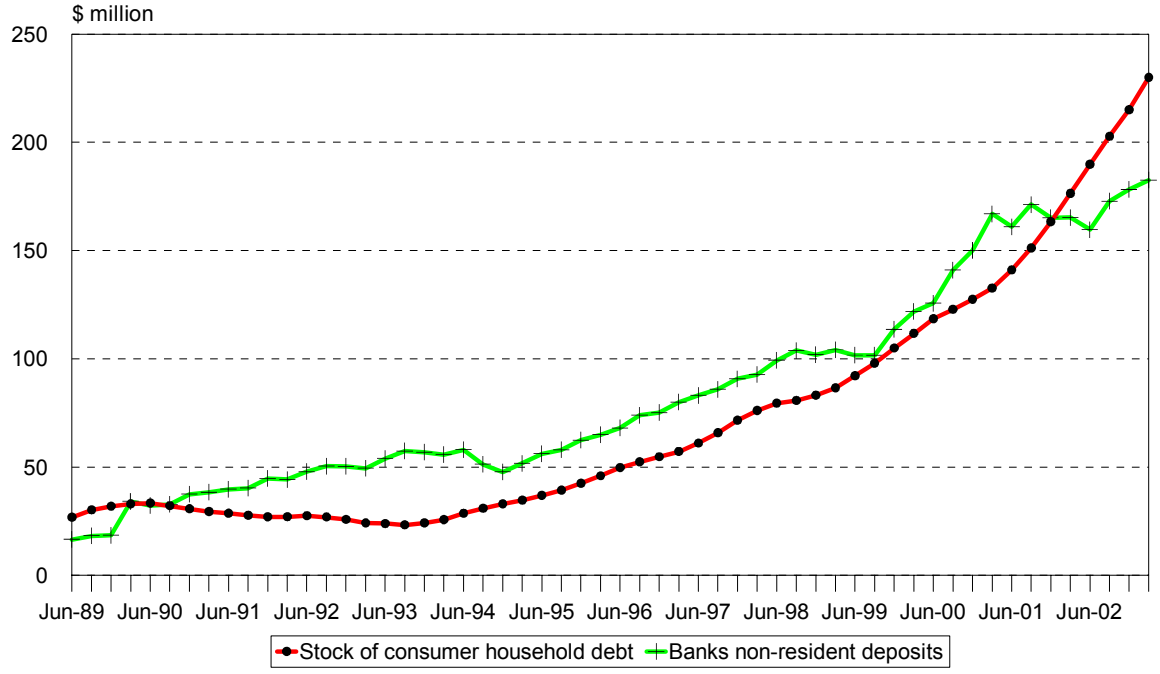
The abandonment of quantitative credit restrictions provided the opportunity for the banks to expand credit, but they could only do so subject to an important restriction: the credit could not be cheap. Australia suffers from a structural balance of payments deficit, which is financed by borrowing from overseas. To attract funds, Australian borrowers have to pay real interest rates significantly above world rates. Even so, from 1993 on the credit looked cheap to Australians accustomed to much higher nominal rates dating from the period of high inflation. If they were to expand their loans and hence their profits, the banks had to find borrowers who were willing to pay these interest rates.

Two major classes of borrower were not willing. The government sector was pre-occupied with achieving AAA+ ratings, and many of its advisers were ideologically opposed to government borrowing. Neither were most businesses willing to borrow extensively. The policy of controlling inflation through competition squeezed business profits and muted business demand for loans. In addition, large businesses operating in Australia can borrow directly on the world financial markets. An initial experiment with lending to locally-based entrepreneurial businesses straight after financial deregulation in the second half of the 1980s ended in financial disaster and the 1990 recession. Following this experience, the household sector was the only major market left for bank lending. It had a further great attraction to the banks: as we will see in Chapter y, even after a decade of steady lending the aggregate household sector balance sheet looks reasonably sound by commercial standards. When the program of lending to households began in the mid-1990s a great many households had fairly obvious borrowing capacity.

If we switch to the point of view of the Commonwealth government, there were again strong economic arguments for encouraging lending to households. The chief argument was the need to finance the balance of payments deficit. The official line on the excess of import spending (plus debt service costs) over export revenue was that all would be fine so long as the deficit was financed by private borrowing. However, if the necessary private borrowing did not take place, the Commonwealth would face politically unpleasant consequences. If export revenues fail to pay for imports and debt-servicing, the market requires that the exchange rate should fall. This increases the price of imports and discourages citizens from buying them, and also increases the profitability of exporting. If this fails, imports can be reduced further by raising taxes to cut consumer incomes. Both these processes are costly and disruptive. They involve switching production from areas like retailing and financial services to export industries, which is costly because people, buildings and equipment cannot readily be transferred from one industry to another. Standards of living fall, and there is likely to be high unemployment. Even if these dire effects are avoided, devaluation undermines the strategy of controlling inflation through competition from low-priced imports.

Facing these unpleasant prospects, the Commonwealth opted for a policy of financing the balance of payments deficit by borrowing. A major component of this policy is the maintenance of interest rates at a level sufficient to attract overseas funds. A second important condition is that the borrowing should be done by institutions which are considered credit-worthy by overseas lenders. This role has been fulfilled by the banks. In turn, it is necessary to have no shortage of borrowers to take loans from the banks. In view of the lack of government and business borrowers, this role was taken by the household sector. Finally, it is necessary that the banks be able to borrow overseas, and on-lend domestically, sufficient funds to finance the balance of payments deficit. They have so far been able to do so thanks to the lack of monetary targets and their own view that they have not reached prudent borrowing limits. This view was sustainable because a very high proportion of the lending was on mortgage, and so secured against property. It is not that the Commonwealth directly encouraged households to borrow in order to finance the balance of payments deficit; rather it looked the other way while a most convenient household borrowing spree maintained the level of economic activity and at the same time allowed inflation to be constrained via competition from low-priced imports.

Stock of consumer household debt and banks non-resident deposits



Households put their increased mortgages to three purposes.

- Purchase or upgrade of dwellings for owner-occupation.
- Purchase or upgrade of dwellings for renting to tenants.
- Use of funds secured against housing to finance non-housing consumption or investment.

Though the banks encouraged the latter use much more than they did in the days when credit was tight, it remains that the ease with which mortgages could be arranged directed the borrowed funds mainly into the housing market. This caused an increase in the demand for housing, and so began the boom.

Once residential land prices started to rise, the boom became self-reinforcing in two ways.

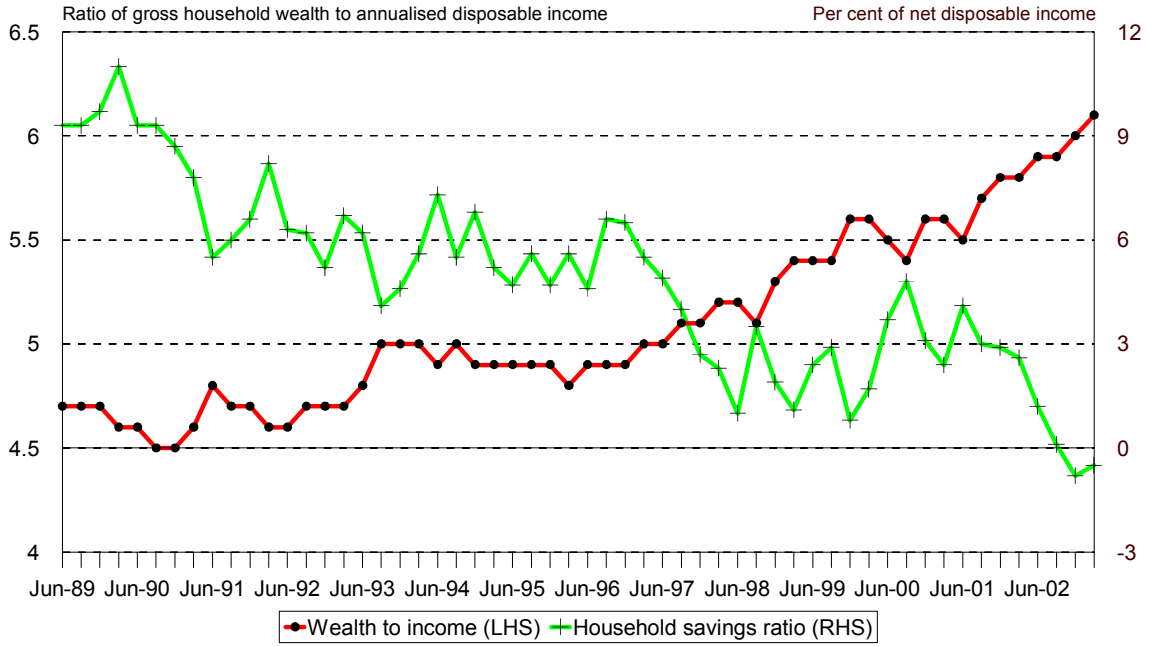
- Speculators entered the market in expectation of capital gains, further increasing demand.
- Potential borrowers who already had housing assets received capital gains. This increase in their wealth provided balance-sheet comfort for further borrowing.

As we have noted above, the boom proceeded in two main bursts. The initial pulse occurred in the mid-1990s, with a second burst after the events of 11 September 2001. Governments feared that these events would cause business confidence to collapse much like the towers in New York, and were panicked into reducing interest rates to counter the feared slump in demand. The result in Australia was that the land boom went into a second surge.

The role of National Superannuation complicates the picture, since it both increased and decreased household borrowing capacity. The increase came from the expectation that loans could be repaid when the borrower retired and received a lump-sum payout – never mind that the ostensible purpose of National Superannuation was retirement finance, and this would not be fulfilled if people borrowed against their superannuation. A corresponding decrease came from the way in which National Superannuation contributions eat into household disposable income, so reducing current capacity to service loans. It is possible that in the early stages of the boom the first effect was prominent – borrowers and lenders could both take comfort that, if all else failed, they loans could be repaid from lump sums. More recently current servicing capacity has received more prominence, especially households' ability to service their loans in the event of an increase in nominal interest rates.

The high level of borrowing allowed household consumption expenditure to rise as a proportion of income, with a corresponding decline in saving. The decline in the savings ratio appeared prudent because of the increase in wealth – but what if the increase is but a bubble?

Wealth to income and household savings ratio



Source: Derived from ABS "National Accounts", Financial Accounts, the stock of dwellings and established house price series.

The experience in the nineteenth century was that land booms tend to come to an unpleasant end, sometimes abruptly. A boom such as Australia's, financed by overseas borrowing, can end in two main ways.

- The overseas lenders lose confidence and stop lending, or, worse, withdraw their loans.
- Borrowers find they have used up their borrowing capacity and stop borrowing, or, worse, find that they cannot service their loans.

So far neither has happened, at least in any drastic fashion. The rise in the prices of Australia's export minerals has sustained overseas lender confidence in the ability to repay of Australian borrowers. The proportion of household income devoted to debt servicing has risen to the point where many households are no longer credit-worthy, but the feared rush into bankruptcy has yet to occur.

The deluge of debt-driven demand provided the occasion of the boom, but not a complete explanation. After all, some mortgages were used to finance overseas holidays and other types of consumption without causing any increase in land prices. Having identified an increase in the demand for housing, we must ask why the increase was not matched by an increase in supply.

2.6 The supply side of the land boom

At the beginning of this chapter, we observed that the national land supply is fixed. However, the supply of residential land is regularly increased by conversion from other uses. It has been argued that the boom in residential land value would have been muted had the rate of conversion of rural to residential land increased, so providing additional lots to meet demand. This argument has some merit, particularly when demand rises slowly and predictably. However, accelerated land conversion is no answer to an unpredicted, massive boom such as we have just experienced. Earlier in this chapter we have provided most of the answers as to why supply could not match the surge in demand. It is also important to remember that the supply of housing, qua houses, did expand to meet demand. The evidence of this is the lack of capital gains in buildings as distinct from land. It was land that was in short supply, not buildings.

In a country as large as Australia, with one of the world's lowest population densities, it is a paradox that land should be in short supply. However, the shortage was of a particular kind of land – accessible urban residential land. We have noted that urban residential blocks take time to develop: time to carry out the legal process of subdivision as well as to install the streets and utilities. Even if it were possible to match an increase in demand with a supply of new lots, the process takes time, and in the meantime land price increases may take place. In addition, we have also noted that the value of urban land depends on its accessibility. If it is not possible to create, by subdivision, new lots with equivalent accessibility characteristics to the old, the old lots will command a price premium over the new, and in a boom this premium is likely to increase. We have argued that the knowledge economy and the rise of the financial sector, with their premium on the accessibility of city centres, has meant that fringe metropolitan lots are worse and worse as substitutes for inner-urban lots. Under these circumstances an increase in demand is guaranteed to increase the inner-zone premium and so generate capital gains.

Socio-economic status and fashion demands complicate the pattern. In so far as people compete to buy properties in fashionable locations, land prices will rise in these locations at least until demand is diverted to a new fashionable place. We have noted evidence that this sort of leapfrogging occurs and contributes to the overall rise in residential land value.

Accessibility, socio-economic status and the time taken in the land development process thus limit the extent to which the supply of residential land can be augmented to meet a boom in demand. It is, however, possible for exceptionally prescient state governments to be a jump ahead of the game. One means goes by the unfashionable name of land banking. If governments have reserve supplies of land which they can release to the market when demand surges, price increases are likely to be moderated. To some extent this happened during the recent boom: state governments redeveloped tracts of government-owned inner-urban land no longer required for ports and railway yards, and some of them also released fringe urban estates which they happened to own – there were even some estates dating from Whitlam government finance in the 1970s. However, the increase in supply from these sources was obviously insufficient to prevent price increases. Over the past couple of decades, state governments have invested little in land banking, for two main reasons.

- At the urban strategy level, they have been following policies of urban consolidation, and have therefore not prepared themselves for surges in demand by acquiring fringe acres.

- Financial experts ask why governments should own tracts of land which does not yield immediate returns and is not required for immediate service provision.

There are three arguments for public land banking.

- The land can be held at lower holding cost than is possible for private speculators.
- The eventual capital gain on conversion to urban can be placed in the public account instead of appropriated privately.
- The holdings can be developed as part of a co-ordinated urban plan so as to maximise their accessibility and minimise subsequent urban running costs.

With the rise of large development companies, some of these advantages are now being realised by large-scale private development, though at relatively high holding charges. However, it is obvious that the current mixed public/private development system did not create enough supply to match the demands of the boom. Given the sharpness of the peak in demand, National Economics believes that no form of land banking, public or private, could have done so. Even if there had been no limit to the increase in outer suburban supply, accessibility factors would have ensured a boom in inner urban values.

Those who argue that development controls were responsible for the failure of land supply to meet the increase in demand during the boom should also contemplate what happened in Melbourne in the 1880s. The great Melbourne land boom was financed by overseas borrowing, on-lent to households via banks and building societies. This surge in demand was complemented by state government investment in suburban railways, which, coupled with lack of controls on subdivision, permitted a major expansion in the urban area. The supply of fringe residential land thus increased markedly. There is not much data on the course of land prices during the nineteenth-century boom, but it is probable that price increases were moderated by this increase in land supply. Even so, prices did increase, and the increase was accompanied by surge in household over-indebtedness. Just as the printing of shares in new listings does little to allay the rise in prices during a share boom, the addition of new subdivisions does little to restrain the rise of prices during a land boom. The cause lies elsewhere, basically in excess liquidity generated by the finance sector.

2.7 The economic consequences of the land boom

The land boom has shaken its way through the economic structure of Australia, with a number of consequences.

Most seriously, relatively poor profits in trade-exposed industry brought about by the policy of containing inflation through competition and a high exchange rate have contrasted with the high profits from land speculation. This has distorted the pattern of private investment. Distracted by the hope of quick speculative returns, Australia has not been investing for the long-term future. To make matters worse, the increase in commercial and rural land prices, spilling over from the residential boom, has increased the cost base in trade-exposed industries without any relief from increased product prices, thus worsening the squeeze on profits.

A second major consequence was distributional. The increases in land prices created wealth, not by honest effort but by capital gains. They also redistributed wealth. The obvious beneficiaries were the sitting owners of property which rose in price. These gains were not always obvious to the beneficiaries – after all, both house and location are still the same, and the gains are fairly hypothetical for those who have no intention of selling up and shifting somewhere cheaper. However, as was charted in the *State of the Regions* report for 2003, quite a few owner-occupiers who received residential capital gains have taken the opportunity to sell up, shift to a resort, and splurge the difference. Investors in rental properties have also benefited, particularly if they sold out before the market peak. The boom also contributed to the profitability of the finance sector, which was able to find borrowers at interest rates which are high by world standards. The corresponding losses are also

becoming obvious. The losers are mainly young people and low to moderate income earners who want to enter the housing market, and find either that they cannot afford to do so, or can just afford it at the expense of a crippling mortgage.

The legacies of the land boom will be with us for a generation or more. The positive inheritance is an enlarged stock of housing, though the increase in land prices has resulted in the stock being expensive. The less positive legacies include the following.

- A finance sector whose major asset is loans to land-buyers, and major liability is borrowings from overseas.
- A business sector which has failed to strengthen itself to meet overseas competition, and which is handicapped by high land costs.
- A household sector which is divided between active beneficiaries of the boom, stay put passive beneficiaries, and the victims of the boom – both over-indebted first home buyers and households locked out of home ownership by high land costs.
- A pattern of recent internal migration driven in part by land costs, with movement of low-income people to regions with low land prices.

The first of these legacies will initially be felt at the macroeconomic level. Judging by the behaviour of the financial sector in the last recession, the risks include the following.

- Increases in business and household transaction costs as the financial sector raises its fees.
- Increases in costs as interest rates are raised to cover defaulting loans.
- Reductions in credit availability.
- In the last analysis, failure of financial institutions. This could have regional effects, as happened with the failure of the Pyramid Building Society (Victoria) in the last recession. However, the nation-wide banks are too big to be allowed to fail.

The way in which these financial risks present themselves depends considerably on how overseas lenders evaluate Australia's economic prospects. It is quite possible that the balance of payments deficit will become difficult to finance, resulting in devaluation of the Australian dollar. This would have three main consequences.

- An increase in inflation rates – which would have several benefits. It would allow land values to sink in real terms without a nominal fall, and could assist in reducing over-indebtedness.
- A reduction in real Australian incomes. Industries dependent on consumer demand would suffer from this.
- An improvement in the profitability of trade-exposed industries.

The third of these effects interacts with the business-weakness legacy of the land boom, while the other two interact with the household debt legacy to create a depressing outlook. Industries reliant on household demand would experience hard times while trade-exposed business responds slowly and painfully to the improvement in its competitiveness. This is not, however, the only possible outlook. Perhaps Australia's luck will hold with a continuing resources boom, generating localised prosperity in the resource regions and financial capitals while the rest of the country languishes. Or perhaps the land market will be held up by overseas purchases coupled with increased immigration. Or perhaps a revival of infrastructure and business investment will underpin continued employment growth, even if consumption levels have to be curbed in the interests of increased national saving.

Whatever the future, the regions are differentially placed according to their trade exposure, their exposure to high land costs, and their level of household indebtedness. Regions with high household indebtedness are likely to suffer a double whammy from the ending of the construction boom coupled with the effects of high mortgage obligations. Indebtedness depresses the multipliers which connect household income to retail demand.

The trade-exposed industries fall into two groups. Mining, manufacturing and most services have relatively small exposure to land costs, while agriculture has high exposure. The problem for manufacturing in particular, but also for services such as education, is that under-investment during the boom will limit the capacity to respond to improved competitiveness. There will be a need for an investment catch-up, some of which will involve local government infrastructure.

Mining will continue to be exposed to world commodity prices, but given reasonable prices will continue to generate local prosperity in the resource regions and in the cities which provide services to resources and fly-in fly-out workforces. As always, the problem will be to share this localised prosperity more widely.

The increase in metropolitan land prices constitutes an opportunity for regions which combine reasonable accessibility with reasonable land prices. If they can reduce their accessibility disadvantage while retaining their price attractiveness, they should be able to attract new businesses. There is already evidence that some of the provincial cities are doing this, but investment will be required to keep up the momentum.

On the agricultural front, we have noted that the effect of the land boom on rural values was dampened by poor farm profitability, but even so there was an overflow from the residential sector causing an increase in real farm prices. This does not affect wholly-owned farms except as an opportunity cost, but does affect new entrants into the farming business, and also affects the capacity of farmers to increase property size in pursuit of economies of scale. A possible local initiative would be to encourage hobby farm owners to make acreage available to commercial farmers at commercially-affordable rates. With measures such as these, plus continued availability of investment finance and of finance for the rectification of environmental backlogs, the rural sector should be able to manage a revival.

Finally, the land boom encouraged sea change and tree change retirees, resulting in the creation of pension-dependent retirement settlements in regions with relatively low residential land costs. It also presented younger social security recipients with an incentive to go bush in search of low-cost housing. Since low-cost residential land is found only in regions with poor job accessibility, the boom has added to the number of the structurally unemployed. These regions present major challenges in investment for skills upgrading and job generation.

The opportunities for local government to respond to these challenges will depend very much on regional circumstances. Many of them will involve investment, with opportunities both for infrastructure investments on council's own account and for investments in conjunction with other levels of government, particularly the Australian Government, and the private sector. As always, finance will be a constraining factor.

Appendix 2A: Regional patterns of values

As noted at the beginning of this Chapter and described fully in Appendix located on the National Economics website, National Economics used Grants Commission, Census, ABS Balance Sheet and other data to estimate the number of assessments and site and capital values in each region. The following patterns emerged.

2A.1 Residential

Not surprisingly, residential land values per property peak in Sydney: not in Global Sydney, but in the Inner West. The reason for this offset peak is that the proportion of flats is higher in Global Sydney. A similar displacement of peak values in Melbourne, from Inner Melbourne to Melbourne South, reflects both flat-proportion and status effects. As expected, values in inner Perth, Adelaide, Brisbane and in the Australian Capital Territory are comparable with values in the inner suburbs of the two larger metropolitan areas – with the intriguing exception that land values in Canberra are low in relation to capital values, tribute perhaps to the Australian Capital Territory land banking system.

Among the coastal resorts, only the Gold and Sunshine coasts have residential land values comparable with the outer suburbs of Sydney or Melbourne. Far North Queensland, Mackay, Richmond-Tweed and the NSW Mid-North Coast also appear to have relatively high values, but only when judged by capital values – their land is relatively cheap. They would appear to attract high-value residences even though the land is not yet as scarce as it is in the metropolitan areas.

The lowest residential values, judged by both land and capital values, occur in a number of the inland farming and pastoral regions. Resource-based activity seems to add to capital values rather than site values, which is not surprising considering the ready availability of land in the remote regions.

In Tasmania, it is noticeable that Hobart does not dominate residential values. Instead, both land and capital values in the three Tasmanian regions are remarkably similar. Their land value is pitched at similar levels to the ring of regions surrounding Melbourne, but with a lower multiplier for capital value.

The affordability of residential land is measured by the value per property in relation to household disposable income. This ratio is lowest in rural regions lacking strongly growing towns or resorts, and peaks in Inner West Sydney – a region with high accessibility which is in process of gentrification. The presence of low-income owners who bought when values were lower helps to generate the current high value to income ratio. As already remarked, Inner Melbourne and Global Sydney have lower ratios than some of their suburbs due to the importance of flats in the dwelling mix. High ratios are also observed in regions incorporating currently fashionable resorts, notable Sunshine Coast and Barwon.

2A.2 Commercial

Once again, commercial site values per property peak in the inner cities. The region with the highest calculated values is Brisbane, ahead of Inner Melbourne, Inner West Sydney, Inner Perth, Global Sydney and the Gold Coast. The exact pecking order of these regions depends strongly on how regional boundaries are drawn – for example, Global Sydney includes a number of suburbs with numerous small businesses.

In the Australian Capital Territory, commercial values per property appear to be very low, but it should be remembered that this depends on the accuracy of National Economics estimate of the number of properties.

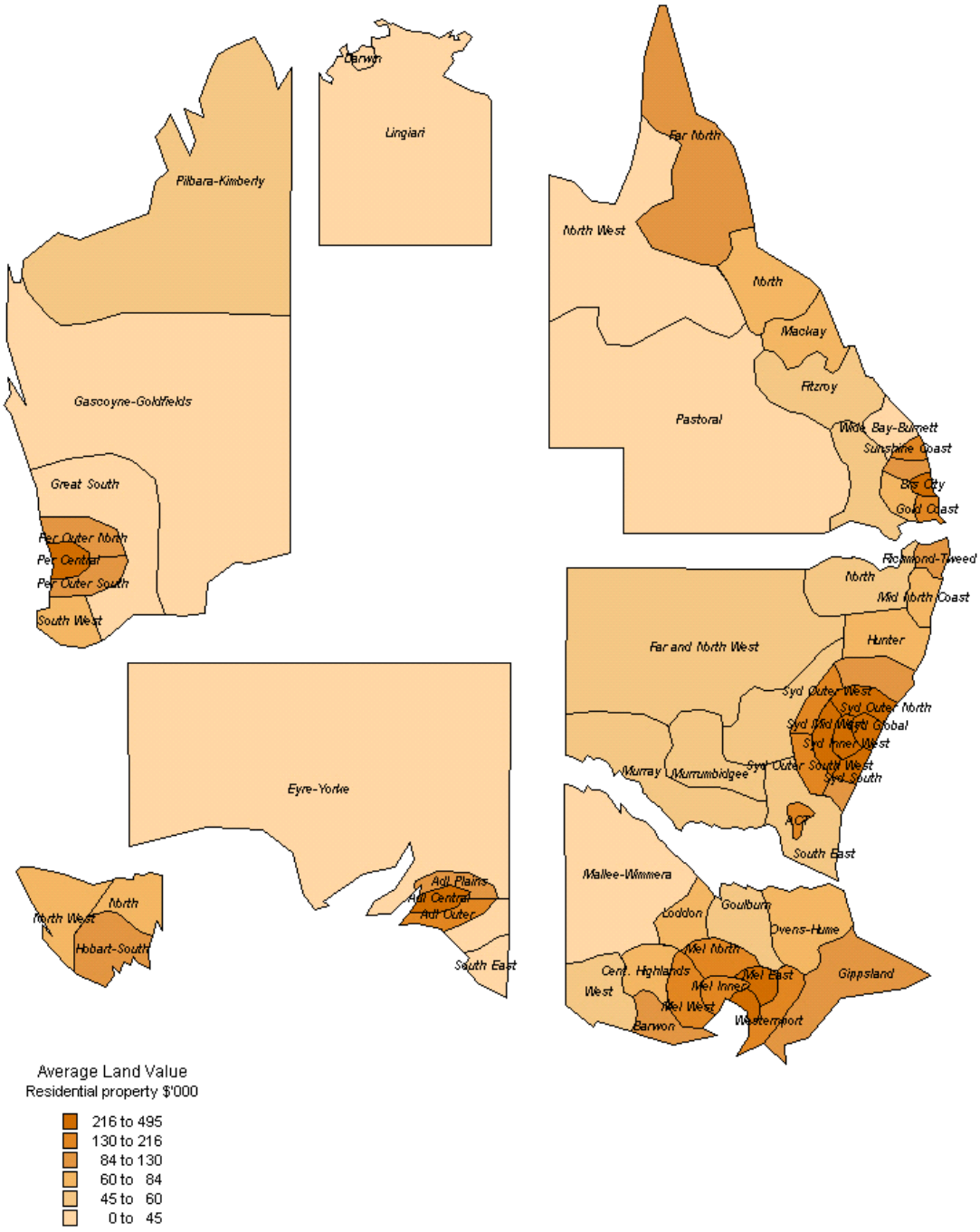
The non-metropolitan distribution has much in common with the distribution of residential values, with the lowest values again in some of the wheat belt and pastoral regions.

In Tasmania, Hobart matters for commercial values even if it does not for residential.

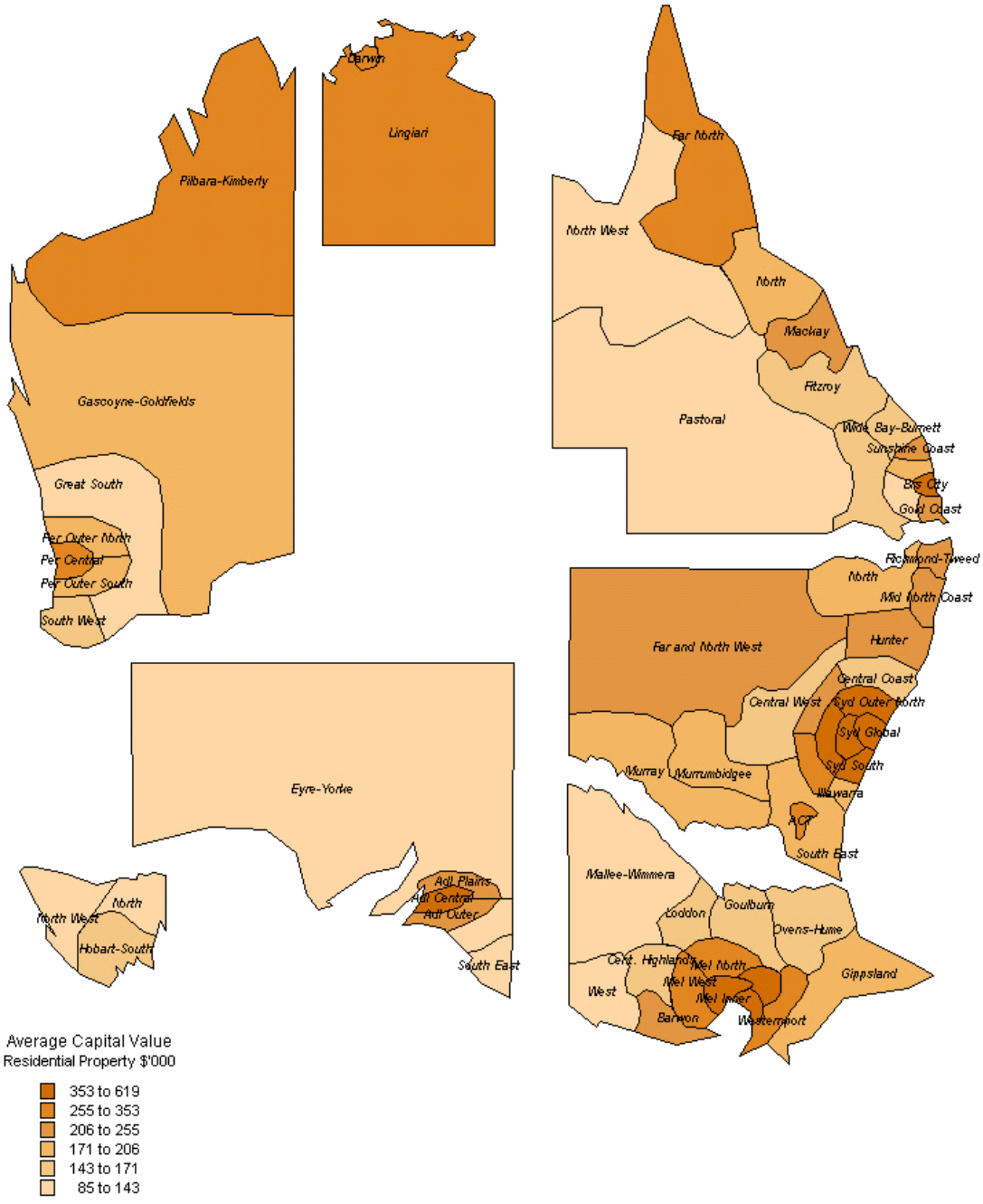
2A.3 Rural

As expected, the range of rural values is not as great as for residential or commercial. The highest rural values per property appear to be in the WA Wheat Belt-Great Southern, followed by the Adelaide Hills, the south east of South Australia, wetter parts of Victoria, Mackay in Queensland and the South West of Western Australia. Tasmanian rural values appear to be quite low, while the lowest rural values in the country, per property, appear to be in the Northern Territory followed by the New South Wales south east – this latter a surprise, since values there should be held up by Canberra and Sydney hobby-farm demand. One should not make too much of these patterns, since the statistics are provisional and vulnerable to subtle interstate differences in the definition of rural properties.

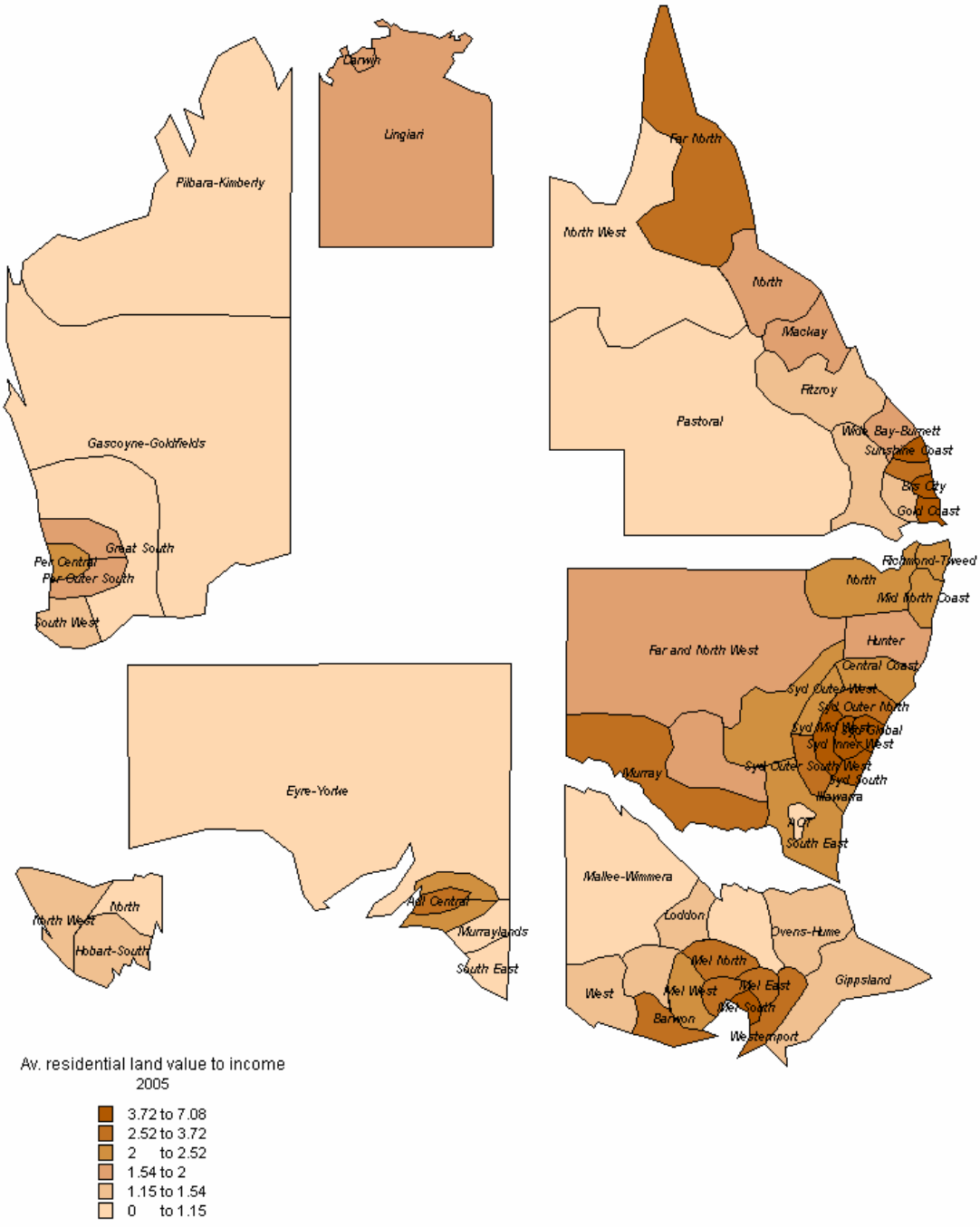
Average land value for residential property



Average capital value for residential property



Average residential land value to average household income



3. The land boom and local government

We saw in Chapter 2 that the land boom of 1996-2005 has left a mixed inheritance, the most positive aspect being a stock of new dwellings. The less positive economic legacies have included the following.

- High land prices, which both add to business costs and raise the barrier to first home ownership.
- A large number of over-indebted households.
- At the national level, a continuing balance of payments deficit, coupled with a failure to increase export receipts ahead of imports.

Tackling these legacies at the national level will involve switching from a consumer-led economy to an investment-led economy, while tackling them at the local level will involve local investment in such infrastructure as roads, drainage, telecommunications, skills and environmental management. Local government is well suited to identifying and undertaking local projects, the obvious question being finance. It would be very convenient if the land boom, in addition to increasing investment needs, had created a basis for investment finance. Unfortunately this is not the case. The increase in land costs, and even more the increase in indebtedness, has squeezed rather than expanded the local government tax base.

The land boom of 1996-2005 raised property values and hence the nominal rate base for virtually all councils in Australia – though much more for councils located in inner metropolitan areas than for rural councils. What if any has been the effect on council revenues? To answer this question, we continue the discussion of local government revenue raising which we began in Chapter 13 of the 2005-06 *State of the Regions* report.

This chapter also includes material received from councils who answered the stakeholder survey circulated by the ALGA on National Economics' behalf in mid-2006. National Economics thanks the respondents.

3.1 Rates in overall taxation

Despite the political sensitivity of local taxation, it should always be remembered that rates are not a major tax.

Table 3.1 Tax revenues, all governments, Australia 2004-05

Tax	Revenue ($ billion)	Percentage of total revenue
Income and payroll taxes	174.9	62.8
Taxes on goods services and activities	79.5	28.5
Taxes on financial and capital transactions	11.6	4.2
Land and other state taxes on immovable property	4.4	1.6
Rates paid to local government	8.1	2.9
Total	**278.5**	**100**

Source: ABS 5506.0.

Table 3.1 sets rates in the context of the Australian taxation system as a whole. Rates are small beer when compared with income and payroll taxes, and even when compared with sales taxes (taxes on goods, services and activities). In 2004-05 they raised less revenue from property owners than stamp duties raised from property buyers, though they are more significant than land and other taxes on immovable property. However much ratepayers may grumble, rates are not a major tax. As noted in the *State of the Regions* report last year, they are of the same order of magnitude as household utility bills such as electricity and telecommunications.

Table 3.2 reaches a similar conclusion by comparing taxes collected with the relevant tax bases.

Table 3.2 Average tax rates, all governments, Australia 2004-05

Tax	Tax base	Tax base ($ billion)	Average tax rate, %
Income and payroll	Primary household income	684	25.6
Sales etc	Household consumption	527	15.1
Financial transactions	Purchase of dwellings	134	3.1
Land taxes etc	Value of land	1923	0.22
Rates	Value of land	1923	0.42

Source: ABS 5506.0, 5206.0, 1350.0.

Income and payroll taxes together divert around a quarter of household income to governments (more than this when one includes compulsory superannuation contributions), while sales and related taxes divert around 15 per cent of consumption expenditure. By comparison, the rates are trifling. Not only is the tax base very large (it is here taken as the total value of private land in Australia) but the take is quite small, so that the average rate is less than a cent in the dollar. There is, however, a difference. The tax base for land tax and rates is value at a set date (it is a balance sheet number), whereas the base for the other taxes can only be expressed in relation to a period of time – a year in the case of Table 3.2 (a profit and loss number). The average rate of return on land (excluding capital gains) is likely to be quite low, particularly after the recent inflation in land values. Taking it at around 4 per cent a year, the national average rate expressed as a proportion of income from land rises to around 11 per cent, or 16 per cent including land tax – not too far different from the other major tax rates.

3.2 The virtues of rates as a local tax base

There is a very strong case for rates as a major source of finance for local property-related services such as local access roads and communication, networking and skill-formation facilities, and also for the payment of interest on loans raised to finance infrastructure investments. The reasons for this conclusion were outlined in Chapter 13 of the *State of the Regions 2005-06* report, and include the following.

- Other things being equal, property adds to wealth, and hence to the capacity to pay tax. When two people have the same income, the one with the greater wealth is likely to be better placed to pay tax.
- Rates are preferable to most other taxes on economic efficiency grounds, at least to the extent that they are imposed on values arising from the scarcity of land. These scarcity-values or location rents are approximated by site and unimproved values. Scarcity values are not affected by the decisions of individual landowners to build or otherwise improve their properties, so a site value rate has no incentive effects other than the incentive to earn as much income as possible from the site. By contrast most other taxes have unwanted incentive effects. For example, the income tax reduces the incentive to paid work.

- Putting the same point in moral terms, capital gains on land strictly defined are unearned. Though they are generated by the market system, they do not reflect any hard work or other meritorious action by the landowner, but rather arise either from the natural powers of the soil or from general community effort in creating superior locations. Either way, there is a strong argument for diversion of the unearned increment to public use.
- In particular, to the extent that land values increase as the result of the provision of municipal services, the rate is defensible as a user charge.
- Within limits it is possible, by means of differential and minimum rates and rate rebates, to adjust the distribution of the rate burden to take ability to pay and benefit into account.
- The taxes available to local government are limited by the constitution, which reserves sales taxes for the Commonwealth. The local sales taxes which are imposed in many countries as an alternative to rates are not available to local government in Australia.
- Finally, by comparison with other taxes, rates are simple to administer and hard for taxpayers to avoid.

These are formidable advantages. The founders of Australian local government were sound in their instinct that rates were the best available option for a local tax. This instinct was particularly apposite in relation to the task faced by these pioneers, that of building local economic and social infrastructure. They built local roads, drains, public parks, town and shire halls, schools of arts and mechanics institutes, and in urban areas water supply and sewerage works, all financed from rates. They collected and disposed of rubbish, again financed by rates. Sometimes, in order to speed the works, they borrowed, servicing the loans from rates. These rates in effect claimed a share of the increase in property values brought about by the infrastructure investment and services they financed.

3.2.1 Investment finance options

If local government is to invest in infrastructure, it has two options: pay as you go and borrowing against future tax revenue (rates). There is also a possibility that, as part of revised inter-governmental financial relations for sharing responsibility and risk, there could be grants which are conditional on project success, so allowing councils to borrow against future grants. However, such schemes are at present hypothetical, and in this chapter we confine ourselves to the established options.

Pay as you go is the time-honoured and thrifty alternative, which ensures that the current generation do not burden their successors with debts. However, since all costs are borne by current ratepayers, the scope of works is necessarily limited. It is not necessarily a benefit to future ratepayers to be free of debt, if such freedom is bought at the cost of poor infrastructure.

The alternative to pay as you go is the business practice of borrowing against future earnings. If the borrowed funds are put to good use in infrastructure investment, they yield local advantages which are reflected in land values and ratepayer income. The benefits from the infrastructure can be split between ratepayers, whose profits or land values increase, and council, which can raise rates to pay loan costs and repay the loan. Obviously there are risks, and much depends on the quality of the investment, but at base the loan alternative simply reflects business principles.

Though there is a strong case for loan finance of local government infrastructure investments, the Commonwealth, State and Territory governments apply restrictions to local government loan finance and to council entry into public private partnerships. These restrictions obviously limit the ability of local government to invest in infrastructure. In the past the Commonwealth has justified its restrictions as necessary to the conduct of macroeconomic policy, but now that it has denied that macroeconomic policy requires restrictions on private borrowing there is very little case for restrictions on local government borrowing for project finance. The state governments argue that they are the ultimate guarantors of local government debt, and that their restrictions are justified on prudential grounds. There is certainly a case for prudence in local borrowing, and indeed for a rule that borrowing should

be reserved for the finance of infrastructure which is expected to yield an increase in rate paying capacity. However, prudence is always a matter of judgement, and it is arguable that current regulations unduly restrain local government from shouldering infrastructure investment risk.

3.2.2 Rates or charges?

National Economics discussed the choice between rate and user charge finance in lat year's *State of the Regions* report, section 13.5. Rather than repeat that discussion, we take the case of water supply. Though in some states water supply and sewerage were provided by state authorities rather than local government, these two services illustrate how changing circumstances can affect the appropriateness of loan finance serviced from rates. Water supply and sewerage have very high capital costs in relation to operating costs, and also have noticeable effects on land value. The capital is long-lived – fifty years to a century before major refurbishment is required – and also requires considerable initial investment in system headworks. Because of the size and long life of the works, our forefathers considered that loan finance was appropriate, and because of the effect on land values, it was also appropriate to service the loans from rates. Times have now changed, and Australia's six big capitals have built dams which tap all, or most, of the reasonably available supply. It is now impossible, or at least very expensive, to provide more raw water by diverting another river or enlarging the storages, and the emphasis has therefore changed to rationing what's available. For this purpose, user charges by volume are more appropriate than rates, and so water supply is moving away from rate finance. Sewerage is linked to water both through the water cycle and administratively, so it has also tended to move away from rates, though in the absence of measures of volume and strength it has not been possible to impose true user charges.

Though water supply has moved out of the category of services appropriately financed from rates, other local infrastructure services remain. Local roads, parks and town halls have burgeoned into a wide range of socio-economic infrastructure, all of which raise land values by improving the attractiveness of the area both to employers and employees. The *State of the Regions* reports have identified many opportunities for further improvement, and argued that, beyond the standard infrastructure package which is expected everywhere, councils can respond to local opportunities and emphasise the comparative advantage of their areas by considered investment. It is such investment which is most likely now to yield increased land values, and so is suitable to loan finance backed up by rates.

3.3 The limitations of rates

However, as noted last year, rate finance can only go so far. There are two major limits.

3.3.1 Rates and redistribution

Rates (or indeed any form of local taxation) are a poor source of finance for redistributive services like education and health. The reason is that poor families tend to have high needs for these services coupled with low ability to pay, while rich families have low needs and high ability to pay. Reliance on local taxes to support such services can result in families with low needs and high ability to pay congregating in rich municipalities with high land values which the poor cannot afford to pay, leaving those with high needs and low ability to pay marooned in poor municipalities with low land values per capita. This can be avoided if redistributive services are provided directly by state and national governments, or provided by local government but paid for out of state or national grants. As noted last year, this is part of the traditional Australian allocation of government responsibilities, and despite cost shifting it continues to hold, for the most part. The system of horizontal equalisation grants also assists local government to overcome the unequal distribution of needs and resources.

In past *State of the Regions* reports National Economics has put forward the principle that redistributive services should not be financed from rates. We stand by this principle, even though we acknowledge that the boundary between redistributive services and those which are appropriately financed by rates can be hazy. A case might be a local information centre – once a library – which is both part of education (a redistributive service) and a means by which local people can be brought up to speed on their economic opportunities (an infrastructure investment with local economic development spin-off).

3.3.2 Rates and roads

We should also note that rates have their limitations as a source of finance for roads. In the early years of Australian local government long-distance freight was carried by rail or sea, and road traffic was mostly local – hence a strong argument for local government responsibility for roads, and an equally strong argument for financing roads from rates on the grounds that access increases property values. Indeed, property can have no value without road access. However, motorisation has changed all that. For a century now Australia has been searching for a satisfactory way of financing roads. By contrast with urban water, where the switch to user charges was largely accomplished within a decade or so, very little progress has been made. The limits to rate finance of roads arise in two ways.

- Through traffic which neither starts nor stops in the municipality has no relationship to local land values – if anything it diminishes them. There is no benefit principle argument for financing through-traffic roads from rates, nor is there any relationship between through traffic and ability to pay. Wealthy cul-de-sac councils can find themselves with very little through traffic, while councils with low ability to pay can find themselves criss-crossed by through traffic.
- Even when the traffic is local, councils have very little control over the number, size and weight of vehicles which use their roads. If the costs occasioned by a particular traffic are financed from rates they are borne by ratepayers as a whole rather than by the people involved in the particular traffic.

Accordingly, it is preferable that roads, other than local access roads for light vehicles, should be financed from user charges. In Australia this principle is observed in theory but not in practice.

The theory is that road users pay for roads by a combination of fuel taxes, registration fees and local rates (limited to local access roads). The practice is deficient in many ways.

- The sum total collected covers total national road costs only under costing assumptions calculated to give a minimum estimate.
- There is no attempt to match costs with revenues for any particular road, and minimal attempt to match costs with revenues by vehicle class.
- The portion of costs assumed to be covered by rates is arguably excessive.
- There is no attempt to return revenues earned on any road to the authority responsible for that road.

These deficiencies are now the focus of a Productivity Commission Inquiry. It is to be hoped that current inquiry will be a step towards a more businesslike approach to roads, involving two reforms.

- A realistic costing system would be substituted for the 'pay-as-you-go' approach currently used by the National Transport Commission. The system would be based on conventional accounting. Many local governments have already moved in this direction, and indeed their claim for increased road grants has been based on the insufficiency of current maintenance expenditure so calculated, as well as on evidence of physical deterioration. A full cost approach would also include a rate of return on the road asset, including land.

- There would be a shift from fuel taxes and registration fees to charging individual vehicles for the use of particular roads. The only automatically free roads would be true local access roads, and then only for light vehicles – these roads could continue to be financed from rates.

This system implies that all roads carrying through and/or heavy traffic would be set up for user charges. Though the aim would be to recover costs, there would be an argument for allowing road authorities (including councils) to rebate charges for social or economic development reasons. Local access roads would continue to be free to pedestrians and light vehicles, but there would be charges for heavy vehicles. The argument for these charges is that heavy vehicles occasion additional road costs beyond those of light-vehicle access, and do so while carrying freight for particular industries and not for ratepayers as a whole. Once again there may be a case for rebating the charges on economic development grounds, and there may also be opportunities to have them covered by grants from other levels of government, if those governments perceive a need for industry assistance.

Under a businesslike approach of this kind, with road authorities receiving sales revenue directly from road users, the users would directly face the costs they impose on the road system, while road service providers would face the possibility that some of their roads do not raise enough revenue to cover maintenance – in other words, that they are economically unwarranted. Such roads could be closed, downgraded or maintained out of tax revenue as community service obligations. Wheat belt shires will be aware that very similar questions are currently arising with respect to railway branch lines which do not raise enough revenue to justify maintenance. The debate has arisen, in part, because councils are unable to charge for the use of their roads, so giving trucking a cost advantage.

Despite the exciting technical possibilities for collecting road user charges electronically, we are a long way from economic rationality on roads, and are likely to remain with a system under which some roads are inappropriately funded from rates where user charges would be better, and grants are paid which neither cover the cost of the current road system nor give no incentive towards the rationalisation of the system. This diverts rate revenue to roads when it would be better spent on infrastructure outside the standard array, infrastructure which is more relevant to current economic development opportunities.

Given the mess that is road finance, we may be thankful that Australia is closer to economic rationality on redistributive services. Most such services are Commonwealth or State, and a range of grants is available to underwrite local provision, though as the Hawker cost shifting inquiry found there are no guarantees of continued central funding. However, neither of these misuses of rate revenue detracts from the usefulness of rates as a source of local finance, particularly for property-related services including access roads.

3.4 The rate base

Though we speak of rates as one tax, the rate base may be defined in three broad ways, to which local custom usually adds variations. The three broad definitions are as follows.

- Land value covers two closely-related concepts. Unimproved value is the market value of each property as it was without human intervention. In urban areas it is taken as the price of a vacant lot, while in rural areas it is the value of uncleared, undrained, unfenced land. Strictly it should also abstract from changes in fertility, but one wonders whether the valuers allow for such changes, particularly when fertility has been lost. Site value is virtually the same as unimproved value in urban areas, but in the country it does not attempt to allow for differences in the condition of the land compared to its natural state.
- Capital value (or capital improved value, or improved capital value) is the market value of each property including all immoveable items situated upon it; in other words, the price which is observed each time the property is sold. It is generally greater than the site value, though it could theoretically be less (i.e. the value of the land as a vacant lot less the costs of demolishing undesired buildings situated upon it).

- Rental value (or gross rental value, or net annual value, or assessed annual value) is the estimated annual cash flow which can be achieved by renting the property to a willing tenant, in its current condition including buildings.

State custom differs in the detailed application of each valuation principle, especially in such matters as frequency of adjustment to market and whether or not values are adjusted to full market levels. State customs may also differ with respect to the following.

- The demarcation between rateable and non-rateable properties.
- Concessional valuations for particular classes of property, either at the general level (for example, a policy of valuing peri-urban farm land at agricultural rather than market value) or in particular cases, such as private golf courses.
- Compulsory rate rebates for particular classes of ratepayer.

State land taxes are also assessed on land values, but differ from rates in that owner-occupied housing and low-value properties are generally exempt and there may be a progressive rate schedule. By contrast, rates are customarily imposed at a constant rate in the dollar – though differential rating may vary the rate between broad classes of ratepayer. It is common practice to charge a minimum rate, which adds a regressive element to the schedule. A garbage charge may also be included on the rate notice, in general as a flat rate per liable property – not as a user charge, which would vary with the amount and nastiness of the garbage generated, but as a further regressive element in the rate schedule. (The terms progressive and regressive are used here, not with reference to income, but with reference to the rate base.)

The following rate bases are in use. Where Councils can exercise choice, that choice applies to all properties in their area.

- New South Wales: Unimproved Capital Value.
- Victoria: choice of Site Value, Capital Improved Value or Net Annual Value.
- Queensland: Unimproved Capital Value.
- South Australia: choice of Unimproved Capital Value, Capital Value or Annual Value.
- Western Australia: Unimproved Capital Value for most rural properties; Gross Rental Value in nearly all urban areas.
- Tasmania: Choice of Unimproved Capital Value, Capital Improved Value or Assessed Annual Value.
- Northern Territory: choice of Unimproved Capital Value, Improved Capital Value or Annual Rental Value.

Though the valuation principles are well-defined in theory, state valuers general differ in the way they treat difficult cases, such as fringe urban areas and mining and pastoral leases. As is notorious, the New South Wales government has imposed rate pegging for many years, which means that the rates which New South Wales councils are allowed to collect reflect state policy. Victoria also had a burst of rate cuts under the Kennett government in the mid-1990s. Elsewhere the rate reflects local choice as to the balance between services provided and rates paid.

We have seen in Chapter 2 that whether rates are levied on site or capital values affects their incidence by class of ratepayer – though National Economics notes that states using land values sometimes effectively adjust these values towards the capital value distribution by adopting low valuation standards for rural and/or residential land, and councils may do the same by imposing differential rates. The choice of land or capital values for rating also affects the effect of the land boom on different classes of ratepayer, Table 3.3 reports the effect of the land boom on the total value of Australian privately-owned land.

Table 3.3 Increase in land value, Australia 1996-2005 (per cent)		
Sector of ownership	Land value	Capital value
corporate	301	190
households	299	255
Land use		
residential	320	261
commercial	234	183
Rural	242	240
Total	**299**	**236**

Source: ABS 5506.0. Residential, commercial and rural capital value estimated by National Economics.

During the boom, land value tripled for both the household (i.e. non-incorporated) and corporate sectors. Capital value rose less, and more for the household than for the corporate sector. By land use, the largest increase in land value was for residential land, with commercial and rural land both falling behind. The largest increase in capital value was similarly that of residential land, with rural following not too far behind and commercial land lagging significantly. The relatively high showing of rural land on capital value was due to the low ratio of capital to land value for this land use; trends are therefore dominated by land value. By contrast, land value forms a relatively small part of capital value for commercial land, and the capital value of commercial land was therefore much more strongly affected by the low rate of construction of commercial buildings. On an all-Australia basis, as a result of the boom the incidence of land value (site, UCV) rating tended to move onto residential land but the incidence of capital value rating tended to move onto both residential and rural land.

The land boom thus shifted the liability to pay rates between classes of ratepayer. The more obvious effect is, however, that values increased in virtually every LGA in the country. The question is whether this raised rate paying capacity, rather than just the nominal value of the tax base. In Chapter x we have already hinted at two elements in the answer.

- The increase in land values increased costs for at least some businesses, and squeezed cash flow in the case of those businesses for which there was no corresponding increase in output prices. This applies in particular to the rural sector.
- The increase in household indebtedness which was a crucial feature of the boom is reducing household disposable incomes.

We now pursue these two elements in greater detail by placing land in the context of sectoral balance sheets.

3.5 Sectoral balance sheets

The ability of landowners to pay rates depends on a combination of their balance sheet and income position. If a ratepayer's balance sheet is unencumbered and features plenty of liquid assets in addition to the land which forms the tax base, rate paying is financially simple. Conversely, a lack of accessible liquid assets greatly increases the burden of rates. We can also infer something of ratepayer's income position from their balance sheets. Balance sheets which include income-yielding financial or business assets (including land put to business use) indicate the presence of cash flows which assist in paying rates. Balance sheets which lack income-yielding assets but include mortgages indicate that the ratepayer is relying on earned income (from work) to pay both the rate and the mortgage, a much more constrained position.

In this task of assessing rate paying capacity, we begin with the ABS national balance sheet data. Only privately-owned land is included in the national balance sheet, and most of it is rateable: the ABS estimates that the rateable proportion is 95 per cent. It can be assumed that a similar (or perhaps higher) proportion of dwellings is rateable, since a great deal of non-dwelling construction is publicly-owned and non-rateable. It is, however, possible to exclude government-owned construction and hence put together a rough indicator of capital values. These balance sheets place the rate base in the context of other assets and liabilities.

The national balance sheet for 2005 shows $5,600 billion worth of assets, of which one-third is land. When improvements are added in, roughly two-thirds of total national assets are included in the capital value rate base. Table 3.4 divides the national balance sheet up by sector, and Table 3.5 gives the billion dollar values.

3.5.1 Balance sheets by sector

In ABS parlance, the household sector includes people in their domestic capacity, plus unincorporated businesses and non-government non-profit organisations whether incorporated or not. Household assets are divided into two main groups plus leftovers.

- Land accounts for 37 per cent of the total, plus dwellings at 22 per cent. Housing thus comprises nearly 60 per cent of household sector assets.
- The household sector also has substantial financial assets, comprising 36 per cent of its total. However, it should be remembered that around 60 per cent of these financial assets are not available to households in the event that they get into financial difficulties – the assets are blocked superannuation or other insurance accounts. The remaining accessible financial assets are mainly deposits and shares.
- The remaining 5 per cent of household sector assets are mainly the buildings and equipment of unincorporated business and voluntary agencies.

The aggregate balance sheet of the household sector looks quite healthy: loans, which are mainly on mortgage, offset a mere 19 per cent of total assets. The remaining assets are wholly-owned. Again, the sector's debt comes to less than half the value of its land, and no more than a third of the value of its land plus buildings. However, there are two warning lights.

- Total household debt of $900 billion considerably exceeds the sector's readily available financial assets of around $700 billion. From a rateable capacity point of view this is worrying, since owner-occupied housing yields no direct cash flow from which rates can be paid, and neither does a net negative financial asset balance.
- The debt service ratio – the ratio of interest on debt plus repayment obligations to household income– is at record high levels. Once again, contractual payments are eating into income and making it hard for many households to pay rates.

These warning lights apply for the aggregate of the household sector. Given the wide dispersal within the sector, which ranges from hopelessly indebted to fabulously wealthy households and from pensioners to households receiving corporate CEO packages, it is likely that quite small increases in debt servicing costs, or small reductions in income, will send large numbers of households bankrupt.

The corporate sector is divided into financial and non-financial businesses. The financial liabilities of each sector are similar, comprising borrowings and equity capital. Corporate businesses are owned by shareholders, and their shares are classified as financial liabilities of the businesses as well as financial assets of the shareholders. The difference between financial and non-financial businesses is that the assets of the former are mostly financial (loans of various sorts to households, other businesses and governments) whereas non-financial businesses have about 70 per cent of their assets invested in fixed assets, especially non-dwelling construction, plant and equipment. Compared to the household sector, land is an unimportant asset for non-financial corporations, but they have significant investment in

buildings which are included in the capital value rate base. Land owned by the corporate sector is generally income-earning, and the large holdings of financial assets indicate reasonable liquidity, so there is no sign at this aggregate level that the land boom has squeezed corporate rate paying capacity.

The sheer size of the financial sector is impressive. It directly controls assets valued at 3.5 times the assets of the government sector, or four times government sector assets if minerals still in the ground are left out. This massive total of financial assets is balanced by equally massive debt – the financial sector owes nearly half of total debt issued in Australia. Indeed, because the value of its shares has been inflated above their asset backing, the financial sector has negative net worth. Land and buildings are but a small item on this sector's balance sheet. As for the corporate non-financial business sector, this balance sheet indicates that the sector should not find rate paying difficult.

The government sector comprises all levels of government, but excludes government-owned corporate businesses. The value of government-owned land is not included in the balance sheet, since most of it comprises road reserves, parks and the like and is not readily marketable and certainly not rateable. The main government assets are non-dwelling construction and the value of minerals still in the ground. Needless to say the latter is a very speculative estimate. As a result of the debt repayment programs of recent years, governments are a small net debtor. This balance sheet indicates excellent rate paying capacity, though it can only be exercised in those states where an intergovernmental agreement removes the exemption of government property.

Finally, the overseas sector holds 22 per cent of the total financial liabilities of Australian individuals, businesses and governments. Most of these liabilities are on the balance sheets of foreign-owned companies (as shares or debt) and the finance sector (as debt). In the other direction, only 13 per cent of the financial assets of Australian individuals and businesses are claims on overseas entities. The overseas sector is a net creditor to Australia to the extent of 9 per cent of the national balance sheet. By definition, it has no rateable assets.

Table 3.4 Sectoral balance sheets, by type of asset (percentage of total assets) July 2005

Asset	House-holds	Govern-ments	Non-financial corporate business	Financial corporate business	Overseas	National total
Non-dwelling construction	2	32	37	3	0	19
Dwellings	22	0	3	0	0	19
Land	37	0	8	1	0	34
Other non-financial assets	3	43	22	1	0	17
Financial assets	36	25	30	95	100	11
Financial liabilities	-19	-30	-96	-103	55	-20
Net worth	81	70	4	-3	45	80
Total assets ($ billion)	**4727**	**914**	**1654**	**2324**	**1139**	**5598**

Source: ABS 5506.0.

Table 3.5 Sectoral balance sheets, value of assets and liabilities, July 2005 ($ billion)						
Asset	House-holds	Govern-ments	Non-financial corporate business	Financial corporate business	Overseas	National total
Non-financial assets	3024	683	1155	114	4976	0
Non-dwelling construction	88	292	608	72	1059	
Dwellings	1039	4	45	0	1087	
Land	1769	0	133	22	1923	
Other	128	387	369	21	907	
Financial assets	1703	231	500	2210	4644	13
Less financial liabilities	902	275	1585	2399	5161	22
Net financial assets	801	-44	-1085	-189	-517	
Net worth	3825	638	70	-74	4459	

Source: ABS 5506.0.

3.5.2 Changes in sector balance sheets

The effect of the land boom on sectoral balance sheets is shown in Table 3.6, which shows the change in each balance sheet item from 1995 to 2005, before and after the boom. Some of the numbers are familiar from Chapter 2, particularly the threefold increase in the value of land, the doubling in the value of buildings and the relatively small increase in the value of non-dwelling construction. However, Table 3.6 makes several additional points.

Non-dwelling construction

The relatively poor showing of non-dwelling construction reflected low rates of accumulation in the government and financial sectors. During the period both of these sectors sold buildings, the two possible purchasing sectors being households and non-financial corporations. The increased holdings of buildings by these sectors are likely to reflect an increased role as an office landlord, rather than investment in factories or warehouses.

The household sector

In addition to its capital gains on land and investments in dwellings, the household sector more than doubled its financial assets, chiefly through National Superannuation. However, the sector more than tripled its debts. Though the net financial assets of the household sector increased, the ratio of its debts to its financial assets rose from 38 per cent to 53 per cent. As already pointed out, many of these financial assets are locked up in superannuation and aggregate household debt exceeds aggregate accessible household financial assets. Thanks to its capital gains, the net worth of the household sector rose, though its debt to net worth ratio rose from 16 per cent to 24 per cent. These changes in the aggregate balance sheet do not indicate an increase in rate paying capacity, but rather the reverse. The average household now has less liquid assets from which rates can readily be paid, more assets on which it earns no current income, and more debts which make a call on its earned income.

Business and government

Corporate business took on more debt, but the government sector reduced its debts. The net financial assets of governments rose, while those of corporations fell. The net worth of Australian governments rose (though this is suspect, since much of the increase was due to a revaluation of minerals still in the ground) while the net worth of the corporate sectors fell. None of these changes indicate major change in rate paying capacity.

Overseas assets and debt

Australian holdings of overseas financial assets increased by 3.4 times, and overseas lending to Australian entities by 2.6 times. Net Australian indebtedness to overseas doubled. This complicates the simple story of a consumer boom financed by accumulation of overseas debt. It means that the boom was partly financed by domestic debt, while part of the accumulation of overseas debt was used to purchase overseas assets.

In summary, Table 3.6 confirms that the prosperity of 1996-05 was indeed a land boom, accompanied by investment in dwellings, with relatively low accumulation of commercial buildings, infrastructure and other productive assets. The household sector financed its part of the boom through borrowing, leaving it heavily indebted. Much, but not all, of this increase in household debt has its counterpart in increased borrowing from overseas, chiefly by the financial sector.

Table 3.6 Percentage change in sectoral balance sheets, 1995-2005

Asset	House-holds	Govern-ments	Non-financial corporate business	Financial corporate business	Overseas	National total
Non-financial assets	251	215	180	165	223	0
Non-dwelling construction	193	150	193	142	175	0
Dwellings	218	138	177	0	216	0
Land	308	-	304	328	307	0
Other	120	323	143	179	183	0
Financial assets	241	114	225	260	234	259
Less financial liabilities	338	94	202	269	231	336
Net financial assets	183	50	-193	-427	204	202
Net worth	233	292	88	-192	226	

Source: ABS 5506.0.

3.5.3 Distribution of the rate base at the national level

Having given a general outline of the national balance sheet, we now concentrate on its rate base components. The value of land in the ABS balance sheet corresponds fairly closely to the theoretical definition of site value for rating purposes. Similarly, the value of land plus the value of dwellings and non-dwelling construction owned by households and corporate business approximates capital value for rating purposes.

Just as land dominates the aggregate household balance sheet, so the household sector dominates land ownership, owning 92 per cent by value of all private land in the country. This percentage includes unincorporated farms, and has been stable since 1989 (when the national balance sheet was first estimated) despite fluctuation in the land market.

Though corporate business owns but a small proportion of Australia's land (by value – even smaller by area), it tends to erect more elaborate buildings than the household sector. Accordingly, in 2005 corporate business owned a little over 23 per cent of the capital value rate base, leaving the household sector with less than 77 per cent. As already pointed out and other things being equal, local governments which rate according on capital value raise a higher proportion of its revenue from business than those which rate on land value. One must hasten to add that what is true of Australia as a whole may not be true for individual LGAs.

Table 3.7 Percentage distribution of property value by sector of ownership and land use, July 2005 (approximate)

	Household sector		Corporate business		Total	
Land use	Land value	Capital value	Land value	Capital value	Land value	Capital value
Residential	85	87	15	7	79	69
Commercial	5	5	65	88	10	25
Rural	10	7	20	4	11	7
Total ($ billion)	**1769**	**2886**	**155**	**879**	**1923**	**3765**

Source: ABS 5506.0 and National Economics assumptions.

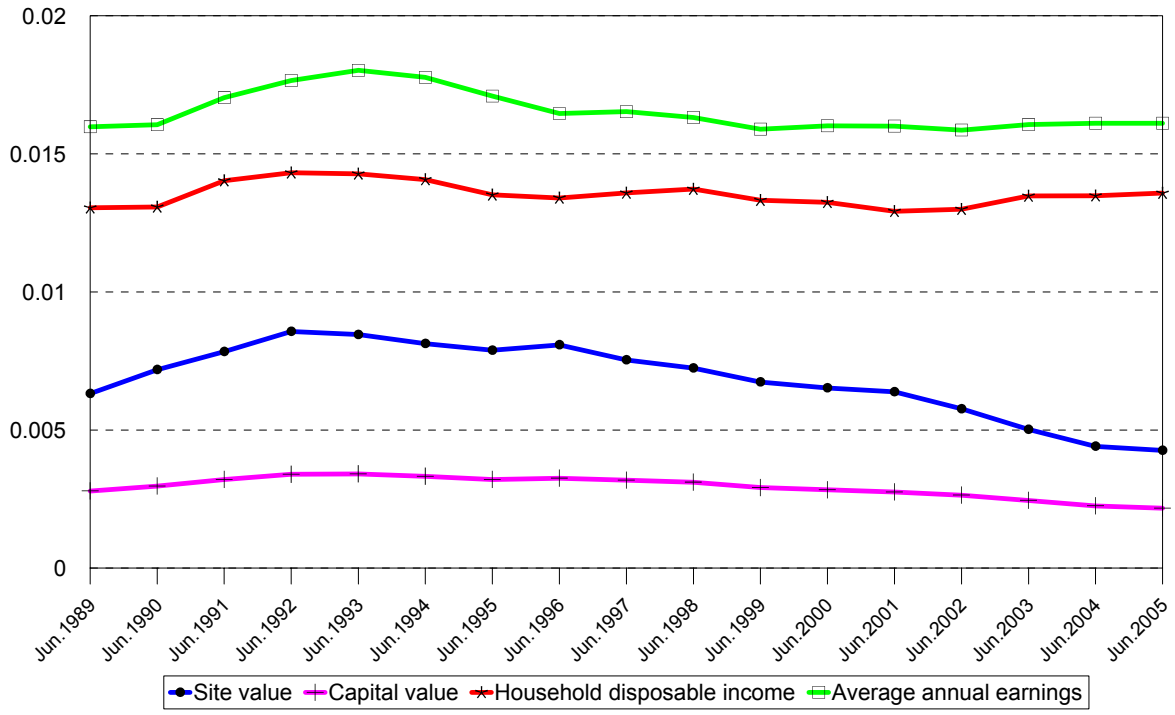
Not all of the $1,769 billion worth of land owned by the household sector is residential – some is farmland, and some is used by unincorporated or non-profit business (Table 3.7). Similarly, corporate business owns dwellings, presumably mostly rental flats. In another table of the National Balance Sheet the ABS data gives the value of residential, commercial and rural land. Residential land comprises town and city blocks, and rural land includes hobby farms and farm residences. Commercial land includes industrial and other unclassifiable private land. Unfortunately there is no cross-classification with land ownership by sector, but Table 3.7 provides orders of magnitude based on reasonable assumptions. On an all-Australia basis, rating on a capital value base rather than a land value base may be expected to shift approximately 15 per cent of the total rate burden from residential and rural properties onto commercial properties. Once again, this is a national total, and there are certain to be divergences affecting particular councils.

Whereas the proportion of total land value in household ownership has remained steady at 92 per cent, there have been changes to the sectoral distribution of capital value. From 1989 to 1996 the household proportion was fairly constant at 71 per cent, but from 1996 on the value of improvements on household-owned land increased more rapidly than the value of improvements on corporate-owned land. As we have seen, this was due to the different rates of growth of value of the different assets. Housing, which is mainly in household ownership, increased in value more rapidly than commercial properties, which are mainly in business ownership.

3.6 Rates collected

The ABS provides data which allows calculation of the average rate in the land value dollar, by state. It also allows calculation of the average rate in the capital value dollar, nationally but not by state. The estimates, shown in Chart b, are inevitably approximate, and omit such factors as the effect of non-rateable privately-owned land.

Rate in the dollar, 1989-05



3.6.1 The national rate burden

At the national level, the average rate in the dollar of land value:-

- rose as property values declined during the 1990 recession, from 0.63 cents in the dollar in 1988-89 to a peak of 0.86 cents in 1991-92, and then
- fell as property values recovered and boomed, reaching 0.43 cents in the dollar by 2004-05.

The national average rate in the land value dollar is now half what it was in the last recession.

The sequence for capital values was similar:-

- an increase from 0.28 cents in the dollar in 1988-9 to a peak of 0.34 cents in the dollar in 1991-92 and 1992-93, followed by
- a fall back to 0.22 cents in the dollar by 2005.

By this indicator the national average rate has fallen to two-thirds of its recession peak – a smaller fall than for the land value rate, reflecting the dampening influence of trends in the value of improvements.

This sequence has arisen because councils have taken into account broader indicators of ability to pay than the raw rate base. Average weekly earnings is one such indicator. Taking the ratio of national average rate payment per household to average annual earnings, we find the following.

- The average rate rose from 1.6 cents in the earned dollar in 1988-89 to 1.8 cents in 1992-93.
- It then fell to 1.59 cents by 1998-99.
- After which it rose slightly to 1.61 cents in 2004-05.

The turning points in this sequence are the same as for the average land value rate, but the amplitude is much less: the current rate is approximately 89 per cent of the peak rate, and not much different from the average rate in 1989.

An alternative indicator of household ability to pay, household disposable income, gives a slightly different sequence.

- The average rate rose from 1.30 cents in the disposable dollar in 1988-89 to a peak of 1.43 cents in 1991-92-93.
- It then fell to a minimum of 1.34 cents in the dollar by 1995-96.
- After which it rose to 1.36 cents.

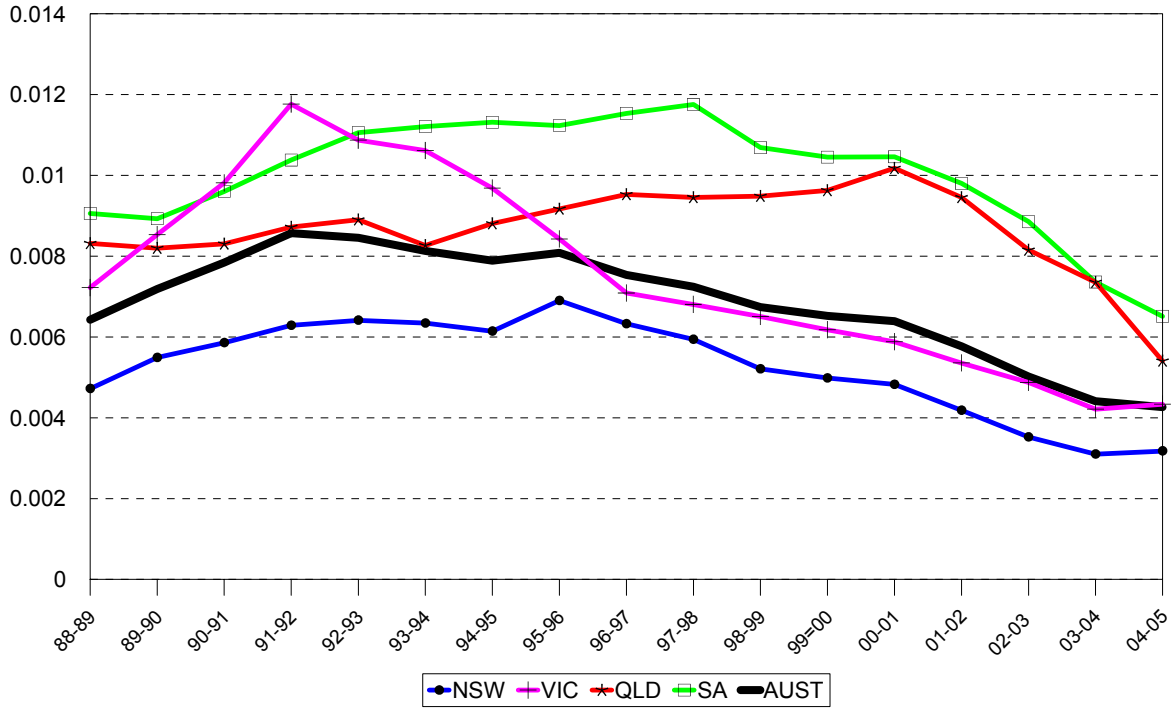
This sequence differs from the average weekly earnings series in that the rate has not gone back to 1989 levels, but retains much of its recession increase. The reason is that household disposable income has grown less rapidly than average weekly earnings due to the increasing bite taken out of it by contractual debt service payments. By this criterion rates are now relatively heavier than they were fifteen years ago.

3.6.2 The rate burden by state

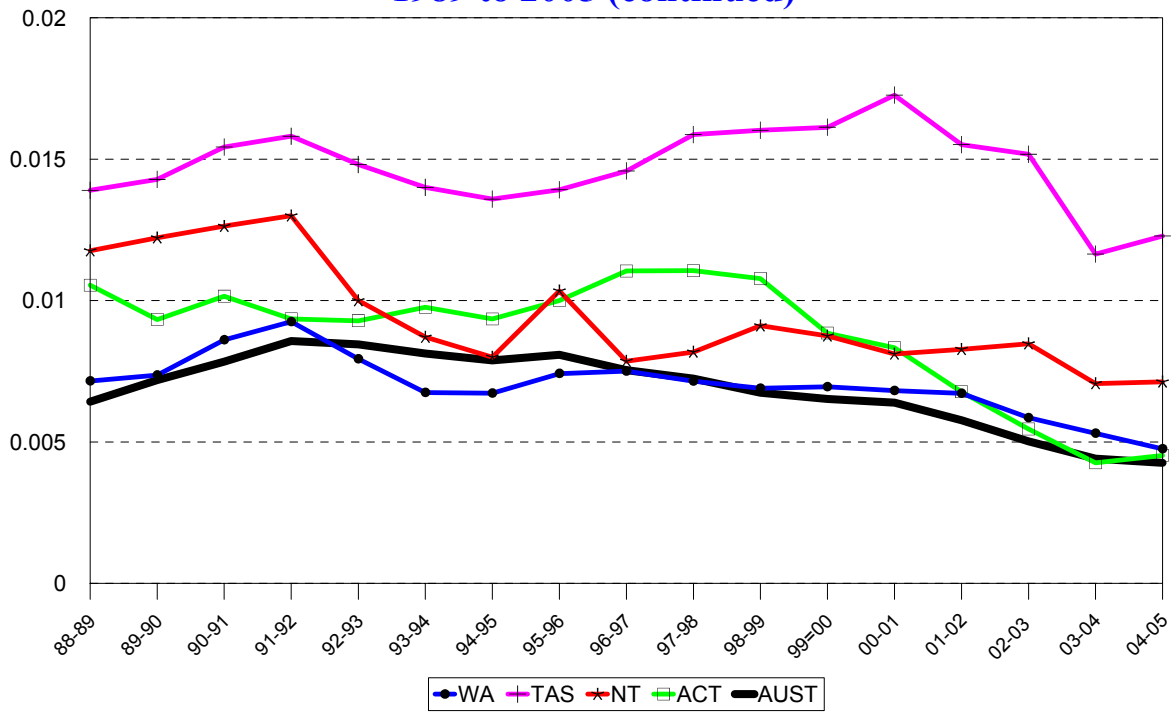
Data for the average rate in the dollar land value is available by state and territory for the period 1988 to 2005.

- New South Wales has consistently had the lowest rate in the dollar. Western Australia has also had consistent low rates, though its rate has been creeping up over time.
- Tasmania has consistently had the highest rate, with South Australia consistently on the high side. Tasmania's rate in the dollar has varied from nearly four times the New South Wales rate in 1989, down to a mere twice in 1995-6, then back up again, reflecting its relative insulation from the booms and busts of the New South Wales land market.
- Victoria started out with a fairly low rate then rose to a high rate during and after the recession. In 1995-6 the state government intervened and forced the rate in the dollar back to second lowest, behind New South Wales.
- Queensland's pattern was the opposite of Victoria's: low during the recession (when Queensland land values held up better than elsewhere) and on the high side from the mid 1990s on.
- The Northern Territory went from a high rate to relatively low in the 1990s and is now back to high.
- The Australian Capital Territory has gone from a high rate to a low, thanks in particular to a burst of land value growth from 2000 on.

Average rates in the dollar land value by State and national - 1989 to 2005



Average rates in the dollar land value by State and national - 1989 to 2005 (continued)

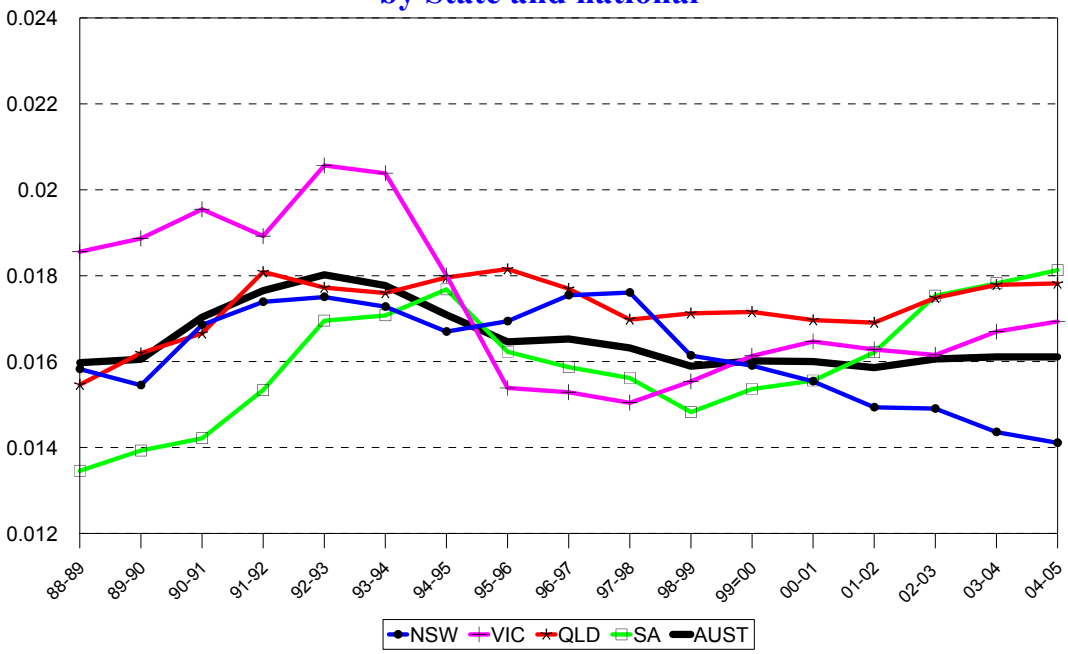


Given that councils take their ratepayers' incomes into account when setting the rate, data for the average rate in the dollar of average earned income helps to interpret these patterns.

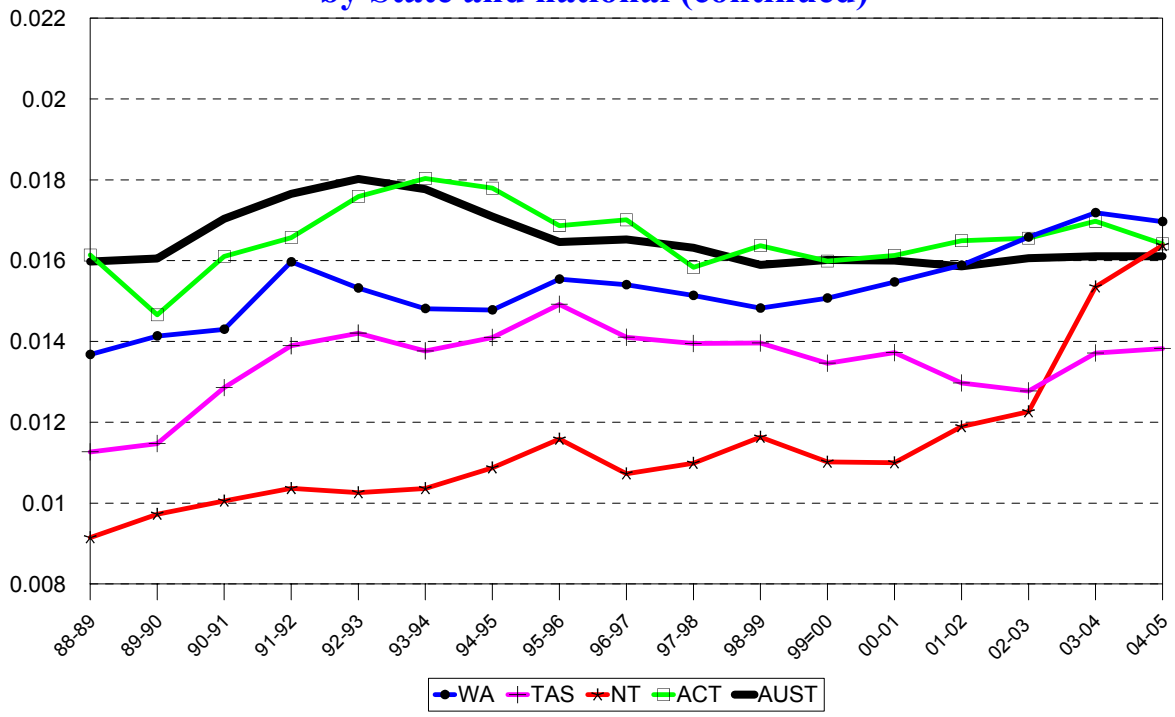
- The Northern Territory appears to be low-rating by this measure, though this reflects the large number of households living in Aboriginal communities which pay no rates.
- More significantly, by this measure Tasmania is a low-rating rather than a high-rating state. However, the difference in the rates/earnings ratio between states is less than the difference in the rates/value ratio. The Tasmanian rate against land value has been two to four times the rate in New South Wales, while the highest average rate in relation to earnings has varied between 1.6 times and 1.2 times that in Tasmania. (The dubious honour of the having the highest average rate in the earned dollar has been held by Victoria, South Australia, New South Wales and Queensland at various times between 1989 and 2005.) There has also been a tendency towards a falling differential.
- New South Wales is not the consistent low-rating state that it is judged to be by land values. Indeed, in 1997-98 it achieved the highest take out of earnings, but has since fallen back. Given the New South Wales policy of rate pegging, these variations have presumably resulted from state government decisions.
- Victoria was a consistently high-rating state until the state government intervened in the mid 1990s. This intervention brought it briefly down to third-lowest, but Victorian rate levels have since bounced back to mid-range.
- Western Australia has maintained its rate in the middle range vis-à-vis earnings.
- South Australia has trended from low levels in the early 1990s to high more recently – it now has the distinction of rating high both in relation to values and to earnings.
- Queensland's rate in relation to earnings has been consistently on the high side.
- The Australian Capital Territory maintained a fairly high rate in relation to earnings until 2003, but has now reduced its rate. It is in the enviable position of having a low rate both in relation to earnings and values.

The state which differs from all the rest is Tasmania. Its high rate in relation to land value represents a low rate in relation to earnings, because land values are low in relation to earnings. This may be due to Tasmania's lack of a million population city; it may be due to its low-growth economy (particularly as compared with the Northern Territory, which also lacks large cities) and it may also be that Bass Strait shelters Tasmania from some of the hobby farm and resort demands which have raised non-metropolitan values in the other states. It is noticeable that Tasmanian councils, faced with relatively low values, do not hesitate to impose rates in the land-value dollar which are high by all-Australia standards, but which would be even higher if the councils imposed the all-Australia average rate in relation to earnings. This is tentative confirmation of the conventional wisdom that councils take both earnings and values into account when striking the rate.

Rates as a percentage of average annual earnings, by State and national



Rates as a percentage of average annual earnings, by State and national (continued)



3.7 The outlook for rates

As land values fell during the 1990 recession, local government allowed the rate in the dollar of land value to rise, and indeed also slightly increased the rate in relation to average weekly earnings. During the land boom, local government maintained the rate in terms of average weekly earnings, which meant that the rate fell considerably in relation to land values but rose in relation to household disposable incomes. These trends were connected, in that the increase in land values was driven by an increase in household debt. Land values went up faster than average weekly earnings and very much faster than disposable incomes, which fell behind earnings due to increased debt servicing costs. The question is: what is to happen next? Will local government be able to edge rates upwards along with the increase in values? Or will rate resistance increase due to the constrained disposable income of indebted households?

As always, the outlook for rates will depend in part on the general economic situation. If prosperity and economic growth continue, well and good. However, as we noted in a different way at the end of Chapter 2, several dangers are inherent in current balance sheets.

- Australia's balance sheet as a whole has a worrying entry for net overseas debt. Much of this debt has been accumulated without any concern that it should be invested to increase overseas earnings and so allow the debt to be serviced and repaid.
- Financial corporations carry much of this overseas debt, the corresponding asset being household sector mortgages.
- The household sector is more heavily indebted than it has been for as far back as records go, with most of the debt secured by land. As often pointed out, this makes the sector vulnerable both to increases in interest rates and to reductions in income.

By comparison, land does not appear in the government-sector balance sheet, and the sector has been reducing rather than increasing its debts. Non-financial corporations are in an intermediate position, with moderate exposure to debt and to land values. If there is trouble, it will probably originate either overseas in the form of withdrawal of funds, or in the household sector, in the form of difficulty in servicing debt.

The outlook for the three main classes of ratepayer can be assessed against this background.

3.7.1 Rural

Though the value of rural land increased during the boom, the increase was moderate compared with residential land. Though the land boom increased farm costs, this unfavourable effect on rate paying capacity was relatively mild. As always, the profitability of rural production depends on the luck of the seasons and the luck of commodity prices. The sector is forever getting caught in cost-price squeezes, the severity of which is affected by the exchange rate. A combination of high commodity prices and a falling exchange rate would benefit the sector, provided cost increases were contained.

The outlook for the sector is affected adversely by global warming and the over-allocation of water rights. This said, the unwinding of the land boom should not be a particular threat to the rural sector – if anything the reverse, since it is likely to involve a fall in the exchange rate. National Economics also observes that, since many remote shires depend far more heavily on grants than on rates, their financial future is closely linked to the reform of road finance and other intergovernmental financial transfers.

3.7.2 Commercial

In general, land is not a major asset for non-rural business and rates are not a major cost. Non-rural businesses are divided in their exposures. Some, like rural businesses, are trade-exposed, and their rate paying capacity will depend on trends in that exposure, with potential to benefit from devaluation. Others, like retail, the dwelling construction and (pre-eminently) finance, are exposed to the household sector, and their profitability will depend on how this sector fares. In general, the rate-paying capacity of business has not been much affected by the changes to balance sheets during the boom, though it will doubtless be reduced if the boom is followed by recession.

3.7.3 Household

As already pointed out, the land boom affected households differently.

- The active winners were those who harvested, or are about to harvest, their capital gain. This group included owners of rental property and owner-occupiers who re-located to cheaper property without loss of convenience or amenity.
- The passive winners were those, chiefly owner-occupiers, who received capital gains but were not in a position to re-locate.
- Tenant households were not initially much affected, since rents took some time to follow the increase in land values – owners were happy enough to take their returns as capital gains. However, rents are now catching up with capital values.
- Finally, there is now a large group of households who became over-indebted in relation to their income, if not in relation to the capital value of their property, either because they took the plunge of mortgage-financed purchase on the inflated market or because they increased their mortgage to finance a housing upgrade or general consumption.

Unfortunately, it is very difficult for local government to tax the active winners. Their capital gains lie within the competence of Commonwealth taxation, where they are subject to two major concessions.

- Capital gains on the principle residence of an owner-occupier are not taxed at all.
- Capital gains on other property are included within the capital gains tax net, but there is no attempt to recoup previous tax advantages which may have arisen from negative gearing.

In other words, the Commonwealth has elected to forgo an important source of land-based tax revenue, and local government is not in a position to step in.

The passive winners are people whose property values have increased and are either clear owners, or have mortgages which are easily serviced. They point out that, since they do not wish to re-locate, they have received no immediate benefit from their increased land values. Since their incomes have not kept pace with the increase in land values, their expectations are that the rate will be indexed to earnings, not to land value. Fairly similar expectations apply to tenants' expectations of the rate that is passed through into their rents.

A significant proportion of the passive winners are age pensioners, currently eligible for rate rebates. These rebates were introduced as a contribution to redistribution towards age pensioners, and councils need have no objection to them so long as they are financed by the states or the Commonwealth. (We have already argued that it is inappropriate for local government itself to finance redistributive services.) However, the states may wish to reconsider their generosity in the light of the capital gains made by home-owners during the land boom, and the Commonwealth likewise, in the light of its commitment to curb age pension outlays in the face of population ageing. A relatively painless way to reduce net pension outlays would be to convert to rate deferment, with provision that the deferred charge would have priority over other securitised charges on sale of the property or decease of the owner.

Finally, over-indebted households are potentially in big trouble. It is often pointed out that debt-servicing takes a high proportion of their household budgets, making them vulnerable to reductions in income and to increases in interest rates or other major costs, such as petrol prices. Such households are looking for cuts in rates, even at the cost of deteriorating local services.

In one sense there is nothing new in this: for a long time first-home buyers have shouldered heavy debts and have accordingly had difficulty in paying their rates. The difference this time round is that general inflation is less than it was when previous generations were buying, so that cash incomes cannot be guaranteed to rise in relation to loan-servicing costs. Again, the previous generation had a safety-valve, in that the loan was often calculated with reference to a single income. If that income faltered or servicing costs rose a second income could be brought into play. These differences have swelled the number of over-indebted households, as has the custom of extending mortgages to pay for consumption other than housing. Such widespread indebtedness raises the possibility of large-scale default, and with it a slump in the land market, possibly to the point where some households find themselves with negative equity. As was the experience in Japan fifteen years ago, a combination of loan-servicing defaults and negative equity will then show up as non-performing loans in bank balance sheets. Those old enough to remember will think back fifteen years to the last time the Australian banking system was in trouble, and how the Reserve Bank performed a rescue by allowing an increased spread between borrowing and lending interest rates and by permitting a major increase in bank fees. Whether such measures will be sufficient this time round is a moot point: looking at the aggregate balance sheet there may be a need to allow households premature access to their superannuation assets.

The question is sure to arise as to whether councils should moderate their rates, and cut services and investment, to accommodate the over-indebted households in their midst. A tough approach to this would be to argue that households only become over-indebted through their own bad judgement, and to reduce services to help them is contrary to the interests of the unindebted population. A possibility would be for the states and Commonwealth to redirect money currently spent on financing age pensioner rate rebates to a rate deferment rebate scheme for the seriously indebted. This could be part of a general financial reconstruction program, in which deferred rates can, in suitable cases, be offset against superannuation entitlements. The main objection to such a scheme is that it will involve sacrifice of a great deal of rhetoric about superannuation – but necessity is often the mother of invention.

3.8 Conclusion

Rates have formidable advantages as a local tax, especially in Australia where the constitution bars local government from access to sales taxes. However, they are not an appropriate source of finance for redistributive services, which, fortunately, are mainly financed from nation-wide taxation. Rates are also being over-used as a source of road finance.

The land boom increased land values in most of Australia's local government areas, and in the process increased the taxpaying capacity of those who held and then sold property. However, as capital gains these increases were wholly within the Commonwealth's tax base. Those who did not sell gained no additional cash flow, and hence no additional rate-paying capacity. Indeed, the boom has adversely affected the rate paying capacity of two classes of ratepayer.

- Business costs have risen as a result of the boom, in particular squeezing the capacity to pay of trade-exposed businesses.
- More seriously, household indebtedness has risen to finance the boom, jeopardising the solvency of many households, and impacting adversely on their rate paying capacity.

Local government has a history of rating in line with rate paying capacity, which in the long run is related both to incomes and to land values. During the boom land values rose much faster than disposable income, but councils maintained their rating effort constant in relation to earned income, and indeed raised it in relation to disposable income. The financially exposed position of many households raises the question as to whether this rate effort will be sustainable. Local government should ensure that it is party to the process of financial reconstruction which will be inevitable if the boom goes sour.

Appendix 3A: The regional incidence of rates

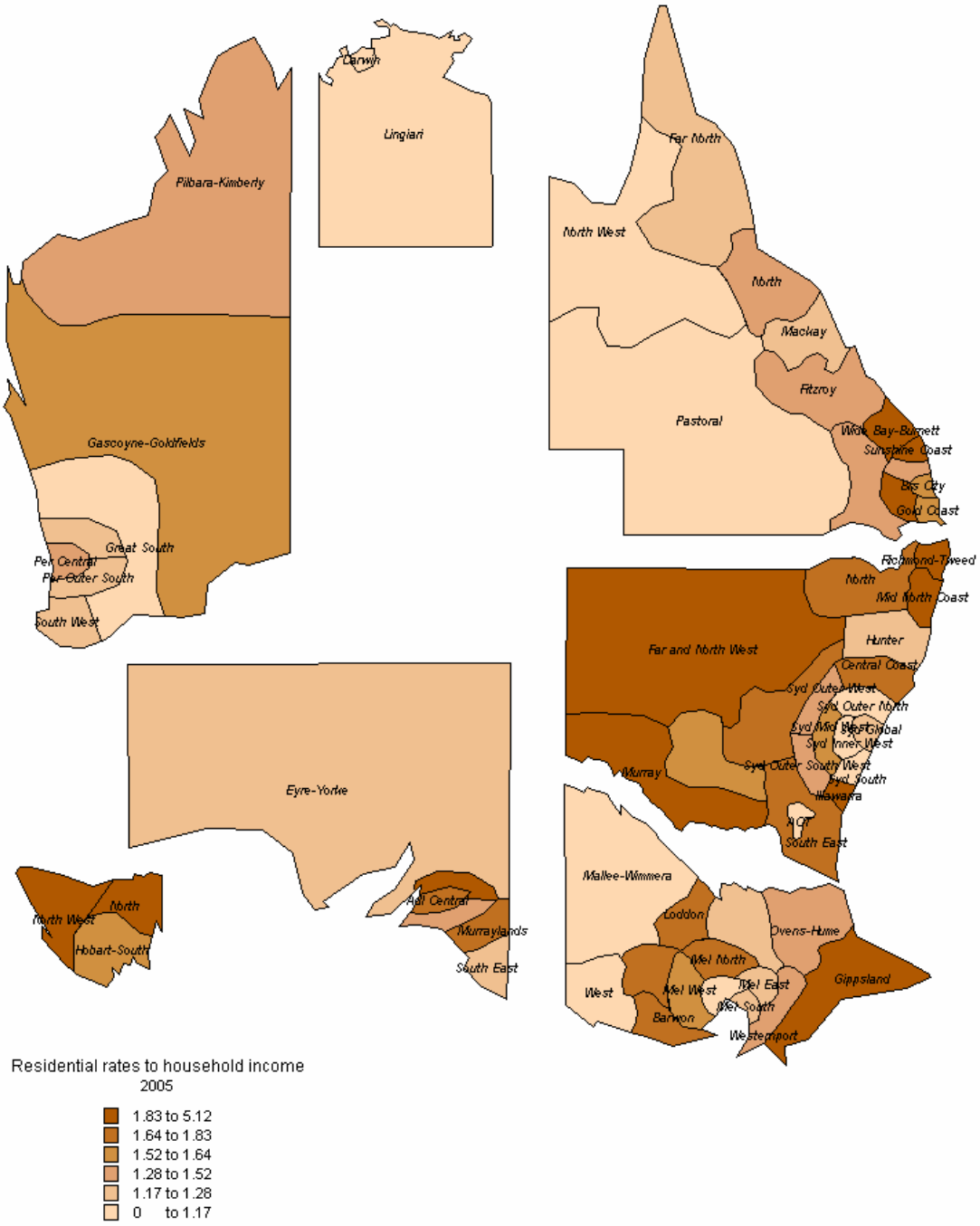
The ratio of residential rates collected to household income is relatively low in two types of regions.

- In some of the rural regions the bulk of the rate burden is borne by rural property owners. Residential properties in the towns are low in value, which deflects the rate burden to rural properties.
- In the Australian Capital Territory and the inner regions of Melbourne and Sydney household incomes are polarised. A rate set at levels which low-income households can manage fails to exploit the taxpaying capacity of the high-income households of these regions.

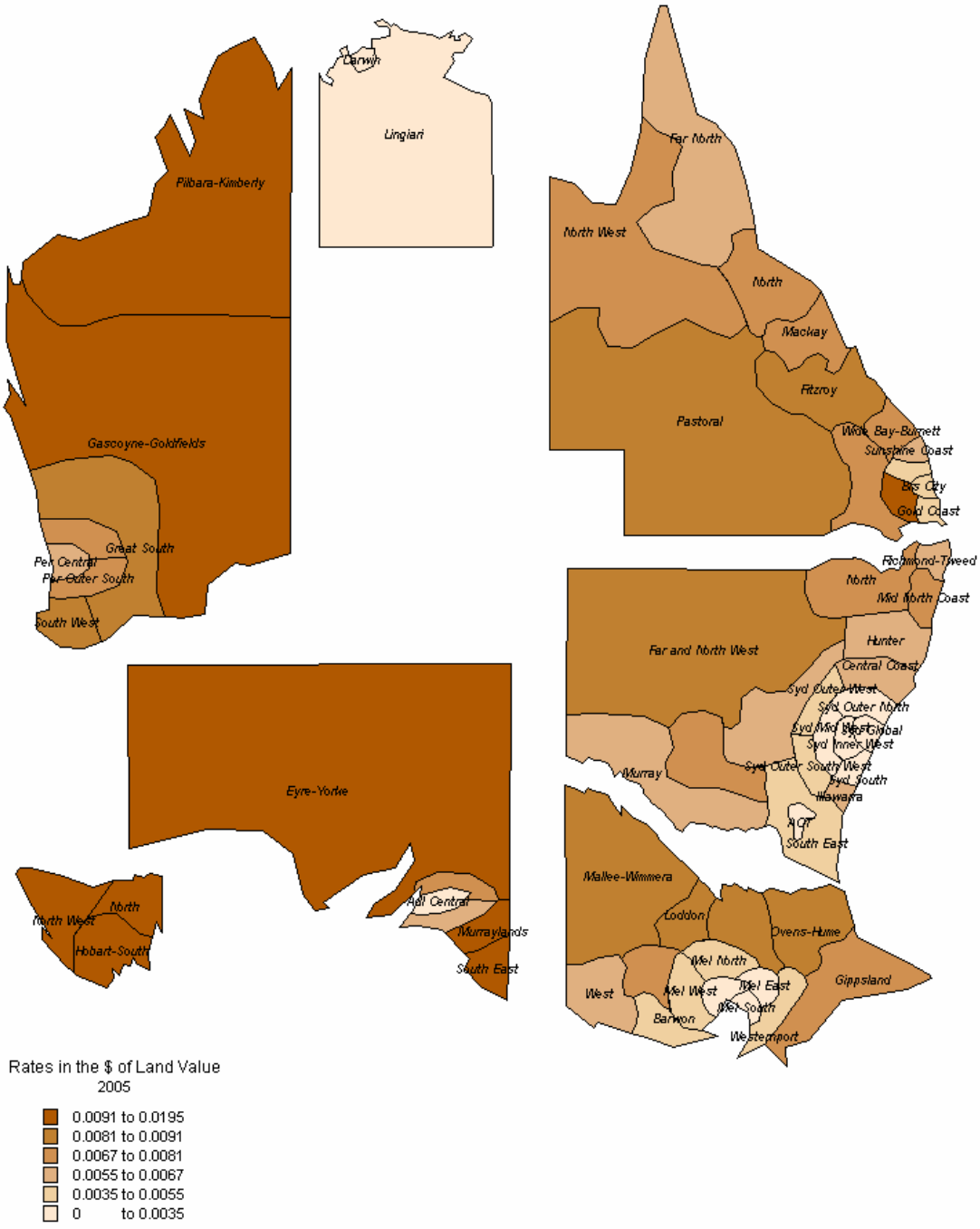
Relatively high rates, in relation to average income, are charged in Tasmania, in regions affected by industry restructuring and in retirement regions.

As might be expected from the high ratio of land value to income, the lowest rates in the dollar of land value are exacted in Inner West Sydney, closely followed by other inner suburban regions. The highest rates in relation to land values are in regions bypassed by the land boom: the remote pastoral regions in particular, and also two Tasmanian regions outside Hobart.

Residential rates to household income ratio 2005



Rates in the dollar of land value 2005



4. Rate raising effort, regional development and resource redistribution requirements

The objective of this chapter is to complement the analysis of Chapters 2 and 3 by:-

- examining the importance of rate raising efforts in the context of regional development;
- examining the regional distribution of rate revenue raising efforts; and
- examining the requirements for resource redistribution for greater equality of LGAs to resources.

Local government has an important role as a facilitator of regional development. To do this effectively, adequate resources have to be available so that councils can implement and resource development strategies that best suite their particular threats (obstacles to development) and opportunities. In this context the rate is important because it represents the main source of discretionary expenditures available to councils.

In the context of equality of access to resources to facilitate regional development, regional inequalities in capacity for rate raising linked to resources from untied grants are key issues. State Grant Commissions provide untied grants. However, the quantum of grant availability only compensates approximately 30 per cent of the amount required to equalise resources available to councils because of inequalities in revenue available for standard effort. Accordingly, this chapter explores what additional resources are necessary to bring about greater equality in council access to discretionary resources.

4.1 Local government objectives in economic development

Local governments' role and objectives in economic development in relation to transport issues in general, and roads in particular, is transparent and understood. Without quality transport connection to ports, major distribution centres, exports, etc., industry will find the additional transport costs a barrier to improved competitiveness. Existing firms will reduce investment until a plant or business becomes unprofitable, at which point it will be shut down.

Firms examining relocation decisions will rule out locations with sub-standard transport links. Investment does not come, employment is not created and people leave.

Farms generally have to stay where they are. Poor quality transport links means that costs are higher and their productivity, measured by value added generated in the region, will be lower than what would have been the case.

In the era of globalisation the local government role in economic development has become more complex. The role of the manufacturing sector, which is a driver of economic development, has declined to negligible levels outside resource based investment as capacity has relocated to significantly more competitive emerging economies, and to China in particular. The current focus is to keep what is now there as long as possible.

The core development objective is to maximise productivity. As per the Stylised Facts in the introduction to this report:-

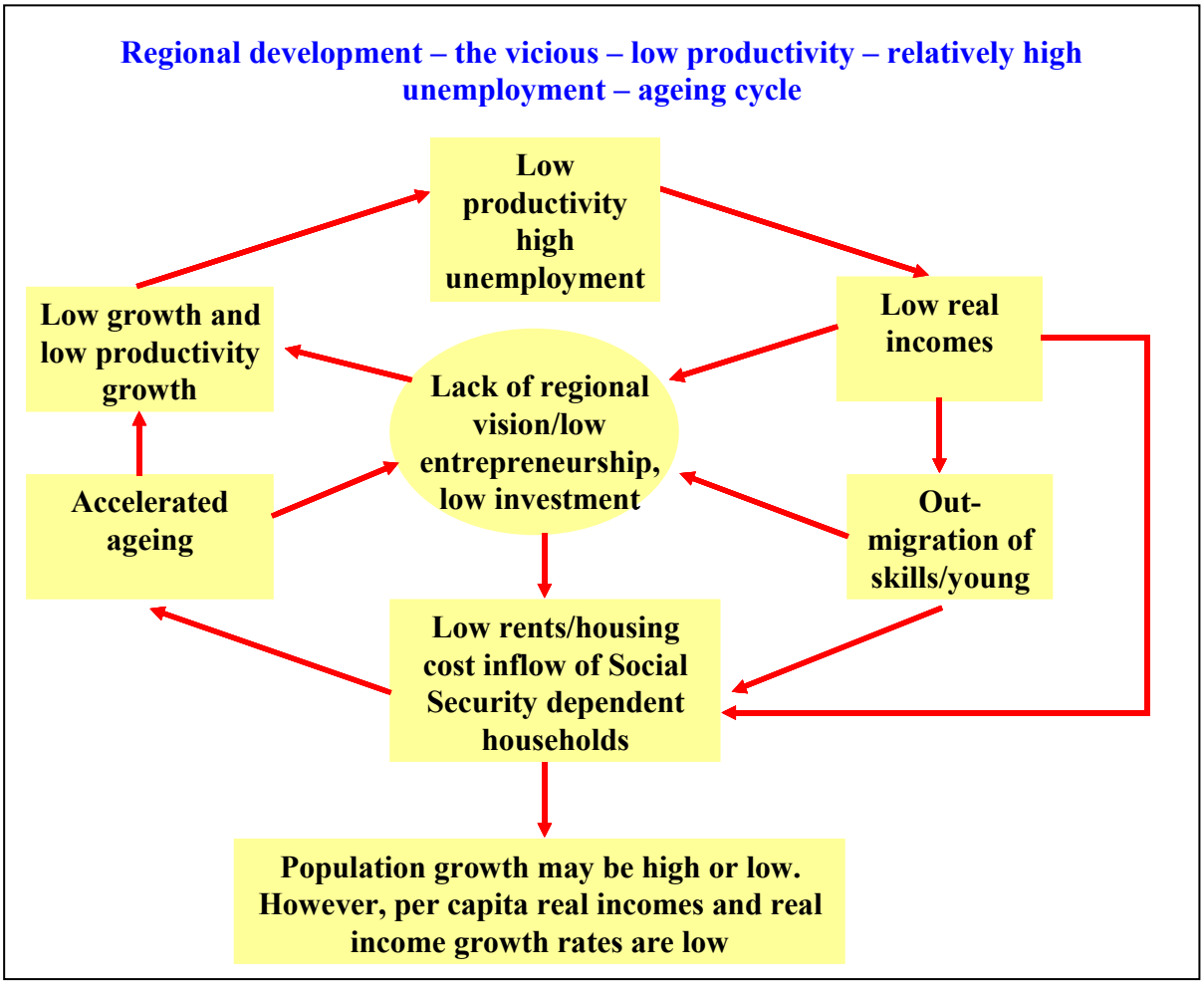
- Low productive regions have high unemployment;
- Low productive regions are rapidly ageing; and
- Low productive regions have low real incomes.

A low productivity region is attractive to households with low fixed incomes and poor skills because the cost of living is generally lower. Large inflows of these types of households have the potential to create a vicious cycle, reducing further the rate of productivity growth. Businesses will be reluctant to invest in regions that have poor prospects of attracting skilled households and have an unbalanced, relatively uninspiring, socio-economic culture and ambiance.

4.1.1 The vicious cycle of ageing and low productivity

From the Stylised Facts above, many councils in Australia face this vicious cycle of low productivity and rapid ageing. The vicious cycle is outlined in the figure below.

Existing low productivity-high unemployment regions are attractive to low-income (and low skilled) working aged households and fixed income retired or semi-retired households because of lower real costs of living. However, as these types of migrants are attracted to these regions, they further reduce relative productivity and can increase unemployment because they accelerate the ageing, drive out the young and, therefore, reduce the quality of the skill base from a variety of perspectives. This can create a vicious cycle of increasing inequality.



4.1.2 The virtuous cycle of sustained productivity growth – the role of councils

The key to moving from a vicious cycle to a virtuous cycle is to lift regional productivity. This can only come about by lifting the export (out-of-region exports to anywhere in Australia or overseas) performance of a region. This in turn can only occur if appropriate skills are attracted to the region. Once these skills are attracted, the region can shift from a vicious to a virtuous cycle of productivity driven growth as outlined in the figure overleaf.

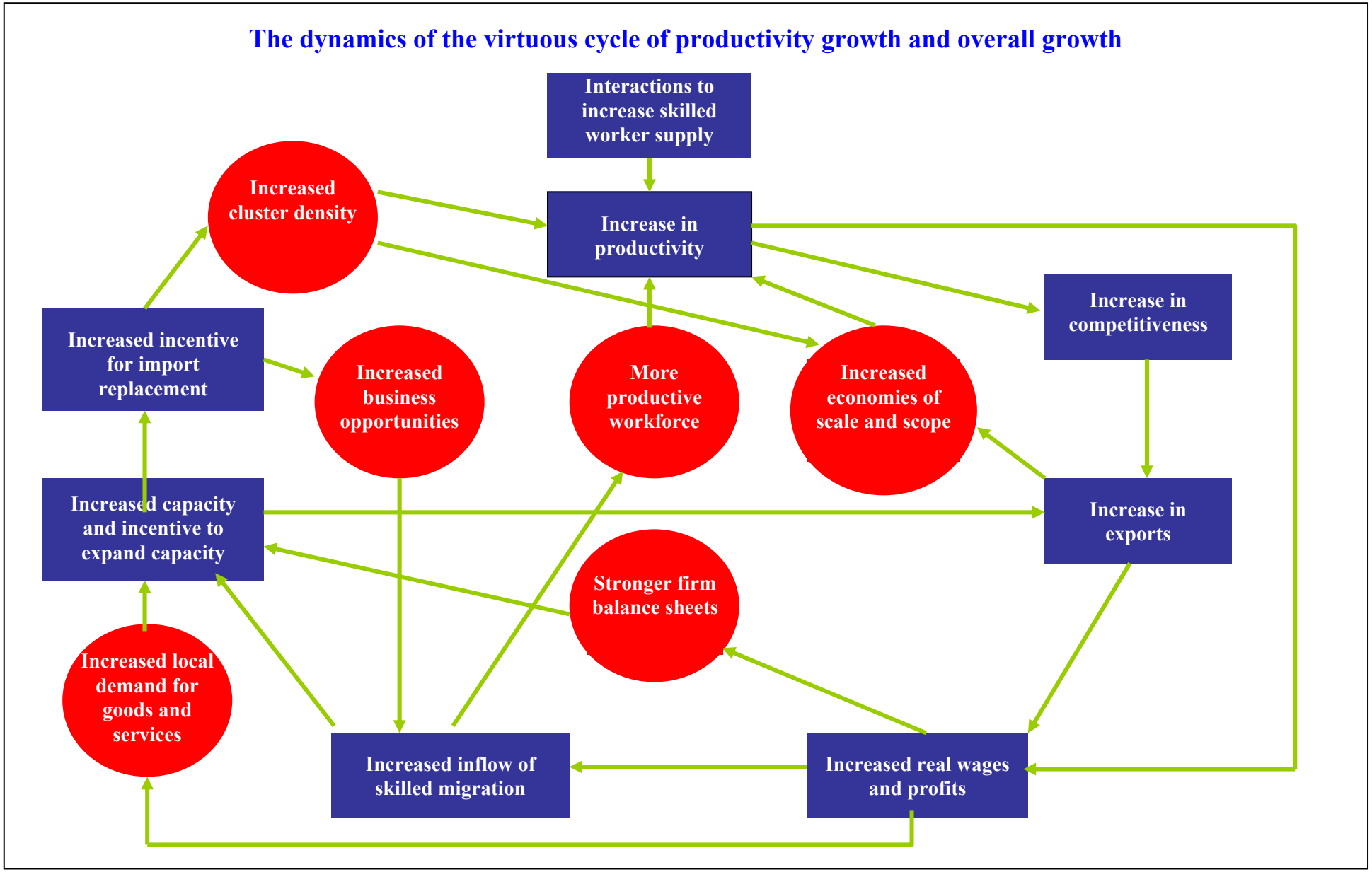
The initial increase in productivity will come from an increased supply of appropriately skilled workers replacing lower skilled, less productive workers or from residents commuting to employment outside the local area. This will set off a virtuous cycle of sustained productivity growth which, by itself in enabling higher incomes, will render the region more attractive to skilled households.

As shown in the figure below, realised short term improvements in productivity increase future productivity growth because increased real wages attract higher skilled workers to the region and increased real profits finance increased investment and capacity installation, fund the R&D, marketing expansions, training programs, etc. to increase exports and accelerate the growth in domestic demand increasing the incentive and opportunities for import replacement. The growth in exports, domestic demand and import replacement will all contribute to increasing productivity growth rates from economies of scale and scope and economies of agglomeration from increases in cluster density.

Once productivity is lifted (relative to other regions) it becomes much easier to sustain higher productivity growth rates in the region relative to the past growth rates and relative to leading metropolitan regions.

The role of councils in, at best, enhancing the virtuous cycle and, at worst, shifting from a vicious to virtuous cycle, is clear cut. Their role is to use discretionary resources to ensure that the relative competitiveness of the region, in terms of transport and communication links, community infrastructure, cultural diversity and ambiance, renders the region attractive to the types of skilled households it requires to drive its development so that businesses can be assured of long term quality labour supply and their direct competitiveness will not be undermined.

To do this, councils must have adequate resources.


The dynamics of the virtuous cycle of productivity growth and overall growth
Interactions to increase skilled worker supply
Increased cluster density
Increase in productivity
Increase in competitiveness
Increased incentive for import replacement
Increased business opportunities
More productive workforce
Increased economies of scale and scope
Increased capacity and incentive to expand capacity
Increase in exports
Stronger firm balance sheets
Increased local demand for goods and services
Increased inflow of skilled migration
Increased real wages and profits

4.2 Discretionary resource availability – rate revenue raising effort

The recent land/housing boom has led to suggestions that the increase in property prices has enhanced the revenue raising capacity of councils and, therefore, has reduced the potential resource shortfall available to councils in order to facilitate regional development.

There is no foundation in this argument. The ability of councils to raise revenue is constrained by household income and business productivity. In fact, high land values, relative to income, can reduce the capacity of councils to raise revenue because it can lead to an increase in high debt households with reduced household disposable income.

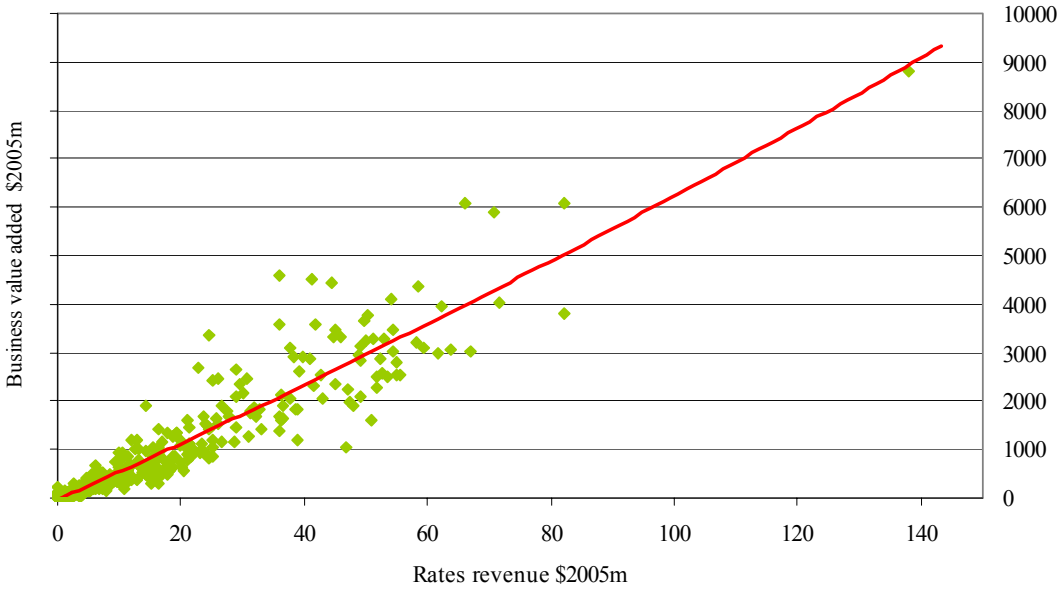
Appendix A of this report contains various measures of council rate raising effort. The best general indicator is the ratio of rates revenue to the local business value added. Business value added includes wages and salaries. One interesting fact is that, in terms of time series, the simple average of rate revenue to business income ratio for 1991 to 2005 across all Australian LGAs has been constant at 2 per cent. See also Table 4.1 for *State of the Regions*' zone rate ratios with respect to household disposable income excluding cash benefits.

Table 4.1 Rate revenue as a per cent of household disposable income (excluding cash benefits)

	1991	2005
Rural	2.5	2.4
Core Metro	1.7	1.7
Resource Based	2.1	2.2
Dispersed Metro	1.4	1.5
Production Zone	2.0	1.9
Lifestyle	1.8	2.2
Total	**1.8**	**1.8**

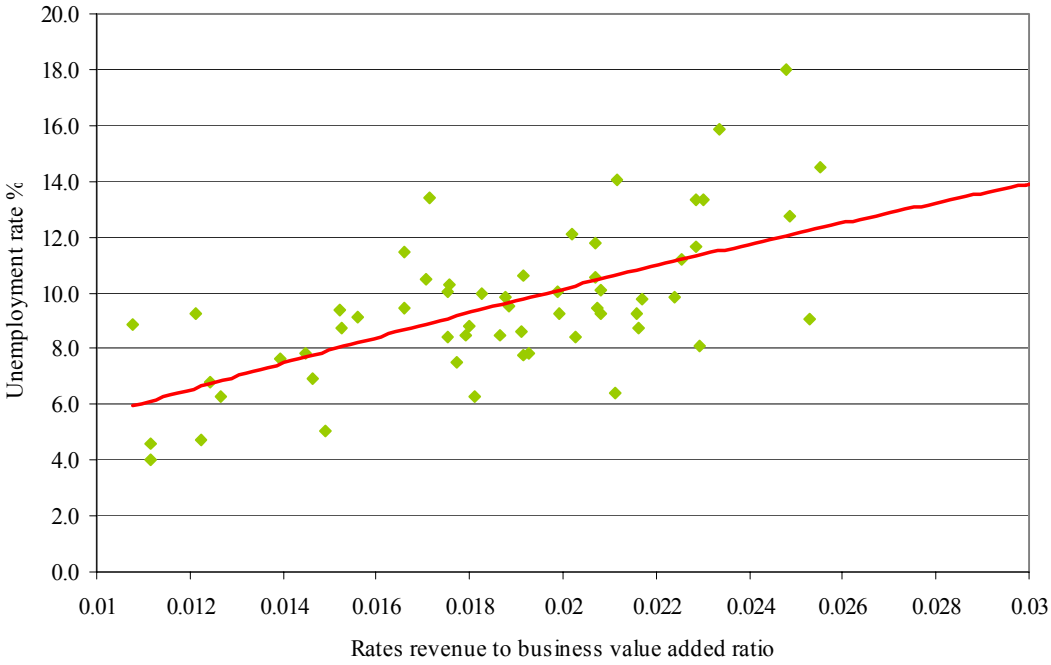
The next figure (rates revenue versus business value added) shows, as would be expected, that rate revenue, and therefore discretionary resources, is a function of business income. The more productive an area is, the more the discretionary resources available.

Rates revenue versus business value added in 2005 by LGA

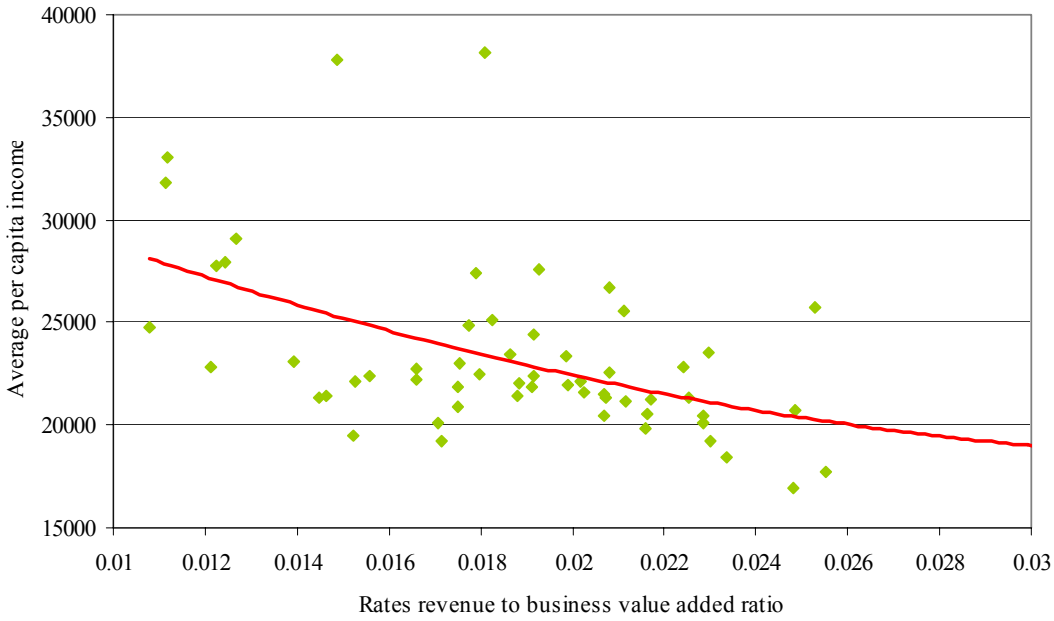


The following two figures show that, for SOR regions, the greater the disadvantages of a region in terms of unemployment and income per capita, the greater the ratio of rates received as a share of business income. That is, the more disadvantaged the council, the greater the taxation burden it has to impose.

Rates revenue to business value added ratio average 2001-2005 versus unemployment rate - 2005

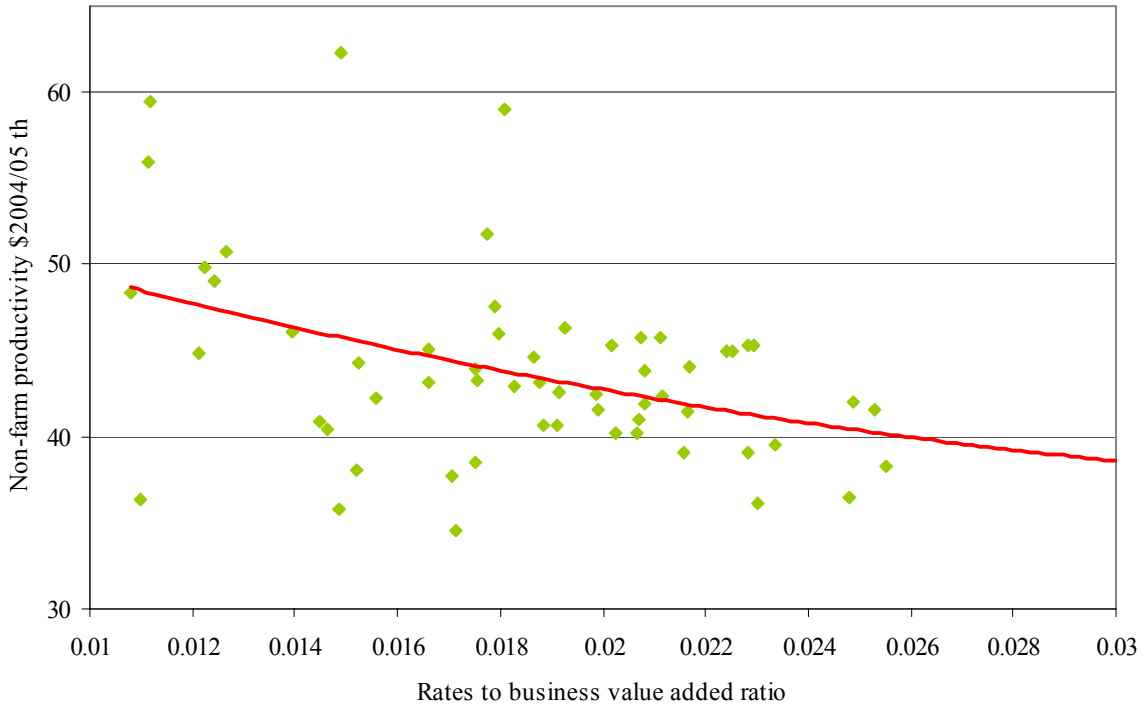


Rates revenue to business value added ratio average per capita income 2001-2005 versus average household per capita income - 2005



The analysis indicates that lagging regions have to tax higher to compensate for the disabilities imposed on councils with higher unemployment rates and low per capita income in generating a sufficient revenue base for councils to provide a minimum standard of resources. In short, the less productive a region is, the higher the rates as a proportion of business income. This is verified by the attached figure.

Rates to business value added ratio income 2001-2005 versus non-farm productivity - 2005 for SOR regions



4.3 The core problem with local government expenditures: a dollar isn't a dollar

Outside road expenditures, perhaps the core problem with local government expenditures is the difficulty of comparing expenditures in one region with expenditures in another region. A dollar is a dollar, of course, but the quality of service or resource input a dollar can purchase in one LGA can be very different from the quality of service or resource input a dollar can purchase in another region. This differential basically comes down to the economics, that is, diseconomies of scale and scope.

In smaller population regions, with relatively larger areas, travel times between points of service delivery will increase service delivery costs. In smaller regions personnel will have to undertake more multiple tasks compared to personnel operating in larger population centres. Personnel operating in larger centres can specialise in a smaller number of tasks and become more efficient in delivering the services associated with those tasks. In local government this applies from the Chief Executive Officer (CEO) down to the personnel dealing directly with the public.

Councils operating in larger centres can make more use of casual and part time staff, reducing unutilised hours of employees. In smaller, more remote regions, councils have to offer full time employment to attract the appropriate skills to the region. This will lead to under-utilisation of the resource.

Thus, a smaller region will have to spend more per capita on a service than a larger region. However, once adjusted for diseconomies of scale and scope, the quality of service delivered in the smaller region may be well below that delivered in a larger region. In short, in comparing expenditure levels

between LGAs, a dollar is not necessarily a dollar. The inter-temporal comparison of local government expenditures is fraught with difficulties.

4.4 The drivers of local government expenditures

If the inter-temporal comparison of local government expenditures is fraught with difficulty, simply ignoring the whole issue is not an option. The place to begin is the database assembled for this report between 1991 and 2005, to analyse, as best as possible, what are the drivers of local government expenditures. Using state based statistical modelling of a pooled time series cross section combination, the following conclusions were obtained. The following observations are based on actual expenditure generating from patterns.

4.4.1 Scale economies

Not surprisingly, it was found that larger councils could provide services more cheaply than smaller – often, perhaps, because they served compact metropolitan areas. These effects were highly non-linear, with thresholds in terms of population – which may again be associated with location and population density. This is a complex issue with the findings differing across the States, which will be dealt with at another time.

In terms of the linear rule, an elasticity of council expenditure per household, with respect to the population, was found to be between -0.2 and -0.3. On a cross-sectional basis, for each 1 per cent increase in the population, council expenditure per household will fall between -0.2 and -0.3 per cent. This corresponds to findings across all other industries. Much of the fall was due to the economies of population concentration and should not be confused with the benefits of amalgamation.

How much overall council expenditures will increase with a population increase will depend on the extent to which the increase in population utilises the existing housing stock.

4.4.2 Population per dwelling

The elasticity of council expenditure per household with respect to population per household was found to be around -0.4 per cent. What this means is that if a population increase of 1 per cent goes into new dwellings in the same ratio as is the case for existing dwellings, council expenditure per dwelling will increase by 1 per cent. If, on the other hand, the population increase goes into existing dwellings, council expenditure per dwelling will increase by 0.6 per cent.

4.4.3 Industry activity

The higher the level of industry activity and working households, the higher the level of council expenditure per household. A 1 per cent increase in employment per household is associated with increase in council expenditure per household of 0.3 per cent. If the employment is sourced within council boundaries, then the increase will be greater still, an additional 0.13 per cent, so that a 1 per cent increase in the employment to household ratio increases council expenditure per household by 0.43 per cent. This increase in council expenditures represents the increase in services provided to support business establishment.

4.4.4 Working age households

Working age households, directly or indirectly, demand more services than retired households. The expenditure requirements for working age households is up to four times that of retired (that is, 65 years old and over) households. This also reflects the service and infrastructure requirements to keep them in employment.

4.4.5 More remote regions

A 1 per cent increase in distance from the major metropolitan centre is associated with a 0.1 per cent reduction in council expenditure per household. This may reflect that the more remote regions have lower productivity and lower incomes per household and, therefore, more remote regions have lower expenditure capacity. It also may mean that the more remote the region, the less the expectation of service standard since the standard of services in better practice regions is not easily observed.

4.4.6 Household income

It was found that the higher per household real disposable income, the lower the level of council expenditure per household. A 1 per cent increase in real household income per capita reduces council expenditures per household by -0.3 per cent. This presumably reflects the fact that the higher income households make less direct claims on council services and infrastructure because they have greater capacity to purchase competing private sector services.

Affluent regions have the double positive that taxing capacity is greater, but direct household service claims are less. Once indirectly linked drivers are taken into account, it is unlikely to be the case.

4.4.7 Area size

A strong statistically significant relationship was found for areas size relative to population density. A 1 per cent increase in area, compared to population serviced, increased expenditures per household by 0.1 per cent. This of course is probably less than the increase that would be required to fully compensate for lower quality of service delivered per dollar of expenditure as area size increases relative to population.

4.4.8 Agricultural employment

The more households in agricultural employment, the less the expenditure per household. However, the effect was small.

4.4.9 Current trends: the annual increase in service demand/revenue raising inequality

The driver relationships outlined above were used, from the data assembled for this report, to assess the increase in expenditure requirements (due to population change, employment growth, household formation, etc.) relative to trends in the growth of the local government taxation base of a region which was the growth in real household disposable income, excluding cash benefits. This was done on an LGA basis with the results aggregated into SOR regions. The results are given below.

4.5 Revenue requirements for greater equality of resource availability

Using the drivers outlined above, especially in relation to area/population scale economies/diseconomies, expenditures by LGA was adjusted to relate to a uniform expenditure standard. Next, the individual State averages were calculated and the differential for each LGA expenditure calculated. Then, for each State, quality adjusted LGA expenditure was modelled as a function of the standard drivers. The residuals from the estimated regression were used to estimate those councils that had an adjusted expenditure less than what was required, given the LGA driver values. For each LGA that had an average quality adjusted expenditure of less than the State average, required resource support was set equal to:-

(i) the shortfall of adjusted expenditures less than the State average; and

(ii) the extent, if appropriate, that adjusted expenditures fell short of requirements given the LGA drivers (less offsets from the grants commission).

Those LGAs that were above the State average for adjusted expenditures were given a zero value for (i) and (ii).

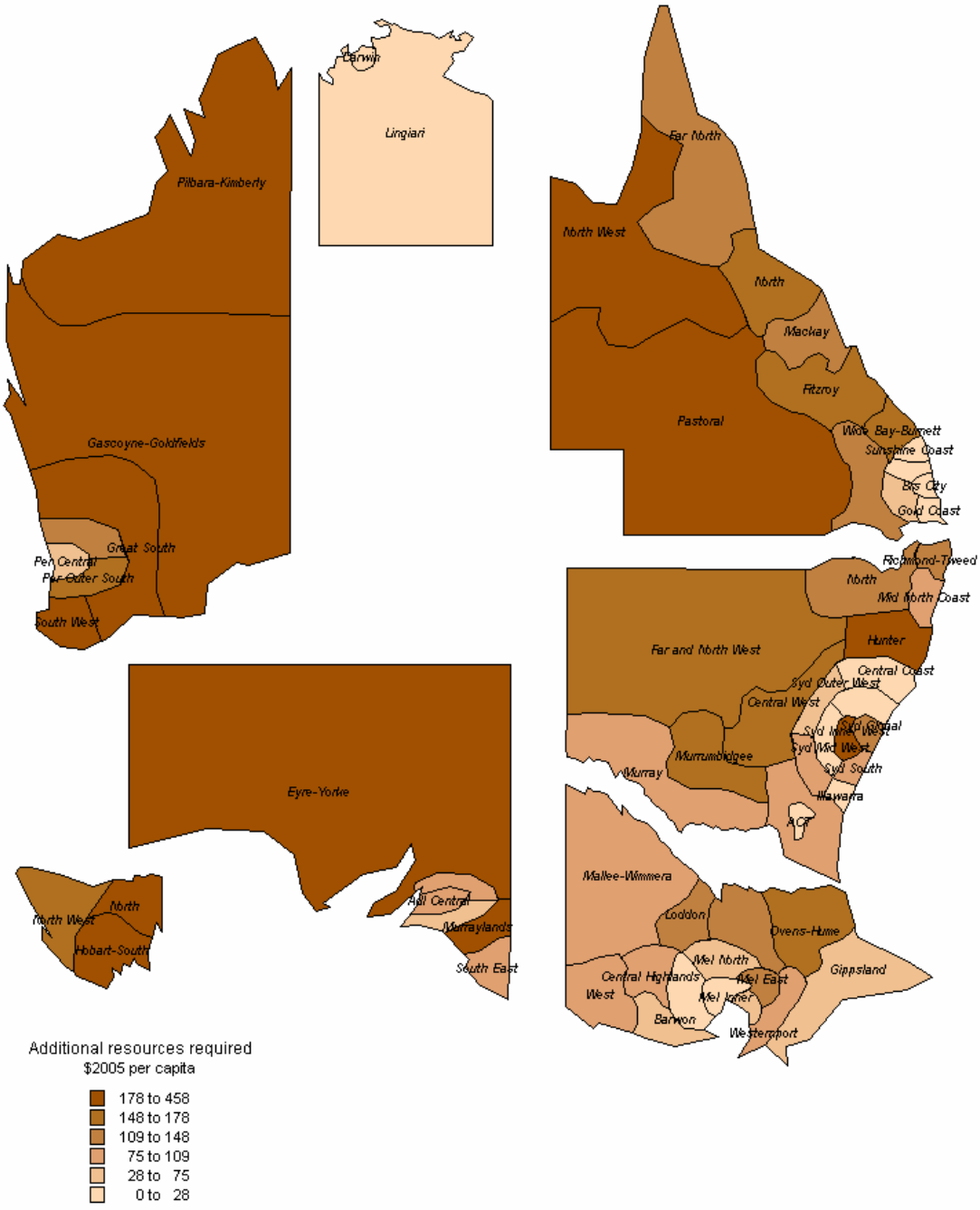
By SOR region the shortfall in $ million and per capita terms is given in the Appendix. The results for the $2005 per capita defining indicator are shown in the following map. The Australian Capital Territory and Northern Territory were excluded from the analysis. The country regions of Queensland, Western Australia and South Australia require the largest per capita resource supplementation.

For metropolitan councils, those councils that did require resource supplementation to reach average standards, in some cases required significant support.

It should be noted that the methodology is State specific. The comparison of results between States as shown in the map is not strictly valid.

Table 4.2 shows the distribution of resources required by SOR zones. Across Australia a total of $2.3 billion in additional resources would be required.

Additional resources required to bring lagging regions nearer to current average standards($2005 per capita)



4.6 Resources required to offset a resource shortfall from growth

The analysis of Section 4.5 was focussed on the current overall level of resource availability. The overall additional resource requirement is the cumulative sum of resource imbalances from growth over many years.

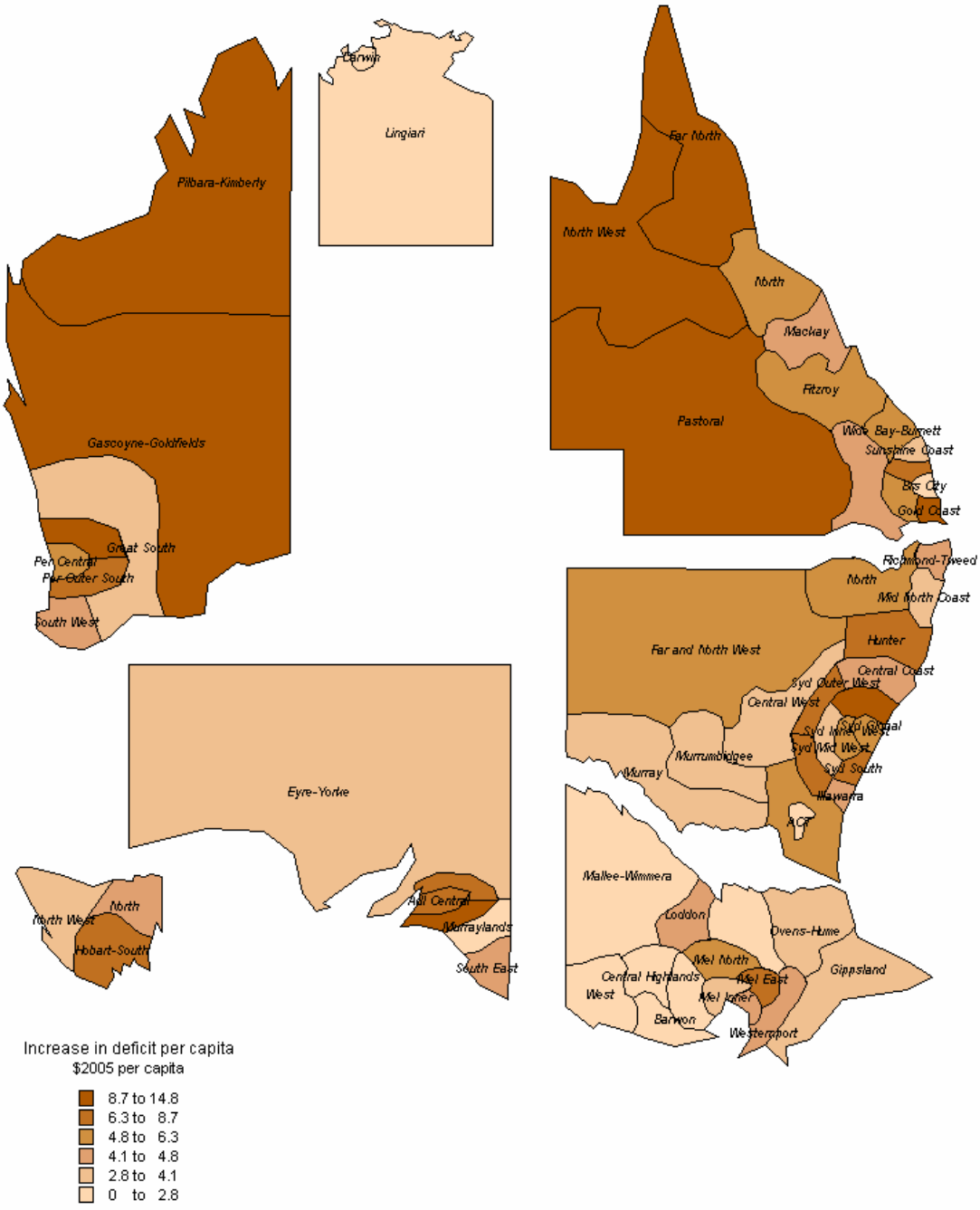
Accordingly, to estimate the average annual change in resource imbalances, the drivers of LGA expenditures were forecast for the next five years based on past or recent trends. Next, business income growth for each LGA was estimated. The gap between expenditure requirements and likely revenue generated was calculated. For those councils where revenue was likely to grow at or in excess of requirements, the resource gap was set at zero, implying that a combination of rate revenue, tied and untied grants would enable requirements to be met. For those LGAs where rate revenue (on the basis of the growth in business value added) plus grants was likely to fall below requirements, the additional resource requirements in $ million to enable resource requirements to be met was calculated. The results in $2005 million and $2005 per capita for SOR regions are given in the statistical Appendix for SOR regions. The map of results for the per capita series is given below and the $ million zone requirement is given in Table 4.2.

From Table 4.2, over the next five years there is estimated to be a growth of $112 million per annum between resource requirements for LGAs and revenue availability. Over five years the cumulative increase will be $560 million in 2006 prices. It should be noted that the Australian Capital Territory and Northern Territory were excluded from the analysis.

Table 4.2 SOR zones: additional council resources required

	Annual increase in deficit of rate revenue less discretionary expenditure requirements (2005 $m)	Additional resources required to bring lagging regions nearer to current average standards (2005 $m)
Rural	15.8	836.9
Core Metro	13.8	291.0
Resource Based	5.3	280.2
Dispersed Metro	39.8	383.5
Production Zone	25.4	388.5
Lifestyle	12.0	84.0
Australia	**11.20**	**2,264.1**

Annual increase in deficit of rate revenue less discretionay expenditure requirements ($2005 per capita)



4.7 Conclusion

In general those councils that have the greatest need for discretionary resources to offset a negative economic development future have the least capacity to secure the required resources from rate raising efforts. In general, these councils invariably have high LGA tax rates and a shortfall of resources relative to requirements. To provide the necessary resources to give disadvantaged councils a better chance to play a more effective role in improving economic performance outcomes revenues in the main will have to come from additional grants or other revenue enhancing measures.

5. Telecommunications

In *State of the Regions 2005-06* National Economics gave a detailed account of the role of telecommunications in regional development. In view of the importance of that role, we now provide a one-chapter update.

5.1 Broadband internet access

5.1.1 Introduction

This chapter begins with a summary of the detailed account of telecommunication technology provided in *State of the Regions 2005-06*. The regional impact of telecommunications supply has major economic implications. To understand shortfalls in service provision, we must be aware of the options available to market participants including Telstra, Optus, local communities and other telecommunication providers.

Beginning with the telegraph in the nineteenth century, Australia has adopted new telecommunications technologies as they have become available. This has left us with an inheritance of standard telephony wires and exchanges. These can be used to deliver the family of copper based broadband services, including a range of solutions to the last mile problem. (The last mile refers to the final stage in the connection from individual homes and businesses to telecommunication services.) There are also various wireless alternatives.

We have relied heavily on industry experts to build a picture of the technology, and on the basis of this picture we discuss the consequences for regional economic development.

5.1.2 Telecommunications technology

A standard telephone installation consists of a pair of copper wires that Telstra has installed from the exchange to the subscriber. In the industry this technology is referred to as the POTS, short for Plain Old Telephone Service.

The POTS pair of copper wires has lots of room for carrying more than just phone conversations. This additional room can be exploited to deliver broadband data services. In general, the greater the bandwidth the more the information that can be sent through the copper lines in a given amount of time – commonly referred to as speed. Increasingly, available bandwidth defines the range of applications and services which can be accessed. Increased bandwidth and speed has been appreciated in all markets where it has been delivered at appropriate prices.

A fibre optic cable has extraordinary bandwidth and for the purposes of this discussion can be considered unlimited. For this reason many see fibre-optic connections as the ultimate in telecommunications infrastructure. Short of this ultimate, a Digital Subscriber Line (DSL) exploits the capacity of copper wires to carry information without disturbing the line's ability to carry conversations. The bandwidth required for human voices in normal conversation to be carried through a telephone connection is around 3,400 hertz, or cycles per second, while in most cases the wires have the potential to handle frequencies up to several million hertz. The accident of history that telephones use only a tiny part of the wire's total bandwidth has given nearly all of us a high-quality connection to one of the world's most important assets, the internet. The reason that internet connections using a dial-up modem are so slow is because they use the small four kilohertz of bandwidth normally used for voice.

Problems arise in utilising non-telephone bandwidth for the internet because the copper wires run through the air, under the ground and through a range of conduits, many of which are metallic. These problems include high levels of signal attenuation and radiation of the signal from the wires causing possible interference and cross-talk between cable pairs. Cables that are designed for handling these higher frequencies are usually coaxial in construction.

Most of these problems have been overcome so that broadband internet services can now be offered over copper cables with a range of capabilities. Furthermore these DSL-type services are being continuously improved upon. However, signal quality deteriorates with the cable distance from the exchange. Currently around five kilometres is the maximum cable run that is supported. The data speed (i.e. bandwidth) also drops away with increasing distance from the exchange. This is obviously an issue for people in rural areas as well as for people living in outer metropolitan areas where distances from exchanges can be considerable.

There are many types of DSL, and the general term xDSL is used to refer to the generic DSL service. In Australia, we predominantly have been given the ADSL (Asymmetric Digital Subscriber Line) version. Asymmetry refers to the unequal bandwidth capacity between download (internet to user) and upload (user to internet). Many home users in Australia receive a 512/128 service, 512 kbps download and 128 kbps upload.

5.1.3 The range of technology solutions for delivering broadband

Broadband internet access is generally defined as a transmission speed of 256 kilobits or more. This can be compared to the speeds achieved on a standard dial-up modem connection of less than 56 kilobits per second. A variety of technologies are employed in Australia to deliver broadband internet to households and businesses. Most of the infrastructure is owned by Telstra and Optus but there are some smaller owners.

In the 1990s Telstra and Optus deployed separate broadband hybrid fibre and coaxial cable (HFC) networks in Sydney, Melbourne and Brisbane. Telstra's cable network is believed to reach 2.2 million homes and the Optus network 1.4 million. The total reach of both networks would be in the vicinity of 2.2 million as the two networks are believed to completely overlap. There are believed to be currently almost 600,000 subscribers connected to these two networks.

Broadband cable networks

Both the Telstra and Optus cable networks are completely independent of any other network, for example the telephone network. Connecting into these networks requires a separate cable to be brought into the premises. It is also worth noting that neither Telstra nor Optus are required to allow access to their broadband cable networks to other service providers. Thus no other companies are able to repackage Telstra or Optus cable services under their own branding as is the case for the DSL services.

The Telstra broadband cable network is designed for download speeds of up to 17 million bits per second (Mbps) with upload speeds to 256 thousand bits per seconds (kbps). Actual achieved speeds vary depending on the topology of the cable that is being connected to and the number of subscribers actually connected,

The competing Optus network is designed for download speeds of up to 9.6 million bits per second (Mbps) and upload speeds to 256 thousand bits per seconds (kbps). Actual achieved speeds vary depending on the topology of the cable that is being connected to.

Both Optus and Telstra use their cable networks to deliver pay TV in addition to internet access. Optus also uses its network to deliver telephone services, but is not required to allow other companies to have access to this telephone network.

xDSL networks

As xDSL utilises the existing copper-pair telephone network, it potentially extends broadband internet quite widely. In reality this is not the case for the following reasons:-

- the exchanges need to have DSL interfacing equipment installed – many exchanges are still to be upgraded, especially in rural areas;
- the maximum distance from the exchange to the user is five kilometres (length of cable run; not the distance to the exchange); and
- in many areas Telstra has installed pair-gain technology that enables two telephone services to be delivered over the one cable. As this technology blocks the broadband DSL signal, it must be removed before these services can be enabled.

There are many different types of DSL services but the one most commonly offered to households and small business is ADSL – asymmetric digital subscriber line.

Telstra is the monopoly owner of the copper-pair (POTS) network but has been required to offer other companies access to this network. This access extends to other companies being able to offer Telstra's ADSL broadband services under their own branding. Maximum download speeds for ADSL are 256 million bits per second (Mbps) and maximum upload speeds of 1.5 Mbps. ADSL is usually offered to customers in the following speeds:-

- 256 kbps download / 64 kbps upload;
- 512 kbps download / 128 kbps upload; and
- 1,500 kbps download / 256 kbps upload.

As already discussed, the actual speeds that can be achieved may be well below the maximums, depending on many factors, particularly the distance from the exchange as well as the number of copper pairs that are carrying ADSL services. The potential maximum speeds attainable via an ADSL connection are significantly less (more than 10 times) than for the fastest broadband cable connection. These maximum speeds are rarely achieved, and typical ADSL connections may be perceived as slow compared to broadband cable connections. A recent survey of Telstra and Optus cable and xDSL users found that the xDSL users tended to be less happy with the speed of their connections than the cable users[1]

Other xDSL services offered in Australia are targeted at larger users such as businesses and other organisations. These include SDSL (Symmetrical DSL), which provides users with equal upload and download speeds of up to 2.3 Mbps, HDSL (high-bit rate DSL) and VDSL (very high data rate DSL).

Wireless networks

Where coverage is available, broadband services may be accessed by wireless, using a modem to connect into a local radio network. Coverage is currently limited to major cities and towns. Alternatively, a wireless broadband mobile card may be used to connect via the CDMA mobile 'phone

[1] Source: Paul Budde Communication.

network. Access speeds via wireless tend to be much slower than cable or xDSL. Typical speeds range from 256 to 512 kbps download and 64 kbps upload.

Satellite networks

Satellite networks provide an alternative broadband connection, especially where there is no access to cable or xDSL services, such as many rural areas. Installation costs are far higher than for cable or xDSL as are the monthly subscription fees. Download speeds can be as fast as cable but not as fast as the top ADSL services. The cheaper services require access to a telephone line and modem for data upload while the newer, more expensive services support both upload and download via the satellite. The actual speeds that can be achieved depend on a variety of factors from the number of users to prevailing weather conditions.

Networks targeted at larger organisations

Both Telstra and Optus offer higher-capacity services to larger organisations and corporations, and HDSL, SDSL and VDSL represent a small sub-set of the total range of services available. Since the de-regulation of the telecommunications industry in the 1990s, competition in this segment of the market has intensified. For example, existing power utility companies have deployed fibre-optic cable networks via their power transmission network infrastructure and offered access to larger organisations (see the Bendigo Community Telco study at the end of this chapter). Several specialist competitors in this market have installed high-capacity networks between the larger capital cities and now offer access to larger clients. An example here is NextGen, which claims to own and operate the third largest fibre network in Australia.

The way ADSL works in Australia

ADSL allows one line to provide data services while maintaining the telephone service on the same line, thus leveraging the existing infrastructure. It requires each customer to install an ADSL transceiver or modem, while the access provider installs a DSL Access Multiplexer or DSLAM to receive customer connections. In Australia the provider is predominantly Telstra and the DSLAM is usually located at the local exchange. These DSLAMs take connections from many customers and aggregate them onto single, high-capacity connections to the internet. DSLAMs are generally flexible and may be able to support multiple types of xDSL.

The DSLAM provides one of the main differences between user service through ADSL and cable modems. Because cable modem users generally share a network loop that runs through a neighbourhood, additional users can mean lowered performance. ADSL provides a dedicated connection from each user back to the DSLAM, meaning that users will not see a performance decrease as new users are added – until the total number of users begin to saturate the single, high-speed connection to the Internet. At that point, an upgrade by the service provider can provide additional performance for all the users connected to the DSLAM.

Cost of providing xDSL services

Though DSLAMs are expensive, the returns from broadband have proven to be strong enough to cover costs in most areas. The Commonwealth Government's former HiBIS[2] broadband scheme contributed in marginal areas.

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[2] Higher bandwidth incentive scheme, operated by DCITA – Department of Communications, Information Technology and the Arts.

The costs incurred by a service provider in setting up a neighbourhood ADSL system are likely to be less than $400,000 for a rural community. The biggest problem with such a system is that the quality of service declines with distance from the DSLAM. As the connection's length increases, the signal quality decreases, and the connection speed goes down. The limit for ADSL service is 5.5 kilometres of copper wire, though for speed and quality of service reasons many ADSL providers place a lower limit on the distances for the service.

In Australia, ADSL users do not experience variations in service with distance, because the performance of the system is capped at a level which all subscribers will achieve. In fact, an ADSL service will not be provided unless this quality can be delivered.

ADSL technology can provide maximum downstream (Internet to customer) speeds of up to 8 megabits per second (Mbps) at a distance of about 1.8 kilometres, and upstream speeds of up to 640 kilobits per second (kbps). Therefore in Australia, ADSL technology and the nature of its deployment present two problems.

- People who live more than 5 kilometres from an exchange are unlikely to be able to receive ADSL services.
- Despite the technology being able to deliver very high levels of bandwidth for those close to the exchange, most Australians connected to ADSL services are delivered an inferior service on the grounds that a uniform service is preferable.

Faster DSL and Australia's future

There are many variations on DSL technology that justify the use of the generic term xDSL. The following is a list of DSL types.

- Asymmetric DSL (ADSL) – As noted above, this is "asymmetric" because the download speed is greater than the upload speed, which is OK for most Internet users.
- ADSL2 permits downstream speeds of up to 12 Mbps using the same telephone lines. It also extends the reach of ADSL services by between 250 and 750 metres. ADSL2 adds voice channel capabilities as well as an additional 256 kbps upstream capability, making it a viable candidate for digital telephone services. ADSL2 is being rolled out in Australia currently, but speeds will remain capped. ADSL2 also supports bonding of copper wires to deliver better performance, particularly for corporate customers. Through bonding, carriers can increase the data throughput on an ADSL channel to as high as 40 Mbps, that is, 80 times faster than the current home connections.
- ADSL2+ doubles the downstream bandwidth over short distances. People living within 1.5 km of an exchange will get "up to" 24 Mbit/s – a scorching speed that trumps even cable internet. However, speed declines rapidly with further distance from the exchange. An interesting optional mode in ADSL2+ doubles the upstream bandwidth, which (if utilised) will prove very popular amongst users who host servers on their connections. Once again, should this become available in Australia it will be capped and hence predominantly used to increase the distance covered.
- High bit-rate DSL (HDSL) provides transfer rates comparable to a T1 line (about 1.5 Mbps). HDSL receives and sends data at the same speed, but it requires two lines that are separate from the normal phone line.
- ISDN DSL (ISDL) is geared primarily toward existing users of the Integrated Services Digital Network (ISDN). ISDL is slower than most other forms of DSL, operating at fixed rate of 144 Kbps in both directions. The advantage for ISDN customers is that they can use their existing equipment.
- Rate Adaptive DSL (RADSL) is a popular variation of ADSL that allows the modem to adjust the speed of the connection depending on the length and quality of the line.

- Symmetric DSL (SDSL), like HDSL, receives and sends data at the same speed. While SDSL also requires a separate line, it uses only a single line instead of the two used by HDSL.
- Very high bit-rate DSL (VDSL) is asymmetric but very fast. It only works over a short distance using standard copper phone wiring.

Table 5.1 DSL type – speed and distance

DSL type	Maximum spend speed	Maximum receive speed	Maximum distance	Lines required	Phone support
ADSL	800 Kbps	8 Mbps	5,500 m	1	Yes
HDSL	1.54 Mbps	1.54 Mbps	3,650 m	2	No
IDSN ADSL	144 Kbps	144 Kbps	10,700 m	1	No
MSDSL	2 Mbps	2 Mbps	8,800 m	1	No
RADSL	1 Mbps	7 Mbps	5,500 m	1	Yes
SDSL	2.3 Mbps	2.3 Mbps	6,700 m	1	No
VDSL	16 Mbps	52 Mbps	1,200 m	1	Yes

5.1.4 The telecommunications industry

After de-regulation of the industry in the 1990s, many new companies entered the market. Whilst Telstra is still by far the largest player, Optus (now owned by Singapore Telecom) has established itself as the number two. Telstra offers the broadest spectrum of services of any of the companies in the industry; and has also broadened its reach into other industries such as publishing, recently acquiring the Trading Post Group.

Telstra undertook a large-scale expansion of its backbone transmission network over the past ten years, installing the latest Synchronous Digital Hierarchy (SDH) equipment in anticipation of a huge increase in demand for bandwidth to support new services, such as video on mobile 'phones. To a large extent these increased demand projections have not been met, leaving Telstra (and other carriers as well) with a lot of spare capacity.

> ***"If we go back in history we see that Australia has always had a centralised approach to telecoms; many other countries have a history where provincial and local councils have played a much more hands-on role in local telecoms (and/or cable TV)".*** **Paul Budde**

The number-two player in the market, Optus, offers a sub-set of the services available from Telstra. Optus also re-sells Telstra services (e.g. ADSL) under its own brand.

There are very many smaller companies who have tended to focus on narrow segments of the market and Telstra now faces competition in most areas of its operations. This competition has led to downward pressure on prices and also on Telstra's profitability. Many of Telstra's high-margin businesses are under threat from competitors often with new technical solutions. For example the international and trunk calling businesses have been seriously eroded by companies offering pre-paid calling cards as well as companies such as Skype which offer internet-based calling services (based on voice over internet protocol – VoIP).

To counter its declining call revenues Telstra has been increasing line rental charges. This has however led to customers abandoning their fixed-line 'phones in favour of capped monthly mobile 'phone deals or increasingly internet-based telephony services.

As has been already discussed, Telstra deployed and owns the copper cable network – the connection between the household and the network. When the industry was de-regulated, Telstra was required to allow other companies to access this facility. It is worth noting that there are other ways for carriers to connect to households without using the copper cable network, such as:

- wireless networks (including mobile 'phone);
- satellite networks; and
- broadband cable networks.

However the wireless networks tend to be lower speed and are limited in reach while the cable networks are even more limited in reach and satellite connections are expensive.

Lagging broadband take-up

Telstra initially priced its broadband ADSL services fairly high leading to a slow rate of take-up. More recently Telstra has lowered rates to below the prices it is offering access to its wholesalers, forcing many to discontinue offering these services. This lowering of prices has not surprisingly led to a surge in demand for broadband connections.

> ***"When it became clear in the late 1990s that that Australia had started to fall behind in broadband, many state and local governments, for the first time, became involved in telecoms."***
> **Paul Budde**

Despite this surge, the net effect of the high price policy has been that Australia ranks second last before New Zealand for rates of broadband internet access of all developed nations in 2006. Australia's penetration rate of 54 per cent in 2006 can be compared to a rate of 67 per cent for the United States, 77 per cent for Canada and 89 per cent for The Netherlands[3]. According to a survey carried out by Paul Budde Communication in 2006, there were around 3.2 million subscribers in Australia who were connected to the internet via a broadband service. Of these subscribers, around 73 per cent were connected via an ADSL service and a further 7 per cent by another type of DSL service (Table 5.2). Due to the dominance of ADSL services in Australia for the provision of broadband internet, we have focused our analysis on ADSL in this report.

Table 5.2 Broadband connection method

Broadband technology	Percentage of subscribers
Cable	18
Satellite	7
ADSL	73
xDSL	7
Other	2

Source: Paul Budde Communications.

[3] Source: Paul Budde Communication.

The universal service obligation (USO)

The objective of the USO is "*to ensure that:-*

- the standard telephone service; and
- payphones; and
- prescribed carriage services; and
- digital data services

are reasonably accessible to all Australians on an equitable basis, wherever they reside or carry on business. The section also states that the USO should be fulfilled as economically as possible and that any losses involved in its provision should be shared among carriers."[4] Under the USO subscribers in rural areas receive significant subsidies to offset the costs of installing the more expensive facilities to access services, e.g. satellite equipment.

> ***"If local councils don't become involved, it is highly unlikely that commercial operators will look after these areas."*** **Paul Budde**

As "digital data services" are defined as a 64 kbps internet connection, it would appear that the provision of broadband internet service is not caught under the USO. However there seems to be a great deal of uncertainty about this, especially where broadband is delivered over a conventional telephone line. In recent times the federal government has reduced the funding allocated to the USO obligations and it is unclear whether this signals a move away from the universal pricing model for telecommunications services provision in Australia, whereby users in remote areas pay the same amount for a service as their counterparts in metropolitan areas.

Services provision in metropolitan areas

The provision of broadband services is at its best in metropolitan areas of the major cities. For example, a resident in a typical metropolitan area may have the daunting choice of 150 or more different broadband service providers. Of course, many of these are re-sellers of services provided by other companies, such as Telstra. The large amount of competition means that pricing is at times quite aggressive and many companies also offer bundling deals that include pay TV and telephone services, both fixed and mobile.

Services provision in rural areas

Providing broadband services in rural areas is quite expensive. Whilst providing a broadband connection for a country town is not difficult, extending this capability to outlying properties is virtually impossible. This is mainly because of the distance limitation of ADSL and wireless. The only real option for such connections is satellite.

> ***"30% of any local government area cannot be broad-banded in any commercial way."*** **Paul Budde**

High costs and low volumes mean that few companies are tempted into these areas and pricing levels for broadband tend to remain high. There has been a trend in recent years for local governments to become active in the provision of broadband backbone infrastructure, often with the assistance of the federal government. Examples here are Coorong in South Australia, Armidale in New South Wales, Bendigo and Mildura in Victoria and Sterling in West Australia.

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[4] Source: Parliamentary Library of Australia: http://www.aph.gov.au/LIBRARY/intguide/SP/uso.htm.

Services provision in outer metropolitan areas

Some outer metropolitan areas suffer many of the problems experienced in rural areas. They do not have access to cable networks, are too far from an exchange for ADSL to be viable and are out of range of the wireless broadband networks. As for the outlying rural areas, the only real option for broadband may be satellite.

> ***"These councils are learning fast on how to more rapidly build a knowledgebase community within their local council areas."*** **Paul Budde**

Fibre to the node

Due to the problems of providing broadband internet services with ADSL via the existing copper network, Telstra has proposed to roll out fibre to the node (FTTN). This technology involves the provision of street-side cabinets connected to the local exchanges via high-capacity fibre connections. Subscribers connect from their premises to these new cabinets via ADSL and their existing copper cable; or possibly via other technologies, such as wireless. This would eliminate the current distance limitations imposed by ADSL.

FTTN would allow the provision of very high capacity broadband internet at speeds of 50 to 100 mbps – an order of magnitude faster than the typical ADSL broadband service. These services are seen as essential to allow people to access the new high-capacity services that are starting to be introduced in areas such as healthcare, entertainment and education. These high speed services are already being rolled out in several countries, such as Korea and Singapore and are in the pipeline for Europe. It is argued by many experts that, if Australia does not introduce this technology, the economy will be at a distinct disadvantage compared to the countries who have adopted it.

The cost to deploy this network is estimated to be four billion dollars. Telstra is currently refusing to fund this rollout unless it can strike a favourable deal for access to the FTTN network by other companies. It is arguing that it will be unable to get a commercial rate of return on its investment if other companies are allowed to use the network at low prices. An alternative suggestion from Telstra is that the government should jointly fund the roll-out with Telstra. This situation is currently in a hiatus connected with the government's desire to sell its remaining interests in Telstra.

A consortium of other companies has sought to circumvent the stand-off by proposing that they would deploy their own FTTN network – the G9 or Group of 9.

5.1.5 Broadband penetration in Australia

By the middle of 2006 broadband internet penetration was estimated to be more than three million subscribers. As already mentioned Australia is placed at the bottom of international rankings for broadband internet penetration in developed countries. According to industry analyst, Paul Budde, the factor that has driven broadband in the United States has been competition between the carriers and cable TV operators. Unfortunately this is missing in Australia with the two major carriers, Telstra and Optus, jointly owning the cable TV networks.

It is also worth noting that the provision of broadband services in Australia is fundamentally more difficult than it is in most developed countries due to the large geographic span of the continent and the sprawling nature of the urban areas. Most developed countries have far greater concentrations of people living closer together who are on average nearer to internet access points, typically local exchanges. This means DSL coverage is more complete and the speeds attainable are higher. More dense populations also mean easier and cheaper access via other technologies, such as wireless and cable.

The take-up of broadband in Australia has gathered pace in the past two years, with numbers increasing from 829,000 in March 2004 to 1.8 million in March 2005 and to 3.2 million by March 2006 or almost 100 per cent per annum. By far the greatest part of this growth has been in ADSL services. The number using satellite services declined over the same period. It is estimated that Australia is lagging at least two years behind similar DSL roll-outs in Europe and Asia. Table 5.3 provides a history of broadband usage by service type.

Table 5.3 Broadband subscribers by access method

	Cable	Satellite	ADSL	Other DSL	Other	Totals
Jul 2001	92,500	2,200	26,600	1,400	100	**122,800**
Mar 2002	124,200	7,400	64,200	3,900	100	**199,800**
Jun 2002	140,900	9,000	97,200	10,900	100	**258,100**
Sep 2002	158,200	10,700	120,600	22,200	500	**312,200**
Dec 2002	173,200	12,200	139,900	38,000	200	**363,500**
Mar 2003	191,900	12,600	160,600	58,200	300	**423,600**
Jun 2003	215,400	13,000	193,500	94,600	300	**516,800**
Sep 2003	236,300	13,200	225,000	136,000	300	**610,800**
Dec 2003	251,200	13,300	251,500	182,400	300	**698,700**
Mar 2004	283,300	13,200	288,900	243,600	300	**829,300**
Jun 2004	324,400	12,900	363,100	347,100	300	**1,047,800**
Sep 2004	375,900	12,700	867,100	54,300	300	**1,310,300**
Dec 2004	404,300	13,500	1,054,600	75,600	300	**1,548,300**
Mar 2005	438,700	14,400	1,298,100	88,200	300	**1,839,700**
Jun 2005	473,000	17,800	1,579,500	112,700	300	**2,183,300**
Sept 2005	510,600	22,000	1,895,400	124,800	40,800	**2,593,600**
Dec 2005	533,600	23,300	2,013,300	161,500	53,300	**2,785,000**
Mar 2006	563,200	23,000	2,295,200	208,600	71,600	**3,161,600**

Source: ACCC.

As can be seen in Table 5.4, Telstra is the dominant supplier of broadband internet services, with some 30 per cent market share, followed by Optus with 10 per cent share. The remaining suppliers serve the remaining 60 per cent of the market, with the largest single share being iiNet with 7 per cent. Whilst Telstra's share of the overall market is 30 per cent, its share of the broadband market is much greater at around 40 per cent. In terms of ownership of the broadband infrastructure however, Telstra dominates with a share of 83 per cent. This gives Telstra a lot of power over suppliers reselling Telstra services, especially given its recent decision to lower retail pricing to below wholesale price levels.

It is currently estimated that around 90 per cent of Australian households are within reach of the xDSL network.

Revenues generated by broadband service provision are estimated to be in the vicinity of $1.28 billion, with Telstra accounting for $1 billion, Optus $180 million and the remaining $100 million being generated by the other companies.

Table 5.4	Broadband subscribers by supplier				
Company	2002	2003	2004	2005	2006 mid year
Telstra BigPond	85,000	185,00	350,000	550,000	750,000
Optus	2,500	5,000	23,000	160,000	250,000
iiNet:	10,000	30,000	50,000	165,000	180,000
TPG	n/a	n/a	50,000	100,000	150,000
Primus	6,000	15,000	28,000	103,000	135,000
Nextep	15,000	30,000	35,000	50,000	55,000
WestNet	n/a	n/a	18,000	50,000	95,000
AAPT	n/a	n/a	10,000	45,000	100,000
PowerTel	6,000	10,000	15,000	21,000	25,000
SP Telemedia	n/a	10,000	15,000	40,000	60,000
Veridas	n/a	n/a	n/a	37,000	73,000
Netspace	n/a	n/a	20,000	36,000	42,000
Dodo	n/a	n/a	12,000	30,000	100,000
People Telecom	n/a	10,000	20,000	27,500	36,000
Pacific Internet	4,000	9,000	13,000	21,000	25,000
Chariot Internet	n/a	n/a	4,000	14,000	20,000
Datafast	n/a	n/a	10,000	14,000	20,000
NetSpeed Internet	n/a	n/a	11,000	13,700	21,100
Others	13,500	55,000	40,000	180,000	360,000
Total	**142,00**	**359,00**	**724,000**	**1,657,200**	**2,497,100**

Source: Paul Budde Communications.

5.1.6 Voice over Internet Protocol (VoIP)

As discussed, although Australia is lagging behind in its rates of broadband take-up, the number of broadband connections in Australia now tops three million, almost double the number twelve months earlier. It is likely that the increasing number of broadband connections will stimulate the take-up of VoIP services across the nation.

There are now numerous providers offering VoIP services in Australia and the overseas experience points to likely trends in the Australian telecommunications market. Analysts in the United Kingdom estimate that by the end of 2007 there will be more than 3 million PC to PC VoIP users (using software such as Skype) and one million who register on VoIP services (the equivalent companies such as Engin in Australia) using their home telephones via the Internet. In Japan, Asia's most advanced telecommunications market, the number of VoIP service subscribers increased from 3.1 million users in 2003 to 8.3 million users in March 2005, this rapid take up of VoIP services being facilitated by high speed broadband and resulting voice quality. It is therefore likely that Australia will also follow the trend towards increasingly rapid take-up of VoIP services.

For existing telecommunications companies this is becoming a difficult space as companies are likely to be cannibalising their existing voice business by promoting broadband and 3G as there is an obvious correlation between the take-up of VoIP services and the growth of broadband and 3G.

To establish a VoIP service the customer requires a broadband connection and a range of equipment, depending on the type of VoIP system being used. Equipment might be a computer, with VoIP software and a headset, or a traditional handset with a VoIP box that adapts the handset for use on the internet. A wireless device with the appropriate software can also be used for VoIP calls.

The VoIP adapter, the device that translates the phone call over the Internet broadband connection comes in a variety of different types:-

1. a software VoIP client which is installed on the user's computer. Although this is the lowest cost option the computer has to be switched on and connected to the Internet before calls can be made or received. The user will also require a headset or a USB handset to achieve acceptable call quality;
2. an analog telephone adaptor, a device (Engin Box) that connects the user's existing telephone setup to the Internet. This system is far more versatile as it provides the 'look and feel' of the traditional phone setup and the telephone system is always in operational mode as it works independently from the user's computer. Cordless telephone systems can be connected to the adaptor; and
3. the VoIP telephone. This phone has inbuilt VoIP capacity and connects to the Internet in 'always on' mode.

There is also a range of different VoIP services with some services offering a public number allocated by the telephone authority (in Australia the ACA). Both ADSL and cable broadband services can carry VoIP calls, however cable services that require computer login may need a device that performs the login and acts as an interface for the VoIP phone. As a rule of thumb, the faster the broadband connection, the better the quality of the voice service.

As new technologies develop, convergence of fixed, mobile and wireless Internet with VoIP services will become more likely. Paul Budde, the telecommunications analyst, believes that VoIP over wireless broadband based on WiMAX and 4G will impact the traditional mobile phone market over the next decade. Many sectors of the economy could benefit from this or other forms of convergence as phone systems will become far more flexible than previously with phones combining a range of different services and the ability to switch from in-house to external systems.

The point here is that an increasing proportion of voice traffic will require the Internet and faster speeds of broadband connectivity to create acceptable voice quality standards. This rapidly changing technology and market place will create new business opportunities where slow broadband speeds are likely to constrain innovation and new business development. These new technologies should also open up regional employment opportunities as telecommuting and teleworking become far more affordable and integrated with global company systems.

VoIP is expected to influence the way business communicates, both internationally and with its remote workers and business travellers, through significantly cheaper communication costs including teleconferencing, the integration of voice mail and email and the ability to communicate without attracting global roaming charges. Teleworking is now growing rapidly after a slow start, and this growth is more likely to continue with the growth of VoIP services. A survey of executives internationally (conducted in 2004 for AT&T by the Economist Intelligence Unit) revealed that 81 per cent of respondents said that providing employees with remote access to the corporate network was a critical network goal.

5.2 Challenges and consequences

5.2.1 Challenges for local government

Some of the things that local governments can do to make sure that their regions are broadband-ready include[5]:-

- setting the social agenda to enable the rollout of broadband facilities in their region;
- securing wide community support for a local broadband strategy;
- educating their residents about the importance of broadband through newsletters, showcases, etc.;
- mandating fibre networks in new housing developments;
- mapping existing telecoms infrastructure from providers, council, hospitals, railways, utilities, etc.;
- facilitating cooperation between internet providers (including local ISPs and IT companies);
- establishing neutral network meet-me-points, from which competitors can roll out their own services;
- working with the industry to develop a plan covering the whole area. In most situations up to a third of any local government area requires financial assistance because of low density etc. Councils have an obligation to ensure that all their citizens have access to broadband – not just those in the high-density areas, to which internet providers understandably want to limit their commercial rollout (to avoid cherry-picking);
- lobbying for grants to cover these extra (non-commercial) costs; and
- stimulating local demand aggregation wherever possible and wherever feasible.

5.2.2 Lost business use of ICT

The *State of the Regions 2005-06* demonstrated that schemes such as HiBIS (higher bandwidth incentive scheme) were crucial to providing regional communities and their businesses with opportunities to complete their e-staging journey. When this e-journey is complete, businesses will have transformed themselves into new look enterprises using all the benefits of digital technology as an integrated part of everyday business activity.

It was found that firms which had reached the final stage of their e-journey (Stage 6 – the transformation stage) were still rare in Australia (examples of such firms internationally include Google, Amazon and Dell, companies that have created global reach through their business models and online marketing and customer interface). Typically these companies employ global business models that have made location less important through the use of ICT. These companies also change the business landscape because they challenge traditional supply chain structures and cluster groupings.

It is still the case that metropolitan regions are more likely to make progress in adopting high levels of ICT use. However there have also been a number of events in relation to supply of broadband to regional Australia.

[5] Extracted from an email exchange with Paul Budde dated 1 August 2006.

HiBIS, the Commonwealth Government's contribution to the National Broadband Strategy, has been replaced by the Broadband Connect program which commenced in January 2006. The government has stated that HiBIS will evolve into Broadband Connect in two distinct stages:-

1. stage one: Minimal changes but including a reduction in the price HiBIS providers can charge customers so that regional charges follow city trends;
2. stage two: To build on and improve HiBIS strategies to improve broadband connectivity in regional areas; and
3. as part of this programme, on 31 August 2006, the Commonwealth Government announced its Clever Networks initiative to fund broadband applications and leverage broadband infrastructure to enhance service delivery in two ways, innovative service delivery and broadband development. In the later, Clever Networks will fund project mangers to assist in improving skills and business practices as well as aggregating demand in poorly served communities.

As well as the evolution of government related activity a new generation of telecommunications providers is improving band width for regional communities. In South Australia Internode is providing ADSL2+ to rural communities. Its network covers Murray Bridge, the Coorong and Yorke Peninsula with further expansion to Port Lincoln, Whyalla and Mount Barker. Internode claims that their service is 16 times faster than Telstra's fastest broadband plans. The company is also expanding its operations to other states.

ICT use is not only a feature of regional competition within Australia but is also significant in an international context. The World Bank ICT Index provides a wide ranging index of ICT infrastructure use and allows countries to measure their performance against competing nations. In its publication *Trends and Policies for the Information Society*, the Bank discusses the importance of skilled labour in the ICT sector as it has a significant impact on the absorption and diffusion of ICT. The attractiveness of metropolitan centres for ICT workers is likely to create skills shortages in regional areas and form yet another barrier to equalisation of ICT business use with metropolitan regions.

Table 5.5 Selected rankings on the World Bank ICT Index

Top 10 economies overall	Index	Rank	Top 10 developing countries	Index	Rank
Hong Kong, China	9.44	1	Estonia	8.14	24
Singapore	9.13	2	Czech republic	7.71	28
Denmark	9.10	3	Chile	7.68	29
United States	9.01	4	Hungary	7.66	30
Sweden	9.00	5	Slovak Republic	7.45	31
United Kingdom	8.99	6	Poland	7.44	33
Canada	8.98	7	Croatia	7.31	34
Korea, Rep of	8.97	8	Malaysia	7.31	35
Netherlands	8.86	9	Latvia	7.23	36
Switzerland	8.77	10	Argentina	7.14	37
Germany	8.69	11			
Norway	8.65	12			
Finland	8.64	13			
Japan	8.62	14			
Australia	8.58	15			

Source: World Bank, Trends and Policies for the Information Society.

5.2.3 Economic benefits of increased broadband coverage

The World Bank has estimated that firms that use ICT grow faster, invest more and are more productive and profitable than firms that do not. They quantify this improvement as, for example, sales growing 3.4 per cent faster and value added per employees being $3,400 greater among developing country firms that use email to communicate with clients and suppliers. As a result profits are substantially higher among firms using ICT.

5.2.4 Cost of providing extended broadband coverage

Given the social and economic importance of broadband connectivity this section looks at the current spread of ADSL-enabled exchanges across Australia and the cost of providing broadband coverage to those areas, most of them in regional Australia, which are not currently able to access ADSL services.

Table 5.6 provides a summary of the status of ADSL connectivity in August 2006 in terms of the availability of ADSL in each State and Territory. Since the data was collected there has been a slight increase in the number of ADSL exchanges. Nearly all ADSL2 exchanges are also enabled for ADSL, so that subscribers through these exchanges have a choice of ADSL technology.

Table 5.6 State exchange summary, August 2006

State	Total	No ADSL	ADSL	ADSL2	ADSL2 providers	Broadband connect	HIBIS
NSW	1584	855	357	98	264	90	282
VIC	1107	556	264	62	127	90	197
QLD	931	448	304	59	100	57	122
SA	518	375	71	34	89	4	63
WA	654	471	115	61	102	10	58
TAS	203	106	28	1	1	20	49
NT	47	32	8	1	1	0	7
ACT	21	4	15	9	16	0	2
Total	**5065**	**2847**	**1162**	**325**	**700**	**271**	**780**

Note: ADSL Providers - There is now competition in the ADSL2 market, hence exchanges with multiple providers are counted twice.
Source: Telstra Wholesale. Dslamwatch.com.au.

Table 5.7 provides a league table showing the percentage of exchanges without ADSL coverage by State or Territory. Despite its size, Queensland has been able to connect 52 per cent of its exchanges to enable ADSL services, while Victoria, a much smaller state geographically, has only enabled half of its exchanges. In general the geographically larger states are still having difficulty in enabling remote exchanges, although a new generation of telecommunications providers (see 5.2.2 Lost business use of ICT) is having an impact on providing remoter communities with high quality ADSL, including ADSL2, services.

Table 5.7 Percentage of exchanges without ADSL by State / Territory- 2006		
State / Territory	Total Exchanges	% without ADSL
Western Australia	654	72
South Australia	518	72
Northern Territory	47	68
New South Wales	1584	54
Tasmania	203	52
Victoria	1107	50
Queensland	931	48
ACT	21	19

Table 5.8 analyses the cost of connecting the remaining exchanges in each state. The cost is estimated by using an algorithm that considers the following:-

- The area of the state covered by ADSL, along with the remaining area of the state not covered;
- The number of exchanges covered and the number of exchanges remaining;
- The correlated position of settlements, that is, the fact that settlements tend to clump together;
- The estimated fibre per exchange in kilometres; and
- The estimated price of fibre per km (based upon a Department of Education, Science and Training (DEST) Study, *Innovative Bandwidth Arrangements*).

Table 5.8 The cost structure of extending ADSL coverage				
State	Remaining exchanges	Estimated fibre per exchange, km	Kilometres of fibre to be installed	Cost @ $10,677 at per km, $m
New South Wales	855	18	15,390	164
Victoria	556	10	5,560	59
Queensland	448	29	12,992	139
South Australia	375	31	11,625	124
Western Australia	471	46	21,666	231
Tasmania	106	17	1,802	19
Northern Territory	32	195	6,240	67
ACT	4	7	28	0.3
Australian total	**2847**	**26**	**75,303**	**804**

A year ago, from the *2005 – 2006 State of the Regions* report, the number of exchanges yet to be connected was 3,241 which fell to 2847 in August 2006. There has been some progress in connecting regional areas but in a number of states progress is relatively slow. Progress in Queensland has been most rapid with a 20 per cent reduction in the number of unconnected exchanges

This points to the fact that much of the investment in upgrading broadband services is focused on upgrading existing exchanges to higher bandwidths to provide higher broadband speeds. The connection of smaller rural and remote communities is still proceeding relatively slowly, highlighting the importance of programmes such as Broadband Connect.

5.2.5 High tech clusters

Professor Michael Porter of the Harvard Business School describes clusters as "networks of companies, suppliers, service firms, academic institutions and organisations in related industries that, together, bring new products or services to market". The OECD defines clusters as "being characterised as networks of production of strongly interdependent firms, knowledge-producing agents and customers linked to each other in a value-adding production chain".

In the case of regional clusters these networks join together, concentrating interacting firms in a geographical location. As clusters develop they create further interaction between companies, creating more opportunities for innovation, value adding and co-operation between firms. These clusters attract more firms and the denser the cluster becomes, and the more co-operation and competition that is created, the more innovative the firms within the cluster become. It is worth noting here that some industry sectors may be more suited to forming regional clusters than others while other sectors will show a tendency to develop high tech clusters.

Professor Porter also points out that "drawing cluster boundaries is often a matter of degree and involves a creative process informed by understanding the most important linkages and complementarities across industries and institutions to competition".

How do these clusters develop in the first place? Professor Ron Johnston, in *Clusters: a review,* DEST, concludes that "it is evident from many studies that clusters cannot be artificially manufactured. However conditions can be established which facilitate the formation of clusters and their contribution to economic value. Professor Johnston also states that "what emerges clearly is that there is no single standard 'one fits all' model of clusters. Every country and region has a different set of clusters, shaped by historic background, national characteristics, the strength of the knowledge base, size and connectedness, R&D intensity and share of innovative products".

Clusters drive innovation because they encourage information sharing among the firms within the cluster. Highly integrated supply chains within the cluster consolidate the knowledge base between firms in relation to changing customer needs, more sophisticated marketing and selling operations as well as technology and knowledge diffusion. Employees will also move to other firms within the network and employees will also compete with each other to improve their firm's competitive position within the cluster.

Cluster types themselves have evolved. Clusters that were once driven by large firms and their purchasing requirements, causing other firms to co-locate in a region to fulfil demand, are now more likely to be driven by knowledge based activities and high tech diffusion of information and processes. Although the knowledge component of cluster development is likely to be of increasing importance with the intensity of interaction between industry, government and education increasing, other conditions must also be in place. While knowledge is important as a process within the innovation cluster, it is not the sole condition in creating a successful regional cluster. A single focus on increasing knowledge will not, in general, be sufficient as success also requires integrated supply chains, critical mass and the strong connectivity with international markets that facilitates export activity.

Globalisation trends have had a significant impact on the clusters in a number of important industry sectors. There has also been a corresponding hollowing out of the traditional supply chain and hence, traditional industry clusters in Australia, as companies shift their operations, particularly in manufacturing, to cheaper overseas manufacturing centres. The service and knowledge based sectors are also not immune to international competition as 'global business clusters' form in customer service and marketing based call centres, software development and back office services.

To this backdrop, as a regional policy objective, the development of high tech clusters appears to be an increasingly important mechanism in defending and improving industry output. The development of high tech innovation clusters is likely to have a positive impact as such developments enhance future prospects by:-

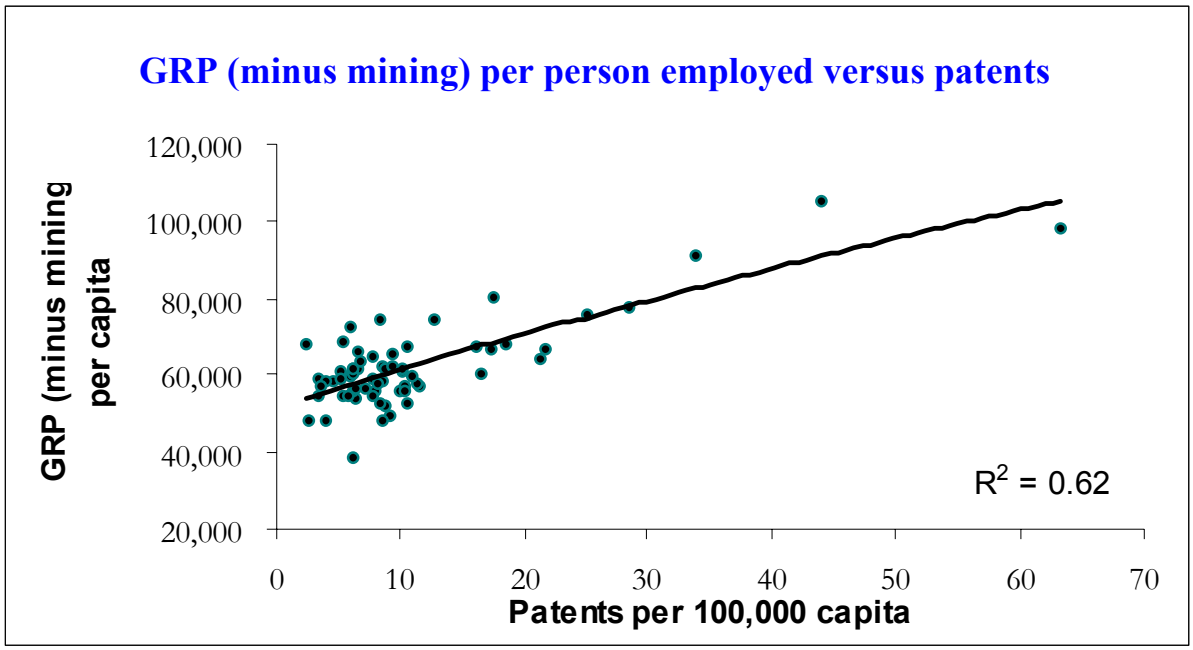
12. improving planning towards more knowledge intensive focus and high value added businesses;
13. strengthening a regions key competitiveness including such factors as innovation, regulation, market access, logistics and reputation;
14. intensifying R&D and growing the number of patents;
15. moving basic manufactures to a more knowledge intensive culture to embrace innovation including new products and processes, services and engineering solutions;
16. strengthening the opportunity to retain as much of the manufacturing supply chain as possible to avoid hollowing out the customer base of remaining firms;
17. growing exports of higher value production, associated technologies and engineering solutions which include innovation in product delivery;
18. achieving global competitiveness through scale and consolidation;
19. improving branding and marketing channels, both local and international;
20. harnessing available knowledge, skills and manpower to attract global opportunity, particularly in areas of research and development;
21. leveraging off high local demand to build world scale export industry; and
22. enhancing prospects for future growth and profitability by encouraging government and industry to work together to develop the strategies needed to create and sustain global competitiveness.

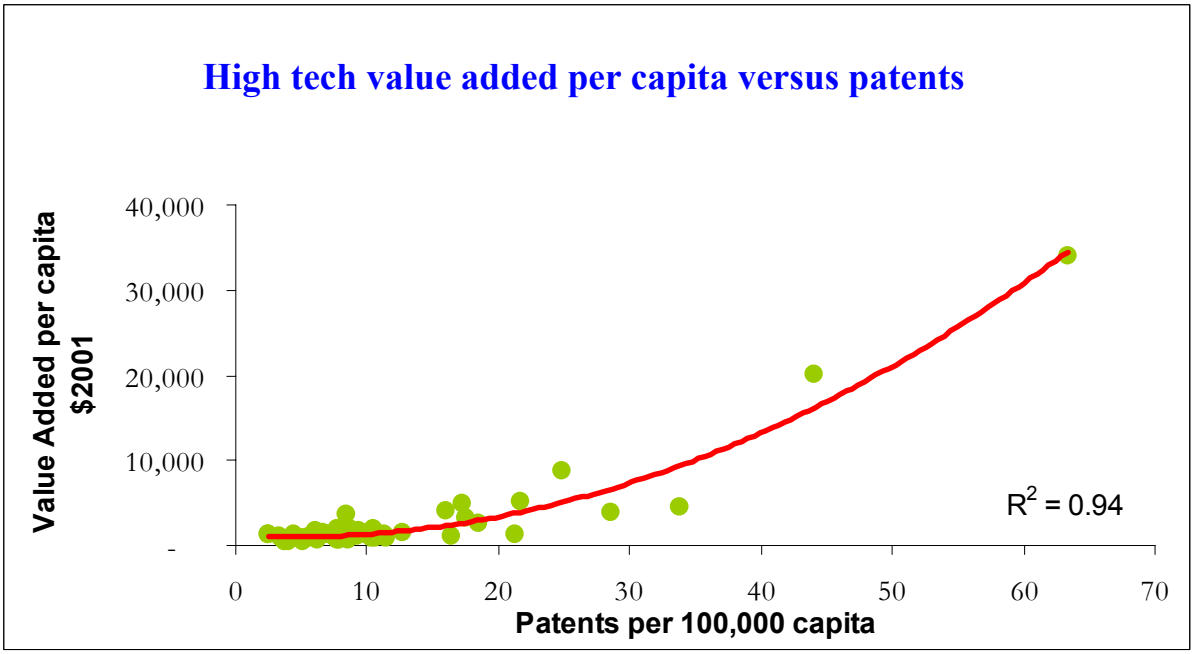
The manufacturing sector as a component of the high tech cluster

The following figures show the strong relationship between patents issued (an indicator of knowledge intensity) and aggregate income productivity for the 62 SOR regions. In turn patents per capita are strongly linked to a region's high technology manufacturing output per capita.

If manufacturing industries are to survive in Australia they will require increasing inputs of knowledge and innovation in processes, supply chain integration and marketing. A position in a strong high tech cluster is more likely to provide a base for future growth. It is also worth noting that as a component of regional innovation policy and cluster development, policy that encourages knowledge intensive manufacturing is likely to create significant flow on benefits to the productivity of a region.

Knowledge diffusion can also be enhanced by government activity. In the United States there is a large scale program linking State and Federal agencies to identify and facilitate firms adopting best practice technologies. The Queensland Government has a similar scheme with QMI solutions. If the schemes are effective in the United States, they could be more effective here, given Australia's remoteness from major manufacturing best practice innovation centres.





5.3 Case study update: The Bendigo Community Telco, towards a high tech cluster

Last year's *State of the Regions* report contained a case study on the Bendigo Community Telco (BCT). The case study provides useful evidence about the benefits of establishing a community telco and it is important to revisit the study, one year on, to see what progress and resulting community benefits the BCT has managed to achieve.

"Councils and government generally need to recognise the broader implications of their support for community based telcos" Andrew Cairns, CEO, Community Telco Australia

5.3.1 Summary of previous study

To summarise the previous study, the BCT began its operations in 2000 and was the first telecommunications organisation of its type in Australia. The development of the Bendigo Telco was driven by two key factors.

1. The focus of larger telecommunications companies on larger markets in cities with greater populations. This trend has typically meant that smaller and regional communities have had more costly and less effective services. As in the finance sector, the larger telecommunications companies were probably content to see regional communities aggregating their own needs and demand.

2. The opportunity for regional communities to take greater control of their local telecommunications services because of the perception by regional communities that they were not provided with access to the latest technologies at the same pace as the major cities. Rural and regional Australia regard high quality and cost competitive access to technologically advanced and high speed telecommunications services as a major factor in future competitiveness of their region.

Telecommunications spend in the BCT catchment is currently estimated at approximately $160 million per annum and domestic, business and educational use is expected to increase significantly. The company is still growing its customer base.

The model that was applied to the establishment of the BCT was based on the Bendigo Bank mode (Community Telco Australia), which incorporated the following principals:-

1. local regional support and financial commitment;
2. use the buying power and technical capacity of the major players; and
3. create a franchise model that could be adopted by other regions.

Community Telco Australia describes its model thus, "*the model is based on simple demand side economics. It gives communities greater control over their future by drawing on the buying power of the community as a whole to negotiate a better deal for services provided today and ensure the community has a greater say in the delivery of telecommunications services in the future*".

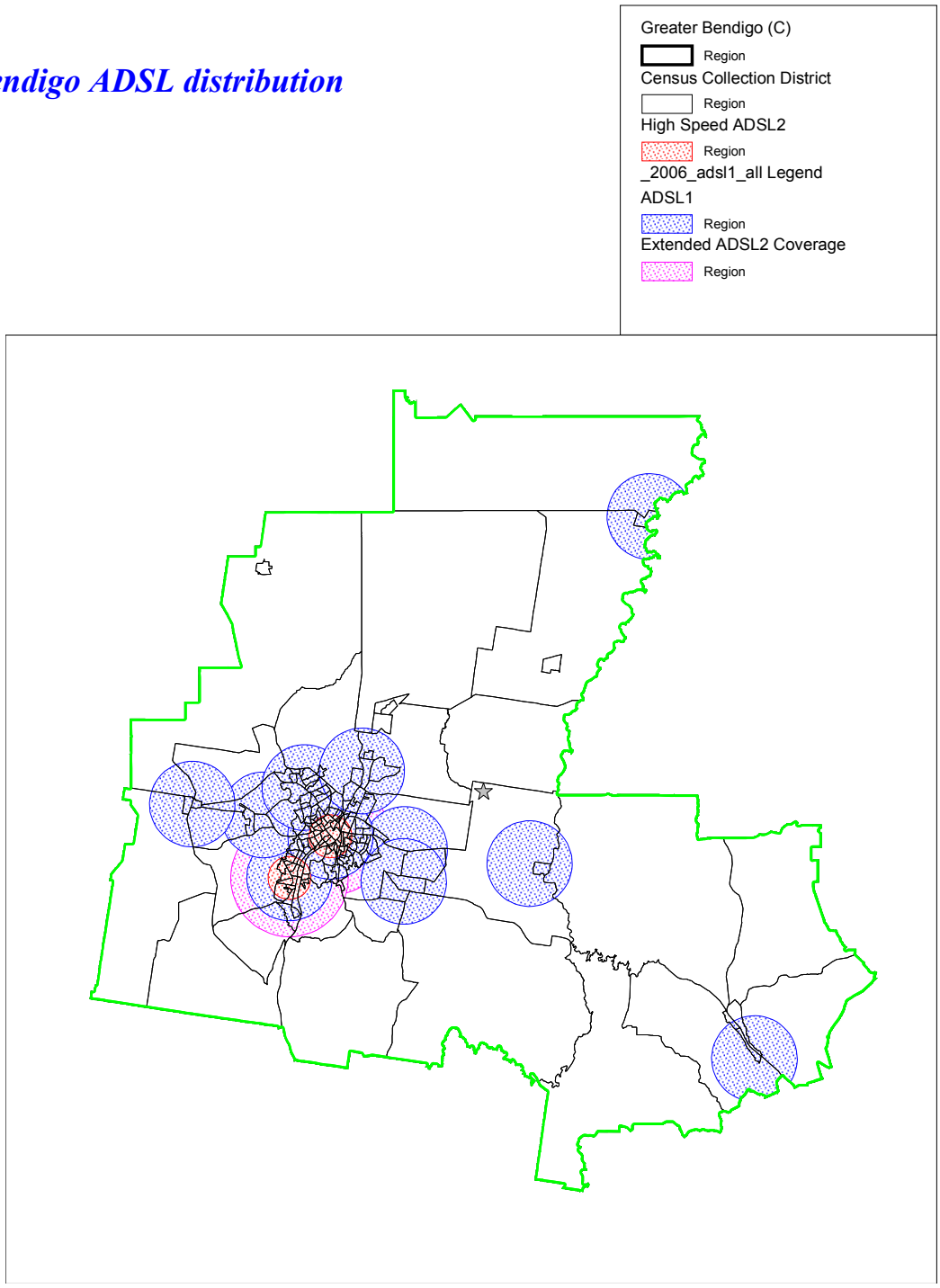
Improving and developing information and telecommunications systems was regarded as a core component of the Bendigo smart community, smart city strategy.

In the case of the BCT the organisation was established as a limited liability company with issued capital of five $1 shares. An initial information memorandum was issued to interested parties in early 2000. The initial investors provided paid up capital of $395,000. Subsequent capital raisings increased the amount of paid up capital to $1.1 million in the following year.

The initial offering to the core customers was the attraction of the opportunity to build demand aggregation strategies and the resulting reduction in costs. The second phase of the BCT's development strategy was to build its strategic partnership with its chosen telco provider and encourage the provider to develop infrastructure.

The BCT case study gives some pointers to how demand can be aggregated to create cost savings and improved service and infrastructure in the local region. Demand aggregation will benefit local communities but can also provide significant savings to business groups or government clusters when the principles of demand aggregation are implemented.

Bendigo ADSL distribution



Because of increasing demand for broadband services, broadband may drive the need for a community to aggregate demand. The issues that govern broadband availability are:-

1. the standard of core telecommunications infrastructure and its availability in regional communities;
2. the cost of providing or upgrading sub-standard infrastructure; and
3. the business case to justify the expenditure to provide the standard of infrastructure required to deliver a suitable service.

Public sector demand including health, schools and local government, can have a significant presence in regional communities and can play an important role in future telecommunication development strategy. Without public sector demand aggregation, when these types of organisations manage their procurement of services and broadband individually, it becomes difficult to justify upgrading core infrastructure. If demand is not being aggregated, telecommunications providers may adopt the strategy of providing one off solutions for individual customers that are less technically effective and more costly.

5.3.2 The regional benefits of developing the BCT

The benefits provide by the community telco model, both direct and indirect are:-

1. to aggregate regional telecommunications demand and create the ability to provide better services, better access to new technologies and competitive pricing;
2. to improve community access to communications and information technology to provide enhanced business, educational and entertainment opportunities for the future;
3. to create demand driven services and more value added services;
4. to enhance future regional competitiveness by providing the infrastructure to attract knowledge based businesses to the region and create opportunities for new local knowledge-based enterprises; and
5. to provide a platform and cluster to attract innovation and additional regional funding.

The La Trobe University study *Bendigo Community Telco, Regional Economic Case Study* March 2004 found that the BCT, once it entered the local residential fixed line market, would boost annual regional output by $34 million, creating 211 jobs within the regional economy.

This study also identified four broad categories of benefit to the community.

1. Bendigo Community Telco

- Retention and expansion of telecommunication jobs within the region.
- Purchasing goods and services from businesses in the Bendigo Region.
- Consumption activities (in the local economy) of BCT employees.

2. Decreased telecommunications costs

- Decreased telecommunications costs for local businesses.
- Decreased telecommunications costs for local residents.
- Implications of decreased costs on revenue and employment in the region.
- Implications of decreased costs on business expansion / retention / attraction.

3. Infrastructure improvement and development

- Construction of new infrastructure and improvement of existing infrastructure.
- Servicing of infrastructure.
- Implications of new improved infrastructure on productivity, revenue and employment in the region.
- Implications of new or improved infrastructure on business expansion / retention / attraction.

4. Dividends retained locally

- Implications of dividends paid to local investors.
- Dividends withheld by BCT to fund local technology products

5.3.3 Recent events

A key event in the last year was the listing of the BCT on the Bendigo Stock Exchange (BSX) which made the company the first local company to list on the BSX.

As BCT grows (its 2005 results showed a growth in revenue of 27 per cent over the previous year to $15.4 million) it also provides more local and relatively highly skilled employment positions. This adds to the skills base of the immediate regions and enhances the environment for the creation of a cluster of telecommunication sector businesses, as skilled workers may establish their own enterprises and businesses may consider moving to the region.

In its IPO the BCT raised $1,675,000 and has now started to invest the capital raised from the BSX listing in core telecommunications network infrastructure. Chairman Rob Hunt, in a recent press release, says 'directors take the trust that local investors have placed in them, to generate a return on this investment, very seriously'.

As per the original strategy, the major share holders of the BCT are almost all local investors, implying that shareholder value will most likely be retained within the Bendigo community. In August 2006 the company declared a final dividend for the 2006 year of 4 cents per share fully franked, this amount plus the interim dividend of 4.5 cents per share fully franked (paid in April this year), brings the total dividends returned to the Bendigo community for the year, to $474,765.

5.3.4 BCT services and infrastructure development

The current offering from BCT, which appears to be inline with original planning, includes line rental, internet access, local and long distance calls on fixed lines and mobile phone services, mirroring the services offered by its larger competitors.

BCT plays an increasingly important role (as investment capacity of the firm increases) in the upgrading of telecommunications infrastructure in the Bendigo region. BCT has worked closely with Powercor Telecom, the company that has established optic fibre network links to the Melbourne CBD, western Melbourne, Geelong, Ballarat and Bendigo. This network facilitates electrical network management and a range of wholesale telecommunications and retail data services. As part of the development of the Business Continuity Centre, a Bendigo access loop was connected to the Powercor Telecom infrastructure.

All businesses face new challenges from new technologies and increased competition. One challenge for the Bendigo Community Telco will be how it deals with a possible erosion of revenues from VoIP services.

5.3.5 Spin off initiatives

As a result of these infrastructure developments, the impact of BCT's activities on telecommunications services and business opportunity in the Bendigo region has been significant. These impacts range from improving competition and performance of other telecommunications suppliers, driving the upgrading of technologies because of BCT's regional investment focus, providing the opportunity to create new types of businesses such as the Business Continuity Centre and future proofing the needs of major and existing businesses in the Bendigo region.

We should consider the significance of BCT's role in future proofing business needs in terms of its impact on creating the kind of ICT environment which is most likely to satisfy the ongoing needs, and therefore strengthen the case for large businesses retaining their headquarters in Bendigo. Regional centres, without high quality telecommunications connectivity and ICT infrastructure, will find it harder and harder to retain large business because maintaining regional, countrywide and international networks will become increasingly more complex and demanding on local infrastructure. Conversely an argument can be made that the availability of high quality telecommunications and ICT infrastructure will start to drive cluster development and attract new business to less costly regional centres.

Direct spin-off opportunities from the BCT include the Business Continuity Centre (BCC), which is only one of a handful of continuity centres built outside a capital city. This centre provides business continuity services of which the core service is data storage. It is of obvious importance that data is stored in duplicate form away from a company's main IT centre and, because of global security issues, sensible to store backup data in alternative cities, away from the main IT facility. A raft of additional services can be offered over and above data storage and these include alternative processing facilities so business operations can continue in a seamless manner should a disaster occur at the main business site.

The BCC is situated at the Central Victoria Innovation Park. The BCC facility, a 1000 square metre centre, cost $3.2 million to complete. The architect, builder, electrical contractor and security provider who constructed the centre were all from Bendigo.

Improved regional telecommunications systems may also enhance the opportunities of existing clusters of business sector development. In the case of the Bendigo region these sectors might include health, financial services, education, GIS services, IT, data storage and further telecommunications related development. In 5.2.8 we also raise the social significance of improved education connectivity.

5.3.6 Community benefit

One significant advantage provided by BCT to the Bendigo community is accessibility. It is likely that the existence of the BCT will encourage greater use of e-commerce and the use of the internet more broadly as a more savvy local ICT culture is developed among consumers and business.

BCT say " The organisation has been established to meet the expectations of both business and consumers through improved technology functionality. In essence the Bendigo region will no longer be left behind our city counterparts in gaining access to new services".

BCT describe some of the benefits the organisation creates for the community as:-

- an increase in economic development, particularly industry development;
- higher prosperity for the entire region;
- diversified employment opportunities;

- creation of new jobs, particularly high value jobs in information technology and telecommunications industries;
- enhanced distance education and other educational programs;
- a reduction in the brain drain to larger centres;
- improved health care and social program delivery;
- significant efficiencies achieved by government;
- business productivity improvement; and
- opportunities to competitively access markets outside the region.

The point was made by an executive of the Community Telco Australia (CTA), the developers of the community telco model, "that as a community we want our children to have the opportunity to work in Bendigo or the surrounding region, the place where they grew up. It is precisely developments such as BCT that will provide high quality jobs for our young, thus providing local opportunity and encouraging them to stay in the region".

5.3.7 The growing list of community owned telecommunications initiatives

Community owned telcos include eBurnie, Sunshine Coast Community Enterprise, Ballarat Community Enterprise, Inspired i-Land Community Enterprise (Launceston), CountryTELL (Murray Regional Development Board) and Southern Phone (Moruya NSW). More information on these enterprises can be found in *Innovative uses of Broadband by Local Government in Australia (ALGA 2006)*.

5.3.8 Social impact of high speed connectivity – online education

It is likely that developments such as the BCT will enhance the accessibility, because of improved infrastructure and price competitiveness, of online education including life long learning. This benefits the local community through access to quality online education and provides export opportunities (out of region and international) for local education providers.

"The illiterate of the 21st century will not be those who can't read and write, they will be those who can't learn, unlearn and relearn". Alvin Toffler.

Education is undergoing significant changes internationally. The need for change is driven by the cost of traditional education infrastructure, the increasing demand for education and the need for greater flexibility through the learning process to name but a few. The changing nature of employment has driven the increasing importance of lifelong learning with Dr Marvin Cetron in the United States estimating that, on average, people change careers every ten years, making lifelong learning strategies increasingly relevant to individuals and business alike.

The trend in tertiary education internationally is to develop large scale and integrated online education, a change from a few years ago when courses were more of an experiment, rather than mainstream development. Increasing broadband width and resulting speeds facilitate the move from 'e-book' to video learning/multi media learning. M-learning (mobile learning) is also likely to be a feature of the education landscape with particular application in corporate learning.

Education has been recognised as an important export sector by a number of nations and Australian Education providers have created a significant industry with the total value of Australia's education exports for 2005 topping $7 billion. Improved telecommunications infrastructure could provide greater opportunities for regional education providers to grow education services in international markets.

5.4 Quantifying the cost of inferior internet access

The *State of the Regions 2005-06* report quantified the cost of inferior internet access measured by inefficient download speeds relative to Australian best practice. The methodology was spelt out in that report.

The methodology centred on the stages of the so-called "e-journey" in using modern communications technology based on the internet. Table 5.9 shows the stages. In the modern era, there is a direct link between the e-stage reached by a firm and its export performance, where export performance is measured by exports as a per cent of sales.

Inferior internet access means that a region will have less e-staging leaders (that is, firms operating at stages 5 and 6 in Table 5.9) compared to what would have been the case if the region had best practice internet access. The costing methodology adopted, therefore, revolved around estimating the number of staging leaders that a region was likely to forego on a long run basis as a result of inferior internet access and translating the loss of staging leaders into loss of exports, gross regional product and employment.

Table 5.9 Understanding the e-journey staging theory

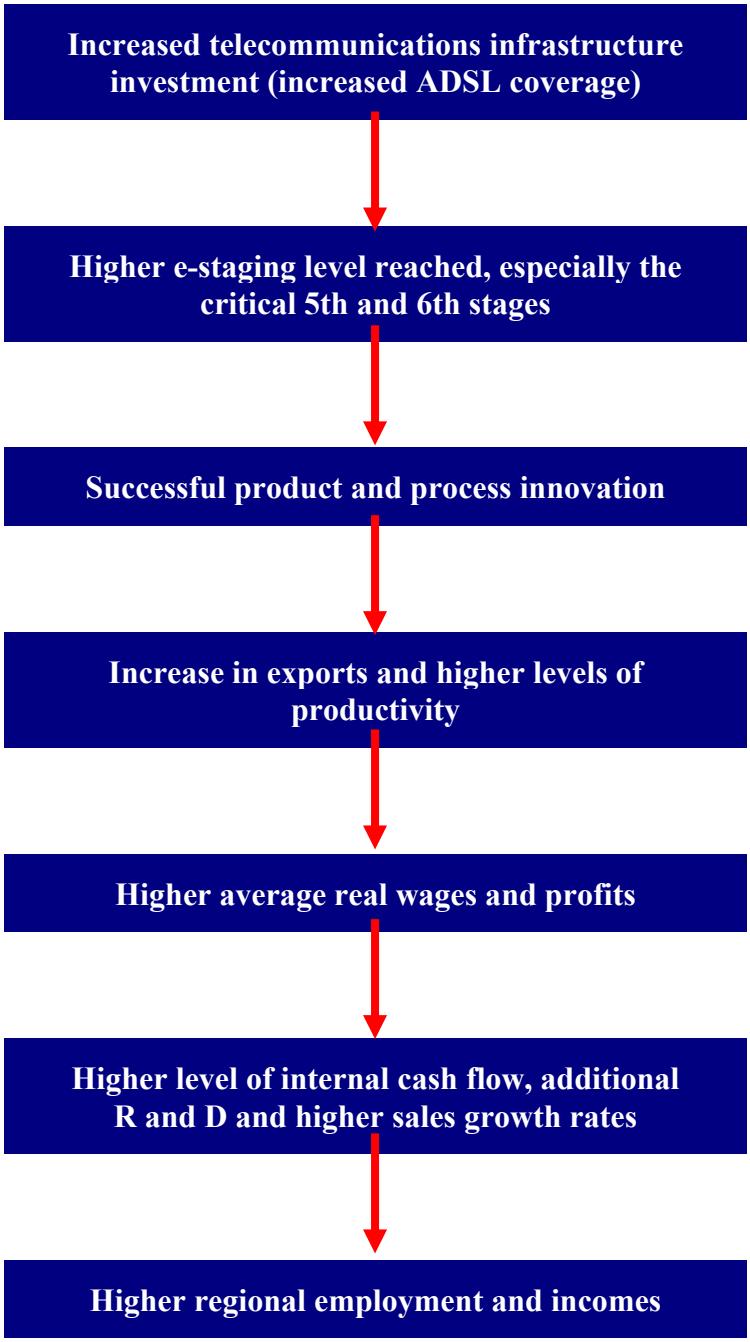
Stage	Technology use	Stage description	Use
0	Phone - No use of computer	None	Make and receive calls from customers and suppliers
1	Computer	Processing stage	Word processing, image and data processing
2	Internet	Communication stage	Research, e-mail, order product or services
3	Web site	Information stage	Online brochure, promotion, e-newsletter, simple Web metrics, receive orders etc
4	Intranet or Interactive site	Transaction stage	Sell products/services, online bookings, share resources within business etc
5	Extranet or integrated process	Integration stage	Supply chain management, share resources with customers or suppliers etc
6	Best practice involvement in networked economy	Transformation stage	Technology enabled customer and content focus to all business relationships

If a region was brought up to best practice in internet access, then improved economic performance would come from the dynamic consequences for firm operations as outlined in the following diagram.

The bottom line from the *State of the Regions 2005-06* report was that inferior internet access, if sustained, would cost Australian regions $921 million in terms of gross regional product and 10,000 in employment.

The current report updates these estimates based on the change in download relativities compared to best practice from mid 2006 compared to mid 2005.

The steps from additional ADSL coverage and higher industry employment



5.4.1 Average internet download speeds by LGA and region

The ADSL and ADSL2 coverage data was updated to August 2006 and average download speeds were computed. The corresponding download speeds for the same period in 2005 were also computed.

The average download speeds were computed from analysing, from the perspective of the catchment areas of individual exchanges, the best practice internet access service available. For an individual region the average download speed was computed by assigning the best practice service to the households who could potentially access the best practice service, whether or not the best practice service was in fact accessed. The average download speed for a region is the average of the best practice speeds available to households and businesses in a region. All options are considered, from dial-up through to ADSL and ADSL2, to economic wireless services. The generally uneconomic nature of wireless services for rural regions rules these services out for consideration as best practice technologies available for the regions. The 2007-8 SOR will review the impact of Telstra's new wireless offerings.

It is immediately apparent that some LGAs have significantly increased their average download speeds. The almost complete coverage of ADSL2 in North Sydney means that the available download speed available to North Sydney households and residents is at the effective maximum ADSL download speed of 18 megabits per second (mbps). This compares to the maximum available download speed available to North Sydney residents in mid 2005 of 1.5 mbps.

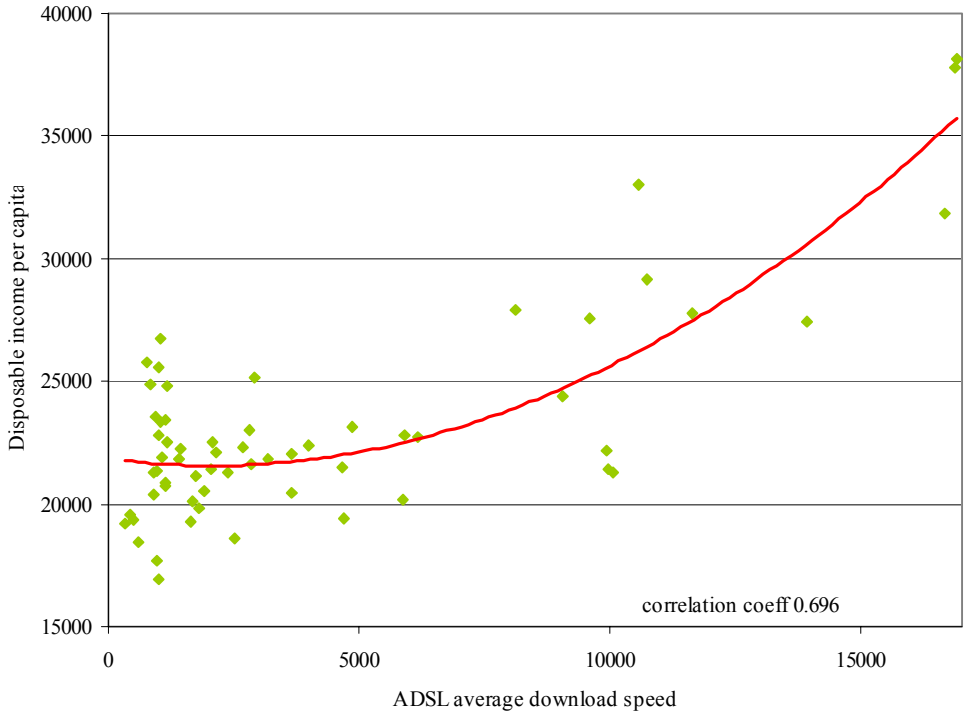
The selective availability of ADSL2 has meant a significant deterioration in the relative availability of download speeds by LGA. For example, in mid 2005 the availability of ADSL in Newcastle City gave Newcastle City a 1.4 mbps average download speed, or 96 per cent of the best practice. In mid 2006 the limited availability of ADSL2 services had increased the average download speed of Newcastle to 3.8 mbps. However, the download speed only represented one fifth of best practice in mid 2006.

The research and calculations clearly indicate the deterioration of average download speed by SOR region compared to best practice. Basically the further away from the central areas of major metropolitan areas, the greater the deterioration in download speeds (that is, quality of internet access) compared to best practice.

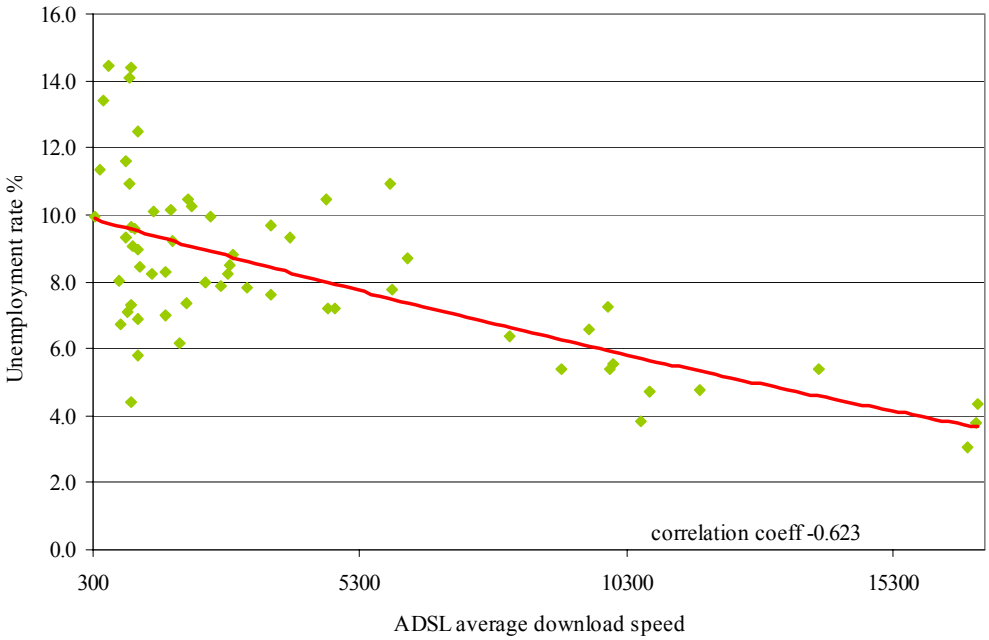
The figure also shows that the unemployment rate is invariably correlated with average download speeds. That is, the areas with the highest unemployment rate and, therefore, the greatest need for access to quality internet services to attempt to improve their economic performance, have relatively low quality access. In contrast, those regions with low unemployment rates have relatively high levels of quality internet access.

National Economics has estimated average ADSL download speeds for household users on a LGA basis. These estimates are available on request.

Average ADSL download speed 2006 versus per capita income



Average ADSL download speed 2006 versus unemployment rate



5.4.2 Updated economic costs of inferior internet access

Table 5.10 shows updated costs to SOR regions for mid 2006 for inferior internet access compared to best practice regions of Melbourne Inner and Global Sydney. The estimates were obtained by calculating the relative internet access quality, as reflected in average (best practice) download speeds for 2005 and 2006. The utility or effectiveness of download speeds was adjusted by taking the square root of the download speed. The 2005 economic cost estimates were then adjusted by multiplying the estimates by the change in relative utility for 2006 compared to 2005 by region. Not surprisingly, the economic cost of sustained inferior internet access quality has tripled for 2006, compared to 2005, with a total economic cost of $2.7 billion in 2005 prices and an employment loss of 30,000.

Of course, the inequalities in internet access performance in August 2006 will not be sustained as ADSL2 roll-out continues. However, when one takes into account the fall in Australia's general competitiveness in quality internet access, and the fact that the central areas of capital cities will be able to best capture technological improvement in best practice quality internet access, the tripling of the economic cost of inferior internet access for Australian regions, is probably indicative of the structural (that is, more permanent) cost to Australia, as a whole, of the deterioration in the general quality of internet access compared to leading best practice countries.

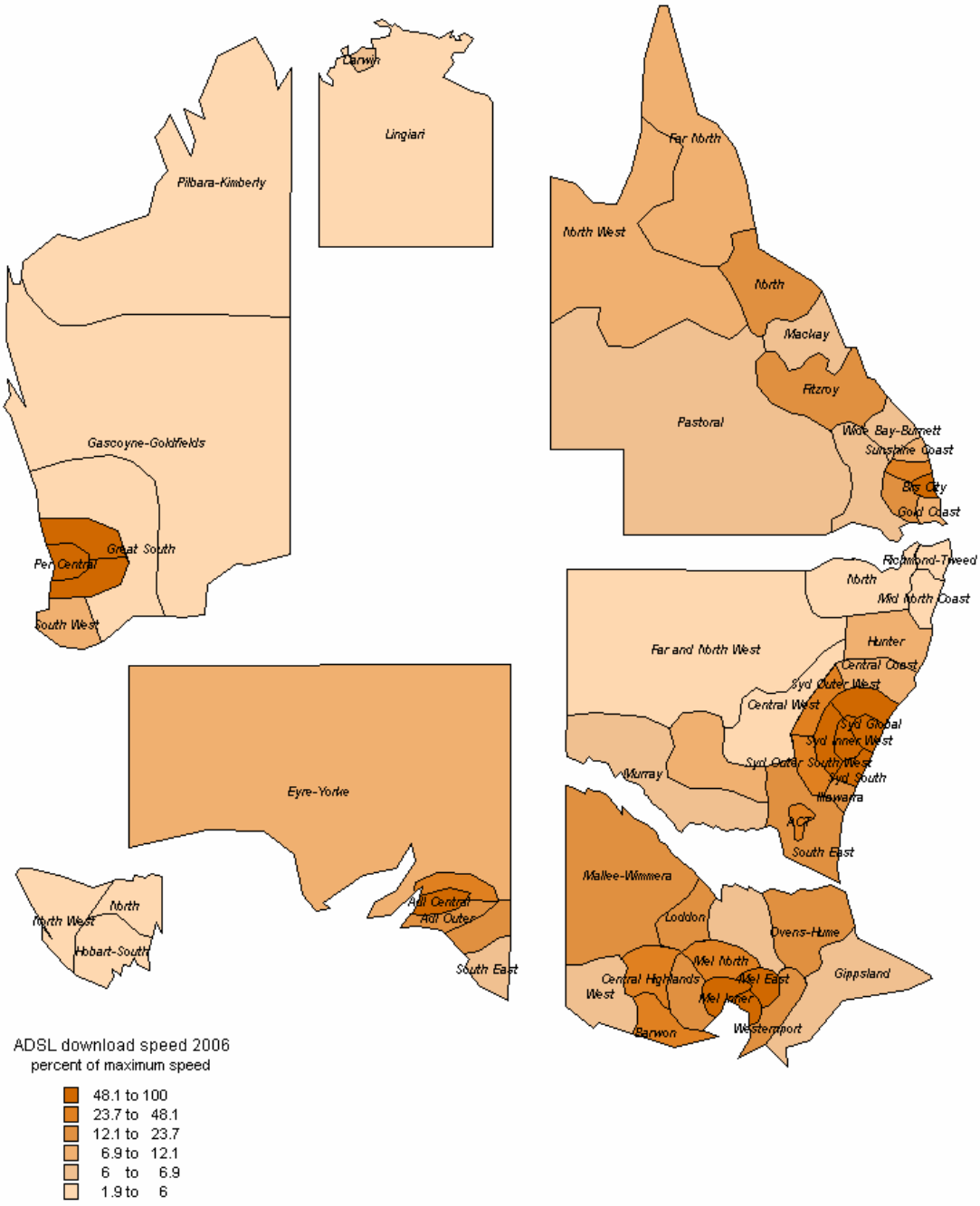
Table 5.10 SOR region economic cost of sustained inferior quality internet access as at August 2006

	Value added impact (2005 $m)	Direct and indirect value added as % of GRP	Total direct and indirect employment
NSW Far and North West	74.0	1.8	987.5
NSW Hunter	55.4	0.3	627.9
NSW Illawarra	15.1	0.1	180.6
NSW Murrumbidgee	75.8	1.5	1021.6
NSW Murray	42.9	1.2	568.1
NSW Mid North Coast	53.0	0.8	753.1
NSW North	91.2	1.7	1269.0
NSW Richmond-Tweed	50.5	1.0	725.8
NSW South-East	32.2	0.7	473.4
NSW Central Coast	14.2	0.2	176.1
Global Sydney	0.0	0.0	0.0
Sydney Inner West	0.0	0.0	0.0
Sydney Outer North	1.4	0.0	14.4
Sydney Outer South West	7.5	0.2	96.7
Sydney Outer West	7.5	0.1	99.5
Sydney Mid West	3.7	0.0	45.3
Sydney South	0.2	0.0	2.2
Melbourne East	1.2	0.0	13.4
VIC Gippsland	167.2	1.6	1417.2
VIC Barwon	21.1	0.3	270.5
VC Goulburn	113.3	2.0	1511.5
Melbourne Inner	0.0	0.0	0.0
VIC Loddon	27.2	0.6	369.1
VIC Mallee-Wimmera	80.1	1.6	929.9
Melbourne North	5.9	0.0	74.5
VIC Ovens-Hume	24.7	0.9	336.6
Melbourne South	0.0	0.0	0.0
Melbourne West	6.8	0.0	85.6
VIC West	64.5	2.0	866.2
Melbourne Westport	18.4	0.1	252.9
VIC Central Highlands	17.1	0.5	241.1
QLD Pastoral	38.7	2.3	518.7
QLD Agricultural SW	76.9	1.2	1113.9
QLD Far North	52.7	0.7	727.6
QLD Fitzroy	56.9	0.7	573.3
QLD Mackay	108.0	1.8	987.4
QLD North West	28.1	1.1	185.4
QLD North	16.6	0.2	211.3
QLD Wide Bay-Burnett	78.2	1.4	1125.2
QLD West Moreton	22.0	0.5	300.2
QLD Gold Coast	15.0	0.1	203.7
QLD Sunshine Coast	11.1	0.2	154.9
Brisbane North	1.0	0.0	16.1
Brisbane City	0.0	0.0	0.0

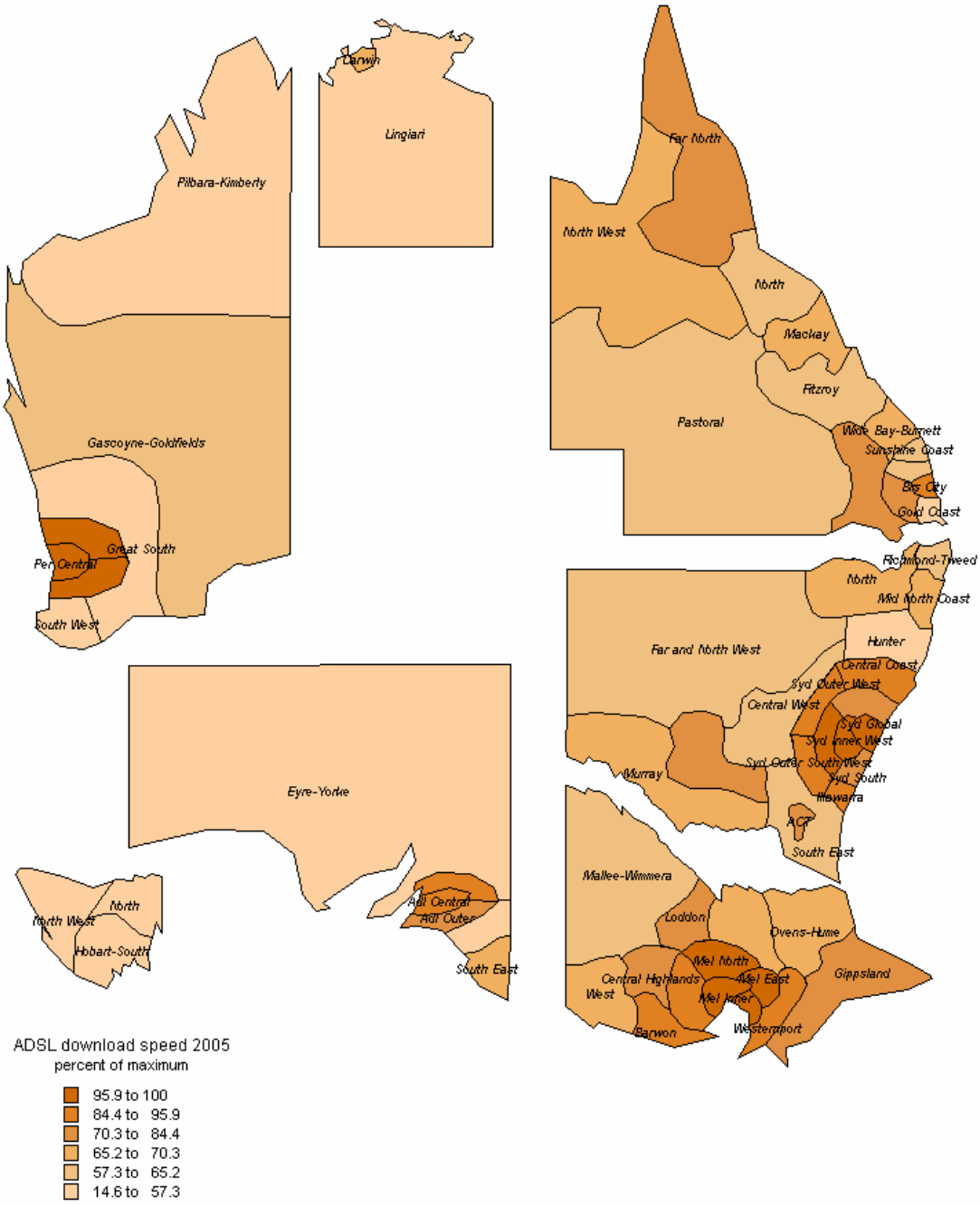
Table 5.10 SOR region economic cost of sustained inferior quality internet access as at August 2006 (continued)

	Value added impact (2005 $m)	Direct and indirect value added as % of GRP	Total direct and indirect employment
Adelaide Central	0.3	0.0	1.3
SA Eyre and Yorke	109.9	1.8	786.1
SA Murraylands	54.5	2.5	483.8
Adelaide Plains	7.9	0.1	67.6
SA South East	51.6	2.5	399.7
Adelaide Outer	28.3	0.4	236.9
WA Pilbara-Kimberly	194.2	1.4	498.4
WA Gascoyne-Goldfields	134.4	1.9	1091.0
WA Wheatbelt-Great Southern	137.9	3.4	1784.9
WA Peel-South West	60.5	0.9	694.7
Perth Central	0.0	0.0	0.0
Perth Outer North	3.7	0.0	53.9
Perth Outer South	2.1	0.0	27.7
TAS Hobart-South	32.1	0.4	413.5
TAS North West	35.0	1.3	529.5
TAS North	33.1	0.9	468.8
Darwin	45.2	1.0	469.0
NT Lingiari	117.5	2.0	702.7
ACT	0.2	0.0	1.6
Australia	**2711.6**		**29378.4**

ADSL download speed - percent of maximum speed 2006



ADSL download speed - percent of maximum speed 2005



6. Regional innovation

6.1 Introduction

Innovation can be defined in terms of creative approaches to business and community and in the more formal economic sense as business processes that create new or improved products and services which benefit the economic wellbeing of the firm and the region.

Innovation is a knowledge based activity and innovation processes will most likely require research and development activities which, as products and processes become more complex, result in improved skill sets of employees. Innovation may be a local activity but, as innovation increasingly requires complex technology acquisition, it is likely that technology will be acquired from a global pool of research and development activities. This process of technology acquisition requires strong networks and integrated supply chains. In turn these networks and the innovation process itself create the opportunity for the export of innovative goods and services.

Improving the capacity for innovation in regional Australia will enhance export opportunities and bring better paid and more highly skilled employment, resulting in the need for more training, the likely development of industry clusters and greater connectivity to global and integrated supply chain activity. Innovation therefore requires culture and skill sets that are capable of taking advantage of changing markets and globalisation.

Innovation, particularly in high tech, high value adding businesses, is very difficult to achieve in isolation. The innovation process requires a chain of interactions which include the various levels of government, information systems, research and education institutions, processes of technology transfer and investment capacity. Successful innovation practices require an innovation network or system that have a focus on innovation policy and create the networks and interventions to stimulate innovation practices across regions. This is because, by themselves, most small and medium size firms lack the capacity in terms of networks, finance and entrepreneurial culture to deal with complex innovation strategies.

"*The function of entrepreneurs is to reform and revolutionise the patterns of production by exploiting an invention, or more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way.*

To undertake such new things is difficult and constitutes a distinct economic function, first because they lie outside of the routine tasks which everybody understands, and secondly, because the environment resists in many ways."

These are the words of Joseph Schumpeter in his book *Capitalism, Socialism and Democracy*, completed at Harvard in 1942. In his book *Theory of Economic Development* (1911), Schumpeter first argued that entrepreneurs were important to the economy as they created technical and financial innovations in an environment of increasing competition and falling profits and that it was these spurts of activity which generated future economic growth.

6.2 Telecommunications infrastructure and innovation

The *State of the Regions 2005-06* report identified communications infrastructure as a key driver of economic growth because it enables intensification of the networked economy. This is because communications infrastructure is the pathway for linking customers and firms in increasingly integrated supply chains and innovation capacity. High quality communications infrastructure is particularly important in Australia because the nation's regional industrial bases are often at great distances from each other. Distance accentuates the need for high quality telecommunications infrastructure which will enable Australia to keep pace with the standard of network productivity of successful and competing knowledge based regions internationally.

A number of studies around the world have identified the role of infrastructure in regional innovation and identify the lack of hard and soft infrastructure as constraining regional innovation. In the Chapter 5 of this report, the Bendigo Community Telco case study highlights the opportunity created in Central Victoria through the Community Telco's provision of improved telecommunications access and systems as well as the community benefit in terms of skills upgrading, cluster and integrated supply chain development and future innovation opportunities. It is worth noting that this innovation, started by local government and swiftly partnered with local businesses, has significant potential to encourage innovation capacity in the Central Victorian community.

An example of the capacity of innovation to create regional and new opportunities is the establishment of the Business Continuity Centre in Bendigo. This was a new opportunity created by the existence of the Bendigo Community Telco, an opportunity which is likely not to have been envisaged at the time of establishing the original telecommunications business. The Business Continuity Centre, the first building in the Central Victorian Innovation Park, provides business continuity services in the form of offsite data storage and recovery. Manager Paul Kellet explains " Increasingly, businesses have to comply with regulations that require them to have adequate business continuity plans, this is a way of ensuring that business's most valuable asset, information, can be retrieved should anything happen to the main systems through incidents such as fire or major loss of power. We will also provide businesses with an alternative processing facility in time of need".

This spin off business from the Bendigo Community Telco is necessarily a high tech installation which, in order to operate, requires high levels of technical skills, connectivity and understanding of security processes. The existing customers of the Business Continuity Centre include many of Bendigo's larger companies, a bank, the hospital, the local government and education providers. However, of particular note, are the possible future opportunities of storing 'out of region' data as major corporations review their data backup plans, reviews which may well require the storage of data outside of the city or town where the master data is kept. This example can be seen as the export of services created by regional innovation and infrastructure provision.

An area of continuing policy debate must therefore be to consider the constraints or benefits created by the quality of telecommunications systems and networks in relation to entrepreneurial activity and innovation. For example, in the United States, the improvements to telecommunications drove the opportunity for innovation and resulting levels of prosperity across several small regions within the United States, most notably Silicon Valley. If telecommunications and other infrastructure, were at least, partly the trigger for these regional success stories there was also the serendipity of access to seed funding and individuals with high levels of creativity and innovation skills, strong information and technical networks and integrated supply chains. These positive features combined with the development of a knowledge base relating to new business models, models often scorned by less innovative regions, and an understanding of the increasing significance of these business models in improving a regions competitive position. These attributes led to the development of strong clusters of businesses and associated research in parts of regional United States.

As part of the innovation network and infrastructure, universities and other research organisations play an important role in the development of innovation opportunities within regions. In an Australian study from 2003, the DEST National Research Infrastructure Taskforce, found that funding methods for research infrastructure has resulted in disadvantage to regional and small universities. Specific disadvantage was identified as:-

1. availability of funds to participate in leveraging arrangements;
2. remoteness from other research facilities constraining collaboration; and
3. costs of access not recognised in funding arrangements.

These shortcomings provide a hint of the difficulty of flicking the switch that creates truly innovative regions. In their 2006 publication, *Entrepreneurship and Economic Growth,* D B Audretsch, M C Keilbach, E K Lehmann, (OUP 2006) offer a compelling rationale for new ways of thinking about economic development policy.

6.3 Entrepreneurship and economic growth

Over two thousand years ago it was written 'What has been is what will be, and what has been done is what will be done; and there is nothing new under the sun.' When considering the writings of economists over the past couple of centuries one is reminded of this ancient saying, since what appear to be a new discoveries always have precedents. Familiar stylised facts are cobbled together into different stories according to the interests of each generation. This book by a group of German and American scholars combines a re-write of the theory of economic growth with econometric testing of some of the newer concepts incorporated as drivers of growth.

6.4 A century of economic concerns

A century ago, in the heyday of the European colonial empires and of British promotion of free trade, criticism of the status quo came from newly-industrialising countries like Germany and the United States (and, quietly, Australia) which favoured protection; and within each country from the trade unions campaigning for higher wages. Conservative economists defended British capitalism by telling the story of how free trade, both between and within countries, enabled limited resources to satisfy competing ends with great efficiency. But the Great War, the continental European hyperinflations, the Depression and the Second World War so disrupted the working of their efficient world that, by the 1940s, their defence of capitalism was looking threadbare. It was time for a different story.

One way or another, the economic storytellers of the 1950s had all experienced the poverty that results when economic systems break down. Unlike the generation before them, they emphasised the importance of economic stability and, through stability, economic growth. The non-colonial world divided into the two cold war blocs. In the Eastern bloc governments took complete control over their economies while even in the opposing Western bloc governments were much more interventionist than before. They aimed for full employment and achieved it for two decades, whether or not their deployment of the instruments of Keynesian demand management was responsible. Despite the cold war divide, both groups of countries believed that economic growth and rising living standards would result from capital accumulation, with returns augmented by economies of scale. The communist countries boasted that they were organised to maximise capital accumulation and reap maximum benefit from economies of scale, while the non-communist countries worried that economies of scale were incompatible with the virtues of capitalism – the old story that free competitive enterprise guaranteed the efficient use of resources. How could this old theory be valid if economies of scale resulted in takeovers, which in turn meant that the market for just about every good and service was dominated by one or at most a few large businesses, to the detriment of competition?

Reflecting their historical inheritance, the different Western countries took different approaches to this conundrum. A policy instrument which was particularly attractive in countries close to the iron curtain, most of which had strong socialist parties, was the nationalisation of businesses – either whole industries, which were thereafter supposed to be run in the public interest, or firms within industries, which were thereafter run as competitors with large private firms to prevent them from misusing their market power. Short of nationalisation, various forms of regulation included price controls and controls over mergers which threatened to reduce competition. These latter were particularly prominent in the staunchly capitalist United States, which tried to keep competition vibrant by implementing antitrust policies. A development of this approach has become familiar in Australia under the name of competition policy. By contrast, Germany, Japan and a number of other countries judged that competition could not be relied on to generate a socially-acceptable income distribution. They developed corporatist institutions where Big Business, Big Labour and Big Government negotiated and co-operated. Australia developed its rather unusual inheritance, which included longstanding public ownership of utilities where economies of scale threatened local monopoly, regulated competition between publicly-owned and privately-owned businesses in several other industries, and labour relations which were neither corporatist nor free market, but arbitrated.

6.5 The prelude to a re-think

In Western countries generally economic performance deteriorated in the 1970s – income growth slowed, inflation took off and full employment ended. Diagnoses of the problem ranged from maladroit government response to events like the war in Vietnam and the oil price shocks to systemic shortcomings borne of thirty years of full employment – particularly an accusation that organised labour was trying to grab more than its fair share of national output. For a while it seemed as though the corporatist states were riding the storm most effectively – they controlled such grabs by high-level negotiation. The 1980s were the decade when the Japanese and German models were most admired (or, if you were an American, feared). Even Australia resorted to a touch of corporatism, in the form of the Accord, as part of its anti-inflationary policy. However, the underlying economic paradigm was not much different from the post-war decades: capital accumulation and economies of scale would lead to economic growth and job generation.

During this period, however, an intellectual puzzle developed. As a result of government involvement in macroeconomic management, economic statistics were now available for a number of countries covering periods of several decades. A group of academics called the growth accountants tested the hypothesis that economic growth resulted from growth in inputs of labour and capital – the former relatively easy to measure, the latter harder but still possible. Increasing returns were expected, since growth in both capital and labour yielded economies of scale. The results were surprising. However they juggled the figures, they came up with the conclusion that the greater part of economic growth could not be explained by accumulation of either capital or labour, singly or together. Something else must be very important. They called this something else technical progress. The damage to existing theories was minimised by assuming that technical progress was essentially an aspect of economies of scale: big business could afford big R&D and should therefore be the chief source of the innovations which increased output per unit of input. It was also thought that economies of scale extended into government-financed research – hence Big Universities. So the addition of knowledge to the list of inputs, alongside physical capital and labour, did not fundamentally change the view that capital accumulation and economies of scale would generate economic growth.

The emphasis on economies of scale was always uncomfortable for Australia, being a middle-sized, geographically isolated economy. In a great deal of manufacturing the minimum economic scale increased, and by the 1970s it was no longer possible, in many manufacturing industries, to maintain competition between plants serving the domestic market. If economies of scale prevented competition between domestic producers, the competition necessary to achieve capitalist efficiency would have to come from overseas, an argument which powerfully contributed to Australian conversion to free trade. Australia joined the free trading world just in time to become an extreme case of the general OECD

experience, which was that manufacturing industries with standard products and technology, subject to economies of scale, were much attracted to low-wage countries. OECD production in these industries either went offshore, or was maintained onshore by increasing productivity. Either way there were job losses. The executives who managed these adjustments did very well out of the deal, and stockholders received their customary market rewards, but what of the working population of the wealthy countries?

The profitability of offshore production resulted partly from political change which opened China, Eastern Europe and even India to multinational investors. (Political changes in Latin America went both ways, while most political change in Africa strongly discouraged production for the world market.) Low freight transport costs (in relation to the value of the products) were an enabling factor, but the rush to globalised production was not precipitated by a fall in transport costs – this had in fact occurred many decades, indeed about a century previously. More important were improvements in telecommunications which allowed businesses based in the OECD countries to exercise detailed control over their suppliers in low-wage countries, and equally allowed businesses based in those countries to compete in OECD markets by providing them with detailed knowledge of market conditions.

6.6 Silicon Valley as a new phenomenon

The improvements to telecommunications were accompanied by an unexpected phenomenon: the unprecedented prosperity of several small regions within the United States, most notably Silicon Valley. These regions were obviously engaged in the conversion of knowledge to both profit and employment, but they confounded expectations in two ways.

- Why were they so localised? The expectation had been that the telecommunications revolution, of which they were part, would remove the benefits of locality.
- Where were the economies of scale? So many of the businesses involved seemed to be small start-ups, and even if some of them grew large their industry was characterised by all sorts of temporary business relationships.

These unexpected characteristics have been pounced on by a new generation of economists, who tell a story which has more in common with the competitive efficiency story told about capitalism a century ago than it has with the macroeconomic stability concerns of the post-war generation. The storytellers are European and American economists whose life experience has included warfare which so far has not become global, inflation which has not so far become hyperinflation and recession which has not so far become depression. This generation is far less concerned about macroeconomics than its predecessors, is less impressed by economies of scale and is mightily impressed by Silicon Valley.

6.7 Regional knowledge-entrepreneurial economies

The story told by the current generation of regional growth economists has the following elements.

- Industries producing standardised, transportable products will continue to experience economies of scale. In so far as they remain in OECD countries, they will do so by reason of high productivity, and will generate very few jobs. In so far as they go offshore they will contribute to a highly-desirable increase in third-world incomes.
- The role of mass-production manufacturing in the economic base of the OECD countries will be replaced by knowledge-based employment. Sales of goods and services incorporating superior knowledge will generate the income to pay for goods mass-manufactured offshore.

The obvious gap in this story is: how are OECD countries to maintain their knowledge superiority now that the internet allows instant propagation of information? A clue is provided by the localisation of Silicon Valley and its clones. The knowledge which underlies the success of these regions has been analysed into two components, an information or codified component, readily accessed through the internet, and a tacit component, much less readily transferable. By its nature the tacit component is elusive. Some of it is not-yet-codified knowledge: there is a flow from tacit knowledge to codified knowledge. This flow is frequently diverted via proprietary codified knowledge, as governed by the intellectual property provisions of the WTO and complementary national legislation. Some of the tacit knowledge, however, relates to another popular but slippery concept, human capital, which refers to the stability and variety of face-to-face social relationships. It is held that such relationships are essential to the practical side of innovation. Despite cheap air fares, face-to-face relationships tend to be localised. This provides a potential explanation for the geographic localisation of knowledge economies.

The story continues as follows.

- The knowledge-based production which is so important to OECD countries is concentrated in regional knowledge-economies.
- The important characteristic of these economies is their ability, not only to generate but to commercialise new knowledge.
- Despite the delays which occur when new knowledge is patented, sooner or later commercialised knowledge either becomes codified information or is superseded by the next round of commercialisation. The successful knowledge region thus depends on a continued flow of new knowledge into commercialisation.

A regional economy built upon the commercialisation of knowledge requires knowledge sources. The obvious sources of new knowledge are research laboratories and universities, but new knowledge is also generated in the arts, the humanities and the social sciences. Knowledge-generation also obviously requires skilled personnel.

If pure knowledge were the key to prosperity, university cities like Oxford and Cambridge, not to speak of Armidale in New South Wales, would generate the highest incomes in their countries. They don't, so more is required. When knowledge was first listed among the crucial ingredients of prosperity, it was argued that the additional factor was capital, and it seemed that here was yet another instance of economies of scale. Universities and public sector laboratories should feed their research results into big firms, which could afford to augment and apply the research, to carry the costs of development, and so commercialise research ideas. However, the Silicon Valley experience pointed out that, when it comes to innovation, big firms are subject to diseconomies of scale. They are answerable to risk-averse shareholders, and are therefore reluctant to innovate beyond marginal improvements. They also tend to develop conservative bureaucracies, and to want to augment the value of their sunk investments rather than strike out in new directions. They are not incapable of innovation, but exploit only a portion of the ideas generated as new knowledge. If innovation is left to big business, it is likely that only a small and conservative portion of potential commercialisation ideas will be explored.

Taking diseconomies of scale into account, the story now runs that the new-knowledge commercialisation rate can be considerably increased if small-business entrepreneurs are willing to give it a go. Even if most of them fail, those who succeed can completely change the scope of business in their region. Entrepreneurs of this kind are likely to appear if the following conditions are met.

- There are local sources of new knowledge.
- Venture capital is available.

- The penalties of failure are not too severe, either in terms of financial penalties for the entrepreneur, or in terms of lost knowledge. (Successful firms are sometimes built on ideas part-developed by firms which have failed.)
- There is a realistic outlook that success will be rewarded – not necessarily with wealth alone, but also with social recognition.
- Local interpersonal networks assist in putting together the skills required to run an innovative business – practical as well as theoretical skills, managerial as well as production skills, marketing as well as product development skills.

All of these factors have a local, face-to-face aspect. New knowledge is not always fully documented, and hence tends to be better understood by people who have a personal connection with its generation. Venture capital also benefits from local and personal knowledge. The lessons of business failure tend to be remembered locally rather than broadcast abroad. Social recognition is mainly a local, community reward, and interpersonal networks are inherently local. If these factors are important there is no need to wait for people with a specifically entrepreneurial psychology to appear on the scene. If the conditions are right, people who are not naturally entrepreneurs will strike out on their own. One important source has been researchers themselves – people who started out as academics or big-laboratory scientists but found their ideas stymied by their institutions' bureaucracies.

6.8 Can regional knowledge-entrepreneurship economies be replicated?

The story thus told was inspired by Silicon Valley. What is its relevance if Silicon Valley turns out to be unique? After all, the entrepreneurs of Silicon Valley had the luck to launch out into a sunrise industry, with ample opportunities for innovation. Again, the particular combination of university and community was unique – as all local communities are unique. The question is, therefore, whether the generalised account of what happened in Silicon Valley turns out to be yield good advice for communities whose knowledge base does not place them on the threshold of new industries, and whose inherited institutions are nothing like those of Central California. There are two items of evidence.

First, some at least of the deliberate attempts to clone Silicon Valley have succeeded. The first attempts were in the United States, and were relatively simple to implement, given the similarity of background culture. However, Technology Parks have become as common as theme parks in OECD countries, and many of them have been assessed as yielding positive returns.

Second, reviews of the factors making for local economic growth have yielded evidence that knowledge and small-business entrepreneurship are important contributors, even in regions where their contribution is not as overwhelmingly obvious as it was in Silicon Valley. Several of these reviews have been reported for Australia in past *State of the Regions* reports. A recent econometric study has extended the assessment to Germany, a country where, because of the tradition of corporatism, government was indifferent to small business – by contrast with the United States where, for reasons of nostalgia and competition theory, governments have actively assisted small business. The study found that proximity to knowledge sources and small business entrepreneurship were both important factors in maintaining regional employment.

As regions learn of the benefits of knowledge generation and commercialisation, and vie to attract skilled labour and venture capital and to create local networks within which entrepreneurship can thrive, there is likely to be some levelling, but there is no guarantee that the levelling will be sufficient to re-create the uniformity of regional income distribution which we knew in a past Australia. Since the ideas are far from copyright, that levelling is likely to extend into regions in the newly-industrialising countries, and so undermine the less sprightly OECD knowledge regions.

It is possible that the knowledge-entrepreneurship economy will be a temporary phase. It could turn out that innovative regions are characteristic of the early phases of a sectoral industrial revolution, and that they can only recur with a supply of industries such as telecommunications which are ripe for technical change. It may be that attempts to generalise regional innovation will divert attention from the management of national economies and of the world economy, allowing macroeconomic imbalances to arise which undo prosperous and poor regions alike. The story of new knowledge and its commercialisation is very supply-side, and assumes that markets exist for all the innovative products. It could easily come undone for lack of demand. A further dark possibility is that the dynamics of regional success and failure so accentuate economic and social differences that chaos and war result. It is also possible that environmental constraints will bite hard, requiring reductions in incomes which require a very different form of innovation from commercialisation of new knowledge Silicon Valley style. With these provisos to watch out, there is still much to be learnt from recent investigations into the economics of entrepreneurship.

6.9 Some econometrics

We now move on to the analysis of two German data sets. Germany was selected for the analysis, not only because the authors were familiar with it, but because its government policies have relied on capital accumulation and investment in knowledge by large firms as the engine of economic growth. This engine powered away for four decades from the end of the Second World War, but lost power in the 1990s as big firms either slimmed down or shifted production overseas. Germany does not have any Silicon Valley bright-spots, but even so some of its regions are more prosperous and have lower unemployment than others. The question asked was whether there was any evidence that knowledge-based entrepreneurial businesses were contributing to prosperity.

The first of the two data sets covered the 429 local areas (Kreise, counties) of the present German Federal Republic. The dependant variable was the number of start-up enterprises as determined from new social security registrations. The Australian equivalent would be new BAS statement lodgements. New Yellow Pages listings would be a weaker substitute, since they include new branches as well as new businesses. The start-up enterprises were classified as high-tech and low-tech (according to sector). The ICT sector was also distinguished, it being mainly a sub-sector of high-tech. The start-up rate was taken as an indicator of entrepreneurship.

The independent variables and statistically significant results were as follows.

- Population density, which distinguished urban areas, was positive for all start-ups.
- The economic output of the region was not significant. Small places can be as vibrant as large.
- Growth in economic output was positive and significant for most enterprises, but not for ICT. The authors hazard that ICT firms produce for global markets and are therefore indifferent to whether the local market is growing. The positive association could be as much a result of the start-ups as a driver.
- Employment in R&D, as proxy for knowledge sources, was positive and significant only for high-tech and ICT start-ups. Potential entrepreneurs who lack local knowledge sources either select a low-tech industry or migrate to a region with knowledge sources – or simply fail to become entrepreneurs.
- Gross investment in the region was not significant.
- Subsidies to small business were not significant.
- Unemployment was negative and significant for high-tech and ICT, with the low unemployment rate quite possibly a result rather than a driver of the start-up rate. If anything, the low-tech start-up rate was higher in high-unemployment regions, as a result of refuge self-employment.

- In Germany, the only tax which varies with location is a local business tax. The tax itself discourages business, but it also yields revenue which can be spent to the benefit of business. This variable was not significant for high-tech start-ups, but high local taxes were significantly associated with a low rate of low-tech start-ups.
- Social diversity, as measured by diversity of electoral voting patterns, is quite a different take on social diversity from the measures employed in past *State of the Regions* reports and in Your Place. The only significant result was a negative association with high-tech start-ups.
- Industrial diversity was positive and significant for all start-ups. Single-industry regions are not attractive to entrepreneurs.
- Attractiveness as a place to live was proxied by the number of hotel beds per square kilometre – a measure which in Australia would be taken as relating more to tourism than to serious economic activity. Given the deficiencies of the proxy as a measure of the attractiveness of a region to live in, rather than to visit, it is no surprise that it was not significant.

The second data set covered 282 (for some purposes 259) firms listed on the Neuer Markt, Germany's equivalent of the US NASDAQ, between 1997 and 2002. The measurement of entrepreneurship was thus successful public listing. Entrepreneurial businesses which remained in private control or which sold out to other companies were not considered. The data set also covered 54 respectable universities. Firms were linked to universities by measures of distance. Independent variables concentrated on measures of the quality of each university, considered as a knowledge source. Because of the peculiarities of the data base, the econometrics was quite complicated.

The first proposition tested using this data set was that the more research-oriented universities would generate more start-up firms. For each university this was tested by the asking what university attributes would increase the number of such firms within 8 km radius. Statistically significant independent variables included the following.

- The scientific research output of the university as measured by articles published gave ambiguous results, perhaps indicating that articles add to codified rather than tacit knowledge.
- The number of students enrolled in science yielded positive and significant results at least for some industries.
- The number of students enrolled in social science and humanities yielded positive and significant results for all industries. Graduating students, as much in the social sciences and humanities as in the sciences proper, are both a source of new knowledge and of skilled labour. It is possible that humanities graduates make an important contribution to local networks.
- The age of the university was used to capture status effects. If anything the relationship was negative (old high-reputation universities were no better than others in generating spin-offs)..
- Whether or not the university was a technical university was generally associated with a lower level of entrepreneurial activity. The German technical universities had tended to become stuck in research relevant to established large-firm industries.
- The population of the town in which the university is located exerted, if anything, a negative influence – big city universities were no better at generating spin-offs than provincial ones.
- The number of universities within 8 kilometres of the firm exerted significant and positive for most industries. The nearest university, out of however many are located within the local area, is not necessarily the most important knowledge source for the entrepreneurial firm.

An alternative test of the proposition that distance to a knowledge source matters was applied with distance to the nearest university as the dependant variable. The econometrics indicated that entrepreneurial firms tend to locate close to universities with the following characteristics.

- Output of articles in the humanities and social sciences seems to matter, perhaps because it is an indicator of the local cultural milieu. Output of scientific articles seems not to matter, perhaps because of its close relationship to codified knowledge.
- However, science enrolments matter. Science graduates bring tacit knowledge with them.

After controlling for the quantum of knowledge generated in each university as measured by its production of articles, it was found that the profitability of start-up firms tended to be higher the closer they were to their university. The effect was small but statistically significant.

Other investigation of the firm/university data set confirmed the importance of the board of directors as a source of contacts within the knowledge network (in addition to their traditional role as a watchdog for stockholders) and the importance of venture capital.

6.10 Conclusions from the overseas studies

The econometric work establishes that, even in Germany, start-up firms play a role in the commercialisation of new knowledge. However, there is no formal testing of the significance they actually make, and hence no basis to predict how far measures to encourage knowledge-based start-up businesses would result in increased generation of jobs which can withstand competition from the newly industrialising countries.

An important area which remains for empirical investigation is the relationship between knowledge generation and the appropriation of knowledge by start-up firms. By reason of their small size, start-up firms have very limited capacity to finance research and development on their own account, and therefore depend on R&D carried out by others. This is fine when they depend on non-patented knowledge – both the codified knowledge published in journals and on the internet and tacit knowledge carried over from universities and big-business laboratories by staff transfer and informal networking. However, a start-up may be prevented because a crucial part of its required knowledge base is under patent, even when the patent owner has no intention of utilising the knowledge. This puts a new sharpness into the old debate about grants of intellectual property rights as an incentive to the private finance of research.

The finding that the association between university activity and start-up firms is stronger for research and teaching in the social sciences and humanities, than it is for research and teaching in the physical and biomedical sciences is fascinating because it is so contrary to conventional wisdom. However, it should come as no great surprise: the social sciences and humanities are probably better training grounds for dealing with tacit knowledge than the more formal sciences. This, of course, is bad news for Australia, where university funding is dominated by a central Commonwealth bureaucracy which seems intent on serving the interests of established big business.

6.11 Innovation regions and high tech business start-ups in Australia

Chapter 5, which covers telecommunications, also includes a section on high tech clusters and the drivers of their development. In that chapter we argued that, as clusters develop, they create further interaction between companies, creating more opportunities for innovation, value adding and co-operation between firms. In Australia the most successful regions, when measured by the number of patents per 100,000 population and high tech start-ups, are still the major cities, particularly Sydney and Melbourne with ACT (4) and the Gold Coast (9) also ranking in the top ten.

From Tables 6.1 and 6.2, it is evident that the major centres, with their internationally networked businesses, universities and research centres attract more firms, and the impact of this is that dense clusters of activity create a higher level of patent applications. However, not all regions develop technology locally.

As expected the lack of dense clusters of innovation activity limits the opportunities for patent development in many parts of rural and regional Australia. The attraction of high tech start-ups to larger centres is also obvious. Patents coming from regional areas are more likely to be agriculture sector related rather than from a broad sweep of industry sectors.

An interesting feature of the trend to clustering of high tech start-ups in larger centres is the opportunity that start-up firms in these clusters may have in relation to the appropriation of knowledge from larger firms in their local cluster. The German findings indicate that a start-up may be prevented because a crucial part of its required knowledge base is under patent, even though the patent owner has no intention of utilising the knowledge. In these circumstances proximity and the diffusion of tacit knowledge are crucial components for creating a high tech start-up environment.

It is also interesting to note the relationship between the ranking of regions by patents per 100,000 population and their ranking by high tech start-ups. While the correlation between the two varies, some *State of the Regions* regions stand out. The Gold Coast and Adelaide Central perform highly in terms of patents per 100,000 population but do less well in terms of their ranking for high tech start-ups. It is possible that their research is in areas with little economic spin-off, but also likely that their research effort leaks to other regions.

Melbourne South and Perth Central show the opposite trend and appear to be attracting a greater level of high tech start-ups than their ranking in patents would suggest, with the likelihood that city located regions may be capturing skills, research and knowledge from other regions.

Table 6.1 Top 10 – by patents per 100,000 population

SOR region	No. of patents	Population	Patents per 100,000	Patents rank 2005	High tech start-ups rank 2006
Melbourne Inner	246	308,102	80	1	1
Sydney Inner West	175	234,810	75	2	9
Global Sydney	409	711,295	58	3	2
ACT	123	325,161	38	4	10
Adelaide Central	106	379,104	28	5	22
Perth Central	121	442,422	27	6	3
Melbourne East	223	828,893	26	6	6
Brisbane City	250	971,757	25	8	16
QLD Gold Coast	181	848,153	21	9	43
Melbourne South	71	348,768	20	10	5

Table 6.2 Bottom 10 – by patents per 100,000 population

SOR region	No. of patents	Population	Patents per 100,000	Patents rank 2005	High tech start-ups rank 2006
VIC Goulburn	10	203,791	5	55	55
NSW North	7	179,213	4	56	17
WA Gascoyne-Goldfields	4	113,586	4	56	20
NSW Far and North West	5	142,374	4	56	19
TAS North	5	137,936	4	56	23
SA Eyre and Yorke	5	161,285	3	60	53
QLD North West	1	35,852	3	60	42
SA Murraylands	1	68,625	1	62	61
WA Pilbara-Kimberly	1	75,030	1	63	24
QLD Pastoral	0	39,112	0	64	46

Table 6.4 shows the average rank in terms of patents for the top ten regions for 1994-2000 and then 2000-2005. The table demonstrates that there has been a significant improvement in rankings for Sydney Inner West and a decline in ranking for QLD Gold Coast.

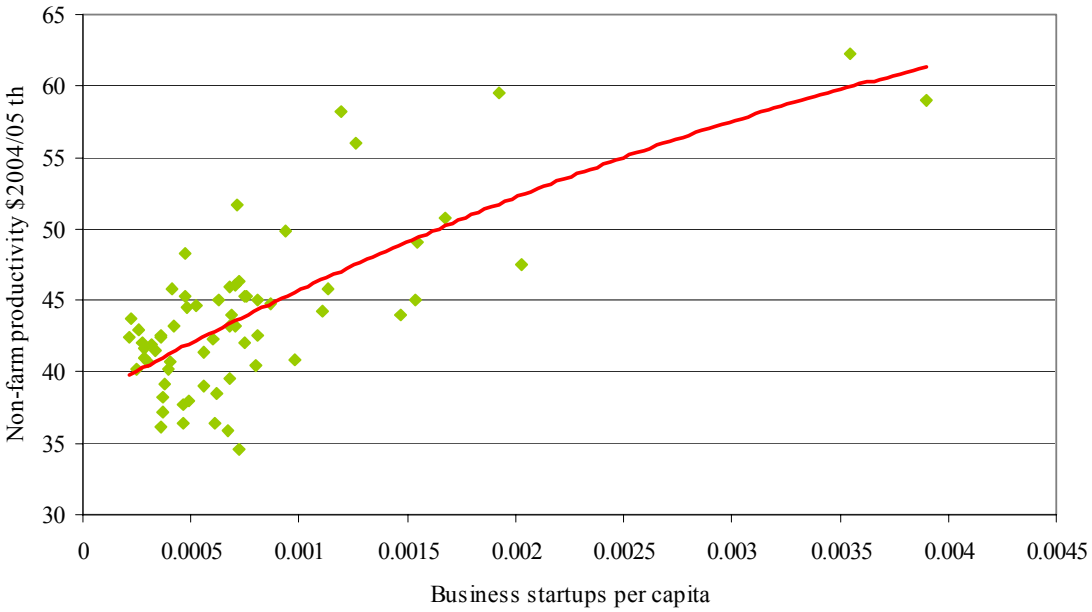
Patents are not an end in themselves, but rather an indictor of the presence of research and development activity, which in turn is a precursor to the commercial production of new products – the outputs of the knowledge economy. Commercial production may undertaken by existing firms, but as the German study reviewed in this chapter indicates, frequently requires a new approach and hence a new firm. We use two indicators as evidence of regional involvement in the knowledge economy: the number of high-tech start-up firms per capita, and the proportion of the region's workforce employed in these firms. High-tech start-ups are new businesses operating in the industries listed in Table 6.5.

As the following figure and various tables in this section demonstrate, there is a close but not complete relationship between patents and high tech business start-ups. The relationship is sometimes disrupted by the arbitrary nature of regional boundaries: thus Global Sydney, Inner Western Sydney, Mid Western Sydney and Outer Northern Sydney all rank highly in one or the other of patents and high-tech start-ups. Taken together, they constitute a cluster, or more probably several overlapping clusters, of knowledge-economy activity. Similar sharing occurs in Melbourne. In both Sydney and Melbourne there is a tendency for research and development activity (patents) to be more centralised than high-tech start-ups, but in both metropolitan areas the knowledge economy fails to reach the outer suburban fringe. It also fails to reach the provincial cities of Victoria and NSW, even when these cities have a history of reliance on manufacturing.

Among the other major cities, Canberra has very strong research and development performance, but loses many of the resulting start-ups across the border into SE NSW. Perth's strength in high-tech start-ups is greater than one would expect from its level of patent activity. The same is true, more moderately, in Brisbane, while the reverse (relative strength in research not translated into start-ups) applies in Adelaide.

Rural regions are not noted for strength in high-tech industries, but some are moving into the area. As already noted, the relatively strong high-tech industries of SE NSW are probably a spillover from Canberra, but those of the Murray region are stand alone, even if they draw their technology from elsewhere. The NSW Central West and Queensland Agricultural SW also appear to be progressing. Though the numbers are small and perhaps volatile, there also appear to be significant numbers of high-tech start-ups in some of the remote regions, presumably associated with the resource industries.

High tech business startups versus non-farm productivity



High tech business start-ups versus patents per 100,000 capita

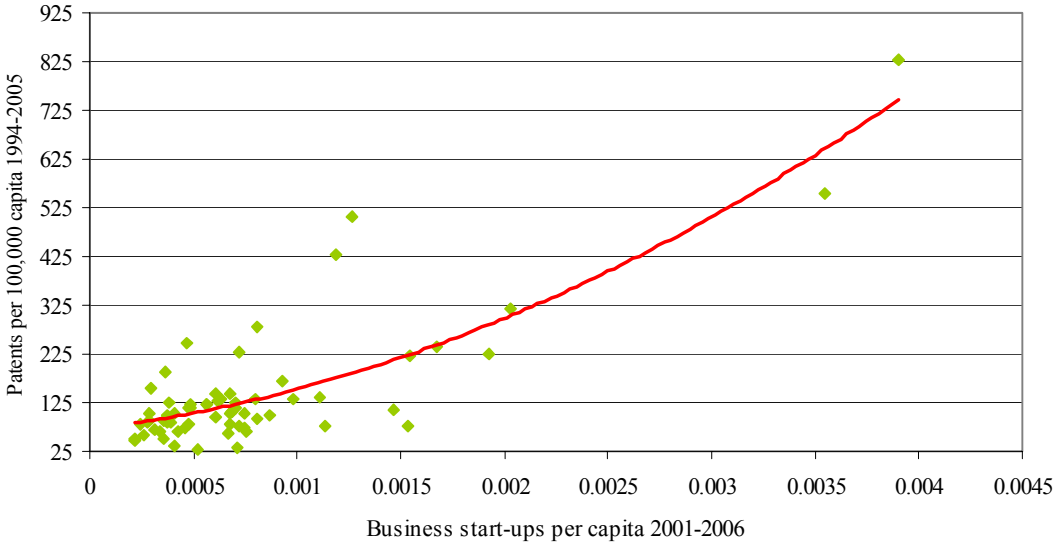


Table 6.3	High tech start-ups rank compared to patents per 100,000 population rank	
	High tech start-ups rank 2006	Patents per 100,000 population rank 2005
Melbourne Inner	1	1
Global Sydney	2	3
Perth Central	3	6
Sydney Outer North	4	10
Melbourne South	5	10
Melbourne East	6	6
NSW Murray	7	31
NSW South East	8	36
Sydney Inner west	9	2
ACT	10	4
NSW Central West	11	47
Sydney Mid West	12	14
Perth Outer South	13	24
Sydney South	14	10
Sydney Outer South West	15	24
Brisbane City	16	8
NSW North	17	56
Perth Outer North	18	18
NSW Far and North West	19	56
WA Gascoyne Goldfields	20	56

Table 6.4	Patents – average rank – top ten	
SOR region	1994-2000	2000-2005
Melbourne Inner	1	2
Sydney Inner West	12	1
Global Sydney	2	3
ACT	3	4
Adelaide Central	9	10
Perth Central	4	5
Melbourne East	10	8
Brisbane City	5	6
QLD Gold Coast	6	9
Melbourne South	8	7

Table 6.5	Definition of high tech start-up 4-digit ANZSIC industry
2212	Synthetic fibre textile manufacturing
2531	Fertiliser manufacturing
2533	Synthetic resin manufacturing
2534	Organic industrial chemical manufacturing n.e.c.
2535	Inorganic industrial commercial manufacturing n.e.c.
2541	Explosive manufacturing
2543	Medicinal, pharmaceutical product manufacturing
2544	Pesticide manufacturing
2549	Chemical product manufacturing n.e.c.
2551	Rubber tyre manufacturing
2559	Rubber product manufacturing n.e.c.
2632	Plaster product manufacturing
2640	Non-metallic mineral product manufacturing n.e.c.
2762	Spring and wire product manufacturing
2829	Transport equipment manufacturing n.e.c.
2831	Photographic, optical good manufacturing
2832	Medical, surgical equipment manufacturing
2839	Professional, scientific equipment manufacturing
2841	Computer, business machine manufacturing
2842	Telecommunication broadcasting transcieving manufacturing
2849	Electronic equipment manufacturing n.e.c.
2851	Household appliance manufacturing
2852	Electric cable and wire manufacturing
2853	Battery manufacturing
2859	Electrical equipment manufacturing n.e.c.
5261	Household equipment repair service (electrical)
7120	Telecommunication services
7810	Scientific research
7821	Architectural services
7823	Consulting engineering services
7829	Technical services n.e.c.
7831	Data processing services
7832	Information storage, retrieval services
7833	Computer maintenance services
7834	Computer consultancy services
7855	Business management services

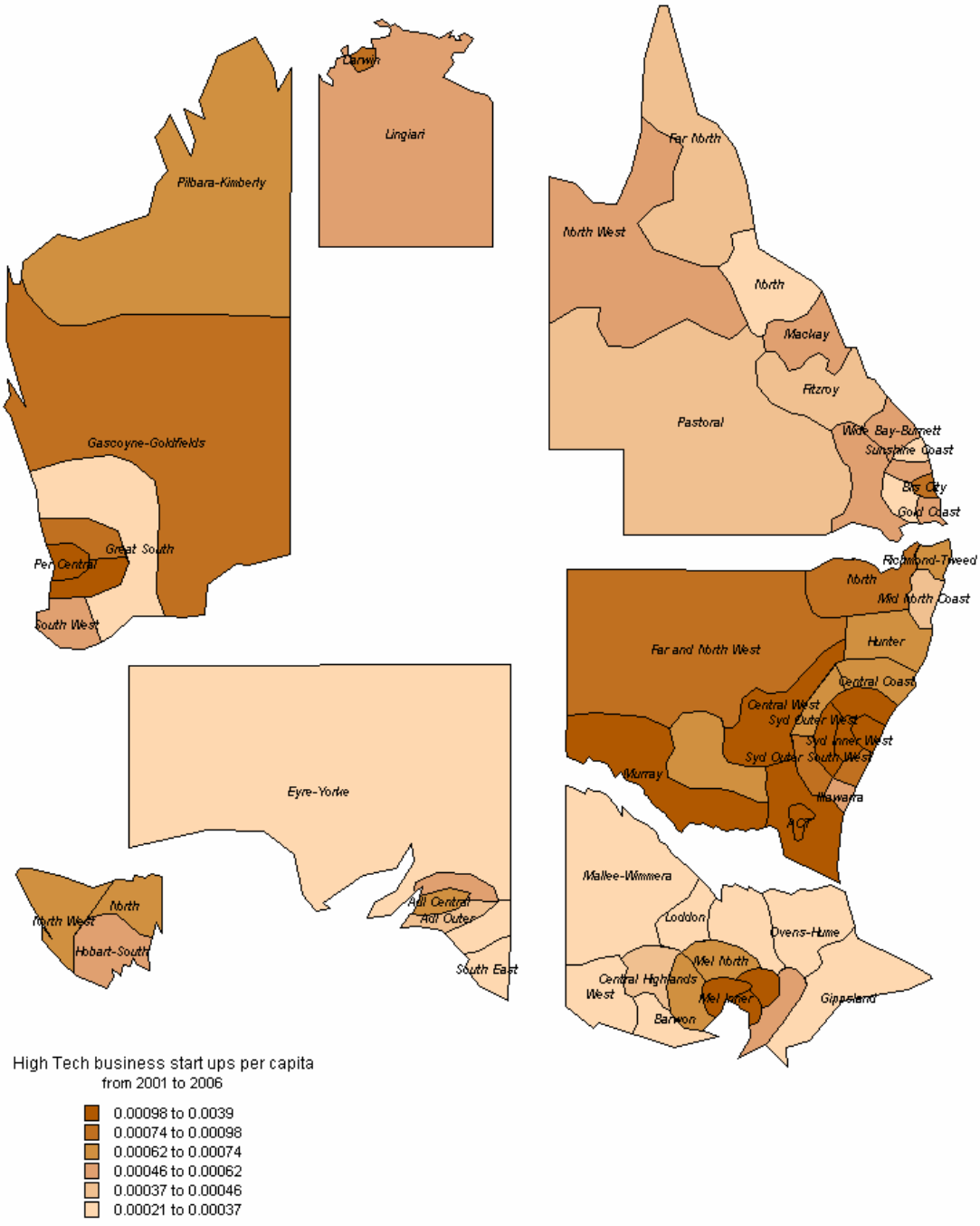
Table 6.6 High tech start-up by SOR region – 2001 to 2006

SOR region	New high tech start-ups	Start-ups per capita	New start-up employment as per cent of workforce
NSW Central West	206	0.11%	1.79%
NSW Far and North West	107	0.08%	0.98%
NSW Hunter	388	0.06%	1.25%
NSW Illawarra	199	0.05%	0.69%
NSW Murrumbidgee	105	0.07%	1.01%
NSW Murray	179	0.15%	2.73%
NSW Mid North Coast	111	0.04%	0.41%
NSW North	144	0.08%	0.98%
NSW Richmond-Tweed	155	0.07%	0.75%
NSW South-East	301	0.15%	2.26%
NSW Central Coast	213	0.07%	1.00%
Global Sydney	2546	0.35%	10.70%
Sydney Inner West	300	0.13%	2.53%
Sydney Outer North	1288	0.19%	3.38%
Sydney Outer South West	213	0.09%	1.68%
Sydney Outer West	223	0.07%	1.15%
Sydney Mid West	1493	0.11%	3.60%
Sydney South	414	0.09%	1.54%
Melbourne East	1281	0.15%	3.84%
VIC Gippsland	70	0.03%	0.37%
VIC Barwon	98	0.04%	0.89%
VC Goulburn	69	0.03%	0.57%
Melbourne Inner	1229	0.39%	11.45%
VIC Loddon	51	0.03%	0.47%
VIC Mallee-Wimmera	45	0.03%	0.44%
Melbourne North	515	0.07%	1.59%
VIC Ovens-Hume	24	0.02%	0.52%
Melbourne South	585	0.17%	3.16%
Melbourne West	432	0.07%	1.82%
VIC West	22	0.02%	0.19%
Melbourne Westport	496	0.06%	1.32%
VIC Central Highlands	59	0.04%	1.07%
QLD Pastoral	16	0.04%	1.08%
QLD Agricultural SW	139	0.06%	1.47%
QLD Far North	91	0.04%	0.56%
QLD Fitzroy	81	0.04%	0.63%
QLD Mackay	66	0.05%	0.60%
QLD North West	17	0.05%	0.73%
QLD North	66	0.03%	0.31%
QLD Wide Bay-Burnett	160	0.06%	0.81%
QLD West Moreton	74	0.04%	0.94%
QLD Gold Coast	404	0.05%	0.71%
QLD Sunshine Coast	105	0.04%	0.36%
Brisbane North	167	0.05%	0.62%
Brisbane City	794	0.08%	1.82%
Adelaide Central	349	0.07%	1.87%
SA Eyre and Yorke	58	0.04%	0.48%

Table 6.6 High tech start-up by SOR region – 2001 to 2006 (continued)

SOR region	New high tech start-ups	Start-ups per capita	New start-up employment as per cent of workforce
SA Murraylands	18	0.03%	0.62%
Adelaide Plains	279	0.06%	1.74%
SA South East	14	0.02%	0.71%
Adelaide Outer	154	0.04%	0.43%
WA Pilbara-Kimberly	49	0.07%	1.00%
WA Gascoyne-Goldfields	85	0.07%	0.97%
WA Wheatbelt-Great Southern	37	0.03%	0.52%
WA Peel-South West	136	0.06%	0.69%
Perth Central	908	0.20%	4.29%
Perth Outer North	379	0.08%	0.87%
Perth Outer South	559	0.10%	1.82%
TAS Hobart-South	112	0.05%	0.88%
TAS North West	72	0.07%	0.70%
TAS North	101	0.07%	0.96%
Darwin	85	0.07%	0.81%
NT Lingiari	48	0.05%	0.79%
ACT	390	0.12%	2.20%

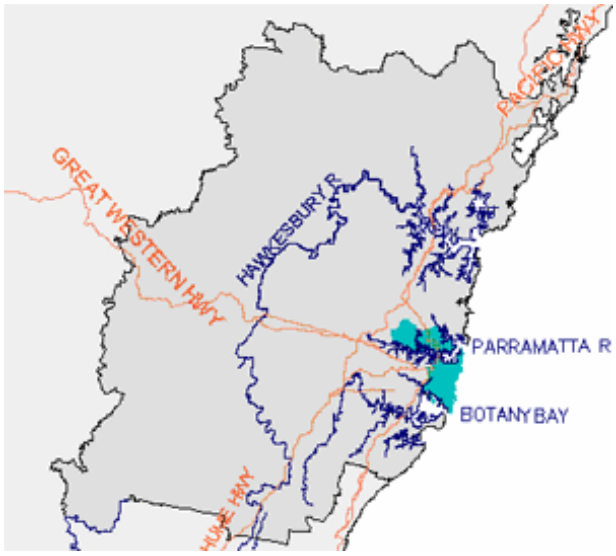
High Tech business Start-ups per capita



APPENDIX 1

REGIONAL INDICATORS

Global Sydney



Global Sydney comprises the CBD, the inner North Shore, the eastern suburbs and the inner southern suburbs. The inner North Shore includes a spine of city-centre activity along the ridge from North Sydney to Chatswood, and otherwise comprises high-status suburbs. The eastern suburbs are nearly all high-status and include many areas with high dwelling densities. Some of the inner southern suburbs are still low status, but at high-status land values and with office invasion proceeding. The port has been moved from its proximity to the city centre, but is still within the region, sharing a crowded site with the airport. Global Sydney is Australia's provider of central city services par excellence.

Major centres:

Sydney, Chatswood, Bondi Junction

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	688	695	704	708	711	716	1.1%	1.2%	0.6%	0.5%	0.7%	1.0%	0.6%
No Households	289	291	295	299	302	303	0.8%	1.4%	1.2%	1.0%	0.4%	1.2%	0.7%
NIEIR Workforce	384	390	399	405	411	419	1.5%	2.2%	1.7%	1.4%	1.9%	1.8%	1.7%
NIEIR Employment	367	370	379	387	394	403	0.9%	2.3%	2.2%	1.8%	2.3%	1.8%	2.0%
NIEIR Unemployment	17.3	19.7	19.6	18.0	16.7	15.6	14.2%	-0.4%	-8.4%	-7.0%	-6.4%	1.4%	-6.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	4.5%	5.1%	4.9%	4.4%	4.1%	3.7%	0.6	-0.1	-0.5	-0.4	-0.3	0.0	-0.4
Headline U/E	3.5%	5.0%	4.8%	4.3%	3.7%	3.5%	1.5	-0.3	-0.5	-0.6	-0.3	0.2	-0.4
NIEIR Structural U/E	6.8%	6.7%	6.9%	6.6%	6.3%	5.9%	-0.1	0.2	-0.3	-0.3	-0.4	-0.1	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	19,465	20,146	20,155	20,770	21,511	22,841	28,298	28,983	28,647	29,338	30,242	31,901	2.2%	4.9%
Taxes Paid	7,386	7,417	7,894	8,429	9,084	9,471	10,737	10,670	11,219	11,906	12,771	13,228	4.5%	6.0%
Benefits	1,996	1,959	1,960	2,113	2,156	2,176	2,902	2,819	2,786	2,985	3,031	3,039	1.9%	1.5%
Business Income	3,161	3,712	4,188	4,359	4,434	4,696	4,596	5,340	5,952	6,158	6,234	6,558	11.3%	3.8%
Interest Paid	1,090	1,084	1,405	1,797	2,214	2,624	1,585	1,560	1,997	2,538	3,113	3,665	18.1%	20.8%
Net Property income	7,056	6,132	6,489	7,292	7,999	8,945	10,259	8,821	9,223	10,301	11,246	12,494	1.1%	10.8%
Business Value Added	22,627	23,858	24,343	25,129	25,945	27,536	32,894	34,322	34,599	35,496	36,476	38,460	3.6%	4.7%
Rank							1	1	1	1	1	1		
% Rank #1							100%	100%	100%	100%	100%	100%		
Net Disposable Income	26,784	26,332	26,698	27,709	28,884	30,373	38,939	37,883	37,946	39,141	40,607	42,421	1.1%	4.7%
Rank							2	1	3	3	2	2		
% Rank #1							100%	100%	99%	98%	98%	95%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	316.5	26,727.6	1.2%
Commercial	72.0	4,433.8	1.6%
Rural	0.0	0.7	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			388.5
Rates to Business Value %	1.9%	1.5%	1.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	5.19	6.04
Average rate in cents value	0.24	0.20

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	85.5%	81.7%
Commercial	14.5%	18.3%
Rural	0.0%	0.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	63
2001	1.13%	62
2002	1.10%	60
2003	1.15%	48
2004	1.16%	52
2005	1.22%	33
Bounce 2003-04	0.01%	37
Actual Change 2003-04 (Number)	129	18
Bounce 2004-05	0.06%	10
Actual Change 2004-05 (Number)	442	2

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.04%	0.08%
Disability Support (aged 20-24)	0.06%	0.14%
Disability Support (aged 25+)	1.97%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.01%	0.04%
Parenting Payment - Single (aged 20-24)	0.06%	0.22%
Parenting Payment - Single (aged 25+)	0.74%	1.82%
Unemployed Long Term	0.74%	1.28%
Unemployed Short Term	0.62%	0.85%
Youth Allowance - Non Student	0.10%	0.37%
Youth Allowance - Student	0.96%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	7.5%	62
2002	7.4%	63
2003	7.3%	63
2004	7.6%	63
2005	7.5%	63
2006	7.2%	64

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.8	5.3	90.1	126.7
Rank	10	26	8	24

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

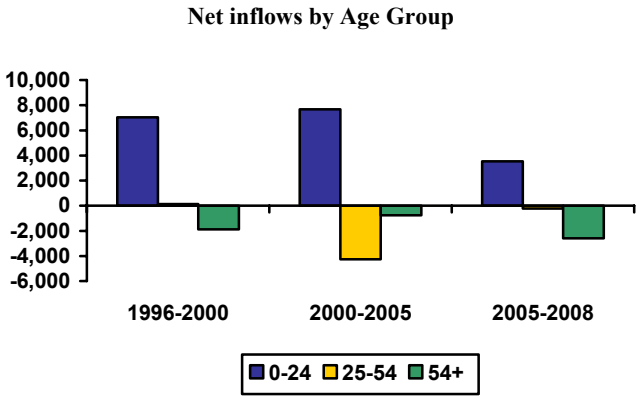
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	440,593	518,312
Commercial	659,428	1,049,936
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	28.6%	28.0%	27.8%	27.3%
25 - 54	50.1%	50.3%	49.2%	49.7%
55+	21.3%	21.7%	23.0%	23.0%
Net Inflow of Migrants (average between years)				
0 - 24		7,032	7,668	3,541
25 - 54		144	-4,274	-227
55+		-1,894	-768	-2,595
Average Age	38.4	38.7	38.8	38.8

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	81.7	39
Share of population under 55	77.0	24
Aged migration	5.5	12
Population growth rate, 55+	1.6	58
Demographic stress	10.4	38
Dominant locations	100.0	1
Family / Youth migration	8.2	2
Fertility bounce, 1996-2005	0.1	1
Fertility, babies % pop, 2005	1.2	33
Sustainability score	65.3	18
Working elderly	31.1	11

Local Government Level		Score	Rank
Most Sustainable	Sydney (C)	87.6	1
Least Sustainable	Waverley (A)	44.1	388

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,092	1,101	1,244	1,552	1,547	1,575	1,075	994	693	1,001	724
Rank	11	11	4	9	16	10	5	7	25	10	17

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	1,360	1,427	1,489	1,212	1,029	-13%
Non Residential	2,474	1,753	1,661	1,760	1,637	-4%
Total	3,835	3,181	3,150	2,971	2,667	-8%
Value per capita $2003/04						
Residential	2,037	2,041	2,094	1,689	1,421	-15%
Non Residential	3,707	2,509	2,335	2,453	2,260	-6%
Total	5,744	4,549	4,428	4,141	3,681	-10%
Rank (value per capita)						
Residential	5	5	6	17	23	
Non Residential	2	2	2	2	3	
Total	2	2	2	2	3	

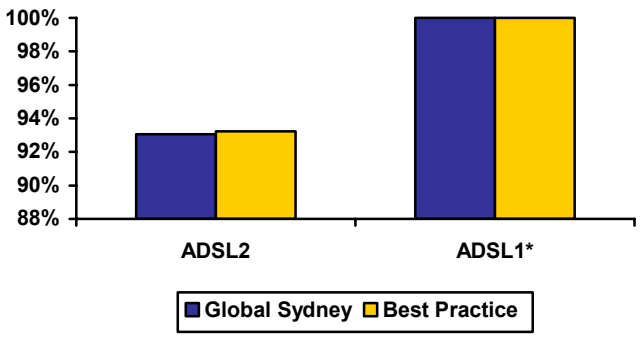
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	100.0%	0.0%	82.8%	17.2%	0.0%	0.0%
Population	100.0%	0.0%	93.1%	6.9%	0.0%	0.0%
Children	100.0%	0.0%	91.3%	8.7%	0.0%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,500	16,854
% Rank #1	100%	100%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Ryde (C)	1,500	100.0%	North Sydney (A)	17,994	100.0%
Lowest Ranked LGA	Randwick (C)	1,500	100.0%	Botany Bay (C)	14,046	78.0%

ADSL Population Coverage



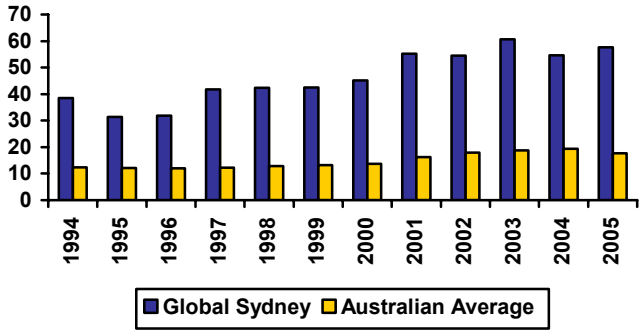
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	315.28	44.59	1
Average p.a. per capita	46.35	14.86	2
Hi Tech p.a. (1994-2005)	133.12	11.73	1
Hi Tech p.a. per capita	19.52	3.89	2
Info. Tech p.a. (1994-2005)	52.78	4.39	1
Info. Tech p.a. per capita	7.69	1.44	3
Average per capita (1994-2000)	39.07	12.61	2
Average per capita (2000-2005)	56.53	18.01	3
2000-05 avg./1994-00 avg.	1.45	1.43	25

Note: Per capita = 100,000 people

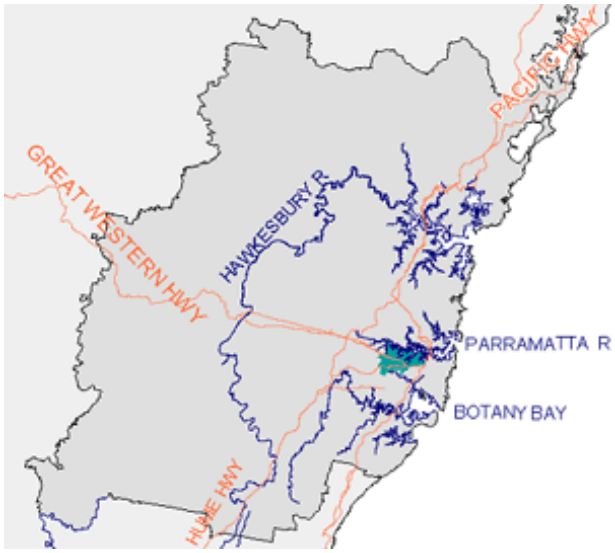
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	18
Average Employment 2006	18
High Tech Startups	2546
New Startup Employment as % of workforce	10.7%
High Tech Startups per capita	0.0035
Rank	2

Sydney Inner West



The Inner West of Sydney comprises a group of suburbs immediately west of the CBD, south of the Harbour, and east of the north-south belt of cemeteries and former industries which now houses Olympic Park. Though it had its share of port functions and manufacturing, the Inner West was not as intensely devoted to manufacturing as the LGAs to its immediate south. Leichhardt has high residential densities because it was originally developed when walking was the main means of transport. By contrast, Strathfield was originally developed with large lots for mansions. The region has gentrified and gained a modest overflow of central city functions from Global Sydney.

Major centres:

Burwood

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	227	228	230	233	235	238	0.6%	1.0%	1.0%	1.0%	1.3%	0.8%	1.1%
No Households	89	89	91	92	94	95	1.0%	1.4%	1.7%	1.4%	1.0%	1.3%	1.2%
NIEIR Workforce	123	123	125	127	129	130	0.4%	1.1%	1.8%	1.2%	1.3%	1.1%	1.3%
NIEIR Employment	118	117	119	121	124	126	-0.3%	1.9%	1.4%	2.2%	2.0%	1.0%	2.1%
NIEIR Unemployment	5.2	6.1	5.2	5.8	4.7	4.0	16.9%	-14.3%	11.4%	-19.8%	-14.8%	3.7%	-17.4%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	4.2%	4.9%	4.2%	4.6%	3.6%	3.1%	0.7	-0.8	0.4	-1.0	-0.6	0.1	-0.8
Headline U/E	2.8%	4.3%	3.9%	4.4%	3.5%	3.0%	1.5	-0.4	0.5	-0.9	-0.5	0.5	-0.7
NIEIR Structural U/E	7.9%	7.8%	8.1%	7.6%	7.4%	7.1%	0.0	0.2	-0.4	-0.2	-0.3	-0.1	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	5,688	5,877	5,868	6,030	6,270	6,642	25,081	25,759	25,477	25,931	26,704	27,925	2.0%	5.0%
Taxes Paid	1,757	1,814	1,917	2,022	2,182	2,268	7,748	7,951	8,325	8,694	9,291	9,533	4.8%	5.9%
Benefits	749	732	731	789	812	826	3,301	3,208	3,174	3,392	3,459	3,474	1.8%	2.4%
Business Income	793	900	1,039	1,070	1,094	1,158	3,497	3,944	4,509	4,603	4,660	4,867	10.5%	4.0%
Interest Paid	451	415	505	654	781	913	1,989	1,820	2,192	2,811	3,325	3,840	13.2%	18.2%
Net Property income	1,480	1,323	1,361	1,529	1,699	1,919	6,524	5,797	5,908	6,576	7,235	8,068	1.1%	12.0%
Business Value Added	6,481	6,777	6,907	7,100	7,365	7,800	28,578	29,703	29,986	30,534	31,364	32,792	3.1%	4.8%
Rank							5	5	4	4	4	4		
% Rank #1							87%	87%	87%	86%	86%	85%		
Net Disposable Income	7,422	7,352	7,399	7,595	7,950	8,320	32,725	32,224	32,124	32,661	33,857	34,978	0.8%	4.7%
Rank							5	5	5	5	4	4		
% Rank #1							84%	85%	84%	82%	81%	78%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	69.6	7,137.8	1.0%
Commercial	9.9	1,094.1	0.9%
Rural	0.4	0.1	660.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			79.9
Rates to Business Value %	1.4%	1.1%	1.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	5.28	7.97
Average rate in cents value	0.19	0.12

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	87.5%	86.8%
Commercial	12.2%	13.2%
Rural	0.2%	0.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	58
2001	1.16%	56
2002	1.22%	38
2003	1.24%	28
2004	1.24%	30
2005	1.31%	20
Bounce 2003-04	0.00%	45
Actual Change 2003-04 (Number)	24	41
Bounce 2004-05	0.07%	4
Actual Change 2004-05 (Number)	198	9

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.05%	0.08%
Disability Support (aged 20-24)	0.07%	0.14%
Disability Support (aged 25+)	2.14%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.01%	0.04%
Parenting Payment - Single (aged 20-24)	0.08%	0.22%
Parenting Payment - Single (aged 25+)	0.91%	1.82%
Unemployed Long Term	0.82%	1.28%
Unemployed Short Term	0.65%	0.85%
Youth Allowance - Non Student	0.11%	0.37%
Youth Allowance - Student	1.14%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	10.1%	59
2002	10.0%	59
2003	9.9%	59
2004	10.4%	59
2005	10.2%	59
2006	9.9%	59

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.3	5.4	43.0	183.2
Rank	28	25	17	12

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

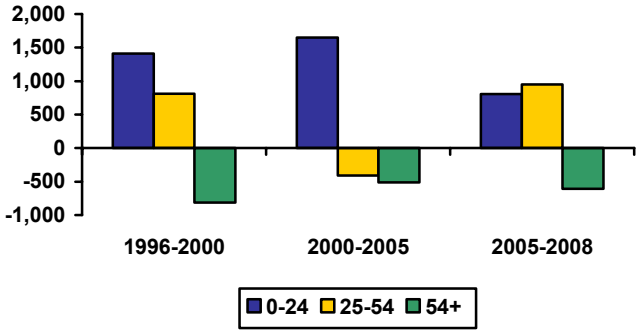
	Land Value $	Capital Value $
Residential	494,880	619,184
Commercial	739,193	1,245,865
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	28.7%	28.3%	28.3%	27.7%
25 - 54	49.0%	49.6%	48.7%	49.0%
55+	22.3%	22.1%	23.0%	23.3%
Net Inflow of Migrants (average between years)				
0 - 24		1,409	1,649	804
25 - 54		812	-411	949
55+		-812	-512	-605
Average Age	38.5	39.0	38.9	39.0

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	82.0	37
Share of population under 55	77.0	24
Aged migration	5.0	17
Population growth rate, 55+	1.2	63
Demographic stress	25.9	11
Dominant locations	100.0	1
Family / Youth migration	5.3	7
Fertility bounce, 1996-2005	0.1	2
Fertility, babies % pop, 2005	1.3	20
Sustainability score	69.3	7
Working elderly	26.5	38

Local Government Level		Score	Rank
Most Sustainable	Concord (A)	77.4	33
Least Sustainable	Ashfield (A)	43.3	395

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	759	760	671	1,061	967	1,243	774	661	566	822	628
Rank	38	31	31	19	42	28	25	23	39	20	29

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	271	331	359	282	255	-10%
Non Residential	204	173	174	184	200	7%
Total	475	504	533	466	454	-4%
Value per capita $2003/04						
Residential	1,232	1,442	1,529	1,186	1,059	-13%
Non Residential	928	755	742	774	831	4%
Total	2,160	2,196	2,271	1,961	1,890	-7%
Rank (value per capita)						
Residential	25	18	24	41	44	
Non Residential	10	11	24	27	24	
Total	16	14	21	34	36	

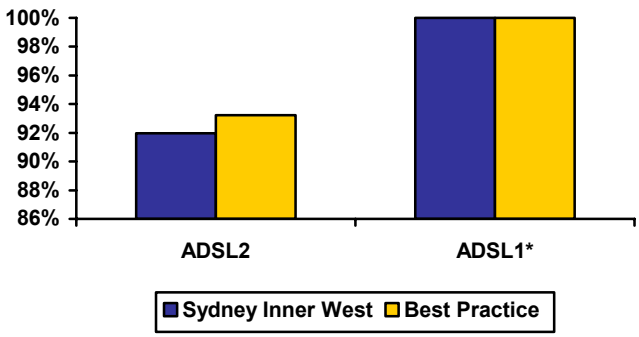
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	100.0%	0.0%	86.7%	13.3%	0.0%	0.0%
Population	100.0%	0.0%	92.0%	8.0%	0.0%	0.0%
Children	100.0%	0.0%	90.4%	9.6%	0.0%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,500	16,675
% Rank #1	100%	99%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Ashfield (A)	1,500	100.0%	Drummoyne (A)	17,999	100.0%
Lowest Ranked LGA	Drummoyne (A)	1,500	100.0%	Strathfield (A)	14,170	78.7%

ADSL Population Coverage



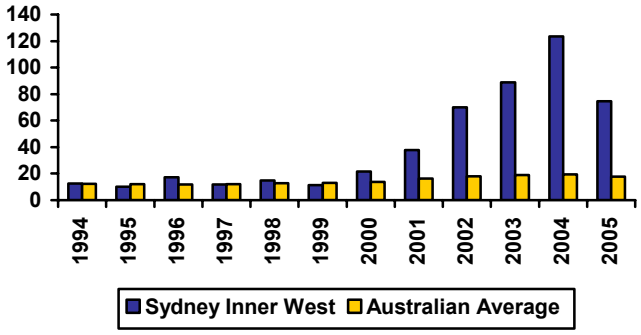
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	94.19	44.59	10
Average p.a. per capita	41.22	14.86	3
Hi Tech p.a. (1994-2005)	33.89	11.73	7
Hi Tech p.a. per capita	14.83	3.89	4
Info. Tech p.a. (1994-2005)	27.56	4.39	3
Info. Tech p.a. per capita	11.96	1.44	1
Average per capita (1994-2000)	14.25	12.61	12
Average per capita (2000-2005)	78.97	18.01	1
2000-05 avg./1994-00 avg.	5.54	1.43	1

Note: Per capita = 100,000 people

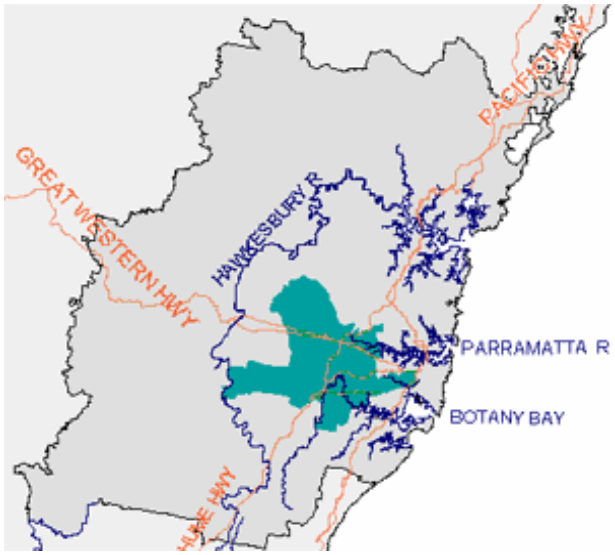
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	13
Average Employment 2006	11
High Tech Startups	300
New Startup Employment as % of workforce	2.5%
High Tech Startups per capita	0.0013
Rank	9

Sydney Mid West



The Mid West of Sydney is a large region, stretching west from Marrickville, and including several important urban centres which are important centres of retailing. There has been some office development particularly in Parramatta. Dates of urbanisation range from the nineteenth century to the late twentieth, but socio-economic status runs middle to low throughout, with considerable ethnic diversity. The region includes a number of important manufacturing areas, but also generates considerable commuter traffic to Global Sydney.

Major centres:

Bankstown, Parramatta, Liverpool, Blacktown

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	1,295	1,306	1,313	1,323	1,336	1,350	0.9%	0.5%	0.7%	1.0%	1.1%	0.7%	1.0%
No Households	423	425	429	432	435	437	0.5%	0.8%	0.8%	0.7%	0.3%	0.7%	0.5%
NIEIR Workforce	624	627	634	638	642	648	0.6%	1.1%	0.7%	0.6%	0.9%	0.8%	0.8%
NIEIR Employment	568	570	580	584	594	600	0.2%	1.8%	0.8%	1.7%	1.0%	0.9%	1.4%
NIEIR Unemployment	55.3	57.6	54.0	53.8	47.7	47.4	4.2%	-6.3%	-0.4%	-11.2%	-0.8%	-0.9%	-6.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.9%	9.2%	8.5%	8.4%	7.4%	7.3%	0.3	-0.7	-0.1	-1.0	-0.1	-0.1	-0.6
Headline U/E	6.7%	7.0%	6.8%	6.8%	6.1%	6.0%	0.4	-0.2	0.0	-0.7	-0.1	0.0	-0.4
NIEIR Structural U/E	15.3%	15.2%	15.3%	15.1%	14.8%	14.6%	-0.1	0.0	-0.2	-0.3	-0.2	-0.1	-0.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	22,416	23,150	23,135	23,556	24,313	25,450	17,311	17,721	17,617	17,805	18,203	18,847	1.7%	3.9%
Taxes Paid	5,182	5,372	5,613	5,710	6,111	6,207	4,002	4,112	4,274	4,316	4,576	4,596	3.3%	4.3%
Benefits	5,280	5,139	5,170	5,664	5,810	5,758	4,077	3,934	3,937	4,281	4,350	4,264	2.4%	0.8%
Business Income	2,404	2,433	2,656	2,716	2,748	2,857	1,856	1,862	2,022	2,053	2,057	2,116	4.2%	2.6%
Interest Paid	2,437	2,190	2,605	3,304	3,824	4,384	1,882	1,676	1,983	2,498	2,863	3,246	10.7%	15.2%
Net Property income	3,831	3,473	3,585	3,877	4,271	4,748	2,958	2,658	2,730	2,931	3,197	3,516	0.4%	10.7%
Business Value Added	24,820	25,582	25,790	26,271	27,061	28,308	19,167	19,583	19,639	19,857	20,260	20,963	1.9%	3.8%
Rank							31	32	28	32	33	30		
% Rank #1							58%	57%	57%	56%	56%	55%		
Net Disposable Income	29,512	29,266	29,181	29,647	30,637	31,268	22,790	22,402	22,221	22,409	22,938	23,155	0.2%	2.7%
Rank							27	35	30	38	38	40		
% Rank #1							58%	59%	58%	56%	55%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	377.2	24,802.6	1.5%
Commercial	46.7	2,713.0	1.7%
Rural	0.3	34.7	0.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			424.1
Rates to Business Value %	1.6%	1.5%	1.6%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	5.01	7.08
Average rate in cents value	0.30	0.21

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	88.6%	84.9%
Commercial	11.4%	15.0%
Rural	0.0%	0.1%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	11
2001	1.50%	14
2002	1.53%	5
2003	1.57%	5
2004	1.56%	5
2005	1.56%	4
Bounce 2003-04	-0.01%	49
Actual Change 2003-04 (Number)	18	45
Bounce 2004-05	0.00%	30
Actual Change 2004-05 (Number)	143	15

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	3.17%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.23%	0.22%
Parenting Payment - Single (aged 25+)	2.10%	1.82%
Unemployed Long Term	1.63%	1.28%
Unemployed Short Term	1.14%	0.85%
Youth Allowance - Non Student	0.36%	0.37%
Youth Allowance - Student	1.76%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.9%	31
2002	17.6%	27
2003	17.7%	32
2004	19.1%	31
2005	19.0%	27
2006	18.4%	27

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	5.2	3.9	35.4	26.5
Rank	4	45	20	54

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

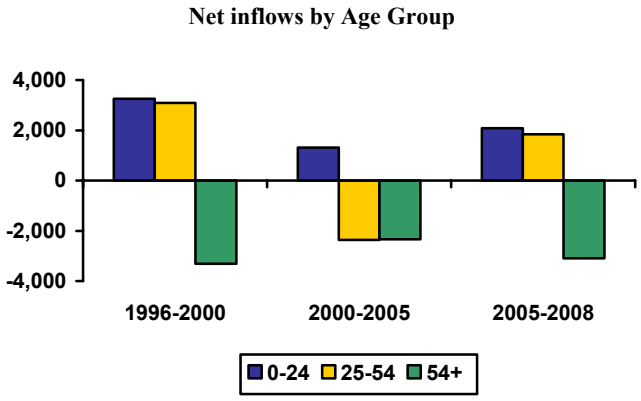
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	269,309	371,795
Commercial	401,514	770,253
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.2%	36.2%	35.5%	34.4%
25 - 54	44.7%	45.1%	44.2%	44.5%
55+	18.1%	18.7%	20.2%	21.1%
Net Inflow of Migrants (average between years)				
0 - 24		3,254	1,311	2,086
25 - 54		3,090	-2,365	1,834
55+		-3,309	-2,344	-3,092
Average Age	34.8	35.4	36.1	36.7

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	78.3	42
Share of population under 55	79.8	14
Aged migration	3.7	51
Population growth rate, 55+	2.3	44
Demographic stress	18.9	24
Dominant locations	100.0	3
Family / Youth migration	3.2	18
Fertility bounce, 1996-2005	-0.1	14
Fertility, babies % pop, 2005	1.6	4
Sustainability score	63.9	24
Working elderly	22.2	51

Local Government Level		Score	Rank
Most Sustainable	Liverpool (C)	80.9	13
Least Sustainable	Marrickville (A)	39.7	428

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	917	786	910	1,093	1,262	1,288	761	734	526	813	545
Rank	25	29	15	18	24	23	27	18	43	21	41

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	1,350	1,266	1,220	1,087	1,046	-12%
Non Residential	1,310	875	1,053	1,252	1,337	39%
Total	2,660	2,142	2,273	2,338	2,383	9%
Value per capita $2003/04						
Residential	1,081	966	913	807	770	-14%
Non Residential	1,051	668	788	929	984	35%
Total	2,132	1,635	1,702	1,736	1,754	6%
Rank (value per capita)						
Residential	31	42	53	55	55	
Non Residential	7	17	19	17	18	
Total	17	39	44	44	44	

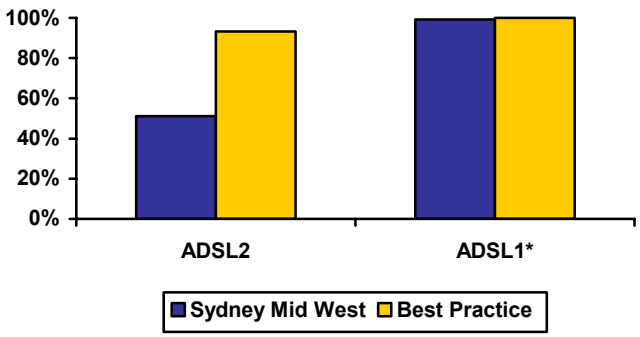
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	86.5%	13.5%	29.7%	56.8%	1.9%	11.6%
Population	98.5%	1.5%	51.2%	47.4%	0.7%	0.8%
Children	98.4%	1.6%	48.4%	49.9%	0.8%	0.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,479	9,929
% Rank #1	99%	59%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Auburn (A)	1,500	100.0%	Marrickville (A)	17,443	96.9%
Lowest Ranked LGA	Fairfield (C)	1,401	93.4%	Fairfield (C)	5,729	31.8%

ADSL Population Coverage



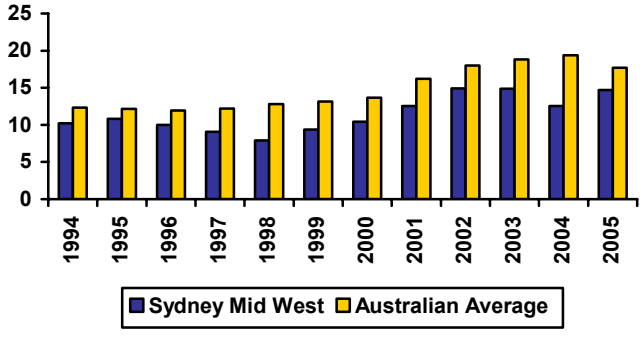
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	145.59	44.59	6
Average p.a. per capita	11.45	14.86	17
Hi Tech p.a. (1994-2005)	31.93	11.73	9
Hi Tech p.a. per capita	2.50	3.89	14
Info. Tech p.a. (1994-2005)	11.31	4.39	9
Info. Tech p.a. per capita	0.87	1.44	15
Average per capita (1994-2000)	9.69	12.61	19
Average per capita (2000-2005)	13.91	18.01	17
2000-05 avg./1994-00 avg.	1.44	1.43	26

Note: Per capita = 100,000 people

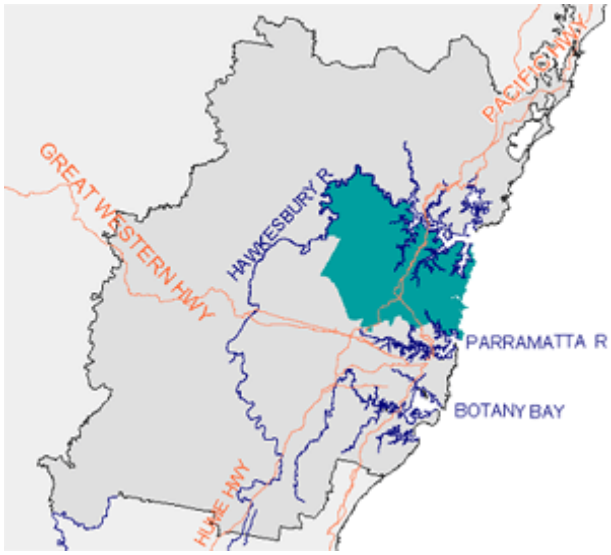
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	17
Average Employment 2006	16
High Tech Startups	1493
New Startup Employment as % of workforce	3.6%
High Tech Startups per capita	0.0011
Rank	12

Sydney Outer North



Geographically, the Outer North of Sydney splits into three sub-regions:

- Manly-Warringah-Pittwater are beach suburbs cut-off from the rest of Sydney by Middle Harbour. The attractive location means that these suburbs are generally of high socio-economic status, and a source of commuters to Global Sydney, but the limitations of transport to and from the rest of the metropolitan area mean that these suburbs are to a remarkable degree self-contained as regards retail and other consumer-service functions.
- The classic high-status North Shore rail-commuter suburbs of Ku Ring Gai and Hornsby.
- The rather newer, heavily car-dependent commuter suburbs in Baulkham Hills.

Overall, the region is of high socio-economic status, and its economic base depends on commuting.

Major centres:

Manly, Hornsby, Baulkham Hills

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	638	646	652	657	663	666	1.2%	1.0%	0.7%	0.9%	0.5%	1.0%	0.7%
No Households	215	217	221	224	226	227	1.2%	1.8%	1.3%	0.8%	0.3%	1.4%	0.6%
NIEIR Workforce	333	332	336	338	341	344	-0.2%	1.1%	0.4%	1.0%	0.9%	0.5%	0.9%
NIEIR Employment	321	318	322	325	328	331	-0.9%	1.1%	0.8%	1.1%	0.7%	0.3%	0.9%
NIEIR Unemployment	11.7	14.1	14.1	13.0	12.8	13.4	20.4%	0.0%	-7.5%	-1.4%	4.1%	3.7%	1.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	3.5%	4.2%	4.2%	3.9%	3.8%	3.9%	0.7	0.0	-0.3	-0.1	0.1	0.1	0.0
Headline U/E	2.6%	3.4%	3.3%	3.0%	3.1%	3.2%	0.8	-0.1	-0.3	0.1	0.1	0.1	0.1
NIEIR Structural U/E	3.7%	3.7%	3.8%	3.8%	3.6%	3.5%	0.0	0.1	0.0	-0.1	-0.1	0.0	-0.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	16,480	16,728	16,626	16,853	17,202	17,876	25,826	25,910	25,496	25,661	25,953	26,826	0.7%	3.0%
Taxes Paid	5,821	5,655	5,985	6,227	6,614	6,737	9,121	8,759	9,177	9,482	9,979	10,109	2.3%	4.0%
Benefits	1,615	1,590	1,605	1,764	1,823	1,832	2,531	2,463	2,462	2,686	2,751	2,749	3.0%	1.9%
Business Income	2,360	2,537	2,855	3,013	3,027	3,130	3,698	3,930	4,379	4,588	4,567	4,697	8.5%	1.9%
Interest Paid	1,275	1,243	1,587	2,048	2,461	2,865	1,998	1,926	2,433	3,118	3,713	4,299	17.1%	18.3%
Net Property income	5,764	4,931	5,166	5,625	6,078	6,681	9,033	7,638	7,922	8,565	9,170	10,027	-0.8%	9.0%
Business Value Added	18,840	19,265	19,482	19,867	20,229	21,006	29,524	29,840	29,875	30,250	30,519	31,524	1.8%	2.8%
Rank							3	3	5	5	5	5		
% Rank #1							90%	87%	86%	85%	84%	82%		
Net Disposable Income	22,056	21,201	21,195	21,556	22,080	22,652	34,564	32,839	32,502	32,822	33,311	33,993	-0.8%	2.5%
Rank							4	4	4	4	5	5		
% Rank #1							89%	87%	85%	82%	80%	76%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	216.5	20,239.0	1.1%
Commercial	18.4	3,003.6	0.6%
Rural	2.4	23.4	10.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			237.3
Rates to Business Value %	1.1%	1.1%	1.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.58	4.22
Average rate in cents value	0.30	0.25

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	91.6%	89.0%
Commercial	7.5%	10.5%
Rural	0.9%	0.5%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	61
2001	1.20%	52
2002	1.12%	54
2003	1.18%	41
2004	1.20%	41
2005	1.18%	43
Bounce 2003-04	0.02%	30
Actual Change 2003-04 (Number)	191	13
Bounce 2004-05	-0.02%	42
Actual Change 2004-05 (Number)	-37	49

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.03%	0.08%
Disability Support (aged 20-24)	0.05%	0.14%
Disability Support (aged 25+)	1.02%	3.20%
Mature Age Allowance	0.02%	0.06%
Parenting Payment - Single (aged 15-19)	0.01%	0.04%
Parenting Payment - Single (aged 20-24)	0.05%	0.22%
Parenting Payment - Single (aged 25+)	0.65%	1.82%
Unemployed Long Term	0.27%	1.28%
Unemployed Short Term	0.30%	0.85%
Youth Allowance - Non Student	0.07%	0.37%
Youth Allowance - Student	0.78%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	7.3%	63
2002	7.5%	62
2003	7.6%	62
2004	8.2%	61
2005	8.3%	61
2006	8.1%	61

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	7.1	10.6	17.5	26.4
Rank	3	6	41	55

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

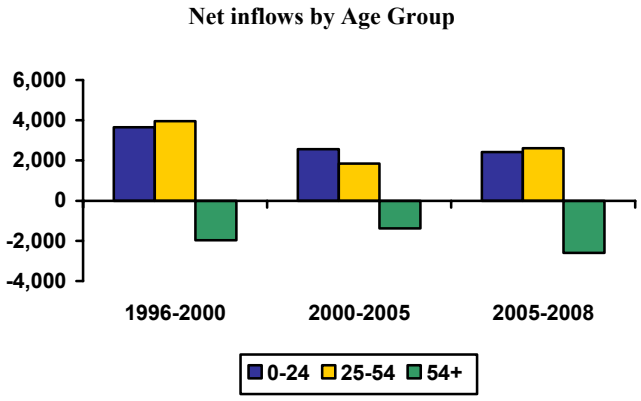
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	301,678	353,251
Commercial	441,981	727,006
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.3%	33.3%	33.2%	32.9%
25 - 54	44.0%	43.7%	42.4%	42.2%
55+	21.7%	23.1%	24.5%	24.9%
Net Inflow of Migrants (average between years)				
0 - 24		3,645	2,568	2,424
25 - 54		3,962	1,854	2,615
55+		-1,964	-1,381	-2,596
Average Age	37.4	38.3	38.6	38.9

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.6	14
Share of population under 55	75.5	30
Aged migration	4.0	37
Population growth rate, 55+	2.5	38
Demographic stress	14.1	32
Dominant locations	100.0	3
Family / Youth migration	4.2	9
Fertility bounce, 1996-2005	0.0	6
Fertility, babies % pop, 2005	1.2	43
Sustainability score	67.1	12
Working elderly	36.2	2

Local Government Level		Score	Rank
Most Sustainable	Baulkham Hills (A)	78.6	22
Least Sustainable	Ku-ring-gai (A)	54.2	293

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	965	1,055	1,217	1,534	1,616	1,532	1,023	858	655	1,093	603
Rank	22	13	5	10	13	12	7	12	30	6	35

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	943	1,158	936	707	680	-33%
Non Residential	328	412	433	444	468	9%
Total	1,271	1,571	1,369	1,151	1,148	-22%
Value per capita $2003/04						
Residential	1,538	1,784	1,412	1,057	1,008	-35%
Non Residential	533	636	653	664	694	5%
Total	2,071	2,420	2,065	1,721	1,702	-24%
Rank (value per capita)						
Residential	9	8	29	46	46	
Non Residential	45	21	33	37	36	
Total	18	11	32	47	45	

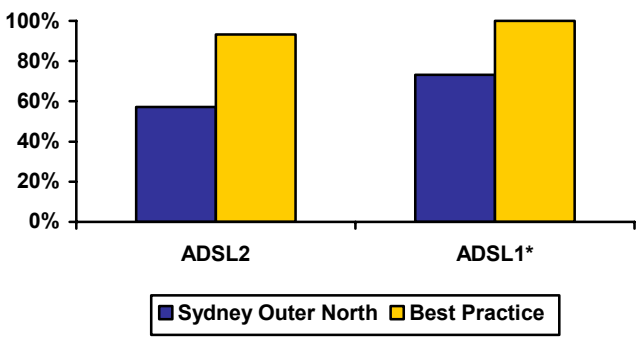
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	54.8%	45.2%	15.6%	41.3%	1.3%	41.9%
Population	71.3%	28.7%	57.2%	14.2%	1.8%	26.8%
Children	70.8%	29.2%	54.0%	16.9%	2.1%	27.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,086	10,551
% Rank #1	72%	62%

	2005				2006			
	LGA	Speed (kBits/s)	% of Rank #1		LGA	Speed (kBits/s)	% of Rank #1	
Highest Ranked LGA	Manly (A)	1,500	100.0%		Manly (A)	16,371	91.0%	
Lowest Ranked LGA	Ku-ring-gai (A)	56	3.7%		Pittwater (A)	8,590	47.7%	

ADSL Population Coverage



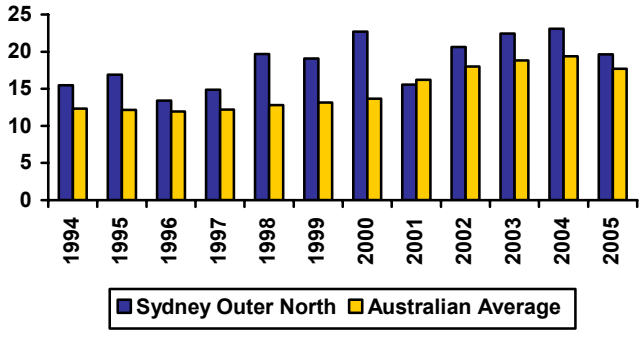
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	116.86	44.59	7
Average p.a. per capita	18.63	14.86	10
Hi Tech p.a. (1994-2005)	32.69	11.73	8
Hi Tech p.a. per capita	5.18	3.89	9
Info. Tech p.a. (1994-2005)	12.76	4.39	7
Info. Tech p.a. per capita	2.00	1.44	8
Average per capita (1994-2000)	17.45	12.61	7
Average per capita (2000-2005)	20.28	18.01	11
2000-05 avg./1994-00 avg.	1.16	1.43	49

Note: Per capita = 100,000 people

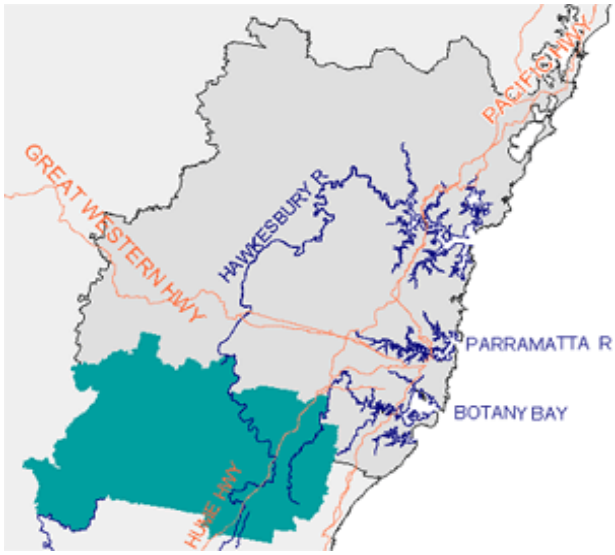
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	9
High Tech Startups	1288
New Startup Employment as % of workforce	3.4%
High Tech Startups per capita	0.0019
Rank	4

Sydney Outer South West



The Sydney Outer South West, centred on Campbelltown/Macarthur, began its suburban life as a planned and balanced development of housing and manufacturing, and still bears some of the marks of this origin. However, it is mainly a commuter and hobby farm area, with a couple of large collieries for diversity. It shares campuses of the University of Western Sydney with the Sydney Outer West.

Major centres:

Campbelltown

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	234	237	240	241	243	246	1.4%	1.0%	0.6%	0.8%	1.1%	1.0%	0.9%
No Households	74	75	76	77	78	78	1.2%	1.3%	1.0%	1.1%	0.7%	1.2%	0.9%
NIEIR Workforce	123	126	126	128	129	131	2.0%	0.4%	1.5%	0.7%	1.3%	1.3%	1.0%
NIEIR Employment	112	114	115	116	118	121	1.7%	1.5%	0.9%	1.5%	2.1%	1.4%	1.8%
NIEIR Unemployment	11.7	12.3	11.0	11.8	10.9	10.1	4.5%	-10.2%	7.0%	-7.3%	-7.4%	0.1%	-7.4%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.5%	9.8%	8.7%	9.2%	8.5%	7.7%	0.2	-1.0	0.5	-0.7	-0.7	-0.1	-0.7
Headline U/E	7.0%	7.6%	6.8%	7.2%	6.6%	5.7%	0.6	-0.8	0.4	-0.6	-0.9	0.1	-0.8
NIEIR Structural U/E	11.2%	11.0%	11.0%	10.8%	10.6%	10.4%	-0.2	0.0	-0.2	-0.3	-0.2	-0.1	-0.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	4,518	4,731	4,746	4,849	4,987	5,266	19,303	19,942	19,797	20,109	20,518	21,438	2.4%	4.2%
Taxes Paid	1,031	1,093	1,146	1,175	1,253	1,287	4,407	4,606	4,780	4,875	5,157	5,237	4.5%	4.6%
Benefits	843	822	838	937	964	940	3,602	3,463	3,494	3,888	3,968	3,828	3.6%	0.2%
Business Income	405	437	459	467	475	495	1,730	1,842	1,916	1,938	1,954	2,013	4.9%	2.9%
Interest Paid	590	524	616	766	873	992	2,520	2,208	2,571	3,176	3,593	4,037	9.1%	13.8%
Net Property income	721	661	693	760	847	956	3,080	2,787	2,891	3,152	3,483	3,891	1.8%	12.2%
Business Value Added	4,922	5,168	5,205	5,316	5,462	5,761	21,033	21,784	21,712	22,047	22,472	23,452	2.6%	4.1%
Rank							20	21	16	22	22	19		
% Rank #1							64%	63%	63%	62%	62%	61%		
Net Disposable Income	5,451	5,528	5,505	5,600	5,788	5,954	23,293	23,300	22,967	23,226	23,815	24,237	0.9%	3.1%
Rank							24	28	22	28	27	28		
% Rank #1							60%	62%	60%	58%	57%	54%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	39.4	4,792.1	0.8%
Commercial	15.5	434.6	3.6%
Rural	14.1	40.3	35.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			69.1
Rates to Business Value %	1.3%	1.2%	1.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.78	5.70
Average rate in cents value	0.49	0.22

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	60.2%	88.3%
Commercial	21.2%	10.4%
Rural	18.6%	1.3%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	5
2001	1.57%	8
2002	1.46%	8
2003	1.58%	4
2004	1.53%	6
2005	1.51%	6
Bounce 2003-04	-0.05%	61
Actual Change 2003-04 (Number)	-108	62
Bounce 2004-05	-0.02%	46
Actual Change 2004-05 (Number)	-22	42

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	2.49%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.37%	0.22%
Parenting Payment - Single (aged 25+)	2.47%	1.82%
Unemployed Long Term	1.07%	1.28%
Unemployed Short Term	0.91%	0.85%
Youth Allowance - Non Student	0.44%	0.37%
Youth Allowance - Student	1.10%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	15.5%	48
2002	14.9%	46
2003	15.2%	48
2004	16.7%	43
2005	16.7%	43
2006	15.8%	42

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.8	7.3	21.4	88.2
Rank	20	16	37	38

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

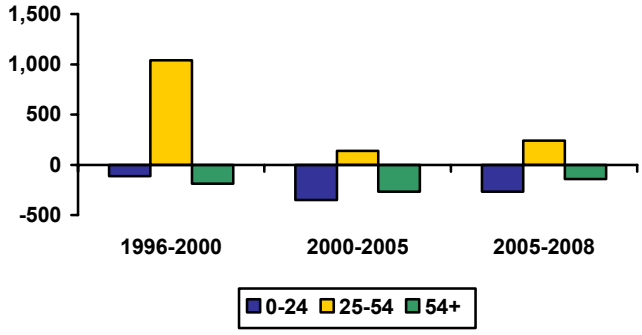
	Land Value $	Capital Value $
Residential	174,219	270,811
Commercial	242,932	531,670
Rural	75,726	80,080

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	43.7%	41.2%	39.7%	37.9%
25 - 54	44.5%	44.6%	43.2%	42.7%
55+	11.8%	14.2%	17.1%	19.4%
Net Inflow of Migrants (average between years)				
0 - 24		-114	-349	-268
25 - 54		1,039	138	242
55+		-186	-268	-142
Average Age	31.0	32.8	34.1	35.3

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	87.6	29
Share of population under 55	82.9	5
Aged migration	3.6	52
Population growth rate, 55+	7.7	1
Demographic stress	25.5	12
Dominant locations	84.9	28
Family / Youth migration	2.1	25
Fertility bounce, 1996-2005	-0.3	49
Fertility, babies % pop, 2005	1.5	6
Sustainability score	64.3	23
Working elderly	29.8	17

Local Government Level		Score	Rank
Most Sustainable	Camden (A)	85.4	4
Least Sustainable	Campbelltown (C) (NSW)	55.7	280

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	965	812	839	1,001	1,461	1,288	870	534	386	686	613
Rank	21	27	21	25	20	24	13	34	58	34	34

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	279	267	216	184	188	-27%
Non Residential	164	132	188	240	249	71%
Total	444	399	404	424	437	6%
Value per capita $2003/04						
Residential	1,249	1,123	888	752	762	-29%
Non Residential	738	554	775	979	1,009	66%
Total	1,987	1,677	1,662	1,731	1,771	3%
Rank (value per capita)						
Residential	23	33	54	58	57	
Non Residential	18	31	21	11	16	
Total	22	37	47	45	41	

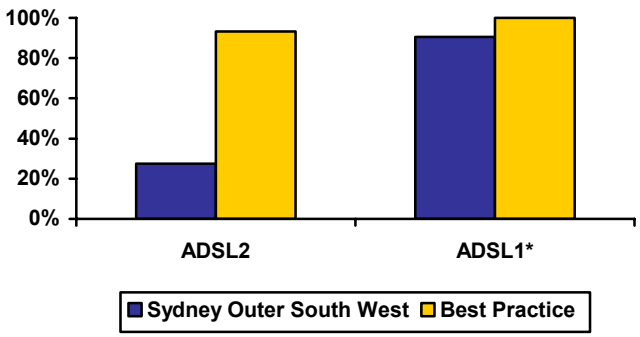
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	24.6%	75.4%	1.2%	27.2%	0.4%	71.1%
Population	87.9%	12.1%	27.5%	61.8%	1.3%	9.4%
Children	89.0%	11.0%	25.7%	64.6%	1.3%	8.4%

	2005	2006
Average Speed Available (kilobit bit per second)	1,325	5,910
% Rank #1	88%	35%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Campbelltown (C)	1,482	98.8%	Campbelltown (C)	8,565	47.6%
Lowest Ranked LGA	Camden (A)	997	66.4%	Camden (A)	1,118	6.2%

ADSL Population Coverage



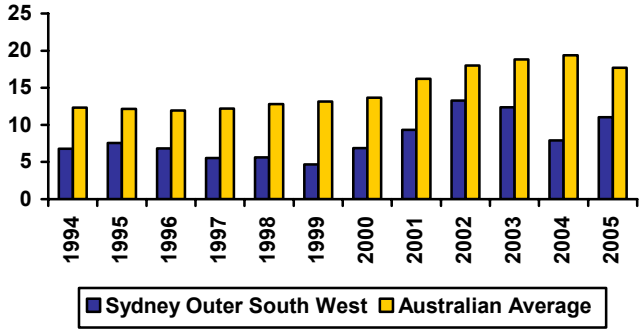
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	18.76	44.59	34
Average p.a. per capita	8.15	14.86	37
Hi Tech p.a. (1994-2005)	3.68	11.73	32
Hi Tech p.a. per capita	1.58	3.89	31
Info. Tech p.a. (1994-2005)	1.07	4.39	29
Info. Tech p.a. per capita	0.45	1.44	33
Average per capita (1994-2000)	6.27	12.61	41
Average per capita (2000-2005)	10.80	18.01	31
2000-05 avg./1994-00 avg.	1.72	1.43	3

Note: Per capita = 100,000 people

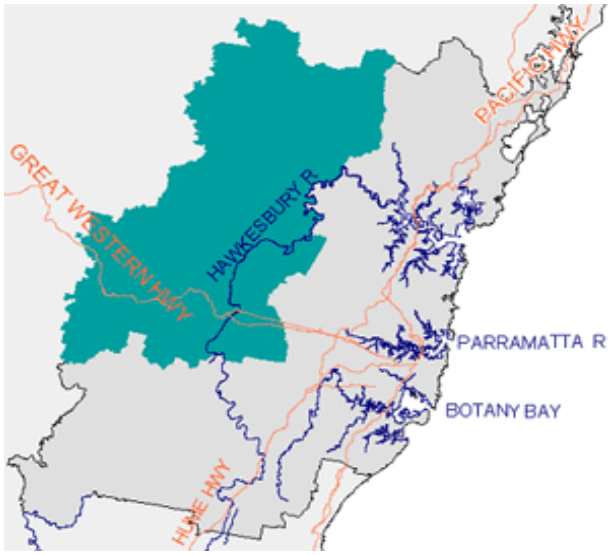
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	10
High Tech Startups	213
New Startup Employment as % of workforce	1.7%
High Tech Startups per capita	0.0009
Rank	15

Sydney Outer West



The Outer West of Sydney is centred on Penrith. It comprises two sub-regions.

- The Western part of the Cumberland plain includes new manufacturing areas and several defence facilities (particularly airfields). Its educational infrastructure is integrated into the local economy. There are extensive new housing estates, whose residents are employed locally or in Mid West Sydney, with a few commuting as far as Global Sydney.
- The strip of settlement across the Blue Mountains has more of a resort character, with a tradition of long-distance commuting and retirement.

The north west part of the region consists of national parks, which are both inaccessible and bushfire prone.

Major centres:

Penrith, Katoomba

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	317	319	319	318	318	318	0.5%	0.1%	-0.2%	0.0%	0.0%	0.1%	0.0%
No Households	108	108	109	110	111	111	0.7%	0.9%	0.8%	0.6%	0.1%	0.8%	0.3%
NIEIR Workforce	163	165	166	167	167	168	1.3%	0.2%	0.8%	0.2%	0.8%	0.8%	0.5%
NIEIR Employment	151	152	153	154	155	156	0.5%	0.9%	0.2%	0.6%	1.1%	0.5%	0.9%
NIEIR Unemployment	11.9	13.3	12.2	13.3	12.6	12.1	11.7%	-7.9%	8.3%	-5.2%	-3.5%	3.6%	-4.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	7.3%	8.0%	7.4%	7.9%	7.5%	7.2%	0.7	-0.7	0.5	-0.4	-0.3	0.2	-0.4
Headline U/E	4.6%	4.6%	4.3%	4.8%	4.5%	4.2%	0.0	-0.3	0.6	-0.3	-0.3	0.1	-0.3
NIEIR Structural U/E	10.4%	10.2%	10.4%	10.1%	10.0%	9.9%	-0.1	0.1	-0.3	-0.1	-0.1	-0.1	-0.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	6,112	6,306	6,265	6,355	6,488	6,792	19,264	19,778	19,628	19,959	20,383	21,333	1.3%	3.4%
Taxes Paid	1,430	1,517	1,566	1,596	1,683	1,709	4,506	4,758	4,907	5,011	5,288	5,369	3.7%	3.5%
Benefits	1,111	1,077	1,090	1,205	1,228	1,212	3,501	3,379	3,414	3,786	3,859	3,807	2.8%	0.3%
Business Income	617	740	761	774	776	797	1,946	2,322	2,384	2,430	2,439	2,505	7.8%	1.5%
Interest Paid	834	742	876	1,101	1,252	1,420	2,628	2,329	2,744	3,459	3,933	4,459	9.7%	13.5%
Net Property income	1,020	999	1,025	1,101	1,209	1,345	3,215	3,135	3,211	3,459	3,797	4,224	2.6%	10.5%
Business Value Added	6,729	7,046	7,026	7,129	7,264	7,590	21,210	22,099	22,013	22,389	22,823	23,838	1.9%	3.2%
Rank							17	18	14	19	21	16		
% Rank #1							64%	64%	64%	63%	63%	62%		
Net Disposable Income	7,393	7,549	7,425	7,442	7,610	7,761	23,304	23,676	23,263	23,374	23,910	24,376	0.2%	2.1%
Rank							23	25	20	27	25	25		
% Rank #1							60%	62%	60%	58%	57%	55%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	94.1	6,352.9	1.5%
Commercial	8.8	736.6	1.2%
Rural	2.2	39.7	5.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			105.1
Rates to Business Value %	1.4%	1.4%	1.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.96	4.67
Average rate in cents value	0.50	0.31

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	89.8%	86.4%
Commercial	8.4%	11.9%
Rural	1.9%	1.7%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	10
2001	1.53%	10
2002	1.43%	9
2003	1.46%	9
2004	1.45%	8
2005	1.44%	10
Bounce 2003-04	-0.01%	47
Actual Change 2003-04 (Number)	-28	53
Bounce 2004-05	-0.02%	41
Actual Change 2004-05 (Number)	-54	52

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.15%	0.14%
Disability Support (aged 25+)	2.80%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	2.03%	1.82%
Unemployed Long Term	0.90%	1.28%
Unemployed Short Term	0.84%	0.85%
Youth Allowance - Non Student	0.41%	0.37%
Youth Allowance - Student	1.01%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	15.0%	50
2002	14.3%	48
2003	14.7%	50
2004	16.2%	48
2005	16.1%	45
2006	15.6%	43

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.6	8.2	13.3	41.8
Rank	16	11	47	48

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

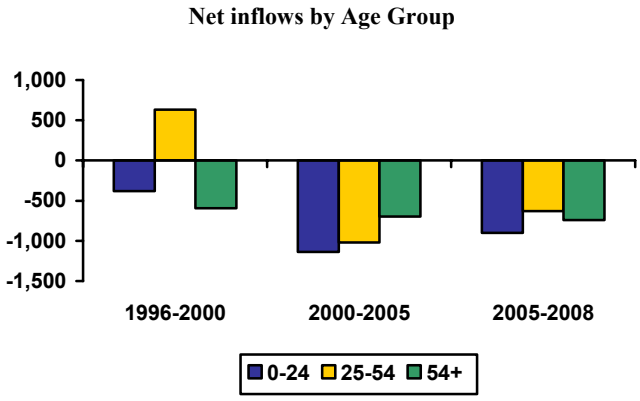
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	129,869	208,837
Commercial	187,205	436,301
Rural	32,596	38,365

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	40.4%	38.5%	37.2%	35.6%
25 - 54	45.1%	45.0%	43.5%	43.0%
55+	14.5%	16.5%	19.3%	21.4%
Net Inflow of Migrants (average between years)				
0 - 24		-382	-1,137	-902
25 - 54		633	-1,022	-630
55+		-595	-697	-743
Average Age	32.6	34.3	35.6	36.6

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	84.0	34
Share of population under 55	80.7	7
Aged migration	3.5	54
Population growth rate, 55+	3.8	16
Demographic stress	7.4	41
Dominant locations	88.4	24
Family / Youth migration	1.4	34
Fertility bounce, 1996-2005	-0.3	38
Fertility, babies % pop, 2005	1.4	10
Sustainability score	60.2	36
Working elderly	30.2	16

Local Government Level		Score	Rank
Most Sustainable	Hawkesbury (C)	62.5	198
Least Sustainable	Blue Mountains (C)	56.5	268

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	857	865	872	1,014	1,520	1,458	818	536	550	925	674
Rank	28	21	18	23	18	14	20	33	42	13	24

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	306	251	175	119	116	-46%
Non Residential	210	143	175	180	170	22%
Total	516	394	350	299	286	-21%
Value per capita $2003/04						
Residential	991	789	551	373	364	-46%
Non Residential	683	449	549	566	533	22%
Total	1,675	1,238	1,100	939	897	-21%
Rank (value per capita)						
Residential	35	52	61	62	62	
Non Residential	22	49	45	50	57	
Total	32	54	61	62	62	

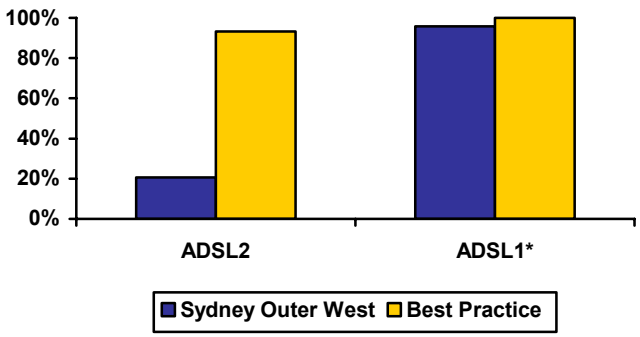
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	27.5%	72.5%	1.1%	28.9%	0.2%	69.9%
Population	95.1%	4.9%	20.6%	74.7%	0.5%	4.2%
Children	95.0%	5.0%	20.1%	75.1%	0.4%	4.3%

	2005	2006
Average Speed Available (kilobit bit per second)	1,429	4,846
% Rank #1	95%	29%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Penrith (C)	1,480	98.7%	Penrith (C)	7,427	41.3%
Lowest Ranked LGA	Hawkesbury (C)	1,246	83.0%	Blue Mountains (C)	1,464	8.1%

ADSL Population Coverage



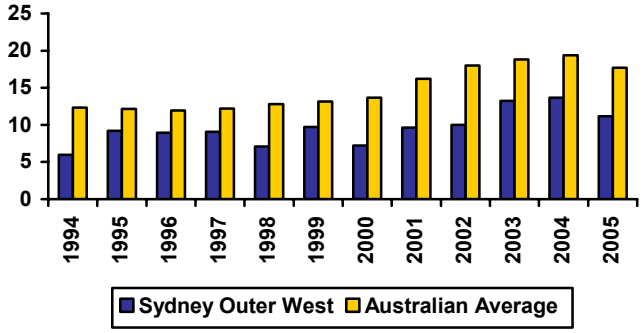
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	29.84	44.59	24
Average p.a. per capita	9.58	14.86	28
Hi Tech p.a. (1994-2005)	6.34	11.73	23
Hi Tech p.a. per capita	2.04	3.89	21
Info. Tech p.a. (1994-2005)	2.78	4.39	20
Info. Tech p.a. per capita	0.88	1.44	14
Average per capita (1994-2000)	8.18	12.61	28
Average per capita (2000-2005)	11.54	18.01	28
2000-05 avg./1994-00 avg.	1.41	1.43	30

Note: Per capita = 100,000 people

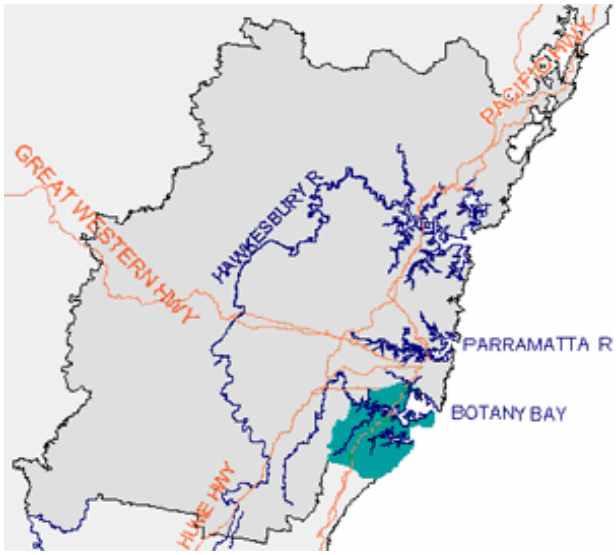
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	9
High Tech Startups	223
New Startup Employment as % of workforce	1.2%
High Tech Startups per capita	0.0007
Rank	26

Sydney South



Apart from the Shire of Sutherland, the Sydney South region was mainly built up in the first half of the last Century; the Shire followed in the second half. Though mainly a middle-status commuter zone, it has areas of manufacturing employment, and the usual suburban retail centres. Its frontage to Botany Bay does not have the social éclat of the harbour side further north – the foreshore is naturally less attractive, and much of it is devoted to the airport, the port and industry. Like Sydney north, the region abuts onto bush land which is a marvellous natural amenity when it is not the cause of bushfire scares.

Major centres:

Hurstville, Miranda

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	433	436	438	440	442	445	0.6%	0.5%	0.4%	0.6%	0.6%	0.5%	0.6%
No Households	153	154	154	155	156	156	0.3%	0.5%	0.5%	0.2%	0.0%	0.4%	0.1%
NIEIR Workforce	226	226	230	230	234	239	0.1%	1.5%	0.0%	1.8%	2.1%	0.5%	1.9%
NIEIR Employment	216	216	219	220	223	227	-0.4%	1.6%	0.4%	1.5%	2.0%	0.5%	1.7%
NIEIR Unemployment	9.7	11.0	10.9	10.0	10.8	11.3	13.3%	-0.8%	-8.2%	7.9%	4.6%	1.0%	6.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	4.3%	4.8%	4.7%	4.3%	4.6%	4.7%	0.6	-0.1	-0.4	0.3	0.1	0.0	0.2
Headline U/E	3.3%	4.1%	3.8%	3.4%	3.6%	3.8%	0.8	-0.3	-0.3	0.2	0.2	0.0	0.2
NIEIR Structural U/E	6.9%	6.9%	7.0%	6.9%	6.6%	6.4%	0.0	0.2	-0.2	-0.2	-0.2	0.0	-0.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	9,585	9,767	9,776	9,863	10,098	10,607	22,132	22,423	22,324	22,436	22,833	23,829	1.0%	3.7%
Taxes Paid	2,613	2,645	2,798	2,850	3,026	3,098	6,034	6,072	6,389	6,483	6,843	6,961	2.9%	4.3%
Benefits	1,411	1,377	1,385	1,516	1,553	1,563	3,257	3,160	3,162	3,448	3,512	3,512	2.4%	1.6%
Business Income	1,067	1,135	1,266	1,271	1,277	1,339	2,464	2,606	2,890	2,892	2,887	3,008	6.0%	2.6%
Interest Paid	925	836	999	1,278	1,499	1,731	2,136	1,918	2,281	2,907	3,391	3,889	11.4%	16.4%
Net Property income	2,382	2,121	2,224	2,386	2,585	2,851	5,499	4,870	5,077	5,428	5,846	6,405	0.1%	9.3%
Business Value Added	10,652	10,902	11,042	11,134	11,374	11,945	24,597	25,029	25,214	25,328	25,720	26,837	1.5%	3.6%
Rank							9	10	6	10	10	10		
% Rank #1							75%	73%	73%	71%	71%	70%		
Net Disposable Income	12,433	12,155	12,210	12,264	12,593	12,978	28,709	27,908	27,881	27,898	28,476	29,157	-0.5%	2.9%
Rank							8	10	9	11	11	11		
% Rank #1							74%	74%	72%	70%	68%	65%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	129.0	11,039.9	1.2%
Commercial	12.3	1,276.4	1.0%
Rural	0.0	0.1	2.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			141.3
Rates to Business Value %	1.4%	1.2%	1.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.70	6.16
Average rate in cents value	0.25	0.18

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	91.1%	88.2%
Commercial	8.9%	11.8%
Rural	0.0%	0.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	52
2001	1.30%	33
2002	1.27%	25
2003	1.29%	20
2004	1.31%	20
2005	1.29%	25
Bounce 2003-04	0.01%	36
Actual Change 2003-04 (Number)	77	26
Bounce 2004-05	-0.01%	37
Actual Change 2004-05 (Number)	-16	41

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.04%	0.08%
Disability Support (aged 20-24)	0.08%	0.14%
Disability Support (aged 25+)	1.75%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.02%	0.04%
Parenting Payment - Single (aged 20-24)	0.09%	0.22%
Parenting Payment - Single (aged 25+)	1.21%	1.82%
Unemployed Long Term	0.66%	1.28%
Unemployed Short Term	0.57%	0.85%
Youth Allowance - Non Student	0.12%	0.37%
Youth Allowance - Student	0.95%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	11.3%	58
2002	11.3%	56
2003	11.3%	56
2004	12.4%	55
2005	12.3%	55
2006	12.0%	52

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.9	6.6	35.2	79.7
Rank	14	18	21	42

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

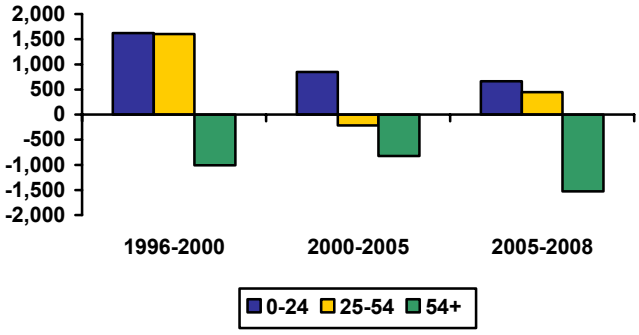
	Land Value $	Capital Value $
Residential	322,664	419,335
Commercial	477,143	843,429
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	32.9%	32.2%	31.8%	31.2%
25 - 54	44.3%	44.4%	43.5%	43.7%
55+	22.8%	23.4%	24.7%	25.1%
Net Inflow of Migrants (average between years)				
0 - 24		1,624	852	666
25 - 54		1,601	-218	444
55+		-1,012	-825	-1,524
Average Age	37.5	38.3	38.8	39.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.9	12
Share of population under 55	75.3	31
Aged migration	3.7	50
Population growth rate, 55+	1.7	56
Demographic stress	14.5	31
Dominant locations	100.0	3
Family / Youth migration	3.2	19
Fertility bounce, 1996-2005	0.0	8
Fertility, babies % pop, 2005	1.3	26
Sustainability score	65.6	17
Working elderly	27.4	33

Local Government Level		Score	Rank
Most Sustainable	Hurstville (C)	72.5	72
Least Sustainable	Sutherland Shire (A)	60.1	232

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,073	939	999	1,373	1,315	1,394	940	777	502	921	635
Rank	12	16	11	14	21	17	11	15	45	14	28

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	583	539	492	398	373	-22%
Non Residential	266	215	196	185	165	-15%
Total	849	754	688	583	538	-20%
Value per capita $2003/04						
Residential	1,387	1,234	1,113	895	835	-23%
Non Residential	632	493	443	417	370	-17%
Total	2,019	1,727	1,557	1,312	1,205	-21%
Rank (value per capita)						
Residential	14	29	42	53	53	
Non Residential	28	39	57	62	63	
Total	21	33	50	59	59	

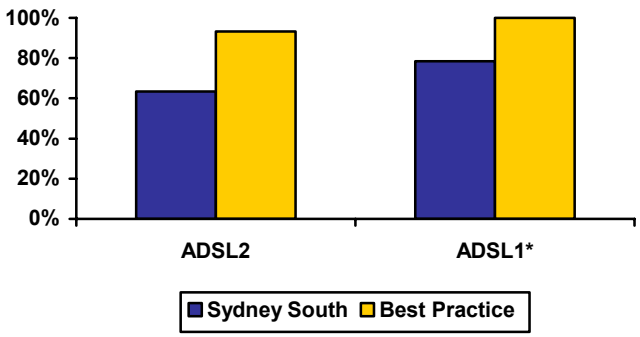
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	50.6%	49.4%	23.7%	26.8%	10.7%	38.7%
Population	78.0%	22.0%	63.4%	14.6%	0.4%	21.6%
Children	79.7%	20.3%	61.3%	18.4%	0.5%	19.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,182	11,647
% Rank #1	79%	69%

	2005				2006			
	LGA	Speed (kBits/s)	% of Rank #1		LGA	Speed (kBits/s)	% of Rank #1	
Highest Ranked LGA	Hurstville (C)	1,500	100.0%		Hurstville (C)	13,666	75.9%	
Lowest Ranked LGA	Rockdale (C)	56	3.7%		Sutherland Shire (A)	10,694	59.4%	

ADSL Population Coverage



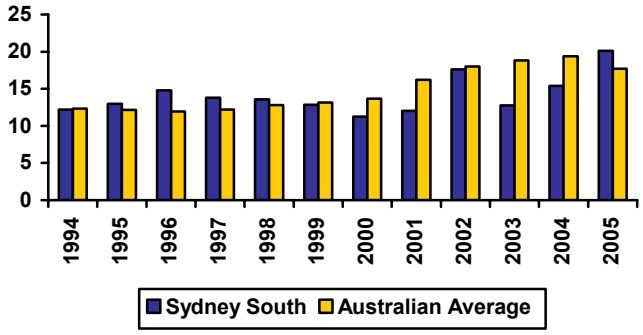
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	60.06	44.59	16
Average p.a. per capita	14.11	14.86	13
Hi Tech p.a. (1994-2005)	10.45	11.73	17
Hi Tech p.a. per capita	2.44	3.89	15
Info. Tech p.a. (1994-2005)	4.03	4.39	15
Info. Tech p.a. per capita	0.93	1.44	13
Average per capita (1994-2000)	13.06	12.61	13
Average per capita (2000-2005)	15.58	18.01	14
2000-05 avg./1994-00 avg.	1.19	1.43	48

Note: Per capita = 100,000 people

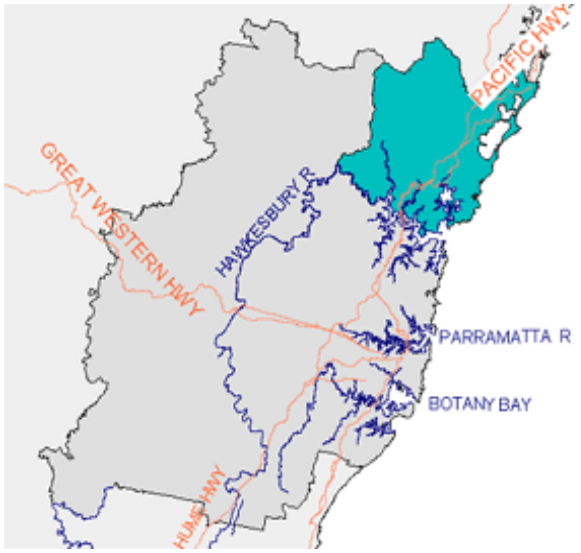
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	9
Average Employment 2006	9
High Tech Startups	414
New Startup Employment as % of workforce	1.5%
High Tech Startups per capita	0.0009
Rank	14

NSW Central Coast



Historically, the Central Coast was neither Sydney nor Newcastle; an area of holiday and retirement homes beside beaches and backing into infertile sandstone hills. Over recent decades it has received overflow from Sydney: initially long-distance commuters and increasingly manufacturing, and its population now includes many young families.

Major centres:

Gosford, Wyong, The Entrance

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	296	300	303	304	307	309	1.3%	0.8%	0.6%	0.8%	0.7%	0.9%	0.7%
No Households	111	112	113	114	115	116	0.7%	1.0%	1.1%	0.6%	0.3%	0.9%	0.5%
NIEIR Workforce	133	136	138	141	142	142	2.1%	1.5%	1.8%	0.7%	0.4%	1.8%	0.5%
NIEIR Employment	120	122	125	127	128	130	1.7%	2.8%	1.7%	1.1%	1.4%	2.1%	1.3%
NIEIR Unemployment	13.8	14.6	13.2	13.6	13.1	11.8	5.3%	-9.1%	2.8%	-4.0%	-9.8%	-0.5%	-6.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.4%	10.7%	9.6%	9.7%	9.2%	8.3%	0.3	-1.1	0.1	-0.4	-0.9	-0.2	-0.7
Headline U/E	7.5%	8.3%	7.5%	7.5%	7.2%	6.2%	0.8	-0.8	0.0	-0.3	-1.0	0.0	-0.7
NIEIR Structural U/E	15.9%	15.5%	15.6%	15.1%	15.1%	14.8%	-0.3	0.1	-0.6	0.0	-0.2	-0.3	-0.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	4,508	4,733	4,774	4,901	5,014	5,250	15,217	15,772	15,776	16,105	16,350	17,005	2.8%	3.5%
Taxes Paid	1,133	1,184	1,261	1,317	1,395	1,423	3,825	3,946	4,167	4,329	4,548	4,610	5.2%	3.9%
Benefits	1,333	1,301	1,318	1,458	1,518	1,526	4,499	4,336	4,354	4,791	4,950	4,944	3.0%	2.3%
Business Income	654	698	766	779	782	804	2,207	2,325	2,532	2,560	2,550	2,604	6.0%	1.6%
Interest Paid	519	467	557	689	800	917	1,751	1,556	1,840	2,264	2,607	2,970	9.9%	15.3%
Net Property income	975	890	929	1,030	1,136	1,271	3,292	2,965	3,070	3,383	3,703	4,117	1.8%	11.1%
Business Value Added	5,162	5,431	5,540	5,680	5,796	6,054	17,424	18,096	18,308	18,665	18,900	19,609	3.2%	3.2%
Rank							44	45	41	44	44	41		
% Rank #1							53%	53%	53%	53%	52%	51%		
Net Disposable Income	6,521	6,561	6,617	6,823	7,048	7,223	22,010	21,862	21,866	22,419	22,982	23,395	1.5%	2.9%
Rank							37	43	36	36	35	38		
% Rank #1							56%	58%	57%	56%	55%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	96.4	5,506.1	1.8%
Commercial	7.5	750.5	1.0%
Rural	0.7	31.6	2.3%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			104.6
Rates to Business Value %	1.7%	1.7%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.92	4.14
Average rate in cents value	0.60	0.41

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	92.1%	88.8%
Commercial	7.1%	10.3%
Rural	0.7%	0.9%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	29
2001	1.29%	35
2002	1.16%	49
2003	1.19%	38
2004	1.20%	42
2005	1.22%	34
Bounce 2003-04	0.00%	43
Actual Change 2003-04 (Number)	24	41
Bounce 2004-05	0.02%	18
Actual Change 2004-05 (Number)	91	19

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.71%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	2.53%	1.82%
Unemployed Long Term	1.33%	1.28%
Unemployed Short Term	1.03%	0.85%
Youth Allowance - Non Student	0.50%	0.37%
Youth Allowance - Student	1.10%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	20.4%	14
2002	19.8%	12
2003	19.9%	15
2004	21.4%	15
2005	21.5%	12
2006	21.1%	9

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.4	4.6	4.1	13.5
Rank	23	33	59	59

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

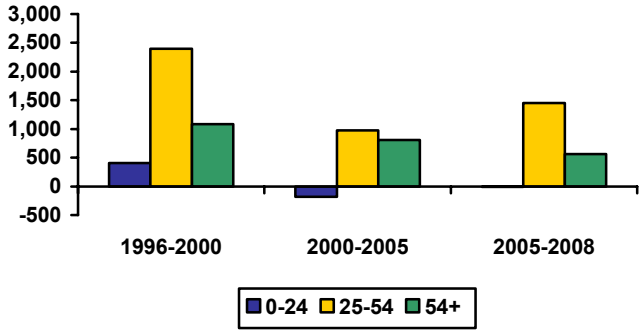
	Land Value $	Capital Value $
Residential	112,952	162,097
Commercial	163,652	349,767
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	33.8%	33.0%	32.4%	31.4%
25 - 54	39.8%	39.8%	38.6%	38.3%
55+	26.3%	27.2%	29.0%	30.2%
Net Inflow of Migrants (average between years)				
0 - 24		406	-181	-6
25 - 54		2,397	978	1,449
55+		1,080	807	560
Average Age	38.6	39.5	40.4	41.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	1
Share of population under 55	71.0	58
Aged migration	7.3	2
Population growth rate, 55+	2.5	38
Demographic stress	21.6	20
Dominant locations	100.0	3
Family / Youth migration	2.1	26
Fertility bounce, 1996-2005	-0.3	43
Fertility, babies % pop, 2005	1.2	34
Sustainability score	68.0	9
Working elderly	17.0	64

Local Government Level		Score	Rank
Most Sustainable	Wyong (A)	71.4	84
Least Sustainable	Gosford (C)	64.9	162

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	987	1,133	1,184	1,453	1,654	1,482	1,054	927	650	1,076	677
Rank	19	8	7	11	10	13	6	9	32	7	22

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	430	428	352	278	262	-30%
Non Residential	179	231	263	267	249	12%
Total	609	659	615	546	511	-15%
Value per capita $2003/04						
Residential	1,526	1,421	1,147	900	841	-32%
Non Residential	640	768	858	865	801	10%
Total	2,166	2,189	2,005	1,765	1,642	-18%
Rank (value per capita)						
Residential	11	20	40	52	52	
Non Residential	26	10	13	22	28	
Total	15	15	36	42	49	

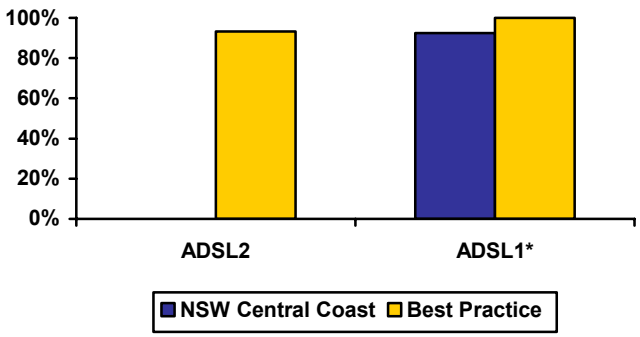
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	43.2%	56.8%	0.0%	46.5%	0.0%	53.5%
Population	92.4%	7.6%	0.0%	92.5%	0.0%	7.5%
Children	91.8%	8.2%	0.0%	91.9%	0.0%	8.1%

	2005	2006
Average Speed Available (kilobit bit per second)	1,390	1,392
% Rank #1	93%	8%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Gosford (C)	1,414	94.3%	Gosford (C)	1,415	7.9%
Lowest Ranked LGA	Wyong (A)	1,362	90.8%	Wyong (A)	1,366	7.6%

ADSL Population Coverage



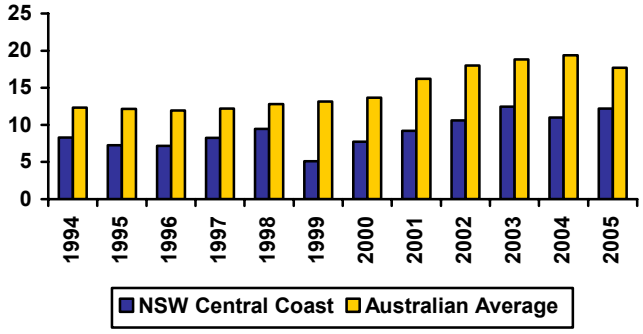
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	26.20	44.59	26
Average p.a. per capita	9.07	14.86	31
Hi Tech p.a. (1994-2005)	5.33	11.73	26
Hi Tech p.a. per capita	1.84	3.89	25
Info. Tech p.a. (1994-2005)	1.93	4.39	25
Info. Tech p.a. per capita	0.65	1.44	21
Average per capita (1994-2000)	7.62	12.61	34
Average per capita (2000-2005)	11.10	18.01	29
2000-05 avg./1994-00 avg.	1.46	1.43	23

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	7
High Tech Startups	213
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0007
Rank	27

NSW Central West

The Central West of NSW consists mainly of hilly country, beginning just past the Blue Mountains and ending with the last of the slopes. Its principal towns include Lithgow, Bathurst, Orange, Cowra, Parkes and Forbes. The agricultural base varies from orchards in the high country round Orange to extensive wheat/sheep farming. Lithgow was first developed as a manufacturing town because of its coal mines, and coal is still mined for power generation and export. The Bathurst/Orange growth centre also has some manufacturing, particularly that gained as a result of Commonwealth growth-centre policies in the 1970s. The region is outside commuter range from Sydney, but there have been weekender and tourist developments in the hills.

Major centres:

Lithgow, Bathurst, Orange

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	178	178	179	179	180	182	0.4%	0.2%	0.3%	0.5%	1.1%	0.3%	0.8%
No Households	65	65	66	66	67	67	0.6%	0.7%	0.8%	1.0%	0.9%	0.7%	0.9%
NIEIR Workforce	79	80	81	82	83	84	2.1%	0.8%	0.7%	1.8%	1.5%	1.2%	1.6%
NIEIR Employment	71	72	73	73	75	76	1.3%	1.1%	0.5%	1.8%	2.2%	0.9%	2.0%
NIEIR Unemployment	7.3	8.0	7.8	8.1	8.2	7.8	9.6%	-1.9%	3.0%	1.6%	-5.2%	3.5%	-1.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.2%	9.9%	9.7%	9.9%	9.9%	9.2%	0.7	-0.3	0.2	0.0	-0.6	0.2	-0.3
Headline U/E	4.5%	5.5%	5.2%	5.1%	5.1%	4.5%	1.0	-0.4	0.0	-0.1	-0.6	0.2	-0.3
NIEIR Structural U/E	16.5%	16.1%	16.8%	16.4%	15.9%	15.4%	-0.3	0.6	-0.4	-0.5	-0.5	0.0	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,521	2,644	2,636	2,683	2,768	2,927	14,193	14,821	14,742	14,964	15,361	16,074	2.1%	4.4%
Taxes Paid	664	730	717	742	785	806	3,740	4,091	4,012	4,137	4,356	4,425	3.7%	4.2%
Benefits	751	732	746	836	847	841	4,225	4,104	4,170	4,663	4,702	4,617	3.7%	0.3%
Business Income	703	860	643	679	649	673	3,958	4,820	3,598	3,784	3,600	3,694	-1.2%	-0.4%
Interest Paid	360	321	379	457	513	576	2,028	1,800	2,118	2,551	2,850	3,161	8.3%	12.2%
Net Property income	515	472	482	520	570	635	2,897	2,645	2,693	2,902	3,163	3,485	0.4%	10.4%
Business Value Added	3,225	3,504	3,280	3,362	3,417	3,600	18,150	19,640	18,340	18,748	18,960	19,768	1.4%	3.5%
Rank							38	31	40	42	42	39		
% Rank #1							55%	57%	53%	53%	52%	51%		
Net Disposable Income	3,875	4,012	3,766	3,877	3,964	4,080	21,811	22,488	21,056	21,617	21,997	22,403	0.0%	2.6%
Rank							40	32	44	48	46	47		
% Rank #1							56%	59%	55%	54%	53%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	49.2	2,983.6	1.6%
Commercial	8.0	340.0	2.3%
Rural	12.6	308.7	4.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			69.8
Rates to Business Value %	2.3%	2.1%	2.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.26	7.46
Average rate in cents value	0.62	0.13

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	68.7%	63.6%
Commercial	10.8%	9.4%
Rural	20.5%	27.0%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	19
2001	1.41%	18
2002	1.22%	35
2003	1.24%	30
2004	1.26%	28
2005	1.21%	36
Bounce 2003-04	0.02%	33
Actual Change 2003-04 (Number)	42	32
Bounce 2004-05	-0.04%	57
Actual Change 2004-05 (Number)	-68	57

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.17%	0.14%
Disability Support (aged 25+)	4.19%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	1.83%	1.82%
Unemployed Long Term	1.51%	1.28%
Unemployed Short Term	0.88%	0.85%
Youth Allowance - Non Student	0.51%	0.37%
Youth Allowance - Student	1.39%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.4%	21
2002	18.2%	21
2003	19.8%	17
2004	21.6%	13
2005	21.4%	13
2006	20.6%	14

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.7	3.8	27.0	149.9
Rank	43	47	26	20

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

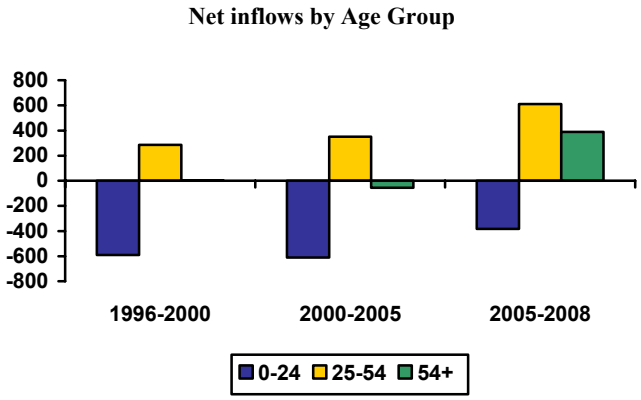
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	48,850	169,281
Commercial	69,825	249,302
Rural	91,518	145,469

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.5%	35.7%	34.5%	33.1%
25 - 54	40.6%	40.3%	39.3%	38.6%
55+	22.0%	24.0%	26.2%	28.3%
Net Inflow of Migrants (average between years)				
0 - 24		-590	-610	-384
25 - 54		286	349	612
55+		2	-55	390
Average Age	35.8	37.3	38.8	39.9

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	77.5	43
Share of population under 55	73.8	40
Aged migration	3.9	41
Population growth rate, 55+	2.5	38
Demographic stress	4.0	45
Dominant locations	65.8	44
Family / Youth migration	-0.7	51
Fertility bounce, 1996-2005	-0.3	57
Fertility, babies % pop, 2005	1.2	36
Sustainability score	53.3	48
Working elderly	29.2	23

Local Government Level		Score	Rank
Most Sustainable	Bathurst (C)	67.5	126
Least Sustainable	Bland (A)	34.5	478

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	610	675	620	739	1,194	1,065	581	346	505	563	538
Rank	49	42	39	40	30	43	46	54	44	46	44

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	134	153	183	159	159	9%
Non Residential	106	92	87	113	131	20%
Total	239	245	271	272	289	13%
Value per capita $2003/04						
Residential	766	854	1,017	877	870	8%
Non Residential	606	515	485	624	716	18%
Total	1,372	1,369	1,503	1,501	1,587	12%
Rank (value per capita)						
Residential	46	48	50	54	50	
Non Residential	32	36	51	42	34	
Total	45	46	53	54	52	

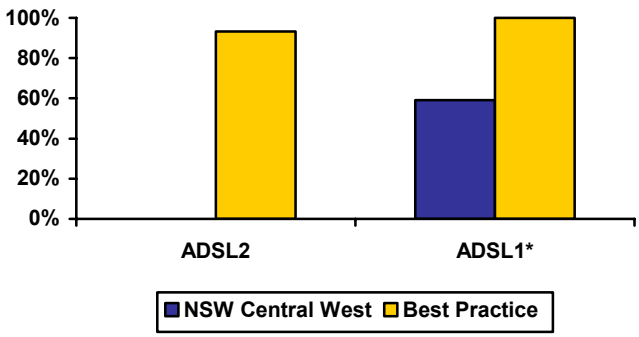
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.7%	98.3%	0.0%	2.5%	0.0%	97.5%
Population	56.8%	43.2%	0.0%	59.1%	0.0%	40.9%
Children	55.8%	44.2%	0.0%	58.2%	0.0%	41.8%

	2005	2006
Average Speed Available (kilobit bit per second)	876	909
% Rank #1	58%	5%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Orange (C)	1,367	91.1%	Orange (C)	1,400	7.8%
Lowest Ranked LGA	Forbes (A)	58	3.9%	Parkes (A)	65	0.4%

ADSL Population Coverage



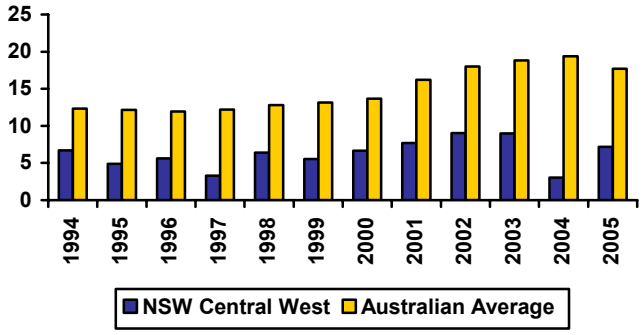
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	11.01	44.59	43
Average p.a. per capita	6.25	14.86	50
Hi Tech p.a. (1994-2005)	1.48	11.73	47
Hi Tech p.a. per capita	0.84	3.89	50
Info. Tech p.a. (1994-2005)	0.41	4.39	43
Info. Tech p.a. per capita	0.23	1.44	46
Average per capita (1994-2000)	5.59	12.61	48
Average per capita (2000-2005)	7.19	18.01	50
2000-05 avg./1994-00 avg.	1.29	1.43	38

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	7
High Tech Startups	206
New Startup Employment as % of workforce	1.8%
High Tech Startups per capita	0.0011
Rank	11

NSW Far and North West

- The Far and North West puts together two NSW planning regions, including the sparsely-populated Far West. The result is a large and diverse region, with the following sub-regions.
- In the east of the region the country is hilly and in many ways resembles the Central West. The centre for this part of the region is Mudgee, which is well known for its wineries.
- Dubbo lies just beyond the hills, and is the centre for the plains beyond. The plains north and west of Dubbo produce cotton and a variety of cereal crops integrated with livestock production.
- Beyond Nyngan the country becomes pastoral, with small areas under intensive irrigation from the Darling. This is classic sheep country, though low wool prices have forced some diversification. There are two historic mining centres, Cobar and Broken Hill.

Major centres:

Dubbo, Broken Hill

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	144	144	143	143	142	143	-0.3%	-0.5%	-0.4%	-0.2%	0.2%	-0.4%	0.0%
No Households	54	55	55	55	55	56	0.3%	0.5%	0.5%	0.6%	0.6%	0.4%	0.6%
NIEIR Workforce	60	61	59	60	61	61	1.7%	-2.5%	0.9%	1.0%	0.8%	0.0%	0.9%
NIEIR Employment	53	54	52	53	53	54	1.1%	-2.7%	0.6%	1.0%	1.5%	-0.3%	1.3%
NIEIR Unemployment	6.7	7.1	7.1	7.3	7.4	7.0	6.5%	-0.8%	2.9%	0.9%	-4.6%	2.8%	-1.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	11.2%	11.7%	11.9%	12.2%	12.2%	11.5%	0.5	0.2	0.2	0.0	-0.7	0.3	-0.3
Headline U/E	6.1%	6.8%	6.7%	6.8%	6.6%	5.8%	0.7	0.0	0.0	-0.2	-0.8	0.2	-0.5
NIEIR Structural U/E	22.0%	21.6%	23.1%	22.5%	21.8%	20.9%	-0.4	1.5	-0.6	-0.7	-0.9	0.2	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,790	1,856	1,792	1,810	1,861	1,963	12,398	12,887	12,508	12,687	13,071	13,765	0.4%	4.2%
Taxes Paid	510	554	497	511	536	543	3,530	3,848	3,470	3,579	3,768	3,809	0.0%	3.2%
Benefits	697	672	692	791	755	704	4,826	4,665	4,828	5,547	5,304	4,939	4.3%	-5.7%
Business Income	711	891	558	581	559	548	4,921	6,184	3,898	4,071	3,924	3,841	-6.5%	-2.9%
Interest Paid	276	247	292	351	391	436	1,912	1,712	2,037	2,460	2,748	3,056	8.3%	11.4%
Net Property income	383	338	338	361	392	434	2,653	2,348	2,359	2,532	2,756	3,041	-1.9%	9.6%
Business Value Added	2,501	2,747	2,350	2,391	2,420	2,511	17,318	19,072	16,406	16,759	16,995	17,606	-1.5%	2.5%
Rank							46	38	54	55	58	57		
% Rank #1							53%	56%	47%	47%	47%	46%		
Net Disposable Income	3,111	3,232	2,842	2,930	2,936	2,931	21,540	22,438	19,837	20,538	20,619	20,550	-2.0%	0.0%
Rank							42	34	54	57	58	59		
% Rank #1							55%	59%	52%	51%	50%	46%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	39.1	1,894.5	2.1%
Commercial	6.4	240.0	2.7%
Rural	11.4	318.7	3.6%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			56.9
Rates to Business Value %	2.6%	2.3%	2.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.52	9.67
Average rate in cents value	0.85	0.22

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	70.9%	71.8%
Commercial	11.1%	11.4%
Rural	18.0%	16.8%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	9
2001	1.58%	7
2002	1.33%	22
2003	1.28%	23
2004	1.30%	21
2005	1.28%	27
Bounce 2003-04	0.02%	31
Actual Change 2003-04 (Number)	22	44
Bounce 2004-05	-0.02%	45
Actual Change 2004-05 (Number)	-31	46

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	5.05%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.08%	0.04%
Parenting Payment - Single (aged 20-24)	0.44%	0.22%
Parenting Payment - Single (aged 25+)	2.41%	1.82%
Unemployed Long Term	2.04%	1.28%
Unemployed Short Term	0.93%	0.85%
Youth Allowance - Non Student	0.72%	0.37%
Youth Allowance - Student	1.03%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	22.4%	9
2002	20.8%	9
2003	24.3%	4
2004	27.0%	4
2005	25.7%	4
2006	24.0%	4

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.7	5.3	22.2	157.3
Rank	41	27	35	18

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

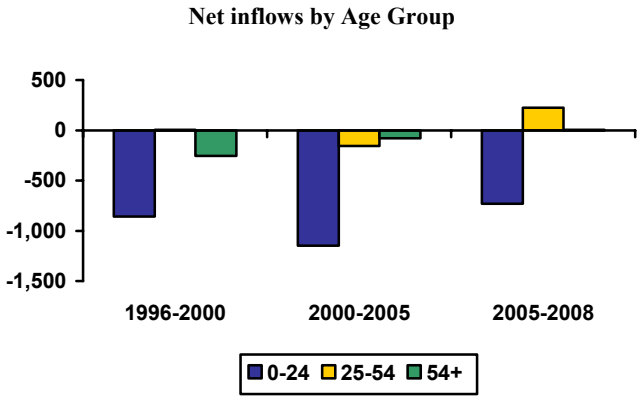
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	45,528	206,172
Commercial	62,400	283,036
Rural	84,710	150,730

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.5%	35.5%	33.8%	32.2%
25 - 54	41.6%	41.0%	39.8%	39.3%
55+	22.0%	23.5%	26.4%	28.5%
Net Inflow of Migrants (average between years)				
0 - 24		-856	-1,147	-731
25 - 54		6	-156	225
55+		-253	-79	5
Average Age	35.2	37.0	38.7	40.0

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	49.2	58
Share of population under 55	73.6	41
Aged migration	3.8	47
Population growth rate, 55+	2.0	52
Demographic stress	-10.9	59
Dominant locations	65.1	45
Family / Youth migration	-2.4	62
Fertility bounce, 1996-2005	-0.4	63
Fertility, babies % pop, 2005	1.3	28
Sustainability score	42.8	61
Working elderly	28.8	24

Local Government Level		Score	Rank
Most Sustainable	Dubbo (C)	63.4	186
Least Sustainable	Broken Hill (C)	24.4	578

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	448	526	472	669	1,110	838	370	270	413	402	369
Rank	56	51	52	45	34	51	59	57	55	58	60

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	79	78	96	87	84	14%
Non Residential	67	58	89	98	86	57%
Total	145	136	185	185	171	33%
Value per capita $2003/04						
Residential	549	545	678	611	594	15%
Non Residential	464	403	624	690	608	59%
Total	1,013	948	1,301	1,300	1,202	34%
Rank (value per capita)						
Residential	59	60	59	61	61	
Non Residential	54	57	36	32	48	
Total	59	60	57	60	60	

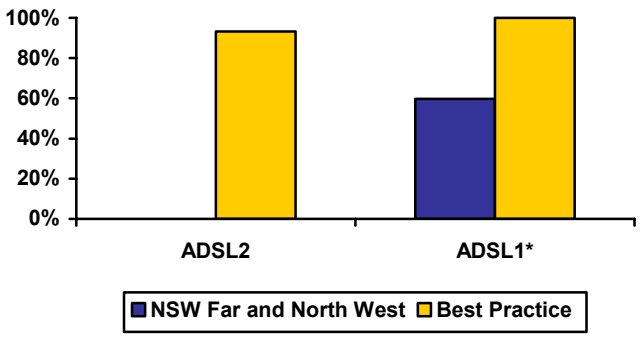
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.4%	99.6%	0.0%	0.5%	0.0%	99.5%
Population	59.2%	40.8%	0.0%	59.7%	0.0%	40.3%
Children	59.2%	40.8%	0.0%	59.8%	0.0%	40.2%

	2005	2006
Average Speed Available (kilobit bit per second)	910	918
% Rank #1	61%	5%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Cobar (A)	1,208	80.6%	Cobar (A)	1,208	6.7%
Lowest Ranked LGA	Brewarrina (A)	56	3.7%	Brewarrina (A)	56	0.3%

ADSL Population Coverage



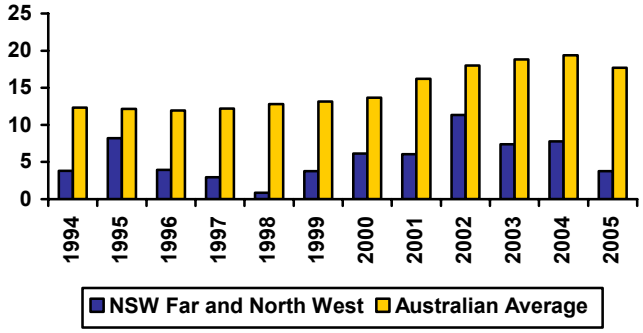
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	7.90	44.59	52
Average p.a. per capita	5.50	14.86	55
Hi Tech p.a. (1994-2005)	1.10	11.73	51
Hi Tech p.a. per capita	0.76	3.89	53
Info. Tech p.a. (1994-2005)	0.37	4.39	45
Info. Tech p.a. per capita	0.26	1.44	40
Average per capita (1994-2000)	4.24	12.61	58
Average per capita (2000-2005)	7.27	18.01	49
2000-05 avg./1994-00 avg.	1.71	1.43	4

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	6
High Tech Startups	107
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0008
Rank	19

NSW Hunter

The Hunter region centres on the City of Newcastle, which, despite its picturesque location, was always overshadowed by Sydney as a financial and administrative centre. The Port of Newcastle handles a wide variety of bulk freight, particularly coal mined within the region but also rural exports from the northern half of NSW. The region was also known for heavy industry, but this has shared in the general decline of Australian manufacturing. Parts of the region like Port Stephens and Scone are perhaps best thought of as extensions of the North Coast; hobby farm and retirement areas related directly to Sydney. The Hunter Valley vineyards have also been expanding.

Major centres:

Newcastle, Maitland, Singleton

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	589	594	600	604	611	619	0.9%	0.9%	0.8%	1.0%	1.4%	0.9%	1.2%
No Households	221	222	225	227	230	232	0.6%	1.1%	1.2%	1.2%	0.8%	1.0%	1.0%
NIEIR Workforce	269	278	284	287	291	295	3.1%	2.4%	1.0%	1.2%	1.5%	2.2%	1.3%
NIEIR Employment	236	243	251	255	260	265	2.8%	3.2%	1.8%	1.8%	2.0%	2.6%	1.9%
NIEIR Unemployment	32.9	34.5	33.4	31.9	30.7	29.7	5.0%	-3.3%	-4.3%	-3.9%	-3.0%	-1.0%	-3.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.2%	12.4%	11.7%	11.1%	10.6%	10.1%	0.2	-0.7	-0.6	-0.6	-0.5	-0.4	-0.5
Headline U/E	8.8%	8.7%	7.8%	7.0%	6.5%	6.2%	0.0	-1.0	-0.8	-0.5	-0.3	-0.6	-0.4
NIEIR Structural U/E	19.2%	18.6%	18.5%	17.8%	17.3%	16.6%	-0.6	-0.1	-0.7	-0.5	-0.6	-0.5	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	9,217	9,767	9,884	10,141	10,448	11,006	15,649	16,430	16,486	16,779	17,113	17,777	3.2%	4.2%
Taxes Paid	2,301	2,445	2,596	2,711	2,904	2,966	3,907	4,112	4,329	4,486	4,757	4,790	5.6%	4.6%
Benefits	2,762	2,699	2,705	2,939	3,023	3,029	4,689	4,539	4,512	4,862	4,952	4,893	2.1%	1.5%
Business Income	1,106	1,190	1,296	1,350	1,394	1,381	1,878	2,002	2,161	2,234	2,284	2,231	6.9%	1.2%
Interest Paid	1,051	939	1,110	1,347	1,543	1,756	1,784	1,579	1,852	2,229	2,527	2,836	8.6%	14.2%
Net Property income	1,944	1,778	1,816	2,014	2,211	2,464	3,301	2,991	3,028	3,332	3,621	3,981	1.2%	10.6%
Business Value Added	10,323	10,957	11,180	11,492	11,843	12,387	17,527	18,432	18,647	19,013	19,396	20,008	3.6%	3.8%
Rank							43	43	36	39	40	38		
% Rank #1							53%	54%	54%	54%	53%	52%		
Net Disposable Income	13,063	13,221	13,271	13,701	14,221	14,593	22,178	22,240	22,133	22,669	23,293	23,571	1.6%	3.2%
Rank							34	36	32	33	32	34		
% Rank #1							57%	59%	58%	57%	56%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	141.8	11,220.9	1.3%
Commercial	19.9	1,233.9	1.6%
Rural	12.0	160.5	7.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			173.7
Rates to Business Value %	1.8%	1.9%	1.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.05	5.04
Average rate in cents value	0.63	0.25

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	83.4%	80.2%
Commercial	11.6%	13.4%
Rural	5.0%	6.4%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	43
2001	1.28%	36
2002	1.15%	52
2003	1.18%	42
2004	1.16%	53
2005	1.19%	41
Bounce 2003-04	-0.02%	52
Actual Change 2003-04 (Number)	-76	60
Bounce 2004-05	0.04%	13
Actual Change 2004-05 (Number)	293	5

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.12%	0.08%
Disability Support (aged 20-24)	0.20%	0.14%
Disability Support (aged 25+)	4.56%	3.20%
Mature Age Allowance	0.09%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.27%	0.22%
Parenting Payment - Single (aged 25+)	2.14%	1.82%
Unemployed Long Term	1.67%	1.28%
Unemployed Short Term	0.91%	0.85%
Youth Allowance - Non Student	0.59%	0.37%
Youth Allowance - Student	1.26%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	21.1%	12
2002	20.4%	11
2003	20.4%	11
2004	21.4%	14
2005	21.3%	16
2006	20.8%	12

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.9	6.4	172.8	283.0
Rank	9	19	1	4

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

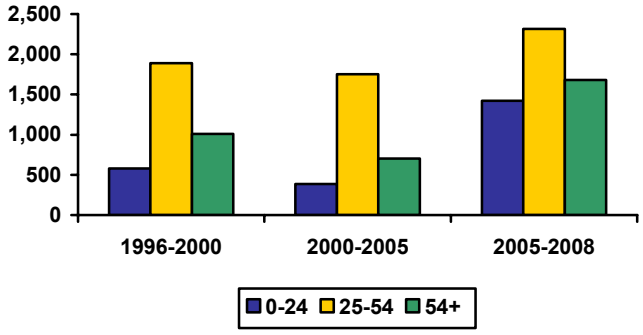
	Land Value $	Capital Value $
Residential	72,092	214,214
Commercial	101,167	332,621
Rural	96,987	158,738

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.2%	33.7%	32.7%	31.6%
25 - 54	41.6%	41.1%	40.1%	39.5%
55+	23.2%	25.2%	27.2%	29.0%
Net Inflow of Migrants (average between years)				
0 - 24		579	387	1,424
25 - 54		1,888	1,752	2,317
55+		1,011	702	1,683
Average Age	37.1	38.3	39.6	40.6

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	95.8	9
Share of population under 55	72.8	49
Aged migration	4.8	20
Population growth rate, 55+	2.8	33
Demographic stress	13.7	33
Dominant locations	87.0	25
Family / Youth migration	1.6	31
Fertility bounce, 1996-2005	-0.2	32
Fertility, babies % pop, 2005	1.2	41
Sustainability score	61.4	30
Working elderly	18.9	59

Local Government Level		Score	Rank
Most Sustainable	Port Stephens (A)	70.6	93
Least Sustainable	Murrurundi (A)	29.9	525

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	840	938	871	1,150	1,625	1,370	819	655	709	1,007	545
Rank	30	17	19	17	12	19	18	24	22	9	42

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	683	742	831	703	707	1%
Non Residential	403	416	473	563	662	36%
Total	1,086	1,158	1,304	1,267	1,369	13%
Value per capita $2003/04						
Residential	1,199	1,241	1,361	1,140	1,133	-2%
Non Residential	708	696	774	913	1,061	32%
Total	1,908	1,937	2,136	2,053	2,194	10%
Rank (value per capita)						
Residential	28	27	32	44	39	
Non Residential	21	13	22	19	12	
Total	23	24	28	31	25	

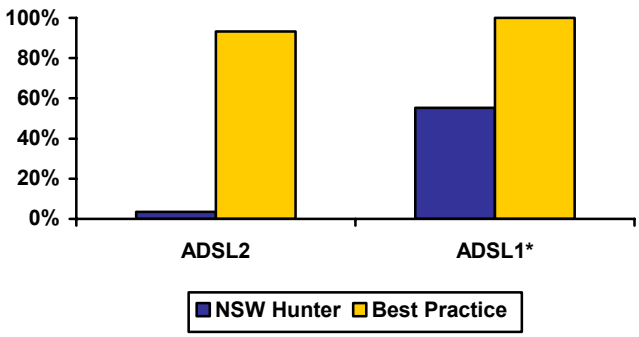
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	8.0%	92.0%	0.0%	9.9%	0.0%	90.1%
Population	54.2%	45.8%	3.5%	51.6%	0.1%	44.7%
Children	53.1%	46.9%	2.7%	51.3%	0.1%	45.9%

	2005	2006
Average Speed Available (kilobit bit per second)	839	1,429
% Rank #1	56%	8%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Newcastle (C)	1,437	95.8%	Newcastle (C)	3,806	21.1%
Lowest Ranked LGA	Lake Macquarie (C)	56	3.7%	Lake Macquarie (C)	56	0.3%

ADSL Population Coverage



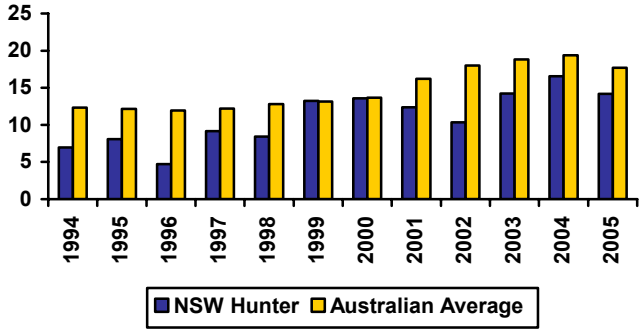
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	64.12	44.59	15
Average p.a. per capita	10.99	14.86	20
Hi Tech p.a. (1994-2005)	10.24	11.73	18
Hi Tech p.a. per capita	1.74	3.89	28
Info. Tech p.a. (1994-2005)	3.01	4.39	19
Info. Tech p.a. per capita	0.51	1.44	28
Average per capita (1994-2000)	9.17	12.61	23
Average per capita (2000-2005)	13.54	18.01	18
2000-05 avg./1994-00 avg.	1.48	1.43	22

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	9
High Tech Startups	388
New Startup Employment as % of workforce	1.2%
High Tech Startups per capita	0.0006
Rank	32

NSW Illawarra

During the last century, the Illawarra developed as a coal-based manufacturing area. Coal is still mined, though the deposits are now a long way back from the mine adits in the Illawarra range, and there is still heavy manufacturing industry, but it no longer employs as many people. There is an important bulk port, but its trade is hampered by the lack of a natural corridor inland. The region is relatively close to Sydney, and commuter traffic has developed. The part of the region over the top of the Illawarra escarpment comprises water reserves and hobby farms. South of Kiama there are dairy farms, hobby farms and retirement villages. Nowra has factories which process rural products.

Major centres:

Wollongong, Nowra

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	400	405	408	411	414	418	1.2%	0.8%	0.7%	0.9%	0.9%	0.9%	0.9%
No Households	146	148	150	152	153	154	1.0%	1.5%	1.2%	1.0%	0.6%	1.2%	0.8%
NIEIR Workforce	184	186	190	190	193	199	1.3%	2.1%	0.0%	1.3%	3.1%	1.1%	2.2%
NIEIR Employment	161	163	167	169	173	179	1.3%	2.8%	1.3%	2.1%	3.3%	1.8%	2.7%
NIEIR Unemployment	23.4	23.8	23.1	20.8	19.7	20.0	1.7%	-2.9%	-10.0%	-5.3%	1.2%	-3.9%	-2.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.7%	12.8%	12.1%	10.9%	10.2%	10.1%	0.0	-0.6	-1.2	-0.7	-0.2	-0.6	-0.4
Headline U/E	6.9%	9.1%	9.6%	8.4%	7.7%	7.8%	2.1	0.5	-1.2	-0.7	0.1	0.5	-0.3
NIEIR Structural U/E	16.7%	16.5%	16.4%	15.9%	15.6%	14.9%	-0.2	-0.1	-0.5	-0.4	-0.7	-0.3	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	6,316	6,612	6,702	6,892	7,152	7,675	15,789	16,340	16,435	16,788	17,268	18,372	3.0%	5.5%
Taxes Paid	1,561	1,651	1,771	1,863	2,002	2,097	3,903	4,080	4,343	4,538	4,834	5,020	6.1%	6.1%
Benefits	1,769	1,728	1,748	1,932	1,993	2,008	4,423	4,271	4,287	4,707	4,813	4,806	3.0%	1.9%
Business Income	713	810	894	909	928	980	1,782	2,002	2,192	2,215	2,240	2,346	8.4%	3.8%
Interest Paid	697	623	736	903	1,046	1,195	1,743	1,539	1,806	2,198	2,525	2,861	9.0%	15.1%
Net Property income	1,336	1,225	1,283	1,454	1,608	1,814	3,341	3,028	3,146	3,541	3,882	4,342	2.8%	11.7%
Business Value Added	7,028	7,421	7,595	7,801	8,079	8,655	17,571	18,342	18,627	19,003	19,507	20,718	3.5%	5.3%
Rank							42	44	37	40	37	33		
% Rank #1							53%	53%	54%	54%	53%	54%		
Net Disposable Income	8,831	8,906	9,005	9,340	9,750	10,218	22,079	22,011	22,085	22,753	23,542	24,461	1.9%	4.6%
Rank							35	41	33	30	30	23		
% Rank #1							57%	58%	57%	57%	57%	55%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	145.5	7,726.2	1.9%
Commercial	13.2	892.1	1.5%
Rural	5.6	35.6	15.8%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			164.3
Rates to Business Value %	2.2%	2.0%	2.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.89	5.37
Average rate in cents value	0.65	0.34

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	88.4%	87.0%
Commercial	8.0%	9.9%
Rural	3.6%	3.1%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	45
2001	1.27%	41
2002	1.17%	47
2003	1.17%	44
2004	1.17%	49
2005	1.18%	45
Bounce 2003-04	0.00%	40
Actual Change 2003-04 (Number)	52	29
Bounce 2004-05	0.01%	27
Actual Change 2004-05 (Number)	69	21

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.17%	0.14%
Disability Support (aged 25+)	3.79%	3.20%
Mature Age Allowance	0.09%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.25%	0.22%
Parenting Payment - Single (aged 25+)	2.10%	1.82%
Unemployed Long Term	1.61%	1.28%
Unemployed Short Term	0.93%	0.85%
Youth Allowance - Non Student	0.49%	0.37%
Youth Allowance - Student	1.20%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	20.0%	17
2002	19.4%	15
2003	19.4%	19
2004	20.7%	19
2005	20.4%	18
2006	19.6%	17

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.0	4.8	9.1	22.0
Rank	19	31	53	57

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

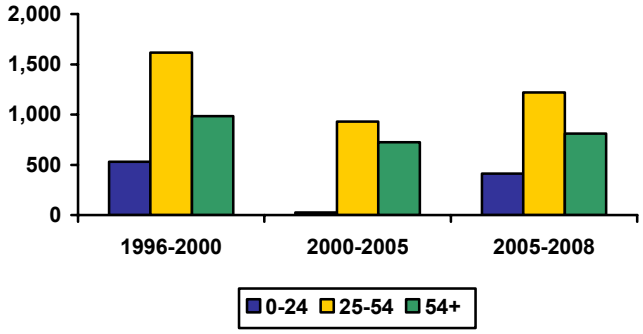
	Land Value $	Capital Value $
Residential	91,711	190,451
Commercial	126,616	330,447
Rural	80,961	96,235

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.6%	33.8%	32.8%	31.7%
25 - 54	41.0%	40.7%	39.5%	39.0%
55+	23.4%	25.5%	27.7%	29.3%
Net Inflow of Migrants (average between years)				
0 - 24		530	27	411
25 - 54		1,617	931	1,221
55+		985	727	810
Average Age	36.9	38.3	39.7	40.6

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	1
Share of population under 55	72.3	53
Aged migration	5.0	18
Population growth rate, 55+	3.1	26
Demographic stress	12.1	35
Dominant locations	74.3	35
Family / Youth migration	2.2	24
Fertility bounce, 1996-2005	-0.2	31
Fertility, babies % pop, 2005	1.2	44
Sustainability score	61.7	29
Working elderly	18.3	61

Local Government Level		Score	Rank
Most Sustainable	Shellharbour (C)	65.3	151
Least Sustainable	Wollongong (C)	58.6	246

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,048	1,133	880	1,441	1,555	1,379	1,144	916	731	981	836
Rank	13	7	17	12	15	18	4	10	19	11	12

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	507	576	515	421	431	-21%
Non Residential	222	199	193	222	238	9%
Total	730	775	708	644	670	-13%
Value per capita $2003/04						
Residential	1,323	1,417	1,244	1,009	1,024	-23%
Non Residential	580	491	465	532	566	6%
Total	1,902	1,908	1,709	1,541	1,589	-15%
Rank (value per capita)						
Residential	16	21	35	48	45	
Non Residential	36	41	54	53	53	
Total	24	25	42	53	51	

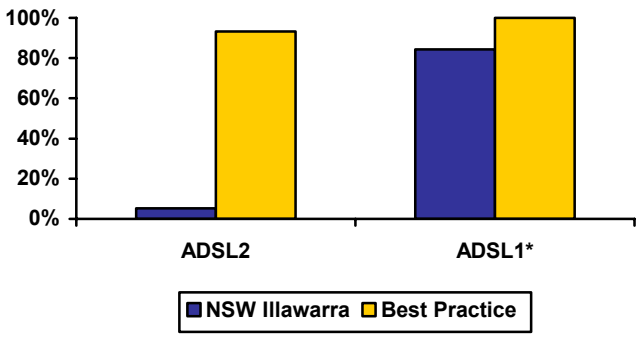
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	21.0%	79.0%	0.1%	21.7%	0.0%	78.1%
Population	84.1%	15.9%	5.3%	78.8%	0.2%	15.6%
Children	82.5%	17.5%	3.1%	79.5%	0.3%	17.2%

	2005	2006
Average Speed Available (kilobit bit per second)	1,270	2,154
% Rank #1	85%	13%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Wollongong (C)	1,453	96.9%	Wollongong (C)	3,310	18.4%
Lowest Ranked LGA	Shellharbour (C)	991	66.0%	Shellharbour (C)	991	5.5%

ADSL Population Coverage



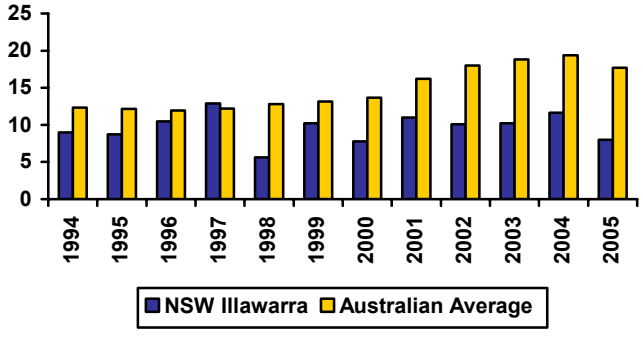
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	37.61	44.59	22
Average p.a. per capita	9.63	14.86	27
Hi Tech p.a. (1994-2005)	7.23	11.73	21
Hi Tech p.a. per capita	1.84	3.89	26
Info. Tech p.a. (1994-2005)	1.85	4.39	26
Info. Tech p.a. per capita	0.46	1.44	31
Average per capita (1994-2000)	9.24	12.61	22
Average per capita (2000-2005)	10.18	18.01	32
2000-05 avg./1994-00 avg.	1.10	1.43	57

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	7
High Tech Startups	199
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0005
Rank	41

NSW Mid North Coast

The Mid North Coast comprises:

- a coastal belt of retirement and tourist developments including Port Macquarie and Coffs Harbour, and
- a series of well-watered valleys most of which have an important but flood-prone town located somewhat up-river from the coast (Taree, Kempsey, Grafton). Each of these towns is the supply centre for its valley, which includes areas of intensive river-flat agriculture.

With the retirement exodus from Sydney, the coastal belt is gradually coming to dominate the region.

Major centres:

Coffs Harbour, Port Macquarie, Grafton

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	280	284	287	291	295	300	1.3%	1.2%	1.2%	1.4%	1.7%	1.3%	1.6%
No Households	110	111	112	114	116	117	0.9%	1.4%	1.6%	1.5%	1.3%	1.3%	1.4%
NIEIR Workforce	108	112	116	119	121	123	3.6%	3.1%	2.7%	1.7%	1.7%	3.1%	1.7%
NIEIR Employment	92	96	100	103	104	105	4.0%	4.2%	3.4%	1.1%	1.2%	3.9%	1.1%
NIEIR Unemployment	16.4	16.6	16.1	15.8	16.7	17.5	1.3%	-3.2%	-1.7%	5.5%	5.1%	-1.2%	5.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	15.1%	14.8%	13.9%	13.3%	13.8%	14.3%	-0.3	-0.9	-0.6	0.5	0.5	-0.6	0.5
Headline U/E	10.8%	9.8%	8.5%	8.0%	8.5%	9.0%	-0.9	-1.3	-0.5	0.5	0.5	-0.9	0.5
NIEIR Structural U/E	27.7%	26.8%	26.9%	25.6%	24.7%	24.0%	-1.0	0.2	-1.3	-0.9	-0.7	-0.7	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,768	2,985	3,075	3,210	3,295	3,457	9,879	10,515	10,698	11,035	11,170	11,521	5.1%	3.8%
Taxes Paid	643	709	783	832	887	906	2,296	2,498	2,723	2,862	3,005	3,018	9.0%	4.3%
Benefits	1,489	1,454	1,482	1,659	1,716	1,719	5,315	5,123	5,155	5,702	5,816	5,729	3.7%	1.8%
Business Income	567	638	690	738	743	757	2,022	2,249	2,401	2,537	2,519	2,521	9.2%	1.3%
Interest Paid	422	372	436	521	602	690	1,505	1,311	1,515	1,792	2,041	2,300	7.3%	15.1%
Net Property income	652	631	679	744	825	928	2,326	2,224	2,363	2,559	2,795	3,092	4.5%	11.6%
Business Value Added	3,335	3,623	3,765	3,948	4,038	4,214	11,901	12,764	13,099	13,572	13,689	14,043	5.8%	3.3%
Rank							64	64	64	64	64	63		
% Rank #1							36%	37%	38%	38%	38%	37%		
Net Disposable Income	4,873	5,039	5,170	5,481	5,669	5,786	17,388	17,749	17,985	18,842	19,218	19,280	4.0%	2.7%
Rank							62	63	63	62	62	62		
% Rank #1							45%	47%	47%	47%	46%	43%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	85.9	3,610.4	2.4%
Commercial	10.2	656.9	1.6%
Rural	9.8	86.1	11.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			106.0
Rates to Business Value %	2.1%	2.6%	2.6%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.08	8.33
Average rate in cents value	0.78	0.27

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	82.1%	77.9%
Commercial	10.0%	10.6%
Rural	7.9%	11.5%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	54
2001	1.15%	58
2002	0.99%	64
2003	0.99%	64
2004	0.96%	64
2005	1.02%	63
Bounce 2003-04	-0.04%	57
Actual Change 2003-04 (Number)	-68	59
Bounce 2004-05	0.07%	6
Actual Change 2004-05 (Number)	235	7

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.12%	0.08%
Disability Support (aged 20-24)	0.20%	0.14%
Disability Support (aged 25+)	5.16%	3.20%
Mature Age Allowance	0.14%	0.06%
Parenting Payment - Single (aged 15-19)	0.07%	0.04%
Parenting Payment - Single (aged 20-24)	0.33%	0.22%
Parenting Payment - Single (aged 25+)	2.75%	1.82%
Unemployed Long Term	2.58%	1.28%
Unemployed Short Term	1.24%	0.85%
Youth Allowance - Non Student	0.71%	0.37%
Youth Allowance - Student	1.58%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	30.6%	1
2002	28.9%	1
2003	28.7%	1
2004	30.3%	1
2005	30.3%	1
2006	29.7%	1

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.1	3.9	28.9	98.1
Rank	30	46	23	37

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

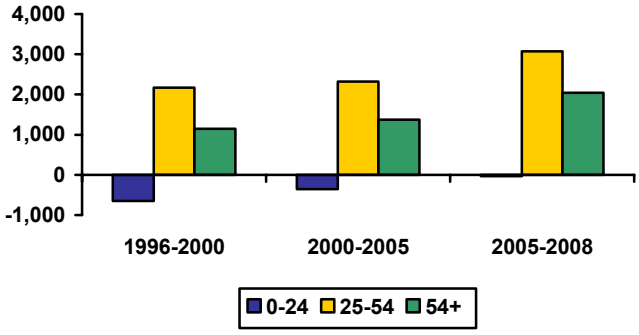
	Land Value $	Capital Value $
Residential	81,469	226,714
Commercial	105,787	333,913
Rural	101,247	199,055

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	33.7%	32.1%	30.8%	29.2%
25 - 54	38.9%	38.3%	37.0%	36.3%
55+	27.4%	29.6%	32.2%	34.5%
Net Inflow of Migrants (average between years)				
0 - 24		-650	-351	-34
25 - 54		2,172	2,324	3,076
55+		1,148	1,371	2,044
Average Age	38.9	40.4	42.0	43.3

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	94.0	11
Share of population under 55	67.8	64
Aged migration	7.1	3
Population growth rate, 55+	3.2	24
Demographic stress	18.3	26
Dominant locations	44.5	61
Family / Youth migration	-0.3	49
Fertility bounce, 1996-2005	-0.3	50
Fertility, babies % pop, 2005	1.0	63
Sustainability score	59.0	40
Working elderly	17.1	63

Local Government Level		Score	Rank
Most Sustainable	Maclean (A)	68.5	118
Least Sustainable	Grafton (C)	38.8	438

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,553	1,232	910	1,644	1,858	1,922	774	955	873	1,167	1,036
Rank	5	5	14	7	8	4	24	8	9	4	7

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	327	411	452	388	392	0%
Non Residential	149	171	162	173	187	2%
Total	476	581	614	561	580	1%
Value per capita $2003/04						
Residential	1,212	1,435	1,532	1,296	1,290	-4%
Non Residential	553	596	550	578	616	-2%
Total	1,765	2,031	2,082	1,874	1,906	-4%
Rank (value per capita)						
Residential	27	19	23	31	30	
Non Residential	40	26	44	48	46	
Total	29	17	30	37	35	

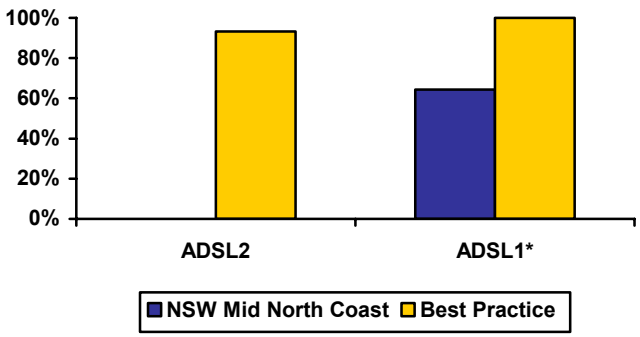
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	7.5%	92.5%	0.0%	9.8%	0.0%	90.2%
Population	67.6%	32.4%	0.0%	64.4%	0.0%	35.6%
Children	64.2%	35.8%	0.0%	60.7%	0.0%	39.3%

	2005	2006
Average Speed Available (kilobit bit per second)	1,032	986
% Rank #1	69%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Coffs Harbour (C)	1,252	83.5%	Coffs Harbour (C)	1,267	7.0%
Lowest Ranked LGA	Pristine Waters (A)	56	3.7%	Kempsey (A)	56	0.3%

ADSL Population Coverage



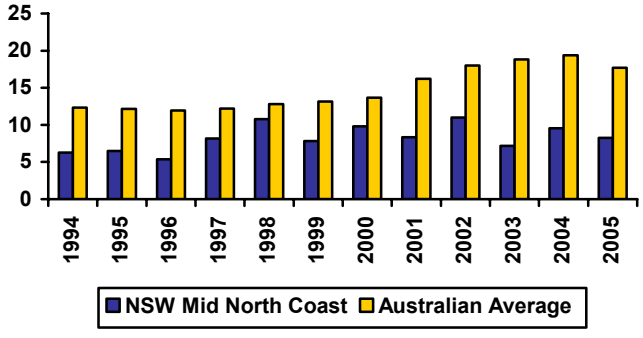
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	22.79	44.59	30
Average p.a. per capita	8.26	14.86	36
Hi Tech p.a. (1994-2005)	4.51	11.73	28
Hi Tech p.a. per capita	1.62	3.89	29
Info. Tech p.a. (1994-2005)	0.88	4.39	34
Info. Tech p.a. per capita	0.31	1.44	38
Average per capita (1994-2000)	7.82	12.61	32
Average per capita (2000-2005)	8.87	18.01	39
2000-05 avg./1994-00 avg.	1.13	1.43	53

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	5
High Tech Startups	111
New Startup Employment as % of workforce	0.4%
High Tech Startups per capita	0.0004
Rank	50

NSW Murray

The Murray planning region of NSW comprises a strip running from the edge of the Snowy Mountains to the SA border. The region is within the economic hinterland of Melbourne rather than Sydney, and were it not for the state boundary would be divided into three parts and added to the adjacent Victorian regions. The hilly country east of Albury concentrates on livestock with gradually expanding timber plantations. Between Albury and Deniliquin the strip comprises classic wheat/sheep country, now diversifying. West of this lies dry pastoral country apart from irrigation areas, some of which are known their rice, while those across the Murray from Mildura are more involved with intensive vine and fruit cultivation. Albury has several resource-processing industries.

Major centres:

Albury, Deniliquin

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	113	114	114	115	116	117	0.5%	0.2%	0.5%	0.7%	1.3%	0.4%	1.0%
No Households	43	43	44	44	45	46	0.6%	0.9%	1.2%	1.4%	1.5%	0.9%	1.4%
NIEIR Workforce	53	54	55	55	56	56	2.9%	1.4%	0.4%	0.8%	1.1%	1.6%	0.9%
NIEIR Employment	48	49	50	50	51	51	2.9%	1.7%	1.0%	0.8%	0.5%	1.8%	0.7%
NIEIR Unemployment	5.3	5.5	5.4	5.1	5.2	5.5	3.2%	-0.9%	-5.6%	1.2%	6.0%	-1.2%	3.6%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.1%	10.1%	9.9%	9.3%	9.3%	9.8%	0.0	-0.2	-0.6	0.0	0.5	-0.3	0.2
Headline U/E	6.2%	5.8%	6.0%	5.5%	5.5%	6.3%	-0.4	0.1	-0.5	0.1	0.8	-0.3	0.4
NIEIR Structural U/E	14.1%	13.7%	13.7%	13.5%	13.2%	12.7%	-0.4	0.0	-0.2	-0.3	-0.4	-0.2	-0.4

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,558	1,658	1,681	1,701	1,740	1,815	13,741	14,553	14,715	14,822	15,066	15,510	3.0%	3.3%
Taxes Paid	461	503	489	519	547	544	4,067	4,412	4,285	4,522	4,732	4,651	4.0%	2.4%
Benefits	485	472	479	535	540	532	4,273	4,141	4,195	4,660	4,675	4,544	3.3%	-0.3%
Business Income	725	788	586	678	661	626	6,390	6,911	5,133	5,906	5,722	5,346	-2.2%	-3.9%
Interest Paid	239	213	252	304	342	384	2,107	1,870	2,203	2,648	2,959	3,283	8.3%	12.4%
Net Property income	341	324	329	365	404	453	3,003	2,844	2,877	3,180	3,494	3,870	2.3%	11.4%
Business Value Added	2,283	2,446	2,267	2,379	2,402	2,440	20,131	21,464	19,848	20,728	20,789	20,856	1.4%	1.3%
Rank							24	25	26	25	28	32		
% Rank #1							61%	63%	57%	58%	57%	54%		
Net Disposable Income	2,699	2,777	2,583	2,716	2,768	2,768	23,797	24,373	22,613	23,665	23,959	23,660	0.2%	1.0%
Rank							20	21	26	24	24	30		
% Rank #1							61%	64%	59%	59%	58%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	37.4	1,897.7	2.0%
Commercial	7.1	256.8	2.8%
Rural	13.1	404.3	3.2%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			57.6
Rates to Business Value %	2.3%	2.1%	2.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.67	10.14
Average rate in cents value	0.63	0.21

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	97.8%	70.3%
Commercial	16.6%	14.8%
Rural	16.8%	14.9%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	15
2001	1.28%	38
2002	1.22%	37
2003	1.17%	43
2004	1.20%	39
2005	1.17%	48
Bounce 2003-04	0.03%	21
Actual Change 2003-04 (Number)	42	32
Bounce 2004-05	-0.03%	53
Actual Change 2004-05 (Number)	-30	44

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.15%	0.14%
Disability Support (aged 25+)	3.39%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.22%	0.22%
Parenting Payment - Single (aged 25+)	1.91%	1.82%
Unemployed Long Term	1.34%	1.28%
Unemployed Short Term	0.82%	0.85%
Youth Allowance - Non Student	0.47%	0.37%
Youth Allowance - Student	1.38%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	18.0%	30
2002	17.0%	30
2003	18.6%	24
2004	19.7%	23
2005	19.5%	24
2006	19.2%	21

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.3	2.9	11.6	100.2
Rank	54	52	49	34

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

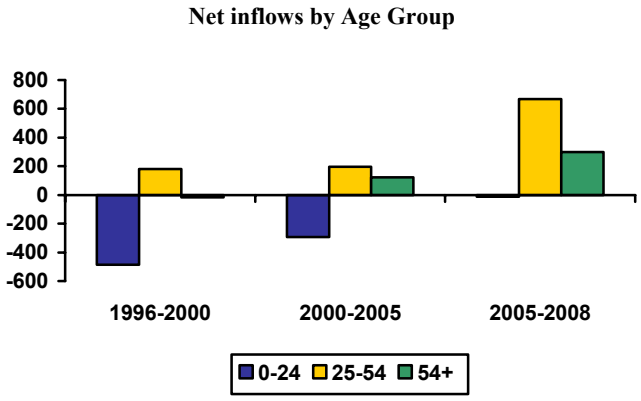
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	50,358	173,014
Commercial	81,389	320,004
Rural	94,959	140,987

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.0%	34.4%	33.1%	31.9%
25 - 54	41.1%	40.5%	39.3%	38.6%
55+	22.9%	25.1%	27.6%	29.4%
Net Inflow of Migrants (average between years)				
0 - 24		-487	-294	-11
25 - 54		181	197	668
55+		-16	122	299
Average Age	36.1	37.6	39.6	40.6

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	72.1	48
Share of population under 55	72.4	52
Aged migration	4.8	21
Population growth rate, 55+	2.5	38
Demographic stress	1.0	50
Dominant locations	64.9	46
Family / Youth migration	-1.0	54
Fertility bounce, 1996-2005	-0.4	62
Fertility, babies % pop, 2005	1.2	48
Sustainability score	51.5	50
Working elderly	29.2	21

Local Government Level		Score	Rank
Most Sustainable	Murray (A)	73.9	62
Least Sustainable	Urana (A)	16.9	622

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	546	442	371	518	824	830	403	248	452	474	421
Rank	51	57	60	57	55	52	57	64	51	53	56

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	92	119	163	165	159	37%
Non Residential	60	57	68	73	77	28%
Total	152	176	232	238	236	34%
Value per capita $2003/04						
Residential	824	1,043	1,415	1,418	1,351	34%
Non Residential	535	495	591	625	650	26%
Total	1,360	1,538	2,007	2,043	2,001	31%
Rank (value per capita)						
Residential	44	36	28	26	25	
Non Residential	44	38	40	40	41	
Total	46	40	35	33	29	

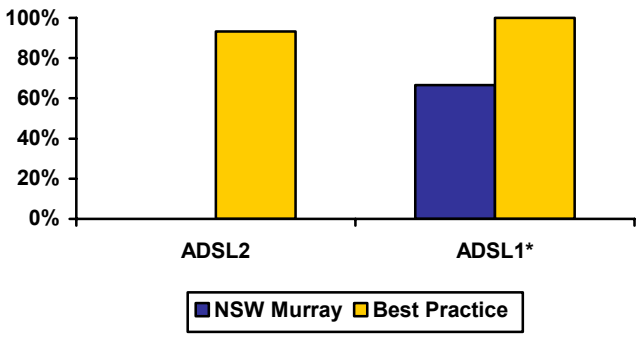
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.4%	98.6%	0.0%	1.4%	0.0%	98.6%
Population	67.9%	32.1%	0.0%	66.7%	0.0%	33.3%
Children	66.8%	33.2%	0.0%	65.7%	0.0%	34.3%

	2005	2006
Average Speed Available (kilobit bit per second)	1,037	1,019
% Rank #1	69%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Albury (C)	1,481	98.7%	Albury (C)	1,481	8.2%
Lowest Ranked LGA	Berrigan (A)	56	3.7%	Berrigan (A)	56	0.3%

ADSL Population Coverage



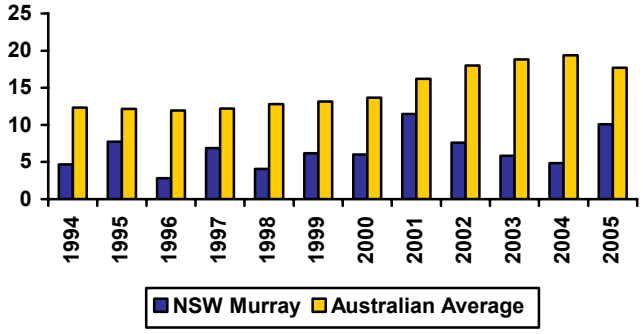
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	7.36	44.59	53
Average p.a. per capita	6.52	14.86	48
Hi Tech p.a. (1994-2005)	0.87	11.73	54
Hi Tech p.a. per capita	0.77	3.89	52
Info. Tech p.a. (1994-2005)	0.20	4.39	50
Info. Tech p.a. per capita	0.18	1.44	49
Average per capita (1994-2000)	5.49	12.61	50
Average per capita (2000-2005)	7.97	18.01	45
2000-05 avg./1994-00 avg.	1.45	1.43	24

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	9
High Tech Startups	179
New Startup Employment as % of workforce	2.7%
High Tech Startups per capita	0.0015
Rank	7

NSW Murrumbidgee

The Murrumbidgee planning region of NSW is similar to the Murray region in that it comprises a strip of LGAs running east-west, from the ACT, border to Hay; however, it is generally within the hinterland of Sydney. The largest city is Wagga Wagga, which has defence and educational facilities in addition to its role in regional servicing, but there are several other large towns. The pastoral hills east of Wagga are gaining pine plantations, while west of Wagga lies wheat/sheep country and the Murrumbidgee Irrigation Area, with its rice and vines. The outermost part of the region merges with the pastoral Far West. Towns like Wagga, Leeton and Griffith have significant agricultural processing industries.

Major centres:

Wagga Wagga, Griffith

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	152	153	153	153	154	155	0.3%	0.0%	0.2%	0.4%	1.0%	0.2%	0.7%
No Households	55	55	56	56	57	57	0.5%	0.8%	1.0%	1.2%	0.9%	0.8%	1.0%
NIEIR Workforce	70	72	72	72	72	72	2.0%	0.1%	-0.1%	0.2%	1.1%	0.7%	0.7%
NIEIR Employment	64	65	65	65	66	66	1.5%	0.0%	0.6%	1.0%	-0.2%	0.7%	0.4%
NIEIR Unemployment	6.1	6.6	6.6	6.1	5.6	6.6	7.4%	0.3%	-6.8%	-8.7%	17.5%	0.1%	3.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.7%	9.2%	9.2%	8.6%	7.8%	9.1%	0.5	0.0	-0.6	-0.8	1.3	0.0	0.2
Headline U/E	5.8%	5.3%	5.3%	4.9%	4.5%	5.8%	-0.4	0.0	-0.4	-0.4	1.3	-0.3	0.5
NIEIR Structural U/E	13.4%	13.1%	13.7%	13.3%	12.9%	12.6%	-0.3	0.6	-0.4	-0.4	-0.3	0.0	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,157	2,260	2,230	2,265	2,315	2,387	14,150	14,779	14,584	14,783	15,048	15,356	1.6%	2.7%
Taxes Paid	626	679	653	662	683	696	4,104	4,440	4,268	4,321	4,437	4,475	1.9%	2.5%
Benefits	604	586	596	667	673	666	3,959	3,836	3,900	4,354	4,377	4,284	3.4%	-0.1%
Business Income	900	1,032	785	793	702	773	5,906	6,751	5,131	5,179	4,562	4,974	-4.1%	-1.3%
Interest Paid	303	274	327	402	451	506	1,990	1,789	2,136	2,627	2,933	3,255	9.9%	12.1%
Net Property income	468	429	434	468	509	560	3,067	2,806	2,840	3,055	3,309	3,601	0.0%	9.4%
Business Value Added	3,058	3,292	3,014	3,058	3,017	3,160	20,056	21,530	19,715	19,962	19,610	20,330	0.0%	1.6%
Rank							25	24	27	31	35	34		
% Rank #1							61%	63%	57%	56%	54%	53%		
Net Disposable Income	3,596	3,694	3,398	3,461	3,451	3,527	23,585	24,162	22,226	22,590	22,428	22,692	-1.3%	0.9%
Rank							21	23	29	34	43	45		
% Rank #1							60%	64%	58%	56%	54%	51%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	37.1	2,387.5	1.6%
Commercial	7.2	286.0	2.5%
Rural	11.9	415.9	2.9%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			56.3
Rates to Business Value %	2.1%	1.8%	1.9%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.07	6.81
Average rate in cents value	0.75	0.23

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	65.6%	65.8%
Commercial	13.0%	14.3%
Rural	21.4%	19.9%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	12
2001	1.52%	12
2002	1.33%	21
2003	1.38%	12
2004	1.35%	14
2005	1.35%	16
Bounce 2003-04	-0.03%	54
Actual Change 2003-04 (Number)	-45	56
Bounce 2004-05	0.00%	29
Actual Change 2004-05 (Number)	11	33

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	3.26%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.30%	0.22%
Parenting Payment - Single (aged 25+)	1.80%	1.82%
Unemployed Long Term	1.20%	1.28%
Unemployed Short Term	0.71%	0.85%
Youth Allowance - Non Student	0.41%	0.37%
Youth Allowance - Student	1.28%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.8%	40
2002	15.9%	38
2003	17.5%	34
2004	19.3%	27
2005	19.5%	23
2006	18.9%	23

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.4	2.8	25.8	168.0
Rank	49	53	29	17

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

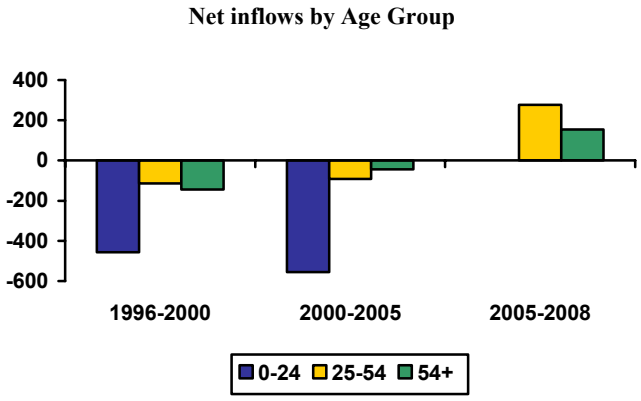
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	54,025	193,427
Commercial	81,348	317,955
Rural	123,449	196,959

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	38.5%	37.1%	35.8%	34.6%
25 - 54	40.8%	40.7%	39.8%	39.4%
55+	20.7%	22.3%	24.4%	26.0%
Net Inflow of Migrants (average between years)				
0 - 24		-456	-555	1
25 - 54		-115	-92	276
55+		-144	-44	153
Average Age	34.6	36.0	37.8	38.8

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	71.5	49
Share of population under 55	75.6	27
Aged migration	3.0	62
Population growth rate, 55+	2.1	50
Demographic stress	2.0	49
Dominant locations	67.9	40
Family / Youth migration	0.0	46
Fertility bounce, 1996-2005	-0.3	55
Fertility, babies % pop, 2005	1.3	16
Sustainability score	52.8	49
Working elderly	30.5	14

Local Government Level		Score	Rank
Most Sustainable	Griffith (C)	67.2	128
Least Sustainable	Narrandera (A)	26.3	568

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	588	494	417	578	924	807	422	255	410	409	406
Rank	50	54	57	51	47	54	55	61	56	57	57

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	102	123	177	140	142	25%
Non Residential	85	74	84	100	102	28%
Total	187	197	262	240	244	26%
Value per capita $2003/04						
Residential	679	803	1,153	904	908	23%
Non Residential	569	487	548	649	655	27%
Total	1,248	1,290	1,701	1,553	1,563	24%
Rank (value per capita)						
Residential	50	51	39	51	49	
Non Residential	37	43	46	39	40	
Total	49	51	45	52	53	

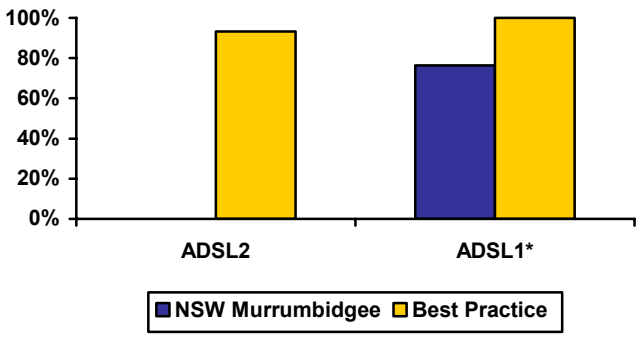
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	2.3%	97.7%	0.0%	3.0%	0.0%	97.0%
Population	74.5%	25.5%	0.0%	76.3%	0.0%	23.7%
Children	72.8%	27.2%	0.0%	74.8%	0.0%	25.2%

	2005	2006
Average Speed Available (kilobit bit per second)	1,132	1,158
% Rank #1	75%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Wagga Wagga (C)	1,236	82.4%	Wagga Wagga (C)	1,265	7.0%
Lowest Ranked LGA	Lockhart (A)	441	29.4%	Lockhart (A)	441	2.5%

ADSL Population Coverage



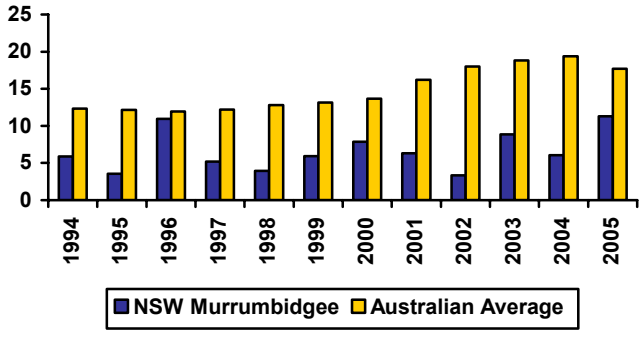
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	9.99	44.59	47
Average p.a. per capita	6.60	14.86	47
Hi Tech p.a. (1994-2005)	1.59	11.73	45
Hi Tech p.a. per capita	1.05	3.89	43
Info. Tech p.a. (1994-2005)	0.18	4.39	52
Info. Tech p.a. per capita	0.12	1.44	54
Average per capita (1994-2000)	6.19	12.61	44
Average per capita (2000-2005)	7.18	18.01	52
2000-05 avg./1994-00 avg.	1.16	1.43	50

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	7
High Tech Startups	105
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0007
Rank	29

NSW North

The NSW North comprises three distinct sub-regions.

- Around Tamworth is a mixed-farming region, and Tamworth itself has significant commercial and resource-processing activity.
- The New England sub-region is a high plateau, devoted mainly to pasture for beef and wool. Armidale stands out as an academic centre.
- The North-West plains comprise black-soil country which is farmed quite intensively. Crops include wheat, sorghum and cotton. Much of this agriculture depends on pumping from the local rivers. Sadly, flow is unreliable: the rivers sometimes flood, and in other years run dry.

Major centres:

Tamworth, Armidale, Moree

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	180	180	180	179	179	180	-0.1%	-0.4%	-0.2%	0.0%	0.5%	-0.2%	0.2%
No Households	67	67	68	69	69	70	0.6%	0.8%	0.8%	0.9%	1.1%	0.8%	1.0%
NIEIR Workforce	79	80	79	79	80	81	1.2%	-1.3%	1.1%	1.3%	0.9%	0.3%	1.1%
NIEIR Employment	70	70	70	70	71	72	0.6%	-1.2%	0.8%	1.2%	1.8%	0.1%	1.5%
NIEIR Unemployment	8.6	9.1	8.9	9.2	9.3	8.8	5.7%	-2.3%	2.8%	1.6%	-5.9%	2.0%	-2.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	11.0%	11.5%	11.4%	11.6%	11.6%	10.8%	0.5	-0.1	0.2	0.0	-0.8	0.2	-0.4
Headline U/E	5.8%	7.1%	6.6%	6.7%	6.4%	5.6%	1.2	-0.5	0.1	-0.2	-0.8	0.3	-0.5
NIEIR Structural U/E	17.8%	17.6%	18.9%	18.4%	18.0%	17.4%	-0.2	1.3	-0.5	-0.4	-0.6	0.2	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,250	2,341	2,275	2,288	2,349	2,477	12,472	12,985	12,665	12,766	13,108	13,759	0.6%	4.0%
Taxes Paid	656	738	675	680	736	710	3,636	4,092	3,760	3,795	4,105	3,946	1.2%	2.2%
Benefits	793	767	782	879	882	866	4,397	4,256	4,354	4,905	4,923	4,810	3.5%	-0.7%
Business Income	965	1,283	890	898	955	801	5,351	7,118	4,956	5,013	5,327	4,449	-2.4%	-5.6%
Interest Paid	347	310	366	439	492	550	1,926	1,719	2,038	2,447	2,746	3,056	8.1%	12.0%
Net Property income	518	480	483	509	552	610	2,873	2,664	2,687	2,839	3,080	3,386	-0.6%	9.5%
Business Value Added	3,216	3,624	3,165	3,186	3,304	3,278	17,823	20,103	17,621	17,779	18,435	18,208	-0.3%	1.4%
Rank							39	28	47	49	48	51		
% Rank #1							54%	59%	51%	50%	51%	47%		
Net Disposable Income	3,941	4,201	3,742	3,805	3,935	3,854	21,840	23,302	20,833	21,234	21,957	21,407	-1.2%	0.6%
Rank							39	27	47	50	47	56		
% Rank #1							56%	62%	54%	53%	53%	48%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	45.8	2,556.5	1.8%
Commercial	8.6	331.2	2.6%
Rural	18.5	623.5	3.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			72.8
Rates to Business Value %	2.3%	2.4%	2.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.65	9.01
Average rate in cents value	0.73	0.22

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	67.7%	68.0%
Commercial	12.1%	12.8%
Rural	20.2%	19.2%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	18
2001	1.36%	23
2002	1.22%	36
2003	1.25%	27
2004	1.22%	34
2005	1.23%	31
Bounce 2003-04	-0.03%	55
Actual Change 2003-04 (Number)	-65	58
Bounce 2004-05	0.01%	23
Actual Change 2004-05 (Number)	23	29

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.18%	0.14%
Disability Support (aged 25+)	4.11%	3.20%
Mature Age Allowance	0.08%	0.06%
Parenting Payment - Single (aged 15-19)	0.08%	0.04%
Parenting Payment - Single (aged 20-24)	0.38%	0.22%
Parenting Payment - Single (aged 25+)	2.18%	1.82%
Unemployed Long Term	2.03%	1.28%
Unemployed Short Term	1.00%	0.85%
Youth Allowance - Non Student	0.66%	0.37%
Youth Allowance - Student	1.47%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	20.1%	16
2002	18.3%	20
2003	20.9%	9
2004	23.1%	9
2005	22.4%	9
2006	22.5%	7

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.9	5.1	26.4	147.3
Rank	39	30	27	22

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

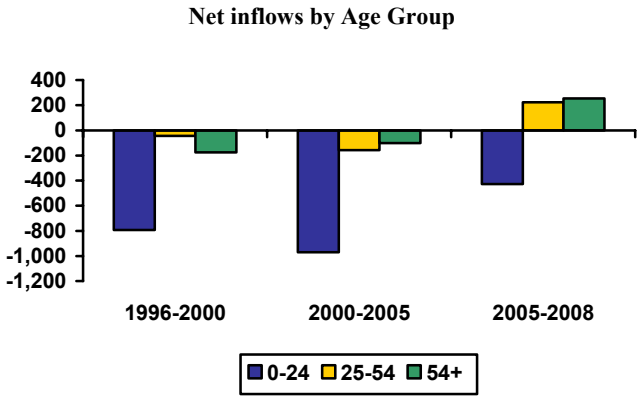
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	47,445	181,749
Commercial	68,686	281,915
Rural	102,484	179,129

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.2%	35.6%	34.2%	32.9%
25 - 54	40.8%	40.1%	38.9%	38.1%
55+	22.1%	24.3%	27.0%	29.0%
Net Inflow of Migrants (average between years)				
0 - 24		-794	-970	-427
25 - 54		-45	-157	223
55+		-174	-100	255
Average Age	35.5	37.3	39.1	40.2

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	44.3	60
Share of population under 55	73.1	47
Aged migration	3.9	42
Population growth rate, 55+	2.3	44
Demographic stress	-10.4	58
Dominant locations	63.9	47
Family / Youth migration	-1.1	55
Fertility bounce, 1996-2005	-0.3	56
Fertility, babies % pop, 2005	1.2	31
Sustainability score	42.9	60
Working elderly	30.5	13

Local Government Level		Score	Rank
Most Sustainable	Tamworth (C)	54.4	291
Least Sustainable	Yallaroi (A)	22.8	595

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	903	870	742	946	1,048	1,368	641	553	708	743	640
Rank	27	20	26	26	35	20	39	32	23	29	27

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	77	89	122	129	129	43%
Non Residential	69	62	63	73	84	18%
Total	146	151	185	202	213	33%
Value per capita $2003/04						
Residential	430	494	680	721	719	43%
Non Residential	388	346	354	407	466	18%
Total	818	840	1,034	1,128	1,185	33%
Rank (value per capita)						
Residential	61	61	58	59	58	
Non Residential	61	60	62	63	61	
Total	63	61	62	61	61	

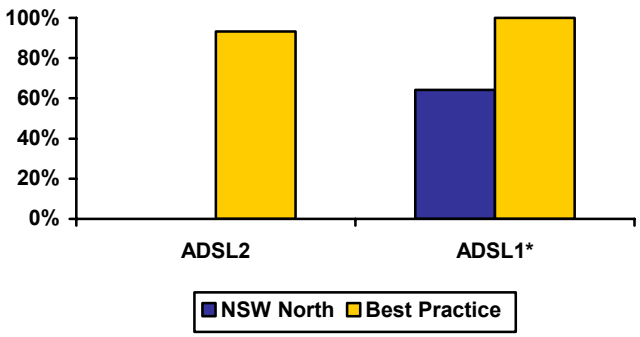
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.9%	98.1%	0.0%	2.2%	0.0%	97.8%
Population	65.9%	34.1%	0.0%	64.2%	0.0%	35.8%
Children	64.4%	35.6%	0.0%	62.6%	0.0%	37.4%

	2005	2006
Average Speed Available (kilobit bit per second)	1,007	985
% Rank #1	67%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Tamworth (C)	1,374	91.6%	Tamworth (C)	1,374	7.6%
Lowest Ranked LGA	Manilla (A)	56	3.7%	Parry (A)	56	0.3%

ADSL Population Coverage



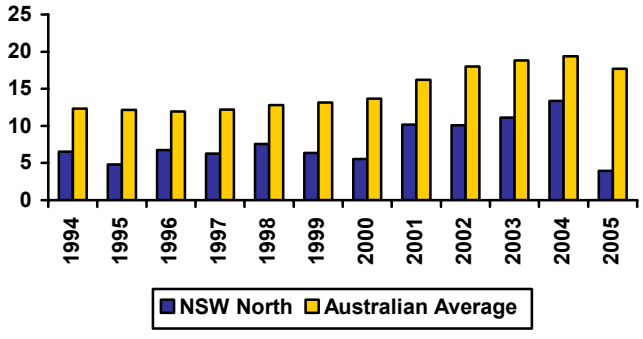
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	13.85	44.59	39
Average p.a. per capita	7.71	14.86	39
Hi Tech p.a. (1994-2005)	2.49	11.73	37
Hi Tech p.a. per capita	1.38	3.89	37
Info. Tech p.a. (1994-2005)	0.44	4.39	41
Info. Tech p.a. per capita	0.24	1.44	43
Average per capita (1994-2000)	6.26	12.61	42
Average per capita (2000-2005)	9.73	18.01	34
2000-05 avg./1994-00 avg.	1.55	1.43	18

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	6
High Tech Startups	144
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0008
Rank	17

NSW Richmond-Tweed

Richmond/Tweed is much closer to Brisbane than Sydney, and has increasingly become an extension of the Gold Coast. Its chief centre was and remains Lismore, which is located inland, but recent development has mostly been along the coast and in the nearby high-rainfall hills. Its economic base remains a mixture of retirement and agriculture, but there are signs of employment diversification as the economy of the Gold Coast extends southwards.

Major centres:

Lismore, Tweed Heads

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	216	219	221	223	226	228	1.2%	1.2%	0.8%	1.1%	1.1%	1.1%	1.1%
No Households	86	86	88	89	89	90	0.6%	1.2%	1.2%	0.9%	1.1%	1.0%	1.0%
NIEIR Workforce	88	91	94	96	98	99	2.8%	3.4%	2.7%	1.6%	1.4%	2.9%	1.5%
NIEIR Employment	73	76	80	83	84	85	3.8%	4.8%	3.4%	1.4%	1.2%	4.0%	1.3%
NIEIR Unemployment	14.8	14.5	13.9	13.7	14.1	14.4	-2.4%	-3.9%	-1.7%	3.2%	2.2%	-2.7%	2.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	16.8%	16.0%	14.8%	14.2%	14.4%	14.6%	-0.8	-1.1	-0.6	0.2	0.1	-0.9	0.2
Headline U/E	12.1%	10.9%	9.2%	8.5%	8.6%	8.8%	-1.2	-1.7	-0.8	0.1	0.2	-1.2	0.2
NIEIR Structural U/E	26.5%	25.8%	25.5%	24.3%	23.4%	22.3%	-0.7	-0.3	-1.2	-1.0	-1.1	-0.7	-1.0

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,178	2,340	2,409	2,517	2,591	2,718	10,068	10,695	10,879	11,272	11,479	11,910	4.9%	3.9%
Taxes Paid	532	585	639	687	728	750	2,458	2,673	2,885	3,075	3,224	3,287	8.9%	4.5%
Benefits	1,096	1,073	1,093	1,222	1,260	1,247	5,066	4,905	4,937	5,470	5,582	5,464	3.7%	1.0%
Business Income	552	652	685	701	704	740	2,551	2,978	3,093	3,139	3,117	3,241	8.3%	2.7%
Interest Paid	337	295	341	404	470	541	1,557	1,346	1,541	1,810	2,082	2,372	6.3%	15.7%
Net Property income	547	514	556	627	694	781	2,529	2,348	2,512	2,807	3,077	3,423	4.6%	11.6%
Business Value Added	2,730	2,992	3,094	3,219	3,294	3,457	12,619	13,673	13,972	14,412	14,596	15,151	5.6%	3.6%
Rank							62	62	62	61	62	61		
% Rank #1							38%	40%	40%	41%	40%	39%		
Net Disposable Income	3,887	4,041	4,149	4,382	4,538	4,634	17,969	18,466	18,735	19,619	20,107	20,309	4.1%	2.8%
Rank							61	62	61	60	60	60		
% Rank #1							46%	49%	49%	49%	48%	45%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	63.3	3,177.4	2.0%
Commercial	7.6	589.0	1.3%
Rural	5.2	114.5	4.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			76.1
Rates to Business Value %	1.7%	2.5%	2.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.13	6.81
Average rate in cents value	0.64	0.27

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	83.1%	76.2%
Commercial	10.2%	11.5%
Rural	6.8%	12.3%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	53
2001	1.18%	54
2002	1.06%	62
2003	1.07%	61
2004	1.03%	62
2005	1.05%	61
Bounce 2003-04	-0.03%	56
Actual Change 2003-04 (Number)	-55	57
Bounce 2004-05	0.01%	26
Actual Change 2004-05 (Number)	48	27

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.14%	0.08%
Disability Support (aged 20-24)	0.21%	0.14%
Disability Support (aged 25+)	5.23%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.27%	0.22%
Parenting Payment - Single (aged 25+)	2.85%	1.82%
Unemployed Long Term	2.36%	1.28%
Unemployed Short Term	1.22%	0.85%
Youth Allowance - Non Student	0.61%	0.37%
Youth Allowance - Student	1.73%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	28.2%	2
2002	26.6%	2
2003	26.3%	2
2004	27.9%	2
2005	27.8%	2
2006	26.9%	2

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.0	4.3	26.2	116.0
Rank	37	37	28	27

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

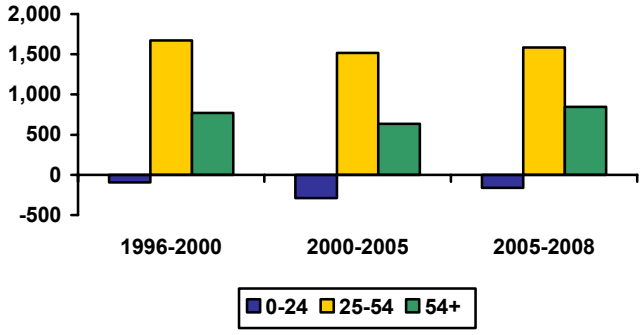
	Land Value $	Capital Value $
Residential	90,011	206,672
Commercial	119,946	324,705
Rural	157,066	256,429

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.3%	32.4%	31.2%	30.0%
25 - 54	40.1%	40.2%	39.1%	38.0%
55+	25.6%	27.3%	29.7%	31.9%
Net Inflow of Migrants (average between years)				
0 - 24		-95	-286	-162
25 - 54		1,671	1,515	1,586
55+		770	636	846
Average Age	38.2	39.6	41.2	42.3

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	76.1	44
Share of population under 55	70.3	62
Aged migration	6.7	5
Population growth rate, 55+	3.0	30
Demographic stress	22.6	17
Dominant locations	50.7	58
Family / Youth migration	0.7	40
Fertility bounce, 1996-2005	-0.3	42
Fertility, babies % pop, 2005	1.0	61
Sustainability score	58.2	41
Working elderly	19.2	58

Local Government Level		Score	Rank
Most Sustainable	Tweed (A)	68.6	113
Least Sustainable	Kyogle (A)	27.0	558

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,772	1,250	1,096	2,100	2,328	1,693	983	1,298	1,051	1,343	1,434
Rank	2	4	9	4	6	6	8	3	6	2	3

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	378	330	367	393	377	15%
Non Residential	130	105	182	222	225	100%
Total	508	435	549	615	602	35%
Value per capita $2003/04						
Residential	1,826	1,498	1,627	1,727	1,639	11%
Non Residential	629	475	807	973	977	94%
Total	2,455	1,972	2,435	2,700	2,616	31%
Rank (value per capita)						
Residential	7	16	18	15	13	
Non Residential	29	46	16	12	19	
Total	10	22	16	15	16	

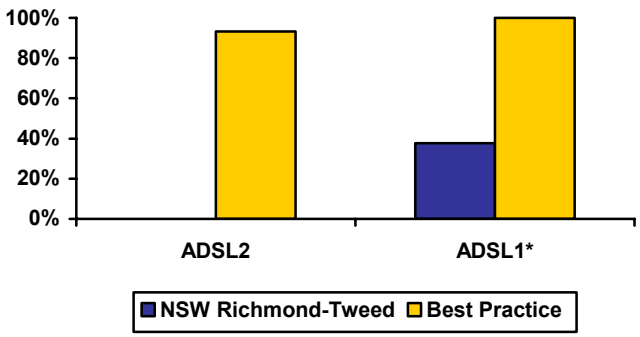
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	9.8%	90.2%	0.0%	8.7%	0.0%	91.3%
Population	64.3%	35.7%	0.0%	37.7%	0.0%	62.3%
Children	61.6%	38.4%	0.0%	35.4%	0.0%	64.6%

	2005	2006
Average Speed Available (kilobit bit per second)	985	600
% Rank #1	66%	4%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Tweed (A)	1,261	84.1%	Tweed (A)	1,286	7.1%
Lowest Ranked LGA	Byron (A)	56	3.7%	Ballina (A)	56	0.3%

ADSL Population Coverage



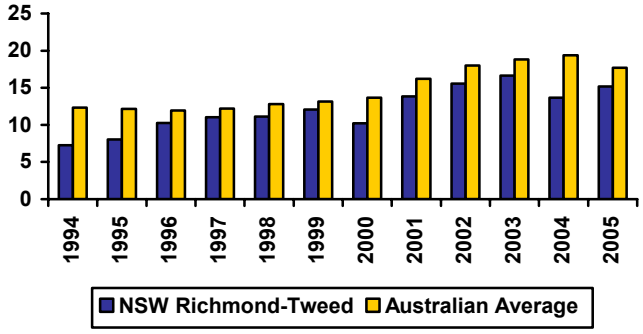
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	25.74	44.59	28
Average p.a. per capita	12.07	14.86	15
Hi Tech p.a. (1994-2005)	2.99	11.73	36
Hi Tech p.a. per capita	1.39	3.89	36
Info. Tech p.a. (1994-2005)	1.48	4.39	27
Info. Tech p.a. per capita	0.68	1.44	20
Average per capita (1994-2000)	9.99	12.61	18
Average per capita (2000-2005)	14.98	18.01	15
2000-05 avg./1994-00 avg.	1.50	1.43	20

Note: Per capita = 100,000 people

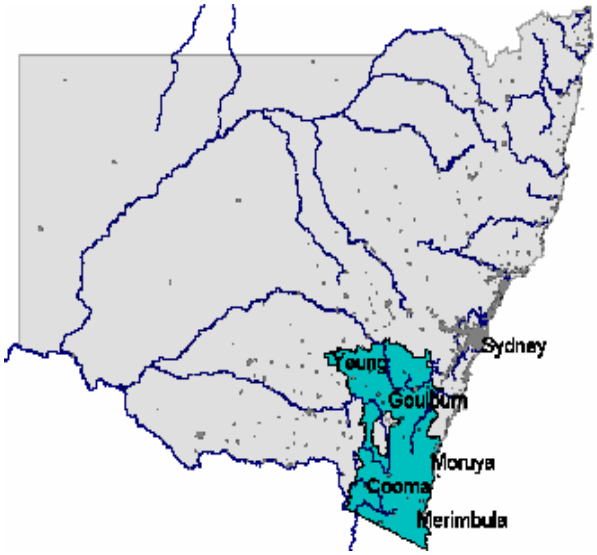
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	4
Average Employment 2006	5
High Tech Startups	155
New Startup Employment as % of workforce	0.8%
High Tech Startups per capita	0.0007
Rank	28

NSW South-East



The South East of NSW is a complex region, with the following major component parts.

- The South Coast, a strip of retirement and tourist developments populated not only from Sydney but from Canberra and to some extent from Melbourne. Behind the beaches country originally cleared for dairy farming is reverting to plantation forestry.
- A belt of high plains stretching from Goulburn to the Victorian Border. Until recently this was fine-wool merino country. It now includes the Canberra suburb of Queanbeyan, the Canberra hobby-farm belt and Sydney's winter playground in the Snowy Mountains.
- An area of 'slopes' country reaching as far as Young. This has much in common with the Central West, but accesses Sydney via Goulburn rather than via the Blue Mountains.

Major centres:

Goulburn, Queanbeyan, Bega

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	193	196	198	200	203	205	1.4%	1.4%	1.0%	1.2%	1.3%	1.2%	1.3%
No Households	75	76	78	79	81	82	1.7%	2.1%	2.0%	1.9%	1.5%	1.9%	1.7%
NIEIR Workforce	88	91	94	95	96	97	3.6%	2.8%	1.2%	0.7%	1.2%	2.5%	0.9%
NIEIR Employment	79	82	85	86	88	89	3.4%	3.4%	2.1%	1.5%	1.6%	3.0%	1.5%
NIEIR Unemployment	9.1	9.5	9.3	8.7	8.1	7.8	4.9%	-2.5%	-6.6%	-7.2%	-3.4%	-1.5%	-5.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.3%	10.4%	9.9%	9.1%	8.4%	8.0%	0.1	-0.5	-0.8	-0.7	-0.4	-0.4	-0.5
Headline U/E	7.4%	6.2%	5.4%	4.8%	4.5%	4.4%	-1.2	-0.8	-0.6	-0.4	-0.1	-0.9	-0.2
NIEIR Structural U/E	16.0%	15.5%	15.4%	14.8%	14.3%	13.8%	-0.6	-0.1	-0.6	-0.5	-0.4	-0.4	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,690	2,901	2,983	3,072	3,176	3,355	13,931	14,821	15,030	15,331	15,662	16,325	4.5%	4.5%
Taxes Paid	702	780	838	870	927	957	3,635	3,986	4,223	4,339	4,570	4,659	7.4%	4.9%
Benefits	818	799	815	912	945	942	4,236	4,082	4,105	4,550	4,662	4,585	3.7%	1.7%
Business Income	634	747	767	740	730	767	3,285	3,815	3,863	3,693	3,598	3,735	5.3%	1.8%
Interest Paid	387	341	397	475	542	616	2,007	1,740	2,000	2,368	2,672	2,998	7.0%	13.9%
Net Property income	622	597	607	672	745	839	3,224	3,051	3,060	3,354	3,674	4,081	2.6%	11.7%
Business Value Added	3,324	3,647	3,750	3,812	3,905	4,122	17,216	18,636	18,893	19,024	19,260	20,059	4.7%	4.0%
Rank							47	41	35	38	41	37		
% Rank #1							52%	54%	55%	54%	53%	52%		
Net Disposable Income	4,117	4,316	4,367	4,490	4,657	4,812	21,322	22,050	22,002	22,408	22,968	23,416	2.9%	3.5%
Rank							43	39	35	39	37	36		
% Rank #1							55%	58%	57%	56%	55%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	59.4	3,542.6	1.7%
Commercial	7.7	547.3	1.4%
Rural	17.6	182.2	9.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			84.7
Rates to Business Value %	2.1%	2.3%	2.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.11	9.44
Average rate in cents value	0.52	0.19

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	67.3%	73.8%
Commercial	9.2%	10.7%
Rural	23.6%	15.4%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	46
2001	1.24%	45
2002	1.11%	57
2003	1.08%	59
2004	1.13%	56
2005	1.15%	50
Bounce 2003-04	0.05%	13
Actual Change 2003-04 (Number)	119	19
Bounce 2004-05	0.02%	20
Actual Change 2004-05 (Number)	64	24

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.81%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.25%	0.22%
Parenting Payment - Single (aged 25+)	1.83%	1.82%
Unemployed Long Term	1.32%	1.28%
Unemployed Short Term	0.91%	0.85%
Youth Allowance - Non Student	0.46%	0.37%
Youth Allowance - Student	1.01%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.9%	20
2002	18.5%	17
2003	18.7%	22
2004	20.3%	20
2005	20.3%	19
2006	19.6%	18

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.2	5.7	21.4	105.5
Rank	29	22	38	32

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

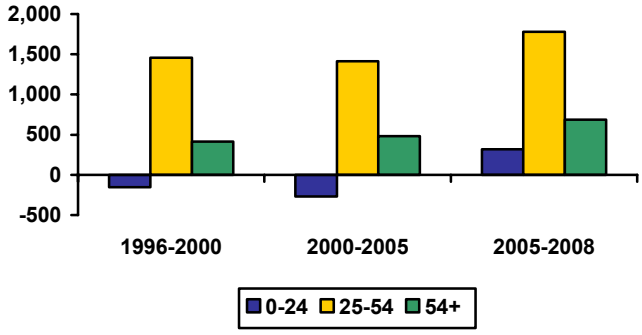
	Land Value $	Capital Value $
Residential	45,132	186,682
Commercial	67,423	264,158
Rural	84,875	101,307

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.2%	32.5%	31.1%	30.1%
25 - 54	42.1%	41.4%	40.2%	39.2%
55+	23.7%	26.1%	28.8%	30.8%
Net Inflow of Migrants (average between years)				
0 - 24		-154	-269	320
25 - 54		1,455	1,414	1,782
55+		414	481	687
Average Age	37.3	39.1	40.4	41.5

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	84.7	33
Share of population under 55	71.3	57
Aged migration	6.3	7
Population growth rate, 55+	3.6	17
Demographic stress	19.7	22
Dominant locations	51.2	57
Family / Youth migration	0.4	42
Fertility bounce, 1996-2005	-0.2	33
Fertility, babies % pop, 2005	1.2	50
Sustainability score	60.2	37
Working elderly	27.6	31

Local Government Level		Score	Rank
Most Sustainable	Queanbeyan (C)	77.4	32
Least Sustainable	Bombala (A)	16.9	623

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	742	758	552	766	1,044	1,082	685	426	497	610	641
Rank	39	32	44	37	38	41	37	45	46	42	26

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	225	324	317	268	270	-12%
Non Residential	91	82	86	105	114	24%
Total	316	406	403	374	384	-5%
Value per capita $2003/04						
Residential	1,219	1,643	1,562	1,306	1,292	-16%
Non Residential	496	416	426	513	548	19%
Total	1,715	2,059	1,988	1,819	1,839	-9%
Rank (value per capita)						
Residential	26	13	20	30	29	
Non Residential	48	54	59	55	56	
Total	30	16	38	39	39	

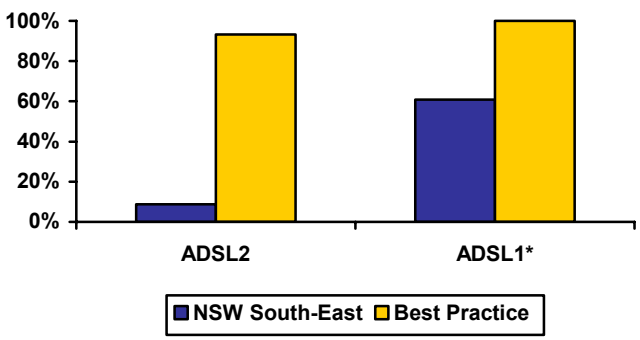
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	3.7%	96.3%	0.0%	5.3%	0.0%	94.7%
Population	57.3%	42.7%	8.9%	51.2%	0.8%	39.2%
Children	55.6%	44.4%	7.6%	50.3%	1.1%	41.0%

	2005	2006
Average Speed Available (kilobit bit per second)	884	2,396
% Rank #1	59%	14%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Goulburn (C)	1,397	93.1%	Queanbeyan (C)	10,729	59.6%
Lowest Ranked LGA	Cooma-Monaro (A)	94	6.3%	Cooma-Monaro (A)	132	0.7%

ADSL Population Coverage



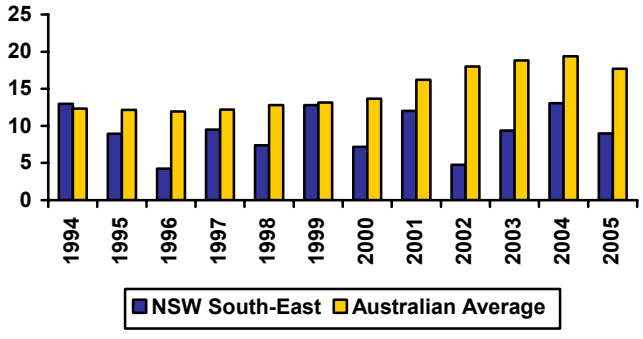
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	17.51	44.59	36
Average p.a. per capita	9.27	14.86	29
Hi Tech p.a. (1994-2005)	3.72	11.73	31
Hi Tech p.a. per capita	1.99	3.89	22
Info. Tech p.a. (1994-2005)	0.97	4.39	31
Info. Tech p.a. per capita	0.50	1.44	30
Average per capita (1994-2000)	9.01	12.61	25
Average per capita (2000-2005)	9.65	18.01	35
2000-05 avg./1994-00 avg.	1.07	1.43	58

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	9
Average Employment 2006	7
High Tech Startups	301
New Startup Employment as % of workforce	2.3%
High Tech Startups per capita	0.0015
Rank	8

Melbourne Inner

Since World War II, central city functions in Melbourne have spilled into adjacent LGAs, which have gentrified considerably in the process. Inner Melbourne thus comprises the CBD, the formerly industrial but now largely gentrified inner northern and eastern suburbs, and the formerly residential but now office-invaded inner southern suburbs. Its economic base is mainly city centre functions (administration, finance, cultural and educational services, tourism). However, Inner Melbourne still houses the Port of Melbourne and there is some remaining manufacturing.

Major centres:

Melbourne, St Kilda

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	290	295	300	304	308	312	1.6%	1.7%	1.3%	1.5%	1.4%	1.5%	1.4%
No Households	134	138	143	149	152	154	3.0%	3.7%	3.5%	2.2%	1.5%	3.4%	1.9%
NIEIR Workforce	167	167	171	176	182	187	0.2%	2.5%	2.6%	3.7%	2.5%	1.7%	3.1%
NIEIR Employment	156	158	162	167	173	179	0.8%	2.9%	2.7%	3.7%	3.5%	2.1%	3.6%
NIEIR Unemployment	10.4	9.5	9.0	9.2	9.5	8.0	-8.4%	-5.3%	1.3%	4.0%	-15.5%	-4.2%	-6.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	6.2%	5.7%	5.3%	5.2%	5.2%	4.3%	-0.5	-0.4	-0.1	0.0	-0.9	-0.3	-0.5
Headline U/E	5.4%	5.2%	4.9%	4.9%	5.0%	4.1%	-0.1	-0.4	0.1	0.1	-1.0	-0.1	-0.4
NIEIR Structural U/E	11.2%	11.2%	11.2%	10.7%	10.1%	9.4%	0.0	0.0	-0.5	-0.6	-0.7	-0.2	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	7,592	7,428	7,637	7,916	8,438	9,038	26,165	25,193	25,479	26,067	27,388	28,942	1.4%	6.9%
Taxes Paid	3,121	3,027	3,269	3,467	3,765	4,053	10,757	10,265	10,906	11,418	12,220	12,979	3.6%	8.1%
Benefits	943	924	920	994	1,023	1,034	3,249	3,132	3,069	3,272	3,320	3,312	1.8%	2.0%
Business Income	1,804	1,960	2,193	2,318	2,384	2,551	6,218	6,649	7,318	7,634	7,738	8,168	8.7%	4.9%
Interest Paid	382	356	441	550	702	841	1,316	1,208	1,470	1,812	2,277	2,695	13.0%	23.7%
Net Property income	3,314	2,930	3,106	3,400	3,811	4,331	11,421	9,937	10,361	11,197	12,368	13,870	0.9%	12.9%
Business Value Added	9,396	9,388	9,830	10,234	10,822	11,588	32,383	31,842	32,797	33,701	35,126	37,110	2.9%	6.4%
Rank							2	2	2	2	2	2		
% Rank #1							98%	93%	95%	95%	96%	96%		
Net Disposable Income	11,314	11,122	11,528	12,167	12,822	13,952	38,993	37,725	38,462	40,067	41,616	44,681	2.5%	7.1%
Rank							1	2	1	1	1	1		
% Rank #1							100%	100%	100%	100%	100%	100%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	130.6	11,798.6	1.1%
Commercial	65.3	2,383.8	2.7%
Rural	0.0	0.2	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			195.9
Rates to Business Value %	2.8%	1.7%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.65	7.29
Average rate in cents value	0.32	0.12

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	70.4%	52.9%
Commercial	29.6%	43.1%
Rural	0.0%	4.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	64
2001	1.04%	64
2002	1.03%	63
2003	1.03%	63
2004	1.08%	61
2005	1.06%	60
Bounce 2003-04	0.05%	11
Actual Change 2003-04 (Number)	192	12
Bounce 2004-05	-0.03%	50
Actual Change 2004-05 (Number)	-30	44

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.09%	0.14%
Disability Support (aged 25+)	2.86%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.01%	0.04%
Parenting Payment - Single (aged 20-24)	0.07%	0.22%
Parenting Payment - Single (aged 25+)	0.91%	1.82%
Unemployed Long Term	1.63%	1.28%
Unemployed Short Term	1.09%	0.85%
Youth Allowance - Non Student	0.18%	0.37%
Youth Allowance - Student	1.89%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	8.3%	61
2002	8.3%	61
2003	8.0%	61
2004	8.2%	62
2005	8.0%	62
2006	7.4%	63

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.9	3.0	5.1	16.5
Rank	40	51	58	58

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

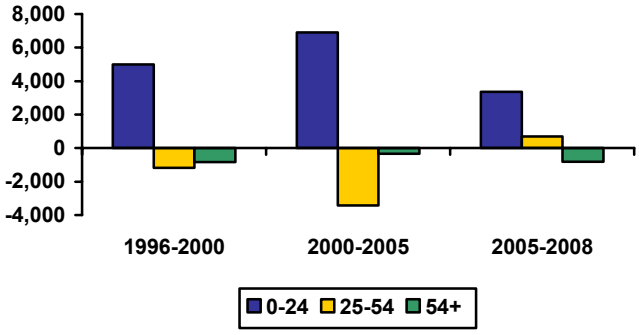
	Land Value $	Capital Value $
Residential	199,335	371,983
Commercial	609,423	1,277,842
Rural	1,589,702	2,706,447

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	28.3%	27.8%	28.7%	27.0%
25 - 54	52.2%	52.7%	51.2%	53.3%
55+	19.4%	19.4%	20.1%	19.7%
Net Inflow of Migrants (average between years)				
0 - 24		4,983	6,908	3,361
25 - 54		-1,174	-3,426	701
55+		-833	-341	-822
Average Age	37.7	37.8	37.6	37.4

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	91.2	20
Share of population under 55	79.9	12
Aged migration	5.5	11
Population growth rate, 55+	1.6	58
Demographic stress	41.2	5
Dominant locations	100.0	3
Family / Youth migration	11.7	1
Fertility bounce, 1996-2005	0.0	5
Fertility, babies % pop, 2005	1.1	60
Sustainability score	70.8	5
Working elderly	31.2	10

Local Government Level		Score	Rank
Most Sustainable	Melbourne (C)	85.8	3
Least Sustainable	Stonnington (C)	56.8	264

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	790	445	489	558	880	1,056	566	370	483	701	548
Rank	36	56	50	52	52	45	47	50	47	32	39

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	689	1,323	1,245	953	695	-27%
Non Residential	1,236	1,627	1,732	1,750	1,734	7%
Total	1,925	2,951	2,977	2,703	2,430	-8%
Value per capita $2003/04						
Residential	2,475	4,448	4,042	3,023	2,157	-31%
Non Residential	4,455	5,466	5,621	5,550	5,381	1%
Total	6,930	9,913	9,663	8,573	7,539	-13%
Rank (value per capita)						
Residential	2	1	1	1	4	
Non Residential	1	1	1	1	1	
Total	1	1	1	1	1	

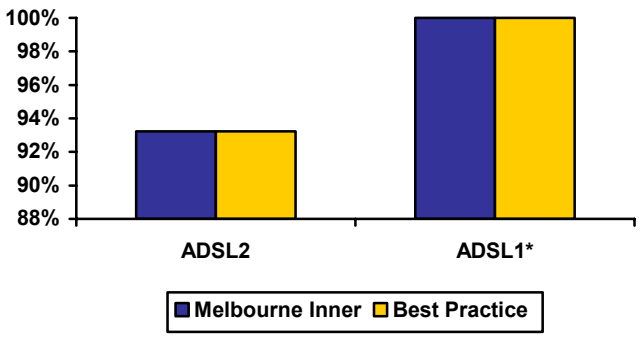
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	100.0%	0.0%	84.9%	15.1%	0.0%	0.0%
Population	100.0%	0.0%	93.2%	6.8%	0.0%	0.0%
Children	100.0%	0.0%	92.6%	7.4%	0.0%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,500	16,883
% Rank #1	100%	100%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Stonnington (C)	1,500	100.0%	Melbourne (C)	17,862	99.2%
Lowest Ranked LGA	Yarra (C)	1,500	100.0%	Yarra (C)	14,807	82.3%

ADSL Population Coverage



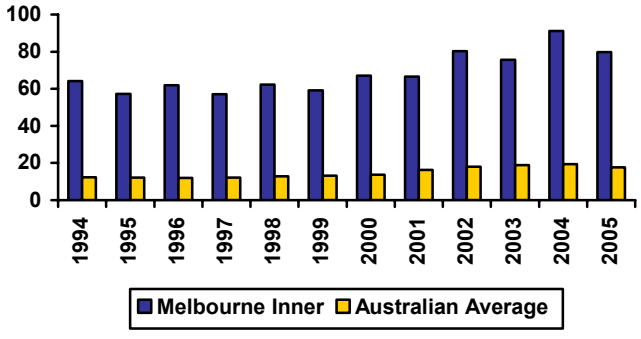
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	196.12	44.59	3
Average p.a. per capita	68.57	14.86	1
Hi Tech p.a. (1994-2005)	65.98	11.73	2
Hi Tech p.a. per capita	22.92	3.89	1
Info. Tech p.a. (1994-2005)	28.18	4.39	2
Info. Tech p.a. per capita	9.73	1.44	2
Average per capita (1994-2000)	61.34	12.61	1
Average per capita (2000-2005)	78.69	18.01	2
2000-05 avg./1994-00 avg.	1.28	1.43	39

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	16
Average Employment 2006	17
High Tech Startups	1229
New Startup Employment as % of workforce	11.4%
High Tech Startups per capita	0.0039
Rank	1

Melbourne East

The Melbourne East region is solidly suburban. The parts nearest the City date from the nineteenth century land boom, while the parts furthest away were not built up till the 1970s, but most of the region comprises garden suburbs of middle to high socio-economic status. Its economic base is largely commuting, though there has been some infusion of city centre functions, and the region has a major university and a belt of manufacturing.

Major centres:

Camberwell, Box Hill, Glen Waverley

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	829	830	829	828	829	828	0.1%	-0.1%	-0.1%	0.1%	-0.1%	0.0%	0.0%
No Households	298	302	306	309	312	315	1.2%	1.2%	1.1%	1.0%	0.9%	1.2%	1.0%
NIEIR Workforce	432	428	431	430	439	440	-0.9%	0.7%	-0.1%	2.1%	0.2%	-0.1%	1.1%
NIEIR Employment	403	398	401	402	413	412	-1.4%	0.8%	0.2%	2.7%	-0.2%	-0.1%	1.3%
NIEIR Unemployment	28.4	30.0	29.8	28.4	26.3	28.2	5.3%	-0.6%	-4.5%	-7.6%	7.2%	0.0%	-0.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	6.6%	7.0%	6.9%	6.6%	6.0%	6.4%	0.4	-0.1	-0.3	-0.6	0.4	0.0	-0.1
Headline U/E	4.8%	4.8%	4.9%	4.6%	4.2%	4.6%	0.1	0.1	-0.3	-0.4	0.4	-0.1	0.0
NIEIR Structural U/E	7.1%	7.2%	7.4%	7.3%	7.1%	6.9%	0.1	0.2	-0.1	-0.2	-0.2	0.1	-0.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	16,936	16,425	16,562	16,964	17,740	18,171	20,429	19,789	19,970	20,477	21,402	21,947	0.1%	3.5%
Taxes Paid	5,216	5,141	5,369	5,589	5,931	6,094	6,292	6,194	6,474	6,746	7,155	7,360	2.3%	4.4%
Benefits	2,675	2,580	2,582	2,830	2,876	2,895	3,226	3,109	3,113	3,416	3,469	3,496	1.9%	1.1%
Business Income	2,717	2,984	3,270	3,374	3,401	3,488	3,278	3,595	3,943	4,073	4,104	4,212	7.5%	1.7%
Interest Paid	1,637	1,483	1,791	2,250	2,605	2,950	1,974	1,787	2,159	2,716	3,143	3,562	11.2%	14.5%
Net Property income	5,567	5,025	5,086	5,570	6,074	6,665	6,715	6,054	6,133	6,723	7,328	8,050	0.0%	9.4%
Business Value Added	19,654	19,409	19,831	20,338	21,141	21,659	23,707	23,384	23,913	24,549	25,505	26,159	1.1%	3.2%
Rank							12	14	11	12	11	11		
% Rank #1							72%	68%	69%	69%	70%	68%		
Net Disposable Income	23,242	22,807	22,859	23,647	24,359	25,268	28,035	27,478	27,564	28,543	29,387	30,518	0.6%	3.4%
Rank							10	12	10	9	10	9		
% Rank #1							72%	73%	72%	71%	71%	68%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	227.1	21,480.0	1.1%
Commercial	35.9	3,397.4	1.1%
Rural	15.5	4.0	383.9%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			278.5
Rates to Business Value %	1.6%	1.1%	1.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.93	5.78
Average rate in cents value	0.28	0.20

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	85.3%	87.6%
Commercial	11.2%	12.1%
Rural	3.6%	0.3%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	60
2001	1.13%	61
2002	1.11%	56
2003	1.11%	55
2004	1.12%	58
2005	1.12%	59
Bounce 2003-04	0.01%	39
Actual Change 2003-04 (Number)	81	24
Bounce 2004-05	-0.01%	34
Actual Change 2004-05 (Number)	-44	51

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	1.97%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.02%	0.04%
Parenting Payment - Single (aged 20-24)	0.08%	0.22%
Parenting Payment - Single (aged 25+)	1.07%	1.82%
Unemployed Long Term	0.69%	1.28%
Unemployed Short Term	0.58%	0.85%
Youth Allowance - Non Student	0.12%	0.37%
Youth Allowance - Student	1.41%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	11.5%	57
2002	11.3%	57
2003	11.3%	58
2004	12.0%	57
2005	11.8%	57
2006	11.5%	57

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	7.2	8.7	92.0	111.0
Rank	2	10	7	30

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

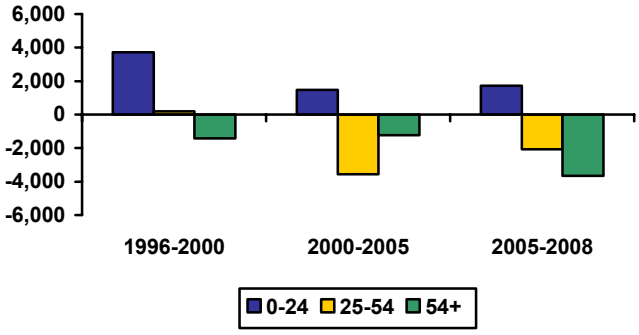
	Land Value $	Capital Value $
Residential	254,323	392,206
Commercial	285,052	679,394
Rural	3,672,352	4,253,315

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.0%	32.5%	31.9%	31.1%
25 - 54	44.0%	43.5%	42.0%	42.0%
55+	22.0%	24.0%	26.1%	26.9%
Net Inflow of Migrants (average between years)				
0 - 24		3,725	1,471	1,730
25 - 54		192	-3,557	-2,072
55+		-1,412	-1,229	-3,663
Average Age	36.9	38.3	39.4	40.0

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	79.3	41
Share of population under 55	73.9	38
Aged migration	4.0	39
Population growth rate, 55+	2.3	44
Demographic stress	-3.0	53
Dominant locations	100.0	3
Family / Youth migration	3.8	10
Fertility bounce, 1996-2005	-0.1	9
Fertility, babies % pop, 2005	1.1	59
Sustainability score	56.3	46
Working elderly	29.5	19

Local Government Level		Score	Rank
Most Sustainable	Knox (C)	63.5	181
Least Sustainable	Monash (C)	48.9	344

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	969	690	655	747	1,146	1,205	760	435	623	808	614
Rank	20	41	34	39	32	30	28	44	35	22	33

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	820	825	856	870	799	2%
Non Residential	474	590	681	689	659	15%
Total	1,294	1,415	1,537	1,559	1,458	7%
Value per capita $2003/04						
Residential	1,009	995	1,033	1,051	967	2%
Non Residential	585	712	822	832	797	15%
Total	1,595	1,707	1,855	1,883	1,764	7%
Rank (value per capita)						
Residential	34	40	48	47	48	
Non Residential	35	12	14	25	29	
Total	37	35	39	36	43	

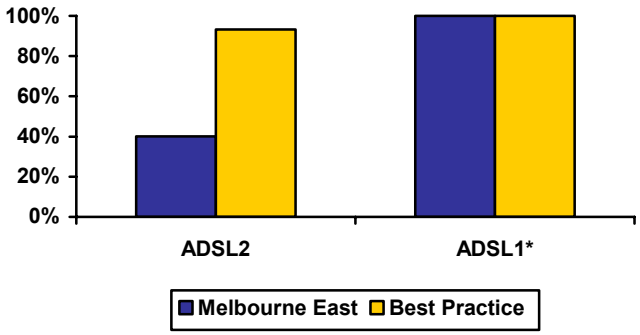
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	99.8%	0.2%	30.6%	69.2%	0.2%	0.0%
Population	99.9%	0.1%	40.1%	59.8%	0.1%	0.0%
Children	99.9%	0.1%	37.0%	62.9%	0.1%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,499	8,114
% Rank #1	100%	48%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Knox (C)	1,500	100.0%	Boroondara (C)	11,334	63.0%
Lowest Ranked LGA	Manningham (C)	1,496	99.7%	Maroondah (C)	3,207	17.8%

ADSL Population Coverage



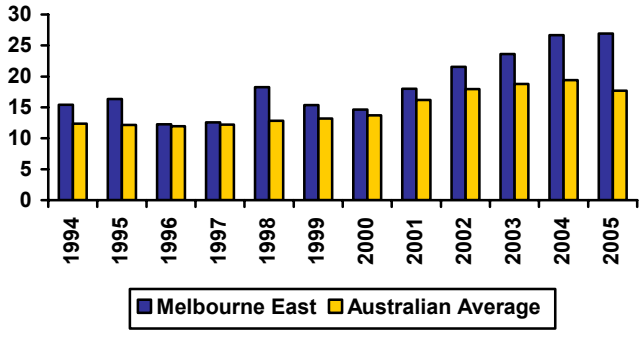
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	151.12	44.59	5
Average p.a. per capita	18.47	14.86	11
Hi Tech p.a. (1994-2005)	45.32	11.73	5
Hi Tech p.a. per capita	5.53	3.89	8
Info. Tech p.a. (1994-2005)	18.15	4.39	4
Info. Tech p.a. per capita	2.21	1.44	7
Average per capita (1994-2000)	14.98	12.61	10
Average per capita (2000-2005)	23.36	18.01	8
2000-05 avg./1994-00 avg.	1.56	1.43	17

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	14
Average Employment 2006	13
High Tech Startups	1281
New Startup Employment as % of workforce	3.8%
High Tech Startups per capita	0.0015
Rank	6

Melbourne North

Like Melbourne West, this region begins with suburbs developed during the nineteenth century land boom and extends to the urban fringe. Melbourne airport is located within the region but on the boundary of Melbourne West, and is becoming a nucleus for transport-related industries. The older parts of the region were established manufacturing areas, but with the decline of manufacturing the region is becoming a commuter zone for Central Melbourne. By and large socio-economic status is low to middling with high ethnic mix, but there has been some gentrification, and in Heidelburg-Eltham the region also includes hilly commuter suburbs which, in socio-economic composition, resemble Melbourne East. They are, however, cut off from the Eastern suburbs by a string of nature reserves along the Yarra river.

Major centres:

Preston, Broadmeadows, Heidelberg

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	698	703	709	715	722	729	0.7%	0.8%	0.9%	1.0%	0.9%	0.8%	1.0%
No Households	245	249	254	258	263	267	1.7%	1.9%	1.9%	1.7%	1.6%	1.8%	1.7%
NIEIR Workforce	347	349	354	358	369	376	0.4%	1.4%	1.3%	3.1%	1.8%	1.0%	2.4%
NIEIR Employment	315	316	322	326	336	343	0.3%	2.0%	1.2%	3.3%	2.0%	1.1%	2.6%
NIEIR Unemployment	32.5	33.2	31.7	32.4	32.9	32.6	2.2%	-4.4%	2.2%	1.4%	-0.9%	-0.1%	0.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.4%	9.5%	9.0%	9.1%	8.9%	8.7%	0.2	-0.5	0.1	-0.2	-0.2	-0.1	-0.2
Headline U/E	7.7%	6.9%	6.3%	6.2%	6.5%	6.2%	-0.8	-0.6	0.0	0.2	-0.3	-0.5	0.0
NIEIR Structural U/E	14.6%	14.5%	14.6%	14.7%	14.0%	13.3%	-0.1	0.1	0.1	-0.7	-0.7	0.0	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	11,907	11,753	12,047	12,523	13,179	13,807	17,062	16,718	17,000	17,519	18,252	18,948	1.7%	5.0%
Taxes Paid	2,913	2,938	3,117	3,246	3,462	3,604	4,174	4,179	4,399	4,541	4,795	4,946	3.7%	5.4%
Benefits	2,799	2,723	2,735	3,013	3,083	3,077	4,011	3,873	3,860	4,215	4,270	4,223	2.5%	1.1%
Business Income	1,575	1,705	1,854	1,909	1,943	2,018	2,257	2,425	2,616	2,670	2,691	2,769	6.6%	2.8%
Interest Paid	1,349	1,199	1,423	1,748	1,986	2,227	1,933	1,706	2,008	2,446	2,750	3,056	9.0%	12.9%
Net Property income	2,609	2,356	2,432	2,641	2,919	3,253	3,738	3,351	3,431	3,694	4,043	4,464	0.4%	11.0%
Business Value Added	13,482	13,458	13,901	14,431	15,122	15,825	19,319	19,143	19,615	20,189	20,943	21,718	2.3%	4.7%
Rank							29	37	29	29	27	26		
% Rank #1							59%	56%	57%	57%	57%	56%		
Net Disposable Income	15,932	15,876	16,088	16,795	17,433	18,302	22,829	22,582	22,702	23,496	24,143	25,117	1.8%	4.4%
Rank							26	31	25	25	23	20		
% Rank #1							59%	60%	59%	59%	58%	56%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	239.4	14,308.7	1.7%
Commercial	24.8	1,885.7	1.3%
Rural	4.5	57.6	7.9%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			268.8
Rates to Business Value %	2.0%	1.5%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.01	5.82
Average rate in cents value	0.42	0.28

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	90.0%	87.2%
Commercial	8.6%	11.6%
Rural	1.4%	1.2%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	34
2001	1.34%	25
2002	1.34%	19
2003	1.33%	16
2004	1.37%	13
2005	1.35%	17
Bounce 2003-04	0.05%	14
Actual Change 2003-04 (Number)	418	6
Bounce 2004-05	-0.03%	51
Actual Change 2004-05 (Number)	-107	61

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.74%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.15%	0.22%
Parenting Payment - Single (aged 25+)	1.76%	1.82%
Unemployed Long Term	1.41%	1.28%
Unemployed Short Term	0.97%	0.85%
Youth Allowance - Non Student	0.31%	0.37%
Youth Allowance - Student	1.82%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.6%	33
2002	17.1%	28
2003	17.0%	37
2004	17.9%	38
2005	17.7%	38
2006	16.8%	37

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.7	5.1	28.6	39.6
Rank	11	29	24	51

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

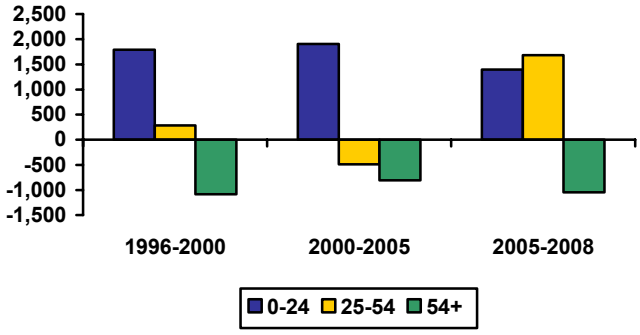
	Land Value $	Capital Value $
Residential	210,891	302,526
Commercial	250,223	515,680
Rural	2,326,107	2,907,754

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.7%	34.4%	33.6%	32.4%
25 - 54	45.0%	45.1%	44.4%	44.7%
55+	19.3%	20.5%	22.0%	22.9%
Net Inflow of Migrants (average between years)				
0 - 24		1,793	1,904	1,394
25 - 54		280	-493	1,682
55+		-1,086	-811	-1,047
Average Age	35.1	36.3	37.3	38.0

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	70.2	51
Share of population under 55	78.0	19
Aged migration	3.1	61
Population growth rate, 55+	2.3	44
Demographic stress	11.5	36
Dominant locations	100.0	3
Family / Youth migration	3.1	20
Fertility bounce, 1996-2005	-0.1	15
Fertility, babies % pop, 2005	1.3	17
Sustainability score	59.2	39
Working elderly	22.3	50

Local Government Level		Score	Rank
Most Sustainable	Hume (C)	73.5	65
Least Sustainable	Banyule (C)	45.7	374

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	701	415	445	521	929	1,156	600	360	478	752	589
Rank	43	60	56	55	46	35	45	51	48	28	37

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	606	893	986	959	888	6%
Non Residential	456	478	468	530	579	10%
Total	1,062	1,371	1,454	1,489	1,467	7%
Value per capita $2003/04						
Residential	891	1,264	1,365	1,315	1,208	3%
Non Residential	674	676	648	728	788	7%
Total	1,565	1,940	2,014	2,043	1,996	4%
Rank (value per capita)						
Residential	41	26	31	29	32	
Non Residential	25	15	34	30	30	
Total	38	23	34	32	31	

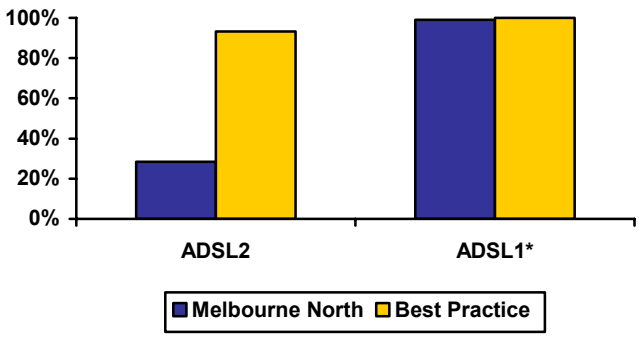
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	61.9%	38.1%	5.4%	58.8%	0.1%	35.7%
Population	99.0%	1.0%	28.4%	70.6%	0.0%	0.9%
Children	98.9%	1.1%	23.1%	75.9%	0.0%	1.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,485	6,179
% Rank #1	99%	37%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Darebin (C)	1,500	100.0%	Moreland (C)	11,416	63.4%
Lowest Ranked LGA	Hume (C)	1,460	97.4%	Nillumbik (S)	1,905	10.6%

ADSL Population Coverage



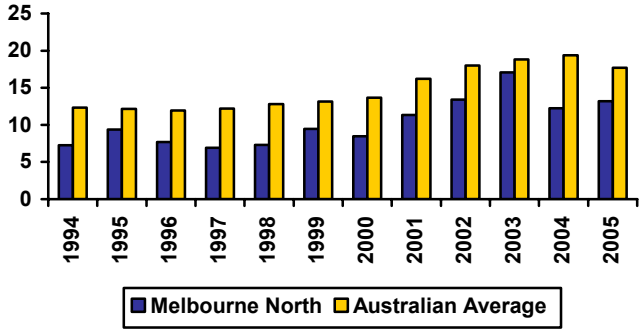
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	71.40	44.59	12
Average p.a. per capita	10.31	14.86	23
Hi Tech p.a. (1994-2005)	18.69	11.73	12
Hi Tech p.a. per capita	2.68	3.89	13
Info. Tech p.a. (1994-2005)	5.48	4.39	13
Info. Tech p.a. per capita	0.78	1.44	18
Average per capita (1994-2000)	8.08	12.61	29
Average per capita (2000-2005)	13.44	18.01	19
2000-05 avg./1994-00 avg.	1.66	1.43	8

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	12
High Tech Startups	515
New Startup Employment as % of workforce	1.6%
High Tech Startups per capita	0.0007
Rank	25

Melbourne South

Melbourne South is very similar to Melbourne East. Its older parts date from the nineteenth century, and its newest were developed a mere 20 or 30 years ago. The parts nearer the city are high status commuter suburbs, but further away the status gradient declines and there are manufacturing areas as well as golf courses.

Major centres:

Brighton, Cheltenham

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	346	347	348	348	349	349	0.4%	0.2%	0.1%	0.2%	0.1%	0.2%	0.2%
No Households	136	137	139	141	142	143	1.2%	1.2%	1.2%	1.0%	0.9%	1.2%	1.0%
NIEIR Workforce	177	176	179	181	186	188	0.0%	1.2%	1.5%	2.4%	1.0%	0.9%	1.7%
NIEIR Employment	166	165	168	170	175	179	-0.3%	1.6%	1.5%	2.9%	2.0%	0.9%	2.5%
NIEIR Unemployment	10.9	11.4	10.8	10.9	10.3	8.7	3.9%	-5.2%	1.2%	-5.1%	-16.0%	-0.1%	-10.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	6.2%	6.4%	6.0%	6.0%	5.6%	4.6%	0.2	-0.4	0.0	-0.4	-0.9	-0.1	-0.7
Headline U/E	4.6%	4.7%	4.2%	4.3%	4.1%	3.2%	0.2	-0.5	0.1	-0.2	-0.9	-0.1	-0.6
NIEIR Structural U/E	8.7%	8.7%	8.9%	8.5%	8.1%	7.7%	0.0	0.2	-0.4	-0.3	-0.4	-0.1	-0.4

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	7,086	6,979	7,120	7,397	7,761	8,134	20,491	20,104	20,480	21,260	22,252	23,288	1.4%	4.9%
Taxes Paid	2,355	2,305	2,444	2,598	2,760	2,900	6,810	6,640	7,030	7,466	7,912	8,304	3.3%	5.7%
Benefits	1,198	1,160	1,151	1,239	1,263	1,270	3,465	3,343	3,310	3,561	3,621	3,637	1.1%	1.3%
Business Income	1,252	1,400	1,533	1,604	1,620	1,694	3,620	4,033	4,410	4,609	4,646	4,850	8.6%	2.8%
Interest Paid	580	552	694	871	1,029	1,180	1,678	1,589	1,997	2,503	2,950	3,380	14.5%	16.4%
Net Property income	2,590	2,278	2,349	2,592	2,851	3,173	7,491	6,562	6,755	7,450	8,174	9,083	0.0%	10.6%
Business Value Added	8,338	8,379	8,654	9,001	9,381	9,828	24,112	24,137	24,890	25,869	26,897	28,138	2.6%	4.5%
Rank							11	13	8	9	8	8		
% Rank #1							73%	70%	72%	73%	74%	73%		
Net Disposable Income	10,177	10,037	10,150	10,622	11,001	11,651	29,432	28,914	29,194	30,527	31,543	33,357	1.4%	4.7%
Rank							6	8	6	6	6	6		
% Rank #1							75%	76%	76%	76%	76%	75%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	118.4	9,735.1	1.2%
Commercial	10.8	1,616.1	0.7%
Rural	0.7	4.1	16.9%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			129.9
Rates to Business Value %	1.7%	1.1%	1.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	5.07	6.66
Average rate in cents value	0.24	0.18

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	91.7%	88.3%
Commercial	7.9%	10.7%
Rural	0.4%	1.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	59
2001	1.17%	55
2002	1.18%	45
2003	1.20%	34
2004	1.23%	31
2005	1.22%	32
Bounce 2003-04	0.03%	19
Actual Change 2003-04 (Number)	119	19
Bounce 2004-05	-0.01%	40
Actual Change 2004-05 (Number)	-41	50

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.09%	0.14%
Disability Support (aged 25+)	2.29%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.01%	0.04%
Parenting Payment - Single (aged 20-24)	0.08%	0.22%
Parenting Payment - Single (aged 25+)	1.10%	1.82%
Unemployed Long Term	0.85%	1.28%
Unemployed Short Term	0.65%	0.85%
Youth Allowance - Non Student	0.13%	0.37%
Youth Allowance - Student	1.23%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	11.8%	56
2002	11.6%	55
2003	11.3%	57
2004	11.7%	58
2005	11.5%	58
2006	10.9%	58

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.6	4.6	17.2	49.4
Rank	22	34	43	47

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

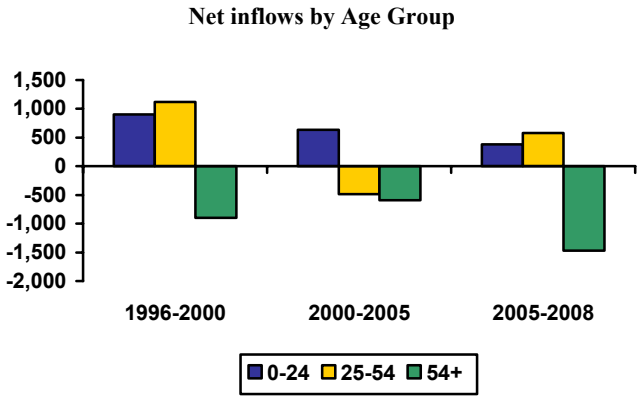
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	356,378	463,011
Commercial	343,956	584,686
Rural	2,520,368	2,806,809

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	30.4%	29.9%	30.1%	29.5%
25 - 54	44.0%	44.4%	43.1%	43.2%
55+	25.6%	25.7%	26.9%	27.2%
Net Inflow of Migrants (average between years)				
0 - 24		900	636	382
25 - 54		1,121	-487	579
55+		-899	-592	-1,466
Average Age	39.3	39.9	40.3	40.7

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	86.9	30
Share of population under 55	73.1	47
Aged migration	4.5	23
Population growth rate, 55+	0.9	64
Demographic stress	5.5	44
Dominant locations	100.0	3
Family / Youth migration	3.4	16
Fertility bounce, 1996-2005	0.0	7
Fertility, babies % pop, 2005	1.2	32
Sustainability score	61.7	28
Working elderly	25.8	40

Local Government Level		Score	Rank
Most Sustainable	Kingston (C)	63.6	179
Least Sustainable	Bayside (C)	60.3	227

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	801	567	570	663	959	1,101	621	408	679	708	627
Rank	35	48	42	46	44	36	42	46	28	31	30

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	427	502	486	491	453	-5%
Non Residential	179	185	212	227	220	19%
Total	607	687	698	718	674	1%
Value per capita $2003/04						
Residential	1,256	1,447	1,394	1,406	1,297	-6%
Non Residential	527	533	609	651	631	18%
Total	1,783	1,980	2,002	2,057	1,928	1%
Rank (value per capita)						
Residential	21	17	30	27	28	
Non Residential	46	35	37	38	44	
Total	28	21	37	30	34	

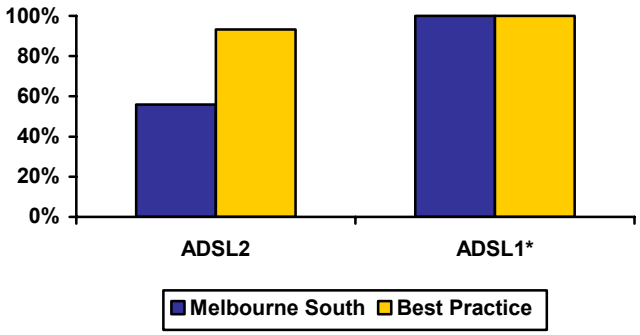
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	99.2%	0.8%	46.4%	52.8%	0.8%	0.0%
Population	99.7%	0.3%	55.9%	43.8%	0.3%	0.0%
Children	99.6%	0.4%	53.4%	46.2%	0.4%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,495	10,728
% Rank #1	100%	64%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Glen Eira (C)	1,500	100.0%	Glen Eira (C)	13,261	73.7%
Lowest Ranked LGA	Kingston (C)	1,488	99.2%	Bayside (C)	6,457	35.9%

ADSL Population Coverage



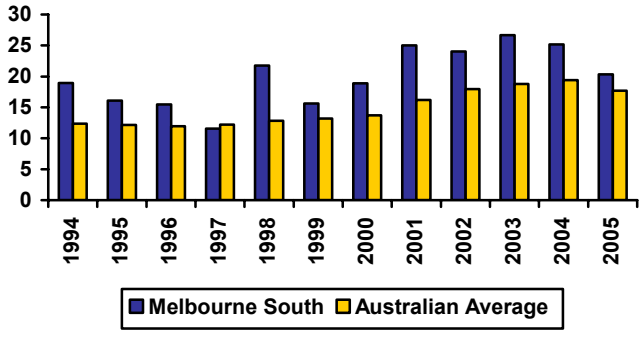
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	68.41	44.59	14
Average p.a. per capita	19.97	14.86	8
Hi Tech p.a. (1994-2005)	13.77	11.73	14
Hi Tech p.a. per capita	4.01	3.89	10
Info. Tech p.a. (1994-2005)	6.86	4.39	12
Info. Tech p.a. per capita	1.99	1.44	9
Average per capita (1994-2000)	16.91	12.61	8
Average per capita (2000-2005)	24.25	18.01	7
2000-05 avg./1994-00 avg.	1.43	1.43	27

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	11
Average Employment 2006	10
High Tech Startups	585
New Startup Employment as % of workforce	3.2%
High Tech Startups per capita	0.0017
Rank	5

Melbourne West

Melbourne West starts the other side of the Port from the CBD, and extends to the edge of the metropolitan area. Its economic base emphasises manufacturing industries (particularly chemicals and engineering) and it is also known for transport depots. In the twentieth century many of its residents worked locally, and in the post-war period the region became decidedly multicultural, a tradition which is maintained. Some parts have gentrified, partly by the social mobility of post-war immigrants. The decline of manufacturing as an employer has led to an increase in commuting to Inner Melbourne, which is conveniently close.

Major centres:

Footscray, Werribee, Sunshine

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	563	577	593	607	622	635	2.4%	2.7%	2.4%	2.5%	2.2%	2.5%	2.3%
No Households	195	200	205	211	216	220	2.3%	2.8%	2.6%	2.3%	2.2%	2.5%	2.3%
NIEIR Workforce	289	294	300	307	320	328	1.8%	2.1%	2.3%	4.0%	2.6%	2.1%	3.3%
NIEIR Employment	257	264	272	278	291	301	2.6%	3.0%	2.2%	4.8%	3.5%	2.6%	4.1%
NIEIR Unemployment	31.8	30.5	28.6	29.6	28.6	26.7	-4.1%	-6.0%	3.3%	-3.1%	-6.6%	-2.4%	-4.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	11.0%	10.4%	9.5%	9.6%	9.0%	8.2%	-0.6	-0.8	0.1	-0.7	-0.8	-0.5	-0.7
Headline U/E	8.0%	8.1%	7.3%	7.3%	7.0%	6.3%	0.1	-0.8	0.0	-0.3	-0.8	-0.2	-0.5
NIEIR Structural U/E	15.5%	15.2%	15.2%	15.2%	14.5%	14.0%	-0.3	-0.1	0.0	-0.7	-0.5	-0.1	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	9,970	10,007	10,479	10,993	11,750	12,493	17,699	17,341	17,681	18,119	18,900	19,662	3.3%	6.6%
Taxes Paid	2,360	2,432	2,635	2,758	2,993	3,156	4,189	4,215	4,447	4,545	4,815	4,967	5.3%	7.0%
Benefits	2,286	2,250	2,277	2,528	2,647	2,643	4,059	3,898	3,842	4,167	4,257	4,159	3.4%	2.2%
Business Income	1,132	1,252	1,394	1,423	1,486	1,551	2,010	2,169	2,352	2,346	2,391	2,441	7.9%	4.4%
Interest Paid	1,058	926	1,084	1,331	1,537	1,747	1,877	1,605	1,830	2,194	2,472	2,750	8.0%	14.6%
Net Property income	1,992	1,860	1,936	2,119	2,386	2,703	3,537	3,224	3,266	3,493	3,837	4,254	2.1%	12.9%
Business Value Added	11,103	11,258	11,873	12,416	13,237	14,044	19,710	19,510	20,033	20,465	21,291	22,103	3.8%	6.4%
Rank							26	33	25	27	25	24		
% Rank #1							60%	57%	58%	58%	58%	57%		
Net Disposable Income	13,022	13,243	13,705	14,459	15,298	16,272	23,117	22,950	23,123	23,832	24,607	25,609	3.5%	6.1%
Rank							25	30	21	22	20	18		
% Rank #1							59%	61%	60%	59%	59%	57%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	202.0	12,609.6	1.6%
Commercial	30.0	1,419.3	2.1%
Rural	9.2	67.0	13.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			241.2
Rates to Business Value %	2.3%	1.6%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.30	5.18
Average rate in cents value	0.50	0.31

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	85.5%	83.4%
Commercial	11.9%	13.1%
Rural	2.6%	3.5%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	24
2001	1.37%	21
2002	1.43%	10
2003	1.37%	13
2004	1.42%	9
2005	1.42%	12
Bounce 2003-04	0.05%	12
Actual Change 2003-04 (Number)	490	4
Bounce 2004-05	-0.01%	35
Actual Change 2004-05 (Number)	176	12

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.34%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.19%	0.22%
Parenting Payment - Single (aged 25+)	2.19%	1.82%
Unemployed Long Term	1.72%	1.28%
Unemployed Short Term	1.10%	0.85%
Youth Allowance - Non Student	0.33%	0.37%
Youth Allowance - Student	1.74%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.6%	34
2002	17.0%	31
2003	16.6%	39
2004	17.5%	40
2005	17.3%	40
2006	16.2%	40

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.4	2.2	17.4	27.9
Rank	24	56	42	52

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

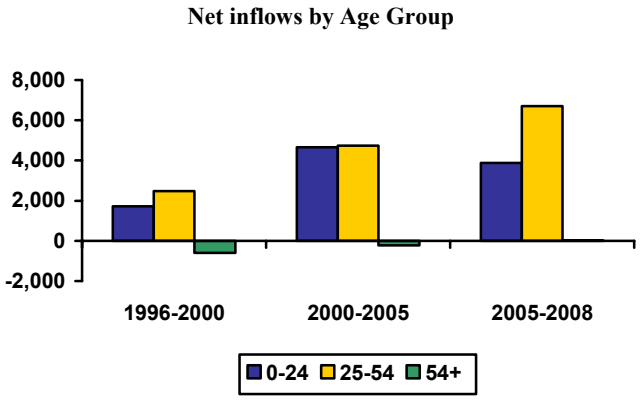
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	193,524	292,317
Commercial	278,343	603,356
Rural	337,685	1,227,896

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.8%	35.0%	34.2%	32.9%
25 - 54	45.7%	46.3%	46.0%	46.3%
55+	17.5%	18.8%	19.8%	20.8%
Net Inflow of Migrants (average between years)				
0 - 24		1,728	4,666	3,879
25 - 54		2,477	4,739	6,706
55+		-600	-222	10
Average Age	34.8	35.8	36.4	37.1

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	83.8	35
Share of population under 55	80.2	8
Aged migration	3.4	57
Population growth rate, 55+	3.3	23
Demographic stress	27.9	9
Dominant locations	100.0	3
Family / Youth migration	3.5	15
Fertility bounce, 1996-2005	-0.1	17
Fertility, babies % pop, 2005	1.4	12
Sustainability score	66.1	14
Working elderly	21.9	54

Local Government Level		Score	Rank
Most Sustainable	Melton (S)	85.2	5
Least Sustainable	Moonee Valley (C)	45.9	369

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	483	253	274	298	634	774	423	264	349	609	454
Rank	53	64	64	64	61	56	54	60	59	43	54

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	712	1,189	1,347	1,304	1,190	8%
Non Residential	513	470	619	662	667	38%
Total	1,225	1,659	1,966	1,966	1,857	16%
Value per capita $2003/04						
Residential	1,320	2,026	2,166	2,048	1,825	-1%
Non Residential	957	802	996	1,039	1,023	27%
Total	2,277	2,828	3,162	3,087	2,848	7%
Rank (value per capita)						
Residential	17	6	5	5	8	
Non Residential	9	9	9	8	14	
Total	12	7	7	9	13	

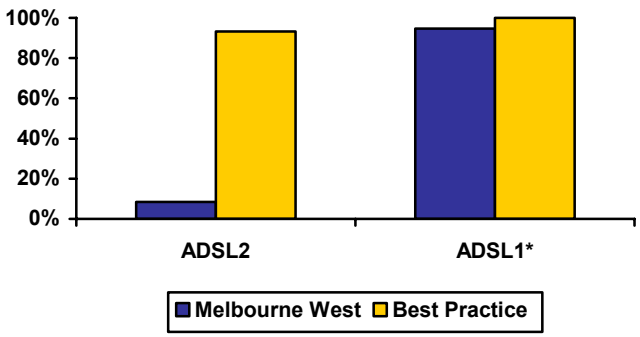
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	41.3%	58.7%	1.5%	50.2%	0.1%	48.3%
Population	93.9%	6.1%	8.5%	85.9%	0.3%	5.3%
Children	92.6%	7.4%	6.4%	86.7%	0.3%	6.6%

	2005	2006
Average Speed Available (kilobit bit per second)	1,412	2,823
% Rank #1	94%	17%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Maribyrnong (C)	1,500	100.0%	Maribyrnong (C)	7,662	42.6%
Lowest Ranked LGA	Melton (S)	1,176	78.4%	Melton (S)	1,216	6.8%

ADSL Population Coverage



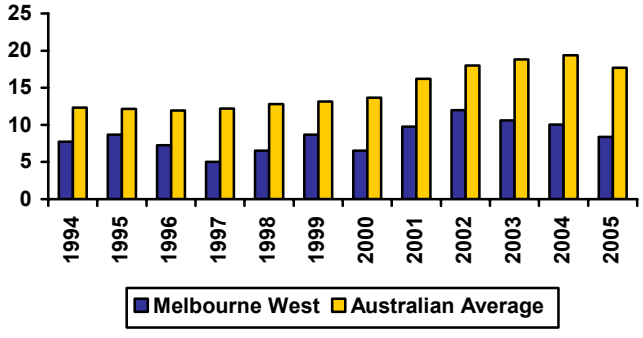
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	47.28	44.59	19
Average p.a. per capita	8.45	14.86	35
Hi Tech p.a. (1994-2005)	8.49	11.73	19
Hi Tech p.a. per capita	1.50	3.89	34
Info. Tech p.a. (1994-2005)	3.31	4.39	16
Info. Tech p.a. per capita	0.57	1.44	25
Average per capita (1994-2000)	7.22	12.61	35
Average per capita (2000-2005)	10.17	18.01	33
2000-05 avg./1994-00 avg.	1.41	1.43	31

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	14
Average Employment 2006	14
High Tech Startups	432
New Startup Employment as % of workforce	1.8%
High Tech Startups per capita	0.0007
Rank	30

Melbourne Westernport

The Westernport region lies more than 25 km from Melbourne CBD, and includes three distinct segments:

- the ranges east of Melbourne, with their conservation areas, water reserves, hobby farms and wine industry,
- the industrial area centred on Dandenong and extending to the Western shore of Westernport Bay, with its attendant new industrial suburbs and considerable ethnic mix, and
- the Mornington Peninsula, with its regional centre at Frankston, its commuters and large retired population.

Major centres:

Dandenong, Frankston, Lilydale

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	746	762	778	791	805	817	2.1%	2.1%	1.7%	1.8%	1.4%	2.0%	1.6%
No Households	259	265	271	277	283	288	2.1%	2.5%	2.3%	1.9%	1.8%	2.3%	1.9%
NIEIR Workforce	373	378	388	393	405	411	1.5%	2.5%	1.4%	3.0%	1.5%	1.8%	2.3%
NIEIR Employment	337	342	352	359	374	379	1.6%	2.9%	1.8%	4.3%	1.3%	2.1%	2.8%
NIEIR Unemployment	35.7	36.1	35.5	34.8	31.5	32.6	1.1%	-1.7%	-1.9%	-9.4%	3.4%	-0.9%	-3.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.6%	9.5%	9.1%	8.8%	7.8%	7.9%	0.0	-0.4	-0.3	-1.1	0.1	-0.2	-0.5
Headline U/E	6.6%	6.3%	6.2%	5.8%	5.0%	5.0%	-0.2	-0.1	-0.5	-0.8	0.0	-0.3	-0.4
NIEIR Structural U/E	12.6%	12.5%	12.5%	12.4%	12.0%	11.8%	-0.2	0.1	-0.1	-0.4	-0.3	-0.1	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	11,938	11,963	12,413	12,935	13,740	14,293	16,001	15,708	15,959	16,354	17,062	17,500	2.7%	5.1%
Taxes Paid	3,031	3,129	3,321	3,484	3,743	3,874	4,063	4,108	4,270	4,406	4,648	4,743	4.8%	5.4%
Benefits	2,865	2,801	2,854	3,208	3,360	3,347	3,840	3,678	3,669	4,056	4,173	4,098	3.8%	2.1%
Business Income	2,280	2,560	2,619	2,678	2,715	2,767	3,056	3,362	3,367	3,386	3,371	3,388	5.5%	1.6%
Interest Paid	1,647	1,426	1,650	1,955	2,228	2,506	2,207	1,872	2,122	2,472	2,767	3,068	5.9%	13.2%
Net Property income	2,807	2,570	2,645	2,952	3,308	3,713	3,762	3,374	3,401	3,733	4,108	4,546	1.7%	12.1%
Business Value Added	14,217	14,524	15,032	15,613	16,455	17,060	19,057	19,070	19,326	19,740	20,433	20,888	3.2%	4.5%
Rank							32	39	32	34	32	31		
% Rank #1							58%	56%	56%	56%	56%	54%		
Net Disposable Income	16,553	16,916	17,233	18,195	19,091	19,911	22,188	22,211	22,156	23,005	23,707	24,378	3.2%	4.6%
Rank							33	38	31	29	28	24		
% Rank #1							57%	59%	58%	57%	57%	55%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	227.9	15,441.7	1.5%
Commercial	23.2	2,383.7	1.0%
Rural	21.6	330.9	6.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			272.8
Rates to Business Value %	1.9%	1.4%	1.7%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.63	5.56
Average rate in cents value	0.41	0.26

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	84.1%	82.2%
Commercial	7.7%	10.3%
Rural	8.1%	7.6%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	21
2001	1.34%	26
2002	1.37%	16
2003	1.29%	21
2004	1.34%	16
2005	1.31%	21
Bounce 2003-04	0.06%	8
Actual Change 2003-04 (Number)	629	1
Bounce 2004-05	-0.03%	54
Actual Change 2004-05 (Number)	-85	58

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.13%	0.14%
Disability Support (aged 25+)	2.95%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.20%	0.22%
Parenting Payment - Single (aged 25+)	2.16%	1.82%
Unemployed Long Term	1.21%	1.28%
Unemployed Short Term	0.92%	0.85%
Youth Allowance - Non Student	0.30%	0.37%
Youth Allowance - Student	1.45%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.3%	35
2002	16.6%	35
2003	16.6%	40
2004	17.6%	39
2005	17.6%	39
2006	16.8%	38

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.5	4.4	64.6	80.2
Rank	13	36	11	41

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

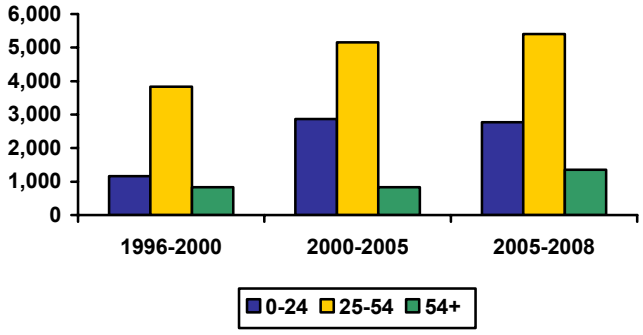
	Land Value $	Capital Value $
Residential	170,328	258,727
Commercial	193,059	451,043
Rural	730,936	901,405

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.6%	35.9%	34.9%	33.5%
25 - 54	44.3%	43.7%	42.8%	42.5%
55+	18.2%	20.4%	22.3%	24.0%
Net Inflow of Migrants (average between years)				
0 - 24		1,156	2,863	2,767
25 - 54		3,836	5,152	5,401
55+		835	833	1,355
Average Age	34.6	36.2	37.2	38.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	85.6	31
Share of population under 55	77.7	22
Aged migration	4.8	19
Population growth rate, 55+	4.1	12
Demographic stress	25.5	14
Dominant locations	100.0	3
Family / Youth migration	2.4	23
Fertility bounce, 1996-2005	-0.2	37
Fertility, babies % pop, 2005	1.3	21
Sustainability score	66.0	15
Working elderly	27.5	32

Local Government Level		Score	Rank
Most Sustainable	Casey (C)	81.0	12
Least Sustainable	Greater Dandenong (C)	37.8	449

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,048	806	752	838	1,213	1,355	822	583	817	765	674
Rank	14	28	25	30	26	21	17	29	13	26	23

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	880	1,399	1,404	1,349	1,263	-4%
Non Residential	421	492	639	695	674	36%
Total	1,301	1,891	2,043	2,045	1,937	6%
Value per capita $2003/04						
Residential	1,238	1,816	1,743	1,647	1,516	-10%
Non Residential	595	639	794	849	809	28%
Total	1,832	2,455	2,537	2,495	2,325	0%
Rank (value per capita)						
Residential	24	7	14	20	21	
Non Residential	34	20	17	23	27	
Total	27	10	12	19	19	

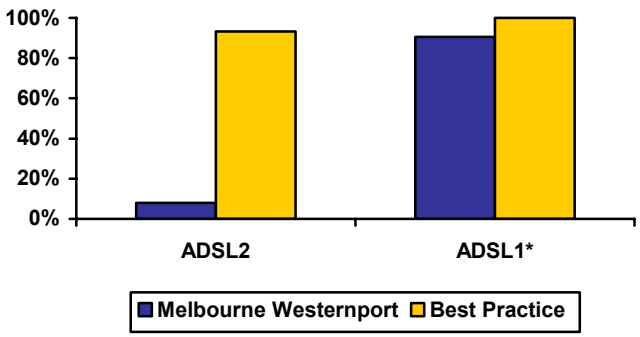
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	36.7%	63.3%	1.0%	38.5%	0.2%	60.3%
Population	89.5%	10.5%	8.0%	81.6%	0.9%	9.5%
Children	88.4%	11.6%	8.1%	80.5%	0.8%	10.6%

	2005	2006
Average Speed Available (kilobit bit per second)	1,348	2,683
% Rank #1	90%	16%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Casey (C)	1,487	99.2%	Greater Dandenong (C)	4,435	24.6%
Lowest Ranked LGA	Cardinia (S)	56	3.7%	Cardinia (S)	56	0.3%

ADSL Population Coverage



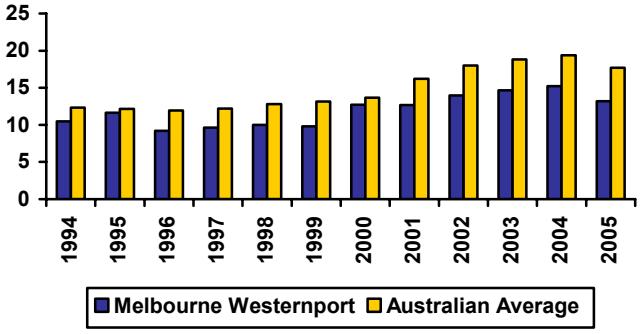
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	87.84	44.59	11
Average p.a. per capita	11.93	14.86	16
Hi Tech p.a. (1994-2005)	17.19	11.73	13
Hi Tech p.a. per capita	2.33	3.89	17
Info. Tech p.a. (1994-2005)	5.28	4.39	14
Info. Tech p.a. per capita	0.72	1.44	19
Average per capita (1994-2000)	10.49	12.61	14
Average per capita (2000-2005)	13.94	18.01	16
2000-05 avg./1994-00 avg.	1.33	1.43	36

Note: Per capita = 100,000 people

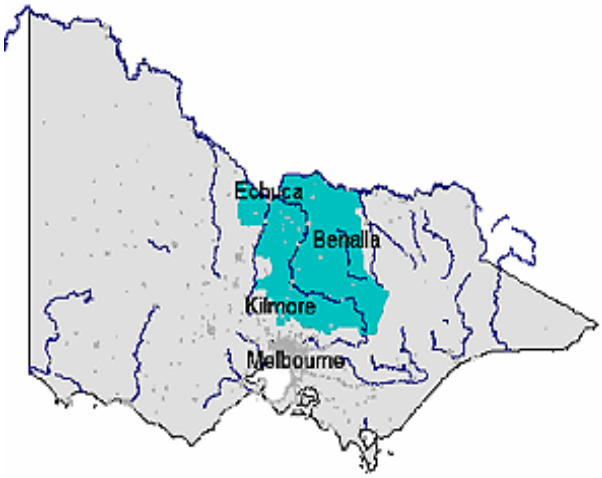
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	11
High Tech Startups	496
New Startup Employment as % of workforce	1.3%
High Tech Startups per capita	0.0006
Rank	35

VIC Goulburn



The Goulburn region has two main parts.

- The hill country 'north of the divide' includes the headwaters of the Goulburn. Economic activity is a mixture between high-rainfall grazing and forest reserves, with some tourism. The area is within the Melbourne hobby-farm belt, and indeed some of it is within commuter range.
- The Goulburn Valley proper is the plain north of Seymour. The important agricultural areas are irrigated, with intensive dairy and orchard production. The chief city of the Valley, Shepparton, is noted for its food processing industries. Food processing also takes place in other towns in the region, and Echuca adds tourism based on its old river port.

Major centres:

Shepparton, Benalla, Echuca

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	194	196	198	201	204	207	0.9%	1.3%	1.3%	1.4%	1.4%	1.2%	1.4%
No Households	71	72	74	75	77	79	1.7%	2.1%	2.1%	2.0%	2.1%	2.0%	2.1%
NIEIR Workforce	86	89	90	90	93	95	2.6%	1.6%	-0.2%	3.9%	1.6%	1.3%	2.8%
NIEIR Employment	79	81	82	82	85	86	2.4%	1.4%	0.5%	3.7%	0.8%	1.4%	2.3%
NIEIR Unemployment	7.8	8.2	8.5	7.9	8.4	9.2	4.6%	4.0%	-6.9%	6.0%	9.6%	0.4%	7.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.0%	9.2%	9.4%	8.8%	9.0%	9.7%	0.2	0.2	-0.6	0.2	0.7	-0.1	0.4
Headline U/E	6.9%	5.3%	5.3%	4.4%	4.7%	5.8%	-1.6	0.0	-0.8	0.3	1.1	-0.8	0.7
NIEIR Structural U/E	15.1%	14.7%	15.3%	15.4%	14.4%	13.8%	-0.4	0.6	0.0	-0.9	-0.6	0.1	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,457	2,513	2,576	2,630	2,782	2,882	12,663	12,840	12,989	13,092	13,649	13,944	2.3%	4.7%
Taxes Paid	721	775	761	792	856	838	3,718	3,958	3,837	3,942	4,199	4,054	3.2%	2.9%
Benefits	795	774	788	887	915	911	4,099	3,952	3,971	4,416	4,491	4,408	3.7%	1.3%
Business Income	1,200	1,367	1,084	1,192	1,262	1,080	6,187	6,986	5,468	5,934	6,191	5,223	-0.2%	-4.8%
Interest Paid	383	334	388	467	524	583	1,976	1,706	1,959	2,322	2,571	2,821	6.8%	11.8%
Net Property income	641	585	616	655	723	802	3,305	2,988	3,105	3,259	3,550	3,880	0.7%	10.7%
Business Value Added	3,657	3,880	3,660	3,822	4,043	3,962	18,850	19,826	18,457	19,026	19,841	19,167	1.5%	1.8%
Rank							35	30	39	37	34	45		
% Rank #1							57%	58%	53%	54%	54%	50%		
Net Disposable Income	4,338	4,553	4,332	4,563	4,778	4,758	22,363	23,264	21,844	22,714	23,446	23,019	1.7%	2.1%
Rank							31	29	37	31	31	41		
% Rank #1							57%	61%	57%	57%	56%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	39.1	3,217.5	1.2%
Commercial	10.1	421.6	2.4%
Rural	36.4	840.1	4.3%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			85.7
Rates to Business Value %	2.6%	1.8%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.34	4.19
Average rate in cents value	0.90	0.34

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	44.9%	54.0%
Commercial	8.9%	10.3%
Rural	46.2%	35.6%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	27
2001	1.27%	40
2002	1.24%	33
2003	1.21%	32
2004	1.22%	35
2005	1.20%	38
Bounce 2003-04	0.00%	42
Actual Change 2003-04 (Number)	37	35
Bounce 2004-05	-0.01%	39
Actual Change 2004-05 (Number)	7	34

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.49%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.22%	0.22%
Parenting Payment - Single (aged 25+)	1.94%	1.82%
Unemployed Long Term	1.38%	1.28%
Unemployed Short Term	0.80%	0.85%
Youth Allowance - Non Student	0.43%	0.37%
Youth Allowance - Student	1.27%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	18.3%	28
2002	17.0%	29
2003	18.2%	25
2004	19.4%	25
2005	19.2%	26
2006	19.1%	22

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.2	0.9	25.1	123.4
Rank	59	60	32	25

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

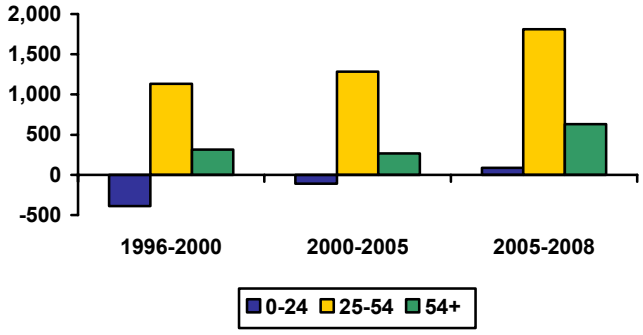
	Land Value $	Capital Value $
Residential	48,921	166,613
Commercial	88,975	345,486
Rural	142,381	325,510

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.9%	34.4%	33.3%	31.9%
25 - 54	41.7%	41.1%	40.2%	39.7%
55+	22.5%	24.5%	26.5%	28.4%
Net Inflow of Migrants (average between years)				
0 - 24		-390	-110	88
25 - 54		1,133	1,286	1,811
55+		314	267	629
Average Age	36.2	37.9	39.2	40.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	97.1	7
Share of population under 55	73.5	43
Aged migration	4.4	27
Population growth rate, 55+	3.1	26
Demographic stress	18.8	25
Dominant locations	38.0	63
Family / Youth migration	0.1	45
Fertility bounce, 1996-2005	-0.3	52
Fertility, babies % pop, 2005	1.2	38
Sustainability score	60.7	33
Working elderly	28.3	28

Local Government Level		Score	Rank
Most Sustainable	Mitchell (S)	71.6	81
Least Sustainable	Strathbogie (S)	45.6	375

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	702	599	474	674	919	1,091	511	438	557	642	532
Rank	42	46	51	44	48	38	51	43	40	40	46

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	170	261	315	328	301	21%
Non Residential	101	97	121	124	118	25%
Total	271	358	436	453	419	22%
Value per capita $2003/04						
Residential	905	1,319	1,546	1,589	1,435	16%
Non Residential	543	492	594	601	563	19%
Total	1,447	1,811	2,140	2,190	1,998	16%
Rank (value per capita)						
Residential	40	23	21	22	22	
Non Residential	43	40	39	44	54	
Total	42	30	26	24	30	

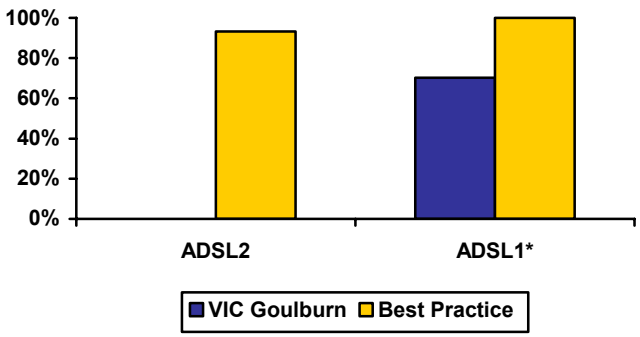
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	7.4%	92.6%	0.0%	10.9%	0.0%	89.1%
Population	67.1%	32.9%	0.0%	70.2%	0.0%	29.8%
Children	66.6%	33.4%	0.0%	69.8%	0.0%	30.2%

	2005	2006
Average Speed Available (kilobit bit per second)	1,025	1,070
% Rank #1	68%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Greater Shepparton (C)	1,237	82.4%	Greater Shepparton (C)	1,265	7.0%
Lowest Ranked LGA	Strathbogie (S)	734	48.9%	Strathbogie (S)	832	4.6%

ADSL Population Coverage



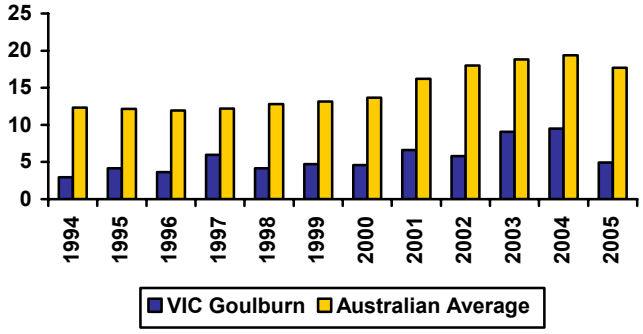
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	10.60	44.59	45
Average p.a. per capita	5.50	14.86	54
Hi Tech p.a. (1994-2005)	1.58	11.73	46
Hi Tech p.a. per capita	0.81	3.89	51
Info. Tech p.a. (1994-2005)	0.78	4.39	36
Info. Tech p.a. per capita	0.40	1.44	34
Average per capita (1994-2000)	4.30	12.61	57
Average per capita (2000-2005)	7.18	18.01	51
2000-05 avg./1994-00 avg.	1.67	1.43	7

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	8
High Tech Startups	69
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0003
Rank	55

VIC Barwon

Much of the Barwon region, including its urban centre in Geelong, is within commuting range of Melbourne, and the commuter traffic has increased considerably over the past several decades. Even so, Geelong is a manufacturing centre in its own right, though it has suffered from the decline of the textile industry, and is exposed to the fortunes of the chemical and automotive industries. Along the coast, around the Belarine Peninsula and extending down the Great Ocean Road there are resort and retirement communities, while inland there are agricultural areas. The region includes the Otway forests in its south-west corner.

Major centres:

Geelong

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	255	259	262	266	270	274	1.6%	1.3%	1.4%	1.5%	1.5%	1.4%	1.5%
No Households	95	97	99	101	103	105	1.9%	2.2%	2.2%	2.1%	1.9%	2.1%	2.0%
NIEIR Workforce	120	121	123	125	130	132	1.5%	1.2%	2.0%	3.4%	2.3%	1.6%	2.8%
NIEIR Employment	106	108	111	113	117	120	2.1%	2.6%	1.9%	2.8%	3.0%	2.2%	2.9%
NIEIR Unemployment	13.4	13.0	11.6	12.0	13.0	12.4	-3.5%	-10.6%	3.3%	8.3%	-4.3%	-3.8%	1.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	11.2%	10.7%	9.4%	9.5%	10.0%	9.4%	-0.6	-1.2	0.1	0.5	-0.6	-0.6	-0.1
Headline U/E	7.9%	6.7%	6.2%	6.3%	7.4%	6.7%	-1.2	-0.5	0.1	1.0	-0.7	-0.5	0.2
NIEIR Structural U/E	14.7%	14.5%	14.4%	13.9%	13.3%	12.7%	-0.2	-0.1	-0.5	-0.6	-0.6	-0.3	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	3,749	3,799	3,950	4,130	4,346	4,614	14,717	14,683	15,067	15,542	16,111	16,852	3.3%	5.7%
Taxes Paid	983	1,030	1,115	1,176	1,240	1,299	3,859	3,983	4,251	4,425	4,597	4,744	6.2%	5.1%
Benefits	1,068	1,035	1,044	1,157	1,204	1,214	4,194	4,000	3,982	4,354	4,462	4,435	2.7%	2.4%
Business Income	765	867	905	971	925	931	3,003	3,349	3,451	3,654	3,430	3,399	8.3%	-2.1%
Interest Paid	439	383	448	545	631	717	1,723	1,482	1,708	2,050	2,338	2,617	7.5%	14.7%
Net Property income	989	917	958	1,049	1,158	1,296	3,882	3,546	3,654	3,946	4,292	4,733	2.0%	11.2%
Business Value Added	4,514	4,666	4,855	5,101	5,271	5,545	17,720	18,032	18,519	19,196	19,542	20,251	4.2%	4.3%
Rank							40	46	38	36	36	35		
% Rank #1							54%	53%	54%	54%	54%	53%		
Net Disposable Income	5,618	5,752	5,881	6,241	6,429	6,794	22,054	22,230	22,433	23,485	23,833	24,813	3.6%	4.3%
Rank							36	37	27	26	26	21		
% Rank #1							57%	59%	58%	59%	57%	56%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	88.0	5,055.3	1.7%
Commercial	6.3	725.0	0.9%
Rural	11.0	200.4	5.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			105.3
Rates to Business Value %	2.6%	1.8%	2.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.17	6.12
Average rate in cents value	0.42	0.28

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	84.8%	81.7%
Commercial	5.7%	9.3%
Rural	9.4%	9.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	51
2001	1.19%	53
2002	1.21%	40
2003	1.14%	52
2004	1.18%	48
2005	1.17%	46
Bounce 2003-04	0.04%	15
Actual Change 2003-04 (Number)	150	15
Bounce 2004-05	-0.01%	32
Actual Change 2004-05 (Number)	32	28

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.11%	0.08%
Disability Support (aged 20-24)	0.19%	0.14%
Disability Support (aged 25+)	3.22%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.20%	0.22%
Parenting Payment - Single (aged 25+)	1.90%	1.82%
Unemployed Long Term	1.39%	1.28%
Unemployed Short Term	0.90%	0.85%
Youth Allowance - Non Student	0.37%	0.37%
Youth Allowance - Student	1.51%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.0%	25
2002	18.0%	24
2003	17.8%	31
2004	18.5%	35
2005	18.7%	31
2006	17.9%	32

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.6	2.3	11.2	41.4
Rank	44	55	51	50

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

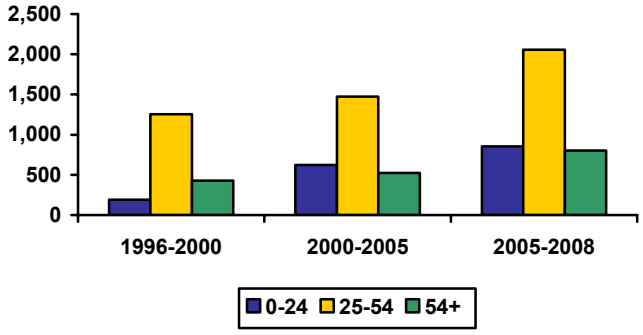
	Land Value $	Capital Value $
Residential	127,636	220,346
Commercial	122,742	315,960
Rural	304,812	387,526

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.5%	33.4%	32.4%	31.1%
25 - 54	41.5%	41.8%	40.9%	40.6%
55+	23.0%	24.8%	26.7%	28.3%
Net Inflow of Migrants (average between years)				
0 - 24		191	623	853
25 - 54		1,253	1,473	2,059
55+		428	524	804
Average Age	36.9	38.4	39.6	40.5

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	96.6	8
Share of population under 55	73.3	46
Aged migration	3.9	40
Population growth rate, 55+	2.9	31
Demographic stress	16.2	27
Dominant locations	85.4	27
Family / Youth migration	1.6	32
Fertility bounce, 1996-2005	-0.2	23
Fertility, babies % pop, 2005	1.2	46
Sustainability score	62.4	27
Working elderly	21.0	56

Local Government Level		Score	Rank
Most Sustainable	Surf Coast (S)	74.5	57
Least Sustainable	Queenscliffe (B)	28.6	544

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	689	610	549	608	786	1,174	686	500	682	688	547
Rank	45	45	45	49	57	33	36	37	27	33	40

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	280	460	523	503	466	8%
Non Residential	139	141	251	272	265	87%
Total	419	600	774	775	731	27%
Value per capita $2003/04						
Residential	1,143	1,763	1,939	1,835	1,675	3%
Non Residential	569	538	930	994	951	78%
Total	1,712	2,301	2,868	2,829	2,626	21%
Rank (value per capita)						
Residential	30	9	8	9	12	
Non Residential	38	34	12	10	20	
Total	31	12	9	13	15	

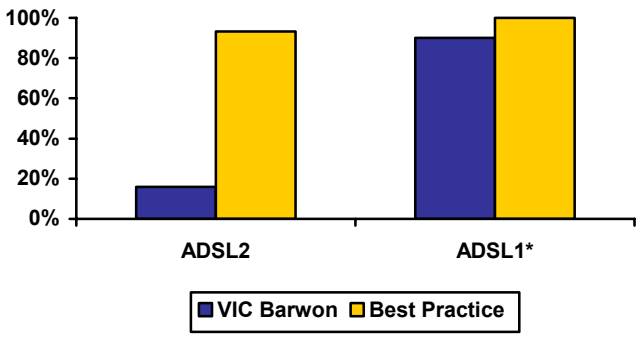
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	13.1%	86.9%	0.5%	18.9%	0.0%	80.5%
Population	87.8%	12.2%	16.0%	73.7%	0.4%	9.9%
Children	86.7%	13.3%	13.3%	75.7%	0.4%	10.7%

	2005	2006
Average Speed Available (kilobit bit per second)	1,324	4,003
% Rank #1	88%	24%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Greater Geelong (C)	1,443	96.2%	Greater Geelong (C)	4,924	27.4%
Lowest Ranked LGA	Golden Plains (S)	642	42.8%	Golden Plains (S)	774	4.3%

ADSL Population Coverage



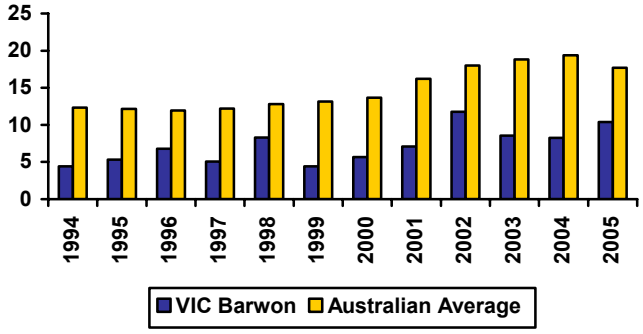
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	18.14	44.59	35
Average p.a. per capita	7.17	14.86	41
Hi Tech p.a. (1994-2005)	3.19	11.73	33
Hi Tech p.a. per capita	1.28	3.89	38
Info. Tech p.a. (1994-2005)	0.43	4.39	42
Info. Tech p.a. per capita	0.17	1.44	51
Average per capita (1994-2000)	5.70	12.61	47
Average per capita (2000-2005)	9.22	18.01	38
2000-05 avg./1994-00 avg.	1.62	1.43	10

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	12
High Tech Startups	98
New Startup Employment as % of workforce	0.9%
High Tech Startups per capita	0.0004
Rank	54

VIC Central Highlands

The Central Highlands are centred on Ballarat. The urban structure of the region dates from the gold rushes 150 years ago; Ballarat itself and many of the smaller towns were kept going by industries and institutions (such as psychiatric hospitals) founded in the nineteenth century, and now in a state of gradual decay. The region includes areas of intensive farming, and its nineteenth century heritage has become the basis of a tourism, hobby farm and retirement revival. Ballarat has also diversified its economic base.

Major centres:

Ballarat, Ararat

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	142	143	144	146	148	151	0.8%	1.1%	1.3%	1.4%	1.6%	1.1%	1.5%
No Households	53	54	55	56	57	58	1.6%	2.0%	2.1%	2.1%	2.0%	1.9%	2.1%
NIEIR Workforce	67	68	69	69	72	74	1.6%	1.7%	0.6%	3.3%	2.4%	1.3%	2.9%
NIEIR Employment	59	60	61	62	64	66	2.2%	2.6%	1.2%	2.7%	3.0%	2.0%	2.8%
NIEIR Unemployment	8.2	8.0	7.6	7.3	7.9	7.7	-2.5%	-4.8%	-4.5%	8.5%	-1.9%	-3.9%	3.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.3%	11.8%	11.0%	10.4%	11.0%	10.5%	-0.5	-0.8	-0.6	0.5	-0.5	-0.6	0.0
Headline U/E	7.9%	8.5%	7.9%	7.1%	7.9%	7.0%	0.6	-0.6	-0.8	0.8	-0.9	-0.3	0.0
NIEIR Structural U/E	16.5%	16.2%	16.3%	16.0%	15.1%	14.9%	-0.3	0.1	-0.3	-0.9	-0.2	-0.2	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,962	1,993	2,061	2,146	2,254	2,389	13,862	13,966	14,282	14,682	15,198	15,861	3.0%	5.5%
Taxes Paid	494	523	553	583	614	635	3,488	3,661	3,829	3,990	4,143	4,215	5.7%	4.3%
Benefits	611	593	599	665	686	691	4,320	4,154	4,149	4,551	4,625	4,589	2.9%	1.9%
Business Income	455	514	498	550	528	500	3,212	3,604	3,449	3,763	3,561	3,316	6.6%	-4.7%
Interest Paid	254	220	256	305	347	389	1,793	1,545	1,774	2,087	2,338	2,582	6.3%	12.9%
Net Property income	487	454	467	508	558	621	3,438	3,182	3,235	3,478	3,764	4,125	1.5%	10.5%
Business Value Added	2,417	2,508	2,559	2,696	2,782	2,889	17,074	17,570	17,731	18,445	18,759	19,177	3.7%	3.5%
Rank							49	49	45	47	46	44		
% Rank #1							52%	51%	51%	52%	51%	50%		
Net Disposable Income	3,010	3,100	3,118	3,320	3,408	3,561	21,269	21,718	21,603	22,709	22,982	23,642	3.3%	3.6%
Rank							44	47	41	32	36	31		
% Rank #1							55%	57%	56%	57%	55%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	42.1	2,555.7	1.6%
Commercial	5.2	322.6	1.6%
Rural	13.7	205.4	6.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			61.0
Rates to Business Value %	2.5%	1.9%	2.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.26	4.41
Average rate in cents value	0.73	0.40

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	68.8%	73.6%
Commercial	8.2%	10.0%
Rural	23.0%	16.4%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	40
2001	1.23%	47
2002	1.16%	50
2003	1.15%	49
2004	1.16%	51
2005	1.16%	49
Bounce 2003-04	0.02%	34
Actual Change 2003-04 (Number)	46	31
Bounce 2004-05	-0.01%	31
Actual Change 2004-05 (Number)	17	31

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.13%	0.08%
Disability Support (aged 20-24)	0.22%	0.14%
Disability Support (aged 25+)	4.06%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.25%	0.22%
Parenting Payment - Single (aged 25+)	2.21%	1.82%
Unemployed Long Term	1.53%	1.28%
Unemployed Short Term	0.91%	0.85%
Youth Allowance - Non Student	0.53%	0.37%
Youth Allowance - Student	1.75%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	20.3%	15
2002	19.1%	16
2003	19.2%	20
2004	20.0%	22
2005	20.1%	20
2006	19.4%	20

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.3	2.1	11.2	75.2
Rank	55	57	50	43

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

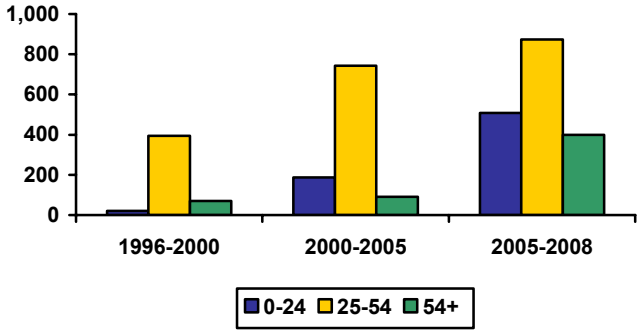
	Land Value $	Capital Value $
Residential	81,818	165,615
Commercial	118,975	286,125
Rural	294,257	374,579

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.3%	35.4%	34.2%	32.8%
25 - 54	41.0%	41.2%	40.5%	40.1%
55+	21.7%	23.4%	25.3%	27.1%
Net Inflow of Migrants (average between years)				
0 - 24		21	187	507
25 - 54		395	743	874
55+		70	91	399
Average Age	36.0	37.4	38.7	39.7

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	89.5	24
Share of population under 55	74.7	33
Aged migration	4.2	34
Population growth rate, 55+	2.8	33
Demographic stress	14.6	30
Dominant locations	77.0	33
Family / Youth migration	1.6	33
Fertility bounce, 1996-2005	-0.3	44
Fertility, babies % pop, 2005	1.2	49
Sustainability score	61.1	31
Working elderly	23.7	48

Local Government Level		Score	Rank
Most Sustainable	Ballarat (C)	66.9	134
Least Sustainable	Pyrenees (S)	27.0	559

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	697	599	583	650	919	1,089	626	475	599	664	515
Rank	44	47	41	47	49	39	41	40	36	35	48

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	114	174	225	226	209	27%
Non Residential	75	96	94	90	85	-7%
Total	189	270	319	315	295	15%
Value per capita $2003/04						
Residential	829	1,206	1,519	1,499	1,373	21%
Non Residential	545	670	633	595	559	-11%
Total	1,373	1,876	2,151	2,095	1,932	10%
Rank (value per capita)						
Residential	43	31	27	24	24	
Non Residential	42	16	35	46	55	
Total	44	27	25	28	33	

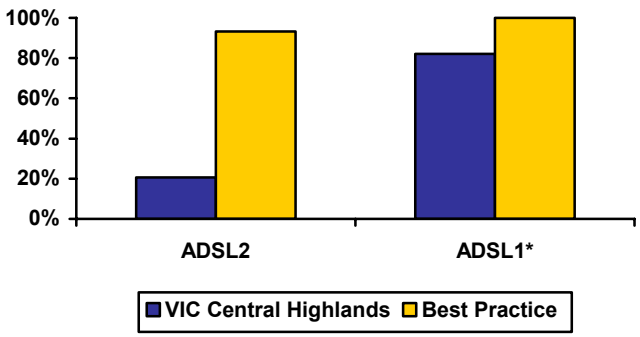
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	8.0%	92.0%	0.3%	10.8%	0.2%	88.7%
Population	79.6%	20.4%	20.7%	61.4%	0.1%	17.8%
Children	78.9%	21.1%	18.8%	62.6%	0.1%	18.5%

	2005	2006
Average Speed Available (kilobit bit per second)	1,206	4,653
% Rank #1	80%	28%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Ballarat (C)	1,426	95.1%	Ballarat (C)	7,213	40.1%
Lowest Ranked LGA	Pyrenees (S)	557	37.1%	Pyrenees (S)	647	3.6%

ADSL Population Coverage



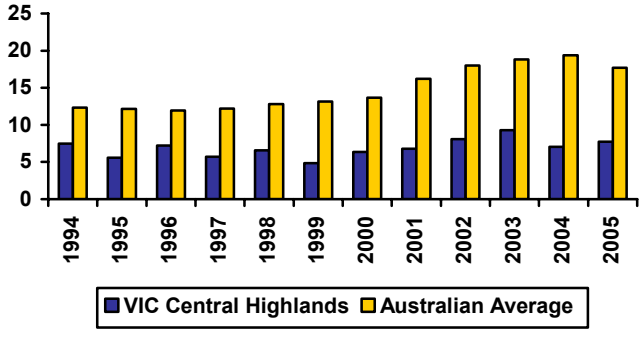
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	9.66	44.59	48
Average p.a. per capita	6.89	14.86	43
Hi Tech p.a. (1994-2005)	1.78	11.73	42
Hi Tech p.a. per capita	1.25	3.89	40
Info. Tech p.a. (1994-2005)	0.09	4.39	55
Info. Tech p.a. per capita	0.06	1.44	58
Average per capita (1994-2000)	6.25	12.61	43
Average per capita (2000-2005)	7.79	18.01	46
2000-05 avg./1994-00 avg.	1.25	1.43	42

Note: Per capita = 100,000 people

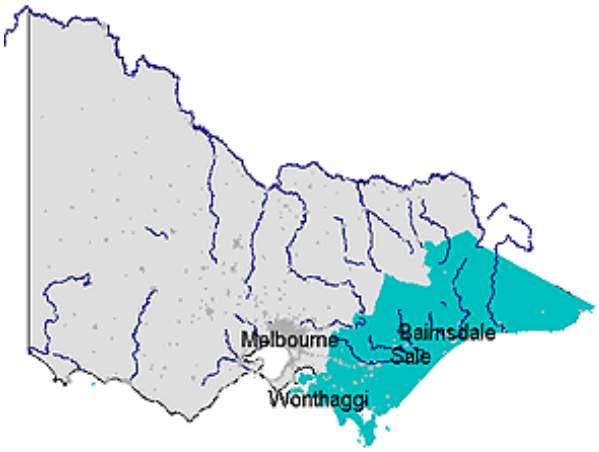
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	9
Average Employment 2006	13
High Tech Startups	59
New Startup Employment as % of workforce	1.1%
High Tech Startups per capita	0.0004
Rank	48

VIC Gippsland



Gippsland is a clearly-defined region east of Melbourne and south of the ranges. Its production statistics are dominated by oil and gas from Bass Strait, but these yield little in the way of local employment or income. It has four sub-regions.

- West Gippsland – intensive dairy farming, some timber milling and commuting to Melbourne. Its main centre is Warragul.
- South Gippsland – intensive dairy farming, timber plantations, coastal retirement areas and resorts.
- The Latrobe Valley – centre of Victorian power and an important plantation based paper industry. The Valley has suffered a difficult transition following the cessation of construction of new power plants.
- East Gippsland – patches of intensive agriculture with retirement areas around the Lakes and along the coast. The forested hills support a timber industry with an uncertain future.

Major centres:

Warragul, Traralgon, Bairnsdale

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	240	241	243	246	249	253	0.7%	0.7%	1.2%	1.4%	1.6%	0.9%	1.5%
No Households	92	94	95	98	100	102	1.6%	2.0%	2.2%	2.3%	2.2%	1.9%	2.2%
NIEIR Workforce	104	106	109	110	115	116	2.7%	1.9%	1.8%	4.0%	1.2%	2.1%	2.6%
NIEIR Employment	90	93	96	97	100	102	2.9%	3.3%	1.4%	3.1%	1.4%	2.5%	2.2%
NIEIR Unemployment	13.4	13.5	12.5	13.1	14.6	14.6	0.9%	-7.7%	5.1%	11.3%	0.0%	-0.7%	5.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.9%	12.7%	11.5%	11.9%	12.7%	12.6%	-0.2	-1.2	0.4	0.8	-0.1	-0.3	0.3
Headline U/E	9.4%	8.0%	6.3%	6.6%	7.2%	7.3%	-1.4	-1.7	0.2	0.6	0.1	-0.9	0.4
NIEIR Structural U/E	17.8%	17.4%	17.7%	17.1%	16.4%	15.8%	-0.5	0.4	-0.7	-0.7	-0.5	-0.3	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,958	3,024	3,139	3,270	3,438	3,581	12,335	12,527	12,910	13,288	13,785	14,130	3.4%	4.7%
Taxes Paid	813	890	902	951	1,001	1,031	3,392	3,686	3,708	3,864	4,013	4,068	5.3%	4.1%
Benefits	1,063	1,025	1,035	1,151	1,189	1,197	4,433	4,246	4,256	4,679	4,767	4,722	2.7%	1.9%
Business Income	1,068	1,305	1,072	1,181	1,143	1,154	4,451	5,407	4,410	4,801	4,584	4,554	3.4%	-1.2%
Interest Paid	428	378	446	542	610	682	1,785	1,566	1,833	2,203	2,447	2,689	8.2%	12.1%
Net Property income	754	699	728	786	870	971	3,144	2,895	2,996	3,193	3,490	3,832	1.4%	11.2%
Business Value Added	4,026	4,329	4,211	4,451	4,581	4,735	16,786	17,934	17,319	18,089	18,369	18,684	3.4%	3.1%
Rank							50	48	48	48	50	49		
% Rank #1							51%	52%	50%	51%	50%	49%		
Net Disposable Income	4,993	5,262	5,106	5,427	5,570	5,792	20,817	21,797	21,000	22,053	22,332	22,855	2.8%	3.3%
Rank							48	45	45	44	44	42		
% Rank #1							53%	58%	55%	55%	54%	51%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	70.8	3,856.8	1.8%
Commercial	9.8	530.9	1.8%
Rural	38.2	612.5	6.2%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			118.7
Rates to Business Value %	3.1%	2.4%	2.6%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.20	4.57
Average rate in cents value	0.81	0.42

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	57.8%	62.4%
Commercial	7.0%	10.0%
Rural	35.3%	27.6%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	48
2001	1.14%	59
2002	1.11%	58
2003	1.11%	56
2004	1.14%	55
2005	1.04%	62
Bounce 2003-04	0.03%	23
Actual Change 2003-04 (Number)	103	21
Bounce 2004-05	-0.10%	62
Actual Change 2004-05 (Number)	-215	64

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.13%	0.08%
Disability Support (aged 20-24)	0.20%	0.14%
Disability Support (aged 25+)	4.19%	3.20%
Mature Age Allowance	0.08%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.22%	0.22%
Parenting Payment - Single (aged 25+)	1.99%	1.82%
Unemployed Long Term	1.50%	1.28%
Unemployed Short Term	0.80%	0.85%
Youth Allowance - Non Student	0.43%	0.37%
Youth Allowance - Student	1.40%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	21.3%	11
2002	19.5%	14
2003	20.3%	12
2004	21.2%	16
2005	21.3%	14
2006	20.7%	13

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.0	4.0	12.5	50.3
Rank	36	44	48	46

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

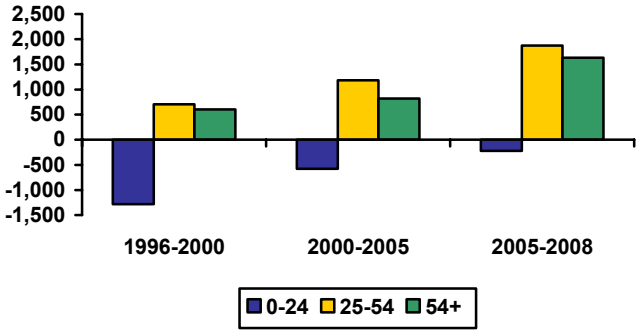
	Land Value $	Capital Value $
Residential	85,711	171,131
Commercial	126,772	274,423
Rural	243,688	336,688

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.1%	33.6%	31.9%	30.2%
25 - 54	41.0%	40.4%	38.8%	37.8%
55+	22.9%	26.1%	29.3%	31.9%
Net Inflow of Migrants (average between years)				
0 - 24		-1,286	-578	-224
25 - 54		707	1,185	1,876
55+		600	821	1,628
Average Age	36.5	38.7	40.5	41.9

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	70.2	50
Share of population under 55	70.7	60
Aged migration	5.1	16
Population growth rate, 55+	3.5	19
Demographic stress	6.4	42
Dominant locations	28.0	64
Family / Youth migration	-0.9	53
Fertility bounce, 1996-2005	-0.3	60
Fertility, babies % pop, 2005	1.0	62
Sustainability score	48.8	54
Working elderly	23.9	46

Local Government Level		Score	Rank
Most Sustainable	Bass Coast (S)	69.7	102
Least Sustainable	Wellington (S)	38.0	446

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	951	777	701	816	1,115	1,275	917	575	811	800	830
Rank	24	30	29	33	33	26	12	31	14	24	13

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	192	311	423	426	401	34%
Non Residential	134	106	181	194	178	74%
Total	326	418	604	620	579	44%
Value per capita $2003/04						
Residential	812	1,281	1,696	1,684	1,564	29%
Non Residential	568	437	727	768	694	67%
Total	1,380	1,718	2,423	2,452	2,258	38%
Rank (value per capita)						
Residential	45	24	16	18	19	
Non Residential	39	51	26	29	37	
Total	43	34	17	20	22	

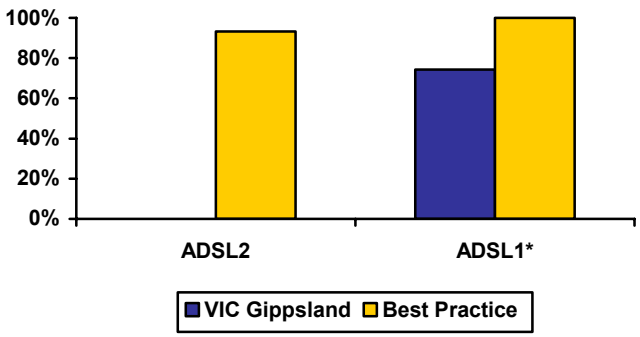
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	4.9%	95.1%	0.0%	7.5%	0.1%	92.4%
Population	69.6%	30.4%	0.0%	74.3%	0.0%	25.7%
Children	68.8%	31.2%	0.0%	73.7%	0.0%	26.3%

	2005	2006
Average Speed Available (kilobit bit per second)	1,061	1,129
% Rank #1	71%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Latrobe (C)	1,321	88.0%	Latrobe (C)	1,327	7.4%
Lowest Ranked LGA	Unincorporated Vic	57	3.8%	Unincorporated Vic	57	0.3%

ADSL Population Coverage



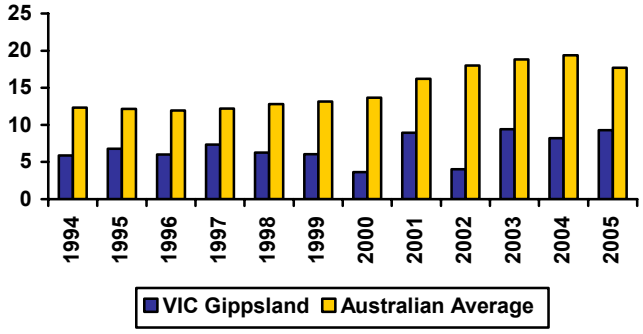
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	16.37	44.59	37
Average p.a. per capita	6.82	14.86	44
Hi Tech p.a. (1994-2005)	1.72	11.73	43
Hi Tech p.a. per capita	0.71	3.89	54
Info. Tech p.a. (1994-2005)	0.62	4.39	38
Info. Tech p.a. per capita	0.26	1.44	41
Average per capita (1994-2000)	6.00	12.61	45
Average per capita (2000-2005)	7.98	18.01	44
2000-05 avg./1994-00 avg.	1.33	1.43	35

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	6
High Tech Startups	70
New Startup Employment as % of workforce	0.4%
High Tech Startups per capita	0.0003
Rank	60

VIC Loddon

The Loddon region has much in common with the Central Highlands, but is centred on Bendigo. In Bendigo itself and in many other towns the region has a heritage of nineteenth century architecture. Its engineering industries were originally started to serve the mining industry, the railways and latterly defence; recent times have not been kind to them. However, the heritage buildings underpin tourism, and proximity to Melbourne keeps land values up for hobby farms. North of Bendigo the plains are devoted to mixed farming similar to that carried out in the Mallee-Wimmera.

Major centres:

Bendigo, Castlemaine

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	167	169	171	173	175	178	1.0%	1.2%	1.3%	1.5%	1.5%	1.2%	1.5%
No Households	62	63	65	66	67	69	1.7%	2.1%	2.1%	2.1%	2.0%	2.0%	2.0%
NIEIR Workforce	74	76	77	79	81	81	2.0%	2.0%	1.8%	3.4%	-0.3%	1.9%	1.6%
NIEIR Employment	66	68	70	71	73	73	2.2%	3.0%	1.6%	2.3%	0.5%	2.3%	1.4%
NIEIR Unemployment	7.9	7.8	7.3	7.6	8.7	8.1	-0.2%	-6.6%	3.7%	14.0%	-6.6%	-1.1%	3.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.6%	10.3%	9.5%	9.7%	10.6%	10.0%	-0.2	-0.9	0.2	1.0	-0.7	-0.3	0.2
Headline U/E	8.1%	6.5%	5.6%	5.8%	7.4%	6.7%	-1.7	-0.8	0.1	1.6	-0.7	-0.8	0.5
NIEIR Structural U/E	16.5%	16.1%	16.4%	16.0%	15.2%	15.0%	-0.3	0.2	-0.4	-0.8	-0.2	-0.2	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,190	2,211	2,303	2,395	2,501	2,585	13,116	13,115	13,493	13,850	14,261	14,522	3.0%	3.9%
Taxes Paid	567	588	619	659	696	707	3,395	3,486	3,628	3,813	3,967	3,969	5.2%	3.5%
Benefits	709	686	696	778	803	803	4,247	4,072	4,077	4,502	4,577	4,513	3.2%	1.6%
Business Income	556	638	572	659	652	615	3,333	3,786	3,354	3,811	3,716	3,455	5.8%	-3.4%
Interest Paid	305	265	308	370	419	469	1,824	1,572	1,805	2,138	2,389	2,636	6.7%	12.7%
Net Property income	561	498	526	576	638	711	3,358	2,957	3,081	3,334	3,638	3,994	0.9%	11.1%
Business Value Added	2,746	2,849	2,875	3,053	3,153	3,200	16,448	16,901	16,847	17,661	17,977	17,978	3.6%	2.4%
Rank							54	52	53	51	52	53		
% Rank #1							50%	49%	49%	50%	49%	47%		
Net Disposable Income	3,417	3,500	3,503	3,755	3,862	3,958	20,468	20,767	20,527	21,717	22,017	22,233	3.2%	2.7%
Rank							50	50	49	47	45	50		
% Rank #1							52%	55%	53%	54%	53%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	51.5	2,895.4	1.8%
Commercial	4.5	440.3	1.0%
Rural	11.3	211.5	5.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			67.3
Rates to Business Value %	2.9%	2.0%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.59	5.00
Average rate in cents value	0.70	0.37

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	78.2%	79.9%
Commercial	5.7%	7.6%
Rural	16.1%	12.5%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	49
2001	1.23%	48
2002	1.16%	48
2003	1.14%	51
2004	1.17%	50
2005	1.13%	55
Bounce 2003-04	0.03%	24
Actual Change 2003-04 (Number)	75	27
Bounce 2004-05	-0.03%	55
Actual Change 2004-05 (Number)	-32	47

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.11%	0.08%
Disability Support (aged 20-24)	0.19%	0.14%
Disability Support (aged 25+)	3.72%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.25%	0.22%
Parenting Payment - Single (aged 25+)	2.00%	1.82%
Unemployed Long Term	1.58%	1.28%
Unemployed Short Term	0.79%	0.85%
Youth Allowance - Non Student	0.47%	0.37%
Youth Allowance - Student	1.65%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	20.7%	13
2002	19.6%	13
2003	19.9%	16
2004	20.7%	18
2005	20.8%	17
2006	20.3%	15

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.7	4.1	19.1	109.1
Rank	42	41	39	31

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

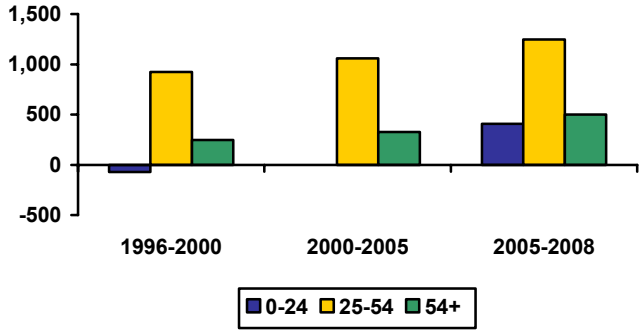
	Land Value $	Capital Value $
Residential	60,374	166,495
Commercial	58,635	229,977
Rural	148,125	285,205

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.5%	34.6%	33.3%	31.9%
25 - 54	41.3%	41.2%	40.2%	39.5%
55+	22.2%	24.2%	26.5%	28.6%
Net Inflow of Migrants (average between years)				
0 - 24		-71	-2	408
25 - 54		926	1,058	1,248
55+		247	326	501
Average Age	36.6	38.1	39.4	40.5

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	88.3	28
Share of population under 55	73.5	43
Aged migration	4.4	26
Population growth rate, 55+	3.2	24
Demographic stress	15.2	28
Dominant locations	66.6	42
Family / Youth migration	0.9	37
Fertility bounce, 1996-2005	-0.2	30
Fertility, babies % pop, 2005	1.1	55
Sustainability score	60.2	38
Working elderly	23.8	47

Local Government Level		Score	Rank
Most Sustainable	Greater Bendigo (C)	66.2	141
Least Sustainable	Loddon (S)	20.8	611

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	622	481	459	539	877	957	423	349	453	534	424
Rank	48	55	54	53	53	48	53	52	50	51	55

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	143	216	268	259	242	19%
Non Residential	76	83	103	137	149	57%
Total	219	298	371	396	391	29%
Value per capita $2003/04						
Residential	885	1,267	1,528	1,454	1,342	14%
Non Residential	473	487	584	772	827	50%
Total	1,357	1,754	2,112	2,226	2,170	24%
Rank (value per capita)						
Residential	42	25	25	25	26	
Non Residential	52	44	41	28	25	
Total	47	32	29	22	27	

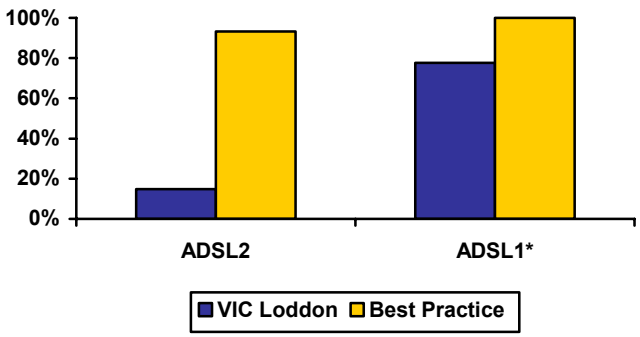
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	8.2%	91.8%	0.2%	10.8%	0.2%	88.8%
Population	74.8%	25.2%	14.9%	62.2%	0.5%	22.4%
Children	73.8%	26.2%	13.1%	63.2%	0.5%	23.3%

	2005	2006
Average Speed Available (kilobit bit per second)	1,136	3,639
% Rank #1	76%	22%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Greater Bendigo (C)	1,287	85.8%	Greater Bendigo (C)	5,840	32.4%
Lowest Ranked LGA	Loddon (S)	317	21.1%	Loddon (S)	450	2.5%

ADSL Population Coverage



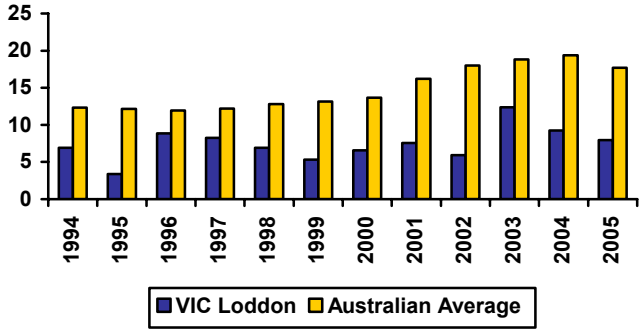
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	12.29	44.59	42
Average p.a. per capita	7.44	14.86	40
Hi Tech p.a. (1994-2005)	1.99	11.73	40
Hi Tech p.a. per capita	1.22	3.89	41
Info. Tech p.a. (1994-2005)	0.93	4.39	32
Info. Tech p.a. per capita	0.55	1.44	27
Average per capita (1994-2000)	6.61	12.61	39
Average per capita (2000-2005)	8.61	18.01	41
2000-05 avg./1994-00 avg.	1.30	1.43	37

Note: Per capita = 100,000 people

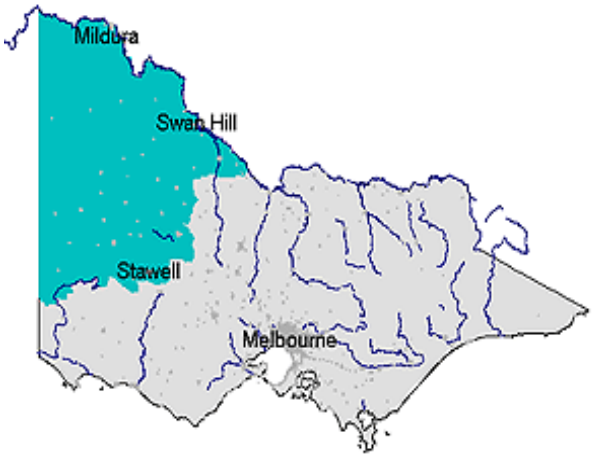
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	8
High Tech Startups	51
New Startup Employment as % of workforce	0.5%
High Tech Startups per capita	0.0003
Rank	58

VIC Mallee-Wimmera



The Mallee-Wimmera comprises the plains north of the Grampians and the Dundas hills. The region is classic wheat/sheep country. Rainfall diminishes northward, as does the reliability of the harvest. The region includes several dry-country national parks. The region's rain-fed agriculture, originally concentrating on wheat, has diversified considerably. Intensive viticulture is practised in several irrigation areas which pump water from the Murray. Horsham is the chief town in the Wimmera, and Swan Hill and Mildura serve irrigation areas along the Murray, including adjacent parts of NSW.

Major centres:

Mildura, Swan Hill, Horsham

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	142	142	142	142	143	144	0.2%	-0.2%	0.3%	0.5%	0.6%	0.1%	0.5%
No Households	55	55	56	57	57	58	1.1%	1.2%	1.3%	1.3%	1.3%	1.2%	1.3%
NIEIR Workforce	59	60	60	60	62	62	2.1%	-1.1%	1.2%	2.5%	1.0%	0.7%	1.8%
NIEIR Employment	53	54	54	54	55	56	1.5%	-1.1%	0.9%	1.2%	2.0%	0.4%	1.6%
NIEIR Unemployment	5.6	6.0	5.9	6.2	7.1	6.5	8.2%	-1.3%	3.7%	14.6%	-7.2%	3.5%	3.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.4%	10.0%	10.0%	10.2%	11.4%	10.5%	0.6	0.0	0.3	1.2	-0.9	0.3	0.1
Headline U/E	5.6%	5.0%	5.0%	5.4%	6.9%	6.2%	-0.5	0.0	0.5	1.4	-0.6	0.0	0.4
NIEIR Structural U/E	15.9%	15.6%	17.0%	16.7%	16.3%	15.5%	-0.3	1.4	-0.3	-0.4	-0.8	0.2	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,494	1,504	1,517	1,562	1,615	1,698	10,539	10,587	10,693	10,973	11,297	11,807	1.5%	4.3%
Taxes Paid	575	619	510	583	599	586	4,052	4,356	3,593	4,099	4,192	4,075	0.5%	0.2%
Benefits	593	572	579	646	659	657	4,185	4,029	4,078	4,541	4,609	4,568	2.9%	0.8%
Business Income	1,509	1,680	991	1,379	1,333	1,200	10,645	11,825	6,985	9,692	9,326	8,344	-3.0%	-6.7%
Interest Paid	275	244	290	355	394	434	1,939	1,718	2,041	2,494	2,754	3,017	8.9%	10.6%
Net Property income	429	380	394	403	439	486	3,027	2,674	2,779	2,834	3,070	3,379	-2.1%	9.8%
Business Value Added	3,004	3,185	2,508	2,941	2,948	2,897	21,185	22,413	17,677	20,665	20,623	20,151	-0.7%	-0.7%
Rank							18	16	46	26	31	36		
% Rank #1							64%	65%	51%	58%	57%	52%		
Net Disposable Income	3,454	3,605	2,955	3,381	3,376	3,361	24,358	25,374	20,830	23,755	23,612	23,380	-0.7%	-0.3%
Rank							18	19	48	23	29	39		
% Rank #1							62%	67%	54%	59%	57%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	20.8	1,860.3	1.1%
Commercial	6.9	242.4	2.8%
Rural	44.4	1,091.0	4.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			72.0
Rates to Business Value %	3.0%	1.7%	2.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.12	3.13
Average rate in cents value	0.91	0.49

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	26.5%	39.8%
Commercial	8.7%	14.9%
Rural	64.8%	45.3%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	32
2001	1.37%	22
2002	1.20%	43
2003	1.17%	45
2004	1.18%	46
2005	1.15%	51
Bounce 2003-04	0.01%	35
Actual Change 2003-04 (Number)	24	41
Bounce 2004-05	-0.03%	52
Actual Change 2004-05 (Number)	-34	48

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	3.64%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.20%	0.22%
Parenting Payment - Single (aged 25+)	1.75%	1.82%
Unemployed Long Term	1.65%	1.28%
Unemployed Short Term	0.95%	0.85%
Youth Allowance - Non Student	0.48%	0.37%
Youth Allowance - Student	1.32%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.2%	37
2002	15.9%	37
2003	19.6%	18
2004	19.1%	30
2005	19.5%	22
2006	19.5%	19

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.3	1.9	15.0	105.0
Rank	57	58	45	33

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

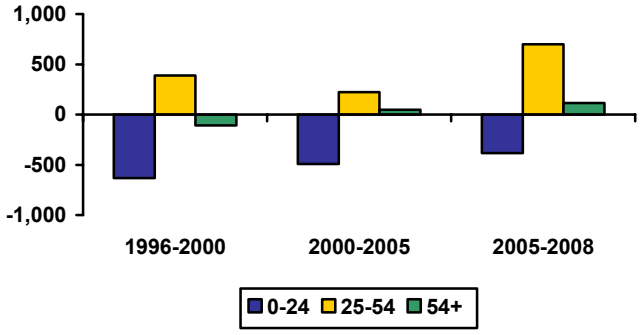
	Land Value $	Capital Value $
Residential	32,379	103,192
Commercial	52,200	190,149
Rural	219,021	276,912

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.5%	33.7%	32.7%	31.4%
25 - 54	40.3%	40.0%	38.9%	38.7%
55+	25.2%	26.3%	28.4%	29.9%
Net Inflow of Migrants (average between years)				
0 - 24		-632	-492	-385
25 - 54		391	224	698
55+		-109	49	115
Average Age	37.2	38.7	40.0	41.1

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	63.9	53
Share of population under 55	71.6	56
Aged migration	3.5	55
Population growth rate, 55+	1.6	58
Demographic stress	-1.4	51
Dominant locations	49.9	59
Family / Youth migration	-1.7	58
Fertility bounce, 1996-2005	-0.3	59
Fertility, babies % pop, 2005	1.2	51
Sustainability score	47.5	56
Working elderly	28.4	27

Local Government Level		Score	Rank
Most Sustainable	Mildura (RC)	63.2	192
Least Sustainable	Buloke (S)	17.6	620

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	391	360	354	388	600	638	334	315	319	381	325
Rank	61	62	61	61	63	59	62	56	61	59	62

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	81	115	145	153	140	27%
Non Residential	64	77	98	99	92	26%
Total	145	192	244	252	231	26%
Value per capita $2003/04						
Residential	577	811	1,018	1,065	970	25%
Non Residential	459	540	687	689	636	24%
Total	1,036	1,351	1,705	1,754	1,606	25%
Rank (value per capita)						
Residential	56	50	49	45	47	
Non Residential	56	33	29	33	43	
Total	58	48	43	43	50	

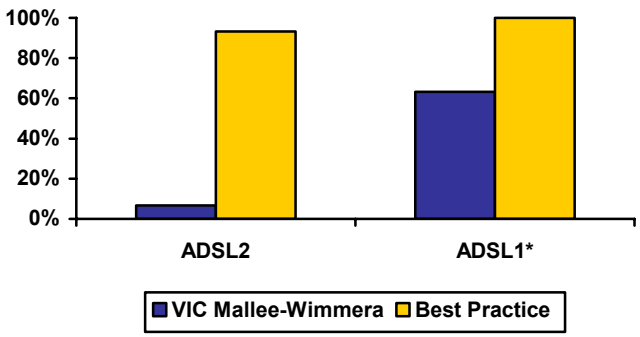
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	2.3%	97.7%	0.0%	2.5%	0.0%	97.4%
Population	61.8%	38.2%	6.7%	56.3%	0.3%	36.8%
Children	59.5%	40.5%	6.1%	54.5%	0.3%	39.0%

	2005	2006
Average Speed Available (kilobit bit per second)	948	2,077
% Rank #1	63%	12%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Mildura (RC)	1,251	83.4%	Horsham (RC)	9,679	53.8%
Lowest Ranked LGA	Swan Hill (RC)	56	3.7%	Swan Hill (RC)	56	0.3%

ADSL Population Coverage



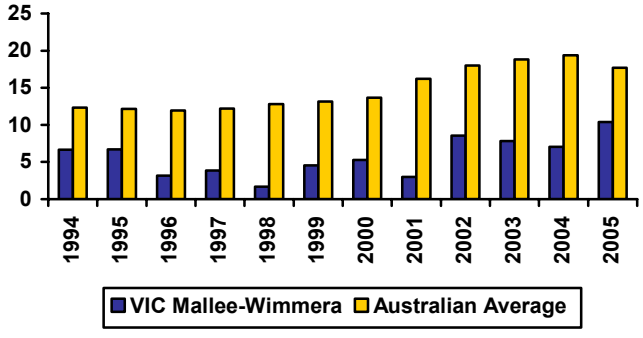
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	8.09	44.59	51
Average p.a. per capita	5.72	14.86	53
Hi Tech p.a. (1994-2005)	1.23	11.73	49
Hi Tech p.a. per capita	0.87	3.89	49
Info. Tech p.a. (1994-2005)	0.08	4.39	57
Info. Tech p.a. per capita	0.06	1.44	60
Average per capita (1994-2000)	4.55	12.61	56
Average per capita (2000-2005)	7.35	18.01	48
2000-05 avg./1994-00 avg.	1.61	1.43	11

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	6
High Tech Startups	45
New Startup Employment as % of workforce	0.4%
High Tech Startups per capita	0.0003
Rank	56

VIC Ovens-Hume

The Ovens-Hume region lies on the other side of the ranges from Gippsland, and includes high country with winter snowfields, hills with plantation forestry, intensively-cultivated valleys and Victoria's share of the upper part of the Murray River plains. The major towns, Wangaratta and Wodonga (Victoria's counterpart to Albury) have significant manufacturing, mainly based on rural inputs, and the region's centrality on Australia's road system is generating investments in wholesale distribution. Though the region is beyond commuting range from Melbourne, its natural attractions, in addition to old towns like Beechworth, form the basis of a growing tourist industry.

Major centres:

Wodonga, Wangaratta

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	93	94	95	95	96	97	0.6%	0.9%	0.9%	1.0%	0.8%	0.8%	0.9%
No Households	35	36	36	37	38	38	1.6%	2.0%	2.0%	1.8%	1.7%	1.9%	1.7%
NIEIR Workforce	44	45	46	46	48	49	1.4%	2.1%	0.7%	3.7%	1.5%	1.4%	2.6%
NIEIR Employment	41	41	42	43	44	45	1.5%	2.3%	1.7%	3.4%	0.6%	1.8%	2.0%
NIEIR Unemployment	3.8	3.8	3.8	3.4	3.7	4.1	0.8%	-0.2%	-10.5%	7.2%	12.7%	-3.4%	9.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.6%	8.5%	8.3%	7.4%	7.7%	8.5%	-0.1	-0.2	-0.9	0.2	0.8	-0.4	0.5
Headline U/E	5.9%	5.0%	4.8%	3.9%	4.1%	5.3%	-0.9	-0.2	-0.9	0.3	1.2	-0.7	0.7
NIEIR Structural U/E	13.1%	12.9%	12.9%	12.7%	12.0%	11.3%	-0.2	0.0	-0.2	-0.7	-0.7	-0.1	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,310	1,311	1,361	1,411	1,490	1,541	14,054	13,973	14,380	14,776	15,446	15,841	2.5%	4.5%
Taxes Paid	324	342	365	378	408	413	3,481	3,649	3,858	3,961	4,224	4,241	5.2%	4.5%
Benefits	380	368	371	412	422	419	4,072	3,920	3,921	4,315	4,379	4,311	2.8%	0.9%
Business Income	313	374	357	369	384	362	3,359	3,987	3,769	3,860	3,979	3,718	5.6%	-0.9%
Interest Paid	176	154	180	214	242	269	1,892	1,644	1,905	2,246	2,505	2,767	6.7%	12.0%
Net Property income	317	292	305	331	366	406	3,406	3,111	3,218	3,468	3,797	4,177	1.4%	10.8%
Business Value Added	1,623	1,685	1,718	1,779	1,874	1,903	17,413	17,960	18,149	18,636	19,424	19,559	3.1%	3.4%
Rank							45	47	42	45	38	43		
% Rank #1							53%	52%	52%	53%	53%	51%		
Net Disposable Income	1,981	2,038	2,047	2,149	2,241	2,296	21,249	21,727	21,628	22,511	23,230	23,601	2.8%	3.4%
Rank							45	46	39	35	34	32		
% Rank #1							54%	57%	56%	56%	56%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	22.6	1,697.6	1.3%
Commercial	3.7	229.8	1.6%
Rural	13.9	154.0	9.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			40.2
Rates to Business Value %	2.2%	1.9%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.59	3.78
Average rate in cents value	0.82	0.40

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	55.1%	63.6%
Commercial	8.8%	10.6%
Rural	36.1%	25.8%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	39
2001	1.32%	28
2002	1.17%	46
2003	1.15%	47
2004	1.21%	38
2005	1.14%	53
Bounce 2003-04	0.05%	9
Actual Change 2003-04 (Number)	62	28
Bounce 2004-05	-0.07%	61
Actual Change 2004-05 (Number)	-54	52

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	3.07%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.20%	0.22%
Parenting Payment - Single (aged 25+)	1.84%	1.82%
Unemployed Long Term	1.20%	1.28%
Unemployed Short Term	0.73%	0.85%
Youth Allowance - Non Student	0.40%	0.37%
Youth Allowance - Student	1.35%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.2%	23
2002	18.0%	22
2003	18.1%	28
2004	19.2%	29
2005	18.9%	29
2006	18.3%	29

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.4	3.7	14.3	148.4
Rank	53	49	46	21

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

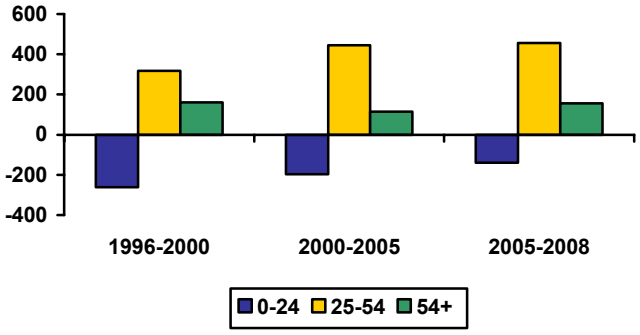
	Land Value $	Capital Value $
Residential	66,270	163,934
Commercial	77,126	282,010
Rural	222,330	327,992

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.6%	34.6%	33.2%	31.8%
25 - 54	42.6%	41.8%	40.6%	39.9%
55+	20.7%	23.5%	26.1%	28.3%
Net Inflow of Migrants (average between years)				
0 - 24		-260	-196	-139
25 - 54		318	445	457
55+		160	114	156
Average Age	35.6	37.5	39.1	40.4

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	90.1	23
Share of population under 55	73.9	38
Aged migration	4.1	35
Population growth rate, 55+	3.5	19
Demographic stress	11.4	37
Dominant locations	56.3	54
Family / Youth migration	-0.1	47
Fertility bounce, 1996-2005	-0.3	54
Fertility, babies % pop, 2005	1.1	53
Sustainability score	57.1	45
Working elderly	28.6	26

Local Government Level		Score	Rank
Most Sustainable	Wodonga (RC)	70.4	96
Least Sustainable	Towong (S)	23.5	584

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,026	842	625	1,016	1,469	1,590	791	500	867	899	766
Rank	17	23	36	22	19	9	22	36	10	16	16

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	89	117	125	118	110	1%
Non Residential	56	60	91	93	84	50%
Total	145	176	216	212	195	18%
Value per capita $2003/04						
Residential	980	1,234	1,293	1,216	1,126	-2%
Non Residential	622	632	943	959	861	46%
Total	1,602	1,867	2,236	2,175	1,987	14%
Rank (value per capita)						
Residential	36	28	34	36	41	
Non Residential	31	23	11	14	23	
Total	35	28	22	25	32	

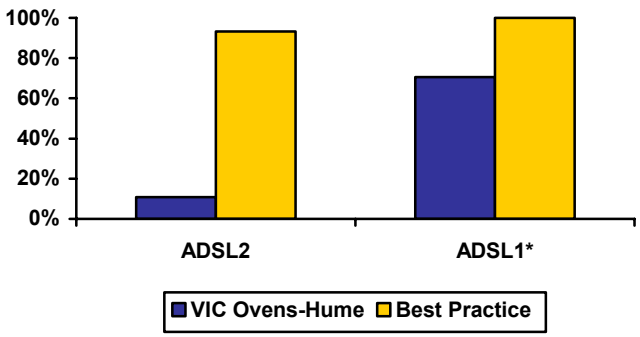
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	6.8%	93.2%	0.1%	8.2%	0.2%	91.5%
Population	68.4%	31.6%	10.8%	59.2%	0.6%	29.4%
Children	68.1%	31.9%	9.3%	60.5%	0.6%	29.6%

	2005	2006
Average Speed Available (kilobit bit per second)	1,043	2,859
% Rank #1	70%	17%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Wodonga (RC)	1,397	93.1%	Wangaratta (RC)	7,621	42.3%
Lowest Ranked LGA	Towong (S)	497	33.1%	Towong (S)	501	2.8%

ADSL Population Coverage



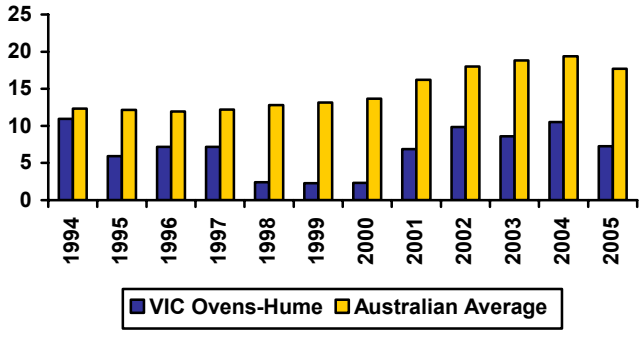
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	6.26	44.59	56
Average p.a. per capita	6.79	14.86	45
Hi Tech p.a. (1994-2005)	0.44	11.73	58
Hi Tech p.a. per capita	0.48	3.89	59
Info. Tech p.a. (1994-2005)	0.08	4.39	57
Info. Tech p.a. per capita	0.09	1.44	55
Average per capita (1994-2000)	5.47	12.61	51
Average per capita (2000-2005)	8.62	18.01	40
2000-05 avg./1994-00 avg.	1.58	1.43	16

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	14
Average Employment 2006	11
High Tech Startups	24
New Startup Employment as % of workforce	0.5%
High Tech Startups per capita	0.0002
Rank	62

VIC West

The Western District in Victoria is beyond commuter range from Melbourne, and is hence primarily an agricultural region. The plains were renowned as fine wool country, but with falling wool prices there has been pressure to diversify. The southern part of the region, in Colac, Corangamite and Moyne Shires, has long engaged in more intensive agriculture, including dairying. The region has three main centres, Warrnambool, which following the decline of the textile and clothing industry is mainly a commercial centre, Portland, which combines a bulk port, heavy industry and tourism, and Hamilton, a gracious town founded on old wealth.

Major centres:

Warrnambool, Hamilton, Portland

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	100	101	100	101	101	102	0.1%	-0.1%	0.4%	0.6%	0.6%	0.1%	0.6%
No Households	38	39	39	40	40	41	1.0%	1.4%	1.4%	1.4%	1.4%	1.3%	1.4%
NIEIR Workforce	45	46	47	47	49	49	1.9%	1.3%	1.6%	3.2%	1.3%	1.6%	2.2%
NIEIR Employment	41	41	42	43	44	45	2.2%	2.1%	1.5%	2.4%	2.3%	1.9%	2.4%
NIEIR Unemployment	4.6	4.5	4.3	4.4	4.8	4.4	-1.1%	-6.3%	2.8%	10.2%	-7.6%	-1.6%	0.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.2%	9.9%	9.1%	9.2%	9.9%	9.0%	-0.3	-0.7	0.1	0.6	-0.9	-0.3	-0.1
Headline U/E	6.3%	5.2%	5.1%	5.5%	6.4%	5.9%	-1.0	-0.1	0.3	0.9	-0.5	-0.3	0.2
NIEIR Structural U/E	13.5%	13.2%	13.7%	13.1%	12.6%	11.8%	-0.2	0.4	-0.5	-0.6	-0.7	-0.1	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,177	1,200	1,234	1,280	1,336	1,403	11,717	11,928	12,285	12,692	13,170	13,746	2.8%	4.7%
Taxes Paid	412	457	439	466	470	472	4,101	4,543	4,365	4,622	4,634	4,625	4.2%	0.6%
Benefits	412	394	396	438	446	442	4,104	3,918	3,943	4,346	4,396	4,328	2.1%	0.4%
Business Income	871	1,020	818	886	802	737	8,669	10,145	8,138	8,784	7,905	7,226	0.6%	-8.8%
Interest Paid	198	175	207	249	279	311	1,970	1,742	2,062	2,472	2,755	3,046	8.0%	11.6%
Net Property income	357	332	339	366	404	452	3,554	3,302	3,376	3,632	3,985	4,429	0.9%	11.1%
Business Value Added	2,048	2,220	2,052	2,166	2,138	2,140	20,386	22,073	20,424	21,476	21,075	20,972	1.9%	-0.6%
Rank							22	19	23	23	26	29		
% Rank #1							62%	64%	59%	61%	58%	55%		
Net Disposable Income	2,406	2,556	2,373	2,513	2,491	2,524	23,942	25,412	23,623	24,908	24,554	24,738	1.5%	0.2%
Rank							19	18	18	20	21	22		
% Rank #1							61%	67%	61%	62%	59%	55%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	17.0	1,570.9	1.1%
Commercial	3.1	250.4	1.2%
Rural	29.1	551.5	5.3%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			49.2
Rates to Business Value %	3.0%	1.7%	2.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.80	4.10
Average rate in cents value	0.60	0.34

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	34.5%	44.4%
Commercial	5.9%	8.0%
Rural	59.5%	47.6%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	31
2001	1.29%	34
2002	1.18%	44
2003	1.19%	39
2004	1.18%	44
2005	1.12%	56
Bounce 2003-04	-0.01%	48
Actual Change 2003-04 (Number)	-1	49
Bounce 2004-05	-0.06%	60
Actual Change 2004-05 (Number)	-55	54

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.16%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.17%	0.22%
Parenting Payment - Single (aged 25+)	1.67%	1.82%
Unemployed Long Term	1.36%	1.28%
Unemployed Short Term	0.80%	0.85%
Youth Allowance - Non Student	0.40%	0.37%
Youth Allowance - Student	1.44%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.1%	38
2002	15.4%	42
2003	16.7%	38
2004	17.4%	41
2005	17.9%	35
2006	17.5%	35

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.2	2.4	10.0	98.6
Rank	58	54	52	36

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

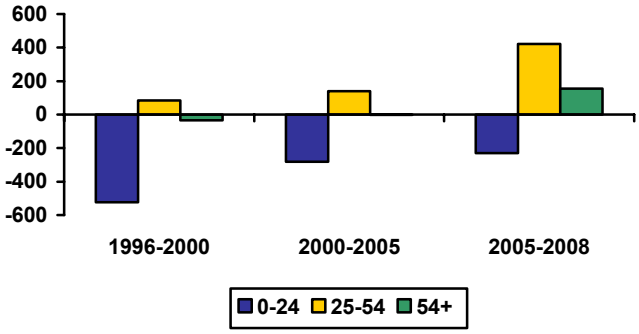
	Land Value $	Capital Value $
Residential	44,809	130,560
Commercial	79,604	304,292
Rural	280,236	391,377

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.7%	34.2%	33.4%	32.1%
25 - 54	40.7%	40.4%	39.0%	38.5%
55+	23.6%	25.4%	27.5%	29.5%
Net Inflow of Migrants (average between years)				
0 - 24		-524	-283	-231
25 - 54		84	140	422
55+		-35	-2	155
Average Age	36.7	38.2	39.7	40.8

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	51.3	57
Share of population under 55	72.5	51
Aged migration	3.8	45
Population growth rate, 55+	1.9	55
Demographic stress	-4.8	55
Dominant locations	53.5	56
Family / Youth migration	-1.4	57
Fertility bounce, 1996-2005	-0.4	61
Fertility, babies % pop, 2005	1.1	56
Sustainability score	44.1	59
Working elderly	29.6	18

Local Government Level		Score	Rank
Most Sustainable	Warrnambool (C)	65.0	159
Least Sustainable	Glenelg (S)	32.8	498

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	636	709	619	614	945	1,087	757	653	751	653	597
Rank	47	36	40	48	45	40	29	25	18	37	36

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	59	88	120	122	111	33%
Non Residential	49	56	67	68	63	19%
Total	107	144	187	190	174	28%
Value per capita $2003/04						
Residential	585	877	1,184	1,196	1,081	32%
Non Residential	485	553	658	668	615	17%
Total	1,070	1,430	1,842	1,864	1,696	26%
Rank (value per capita)						
Residential	54	45	37	38	43	
Non Residential	51	32	32	35	47	
Total	53	45	40	38	46	

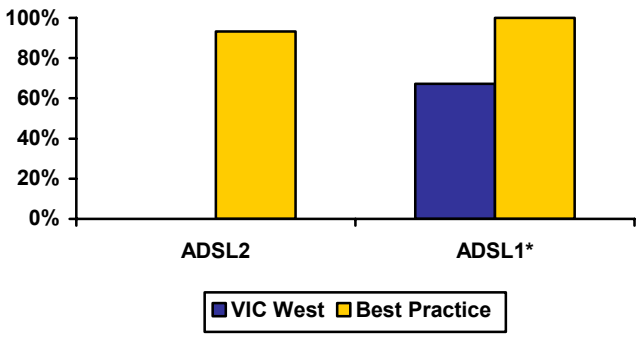
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	4.0%	96.0%	0.1%	4.7%	0.3%	94.9%
Population	65.8%	34.2%	0.0%	67.3%	0.0%	32.7%
Children	62.3%	37.7%	0.0%	63.9%	0.0%	36.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,006	1,033
% Rank #1	67%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Warrnambool (C)	1,372	91.5%	Warrnambool (C)	1,380	7.7%
Lowest Ranked LGA	Moyne (S)	601	40.0%	Moyne (S)	705	3.9%

ADSL Population Coverage



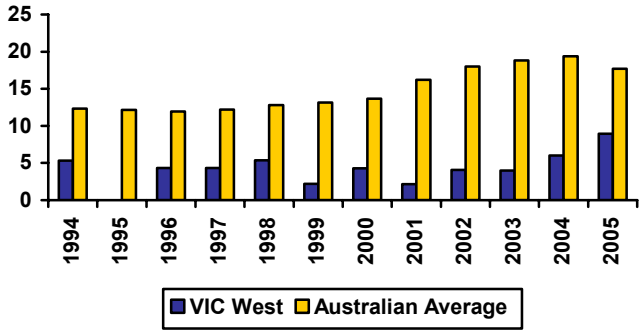
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	4.28	44.59	58
Average p.a. per capita	4.25	14.86	60
Hi Tech p.a. (1994-2005)	0.53	11.73	56
Hi Tech p.a. per capita	0.53	3.89	57
Info. Tech p.a. (1994-2005)	0.08	4.39	60
Info. Tech p.a. per capita	0.08	1.44	56
Average per capita (1994-2000)	3.70	12.61	61
Average per capita (2000-2005)	5.03	18.01	60
2000-05 avg./1994-00 avg.	1.36	1.43	34

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	4
Average Employment 2006	4
High Tech Startups	22
New Startup Employment as % of workforce	0.2%
High Tech Startups per capita	0.0002
Rank	64

Brisbane City

Given the choice not to split LGAs in defining regions, it is inevitable that Brisbane will form a region of its own. Had Brisbane been divided among LGAs in the same way as the other state capitals, it would have been possible to distinguish a smaller CBD region. Even so, the geography of Brisbane, with its alternation of hills and marshy flats, would have created different patterns of development from all other Australian capitals: Brisbane is unique, even without its metropolitan local government. In comparing the City of Brisbane with other central city regions, it should be remembered that the region is more diverse than most, with rather more manufacturing activity and low-status suburbs than the others. Even so, central city functions are an important part of its economic base.

Major centres:

Brisbane

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	897	918	939	957	972	986	2.3%	2.4%	1.9%	1.5%	1.4%	2.2%	1.5%
No Households	344	349	355	361	367	371	1.6%	1.7%	1.8%	1.5%	1.2%	1.7%	1.3%
NIEIR Workforce	488	494	505	518	541	553	1.3%	2.2%	2.5%	4.5%	2.2%	2.0%	3.4%
NIEIR Employment	446	453	469	483	509	523	1.6%	3.4%	3.1%	5.4%	2.8%	2.7%	4.1%
NIEIR Unemployment	42.3	41.3	36.5	34.7	32.1	29.7	-2.5%	-11.5%	-5.0%	-7.6%	-7.3%	-6.4%	-7.4%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.7%	8.4%	7.2%	6.7%	5.9%	5.4%	-0.3	-1.1	-0.5	-0.8	-0.5	-0.7	-0.7
Headline U/E	6.6%	7.2%	5.9%	5.5%	4.9%	4.4%	0.6	-1.4	-0.4	-0.6	-0.5	-0.4	-0.5
NIEIR Structural U/E	10.0%	9.8%	9.8%	9.1%	8.5%	7.9%	-0.1	0.0	-0.7	-0.7	-0.6	-0.3	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	16,119	16,392	16,760	17,657	18,995	20,182	17,977	17,865	17,841	18,451	19,547	20,477	3.1%	6.9%
Taxes Paid	4,991	5,126	5,450	5,791	6,265	6,661	5,566	5,587	5,802	6,052	6,447	6,759	5.1%	7.2%
Benefits	2,879	2,866	2,849	3,071	3,158	3,160	3,211	3,124	3,033	3,209	3,249	3,206	2.2%	1.4%
Business Income	2,784	3,097	3,444	3,566	3,607	3,771	3,105	3,376	3,666	3,727	3,712	3,827	8.6%	2.8%
Interest Paid	1,340	1,248	1,503	1,939	2,356	2,772	1,495	1,360	1,600	2,027	2,424	2,813	13.1%	19.6%
Net Property income	4,258	3,919	4,073	4,455	4,847	5,322	4,748	4,271	4,336	4,655	4,988	5,400	1.5%	9.3%
Business Value Added	18,903	19,489	20,205	21,224	22,602	23,953	21,082	21,240	21,507	22,178	23,259	24,304	3.9%	6.2%
Rank							19	27	19	21	18	15		
% Rank #1							64%	62%	62%	62%	64%	63%		
Net Disposable Income	21,920	22,185	22,765	23,948	25,056	26,780	24,447	24,177	24,232	25,025	25,785	27,172	3.0%	5.7%
Rank							17	22	17	19	16	14		
% Rank #1							63%	64%	63%	62%	62%	61%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	356.5	21,889.5	1.6%
Commercial	51.5	3,593.7	1.4%
Rural	1.2	13.0	9.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			409.2
Rates to Business Value %	1.7%	2.0%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.66	6.03
Average rate in cents value	0.44	0.29

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	87.1%	94.8%
Commercial	12.6%	5.1%
Rural	0.3%	0.2%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	57
2001	1.26%	43
2002	1.24%	32
2003	1.21%	33
2004	1.25%	29
2005	1.29%	26
Bounce 2003-04	0.04%	16
Actual Change 2003-04 (Number)	596	2
Bounce 2004-05	0.04%	12
Actual Change 2004-05 (Number)	548	1

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	2.42%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.15%	0.22%
Parenting Payment - Single (aged 25+)	1.35%	1.82%
Unemployed Long Term	0.84%	1.28%
Unemployed Short Term	0.69%	0.85%
Youth Allowance - Non Student	0.23%	0.37%
Youth Allowance - Student	1.46%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	13.1%	53
2002	12.9%	53
2003	12.5%	54
2004	12.8%	54
2005	12.6%	54
2006	11.8%	54

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.0	0.0	0.0	0.0
Rank	61	61	60	60

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

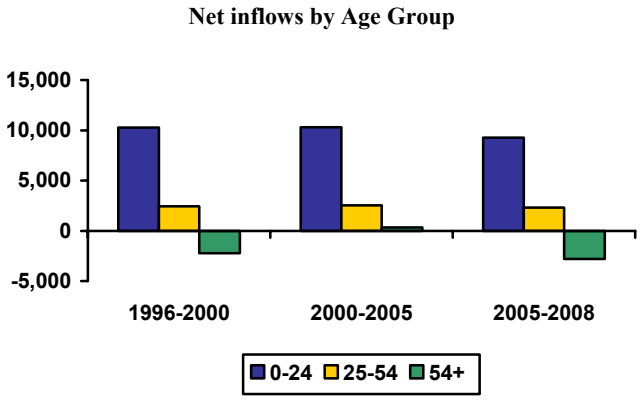
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	231,801	381,623
Commercial	876,082	1,876,283
Rural	127,371	205,333

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.5%	33.9%	33.5%	33.0%
25 - 54	44.8%	45.3%	44.4%	44.8%
55+	20.7%	20.9%	22.1%	22.2%
Net Inflow of Migrants (average between years)				
0 - 24		10,269	10,305	9,294
25 - 54		2,444	2,525	2,320
55+		-2,205	351	-2,784
Average Age	36.7	37.3	37.5	37.6

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	3
Share of population under 55	77.9	20
Aged migration	3.0	63
Population growth rate, 55+	2.5	38
Demographic stress	23.2	16
Dominant locations	100.0	3
Family / Youth migration	7.3	3
Fertility bounce, 1996-2005	0.1	3
Fertility, babies % pop, 2005	1.3	27
Sustainability score	72.2	4
Working elderly	27.0	34

Local Government Level		Score	Rank
Most Sustainable	Brisbane (C)	72.2	75
Least Sustainable	Brisbane (C)	72.2	75

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,569	880	952	1,327	1,277	1,066	746	798	787	795	712
Rank	4	19	12	15	22	42	30	14	15	25	19

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	1,257	1,513	1,722	1,682	1,641	11%
Non Residential	1,049	1,283	1,379	1,506	1,689	19%
Total	2,307	2,795	3,101	3,188	3,330	15%
Value per capita $2003/04						
Residential	1,474	1,626	1,772	1,704	1,636	5%
Non Residential	1,231	1,382	1,419	1,526	1,684	12%
Total	2,705	3,008	3,192	3,231	3,320	8%
Rank (value per capita)						
Residential	13	14	12	16	14	
Non Residential	6	3	3	4	5	
Total	8	4	6	8	9	

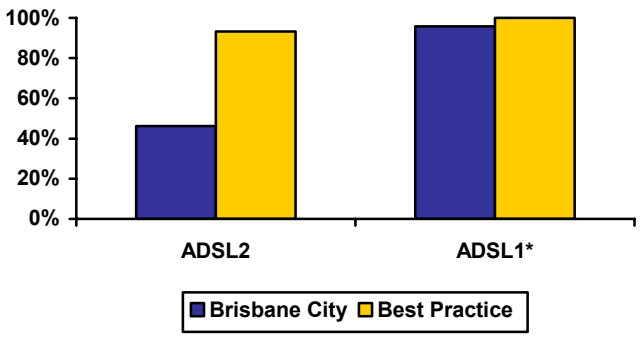
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	60.3%	39.7%	17.4%	45.3%	5.0%	32.3%
Population	93.3%	6.7%	46.2%	47.0%	2.6%	4.1%
Children	91.2%	8.8%	39.4%	51.8%	3.3%	5.5%

	2005	2006
Average Speed Available (kilobit bit per second)	1,403	9,068
% Rank #1	94%	54%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Brisbane (C)	1,403	93.5%	Brisbane (C)	9,068	50.4%
Lowest Ranked LGA	Brisbane (C)	1,403	93.5%	Brisbane (C)	9,068	50.4%

ADSL Population Coverage



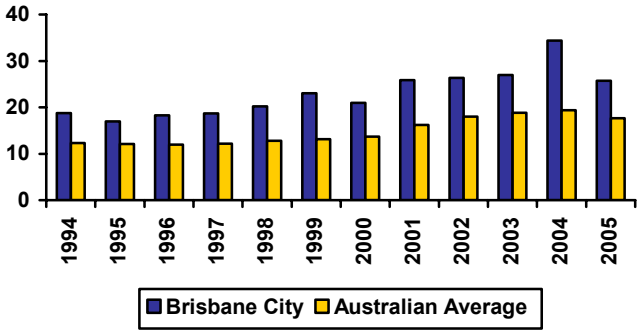
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	204.67	44.59	2
Average p.a. per capita	23.03	14.86	6
Hi Tech p.a. (1994-2005)	55.05	11.73	3
Hi Tech p.a. per capita	6.07	3.89	7
Info. Tech p.a. (1994-2005)	17.73	4.39	5
Info. Tech p.a. per capita	1.94	1.44	10
Average per capita (1994-2000)	19.55	12.61	5
Average per capita (2000-2005)	27.89	18.01	6
2000-05 avg./1994-00 avg.	1.43	1.43	28

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	13
High Tech Startups	794
New Startup Employment as % of workforce	1.8%
High Tech Startups per capita	0.0008
Rank	16

Brisbane North

Over the past few decades the population of Brisbane has spilled beyond the City boundaries. The spill to the north is now large enough to generate two regions: North Brisbane and the Sunshine Coast. North Brisbane is largely a commuter area, with a few surviving rural industries and some manufacturing. Redcliffe, on the coast, was originally a seaside retirement area somewhat like the Central Coast in NSW, but has become incorporated into suburban Brisbane.

Major centres:

Caboolture, Redcliffe

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	290	299	310	322	332	343	3.2%	3.8%	3.6%	3.2%	3.4%	3.5%	3.3%
No Households	104	106	109	113	117	120	2.3%	3.0%	3.7%	3.3%	2.8%	3.0%	3.0%
NIEIR Workforce	142	149	155	161	169	175	4.6%	4.0%	4.0%	5.0%	3.6%	4.2%	4.3%
NIEIR Employment	127	133	140	147	156	162	4.6%	5.2%	4.9%	6.6%	3.7%	4.9%	5.2%
NIEIR Unemployment	14.8	15.6	14.7	14.0	12.5	12.6	5.2%	-6.1%	-4.5%	-11.0%	1.2%	-1.9%	-5.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.4%	10.5%	9.5%	8.7%	7.4%	7.2%	0.1	-1.0	-0.8	-1.3	-0.2	-0.6	-0.7
Headline U/E	8.0%	7.9%	6.7%	6.1%	5.0%	4.8%	-0.1	-1.2	-0.6	-1.1	-0.2	-0.6	-0.6
NIEIR Structural U/E	14.6%	14.0%	13.7%	12.9%	12.0%	11.3%	-0.6	-0.2	-0.9	-0.9	-0.7	-0.6	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	4,110	4,295	4,481	4,799	5,221	5,597	14,181	14,363	14,436	14,921	15,729	16,311	5.3%	8.0%
Taxes Paid	1,078	1,121	1,211	1,304	1,426	1,528	3,721	3,749	3,902	4,054	4,295	4,453	6.5%	8.3%
Benefits	1,080	1,081	1,099	1,232	1,289	1,294	3,726	3,614	3,541	3,830	3,884	3,771	4.5%	2.5%
Business Income	660	739	829	868	881	932	2,277	2,471	2,671	2,699	2,655	2,715	9.6%	3.6%
Interest Paid	515	478	574	735	870	1,014	1,778	1,598	1,849	2,284	2,620	2,955	12.5%	17.5%
Net Property income	884	793	819	912	1,012	1,131	3,050	2,653	2,640	2,836	3,050	3,296	1.1%	11.3%
Business Value Added	4,770	5,034	5,310	5,667	6,102	6,529	16,458	16,834	17,107	17,619	18,383	19,026	5.9%	7.3%
Rank							52	53	51	52	49	46		
% Rank #1							50%	49%	49%	50%	50%	49%		
Net Disposable Income	5,644	5,847	6,055	6,465	6,845	7,331	19,473	19,552	19,507	20,102	20,622	21,364	4.6%	6.5%
Rank							55	58	58	58	57	57		
% Rank #1							50%	52%	51%	50%	50%	48%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	80.7	5,525.0	1.5%
Commercial	5.6	843.5	0.7%
Rural	2.7	37.6	7.2%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			89.0
Rates to Business Value %	1.4%	1.6%	1.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.71	4.77
Average rate in cents value	0.54	0.32

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	90.5%	95.3%
Commercial	6.3%	3.0%
Rural	3.1%	1.7%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	22
2001	1.40%	19
2002	1.36%	17
2003	1.30%	19
2004	1.31%	18
2005	1.37%	15
Bounce 2003-04	0.01%	38
Actual Change 2003-04 (Number)	181	14
Bounce 2004-05	0.06%	7
Actual Change 2004-05 (Number)	340	3

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.15%	0.14%
Disability Support (aged 25+)	3.17%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.29%	0.22%
Parenting Payment - Single (aged 25+)	2.19%	1.82%
Unemployed Long Term	0.95%	1.28%
Unemployed Short Term	0.75%	0.85%
Youth Allowance - Non Student	0.38%	0.37%
Youth Allowance - Student	0.94%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.1%	24
2002	18.5%	18
2003	18.2%	27
2004	19.1%	32
2005	18.8%	30
2006	17.7%	34

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.5	7.4	7.9	23.7
Rank	17	15	55	56

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

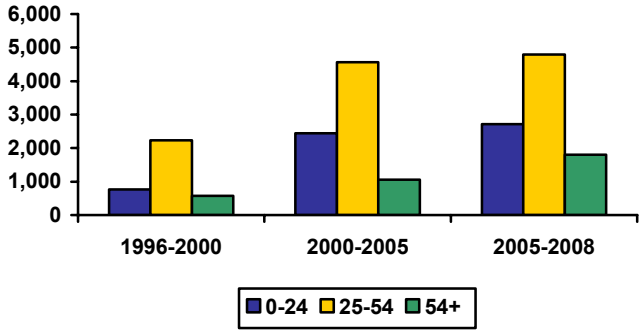
	Land Value $	Capital Value $
Residential	109,274	192,945
Commercial	326,849	788,925
Rural	126,015	213,537

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	38.4%	36.5%	35.5%	34.1%
25 - 54	44.1%	43.1%	42.0%	41.6%
55+	17.5%	20.4%	22.5%	24.3%
Net Inflow of Migrants (average between years)				
0 - 24		765	2,443	2,711
25 - 54		2,230	4,566	4,796
55+		572	1,052	1,801
Average Age	35.4	36.3	37.0	38.0

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	95.2	10
Share of population under 55	77.5	23
Aged migration	5.8	8
Population growth rate, 55+	5.6	3
Demographic stress	44.4	4
Dominant locations	99.4	19
Family / Youth migration	2.8	21
Fertility bounce, 1996-2005	-0.2	25
Fertility, babies % pop, 2005	1.4	15
Sustainability score	74.1	2
Working elderly	25.9	39

Local Government Level		Score	Rank
Most Sustainable	Pine Rivers (S)	79.4	18
Least Sustainable	Redcliffe (C)	57.5	254

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,386	865	949	1,608	1,530	1,282	956	891	887	825	844
Rank	8	22	13	8	17	25	10	11	8	19	11

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	315	511	678	612	627	25%
Non Residential	127	105	145	169	187	59%
Total	442	617	823	781	814	31%
Value per capita $2003/04						
Residential	1,158	1,656	2,042	1,787	1,773	13%
Non Residential	469	344	437	494	529	42%
Total	1,626	1,999	2,479	2,281	2,302	18%
Rank (value per capita)						
Residential	29	12	7	12	10	
Non Residential	53	61	58	57	58	
Total	34	18	14	21	21	

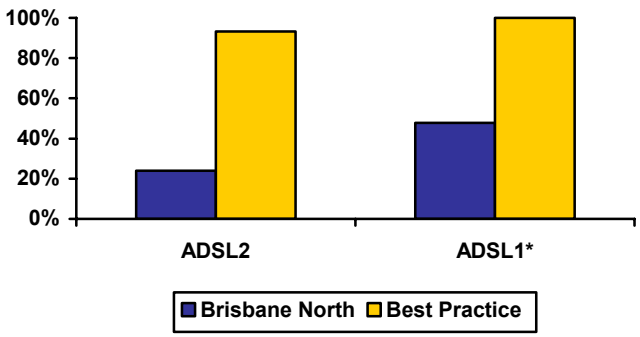
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	13.5%	86.5%	1.6%	14.4%	0.5%	83.6%
Population	57.3%	42.7%	24.0%	22.9%	0.9%	52.2%
Children	56.3%	43.7%	22.5%	22.3%	0.8%	54.4%

	2005	2006
Average Speed Available (kilobit bit per second)	884	4,698
% Rank #1	59%	28%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Pine Rivers (S)	1,443	96.2%	Redcliffe (C)	6,188	34.4%
Lowest Ranked LGA	Caboolture (S)	56	3.7%	Kilcoy (S)	737	4.1%

ADSL Population Coverage



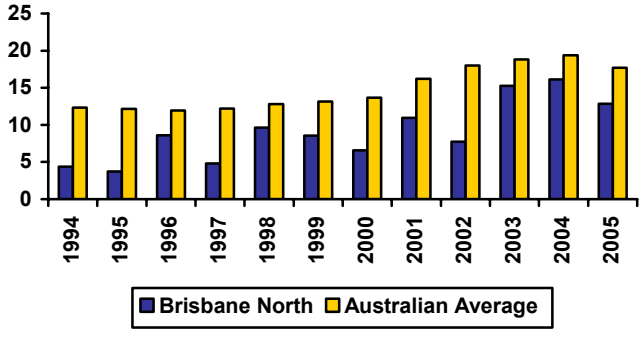
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	26.73	44.59	25
Average p.a. per capita	9.10	14.86	30
Hi Tech p.a. (1994-2005)	5.21	11.73	27
Hi Tech p.a. per capita	1.76	3.89	27
Info. Tech p.a. (1994-2005)	2.58	4.39	21
Info. Tech p.a. per capita	0.86	1.44	16
Average per capita (1994-2000)	6.62	12.61	38
Average per capita (2000-2005)	12.58	18.01	21
2000-05 avg./1994-00 avg.	1.90	1.43	2

Note: Per capita = 100,000 people

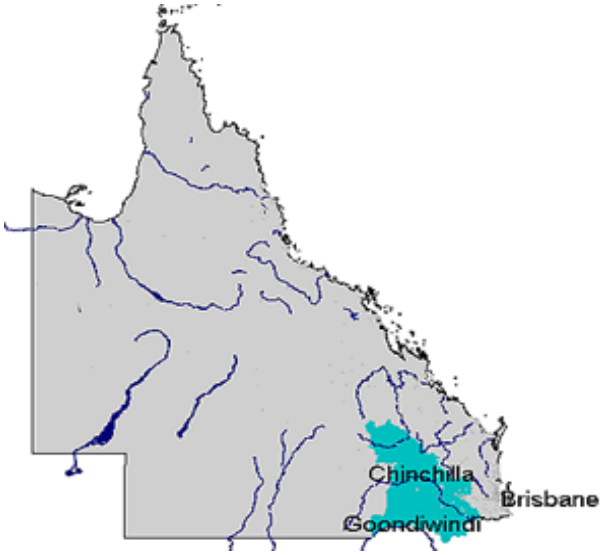
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	7
High Tech Startups	167
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0005
Rank	39

QLD Agricultural SW



The Agricultural South West of Queensland is centred on the Darling Downs, but the cropping frontier now extends well beyond the Downs into former brigalow country. Toowoomba is the main regional centre, but Warwick and Dalby are also important. The Darling Downs is one of Australia's premier agricultural regions, with a wide variety of crops grown. The New England massif extends across the Queensland border into the region, and the resulting granite belt is known for its orchards. The main towns of the region have agricultural processing industries. Export coal mining has commenced, and the region hosts several new coal-fired power stations.

Major centres:

Toowoomba, Warwick, Dalby

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	210	213	216	219	222	226	1.3%	1.3%	1.7%	1.4%	1.8%	1.4%	1.6%
No Households	76	78	79	80	82	83	1.4%	1.5%	1.8%	1.9%	2.0%	1.6%	2.0%
NIEIR Workforce	97	99	100	104	107	107	2.0%	0.3%	4.0%	3.0%	0.0%	2.1%	1.5%
NIEIR Employment	89	90	91	94	99	99	1.3%	0.9%	3.7%	4.6%	0.7%	1.9%	2.6%
NIEIR Unemployment	8.5	9.2	8.8	9.5	8.2	7.5	9.1%	-4.9%	7.6%	-13.3%	-8.0%	3.7%	-10.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.7%	9.3%	8.8%	9.1%	7.7%	7.1%	0.6	-0.5	0.3	-1.4	-0.6	0.1	-1.0
Headline U/E	4.5%	5.3%	4.9%	5.2%	4.3%	3.7%	0.8	-0.3	0.3	-0.9	-0.5	0.2	-0.7
NIEIR Structural U/E	13.5%	13.2%	14.3%	13.7%	13.1%	12.5%	-0.3	1.0	-0.5	-0.7	-0.5	0.1	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,613	2,664	2,662	2,788	2,977	3,094	12,425	12,498	12,331	12,703	13,379	13,663	2.2%	5.3%
Taxes Paid	792	851	811	915	947	954	3,767	3,992	3,757	4,170	4,258	4,211	4.9%	2.1%
Benefits	791	783	787	871	887	884	3,762	3,674	3,648	3,969	3,985	3,901	3.3%	0.7%
Business Income	1,091	1,350	1,042	1,369	1,234	1,113	5,187	6,331	4,828	6,237	5,545	4,913	7.9%	-9.8%
Interest Paid	300	289	360	467	541	622	1,426	1,357	1,666	2,126	2,431	2,744	15.9%	15.4%
Net Property income	596	555	563	620	679	747	2,832	2,604	2,607	2,825	3,052	3,297	1.3%	9.7%
Business Value Added	3,705	4,014	3,704	4,157	4,210	4,207	17,612	18,829	17,159	18,941	18,924	18,577	3.9%	0.6%
Rank							41	40	50	41	43	50		
% Rank #1							54%	55%	50%	53%	52%	48%		
Net Disposable Income	4,406	4,658	4,332	4,797	4,822	4,886	20,947	21,851	20,069	21,858	21,675	21,571	2.9%	0.9%
Rank							47	44	51	45	51	55		
% Rank #1							54%	58%	52%	55%	52%	48%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	44.6	3,289.6	1.4%
Commercial	6.5	424.6	1.5%
Rural	22.9	809.1	2.8%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			73.9
Rates to Business Value %	2.2%	1.8%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.75	4.53
Average rate in cents value	0.68	0.35

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	53.3%	70.1%
Commercial	7.0%	5.5%
Rural	39.6%	24.4%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	30
2001	1.45%	17
2002	1.34%	20
2003	1.26%	25
2004	1.28%	24
2005	1.33%	19
Bounce 2003-04	0.02%	32
Actual Change 2003-04 (Number)	91	22
Bounce 2004-05	0.06%	9
Actual Change 2004-05 (Number)	165	14

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	3.53%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	1.77%	1.82%
Unemployed Long Term	1.00%	1.28%
Unemployed Short Term	0.69%	0.85%
Youth Allowance - Non Student	0.41%	0.37%
Youth Allowance - Student	1.22%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	18.0%	29
2002	16.8%	34
2003	18.2%	26
2004	18.2%	36
2005	18.4%	33
2006	18.1%	31

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.0	4.7	67.6	114.0
Rank	34	32	10	28

[1] Annual Increase in LGA Resource Shortfall

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

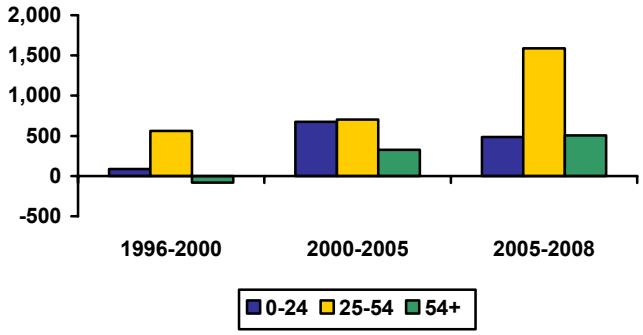
	Land Value $	Capital Value $
Residential	44,651	145,377
Commercial	61,655	211,787
Rural	100,982	165,628

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	38.2%	36.7%	36.2%	34.6%
25 - 54	40.6%	40.6%	39.3%	39.5%
55+	21.2%	22.7%	24.5%	25.8%
Net Inflow of Migrants (average between years)				
0 - 24		86	675	485
25 - 54		561	702	1,589
55+		-79	326	507
Average Age	35.6	36.8	37.8	38.6

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	90.6	21
Share of population under 55	75.6	27
Aged migration	4.7	22
Population growth rate, 55+	2.8	33
Demographic stress	23.3	15
Dominant locations	68.4	39
Family / Youth migration	1.7	29
Fertility bounce, 1996-2005	-0.1	19
Fertility, babies % pop, 2005	1.3	19
Sustainability score	65.2	20
Working elderly	30.2	15

Local Government Level		Score	Rank
Most Sustainable	Cambooya (S)	77.8	28
Least Sustainable	Taroom (S)	20.4	613

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	990	620	702	819	892	738	602	514	626	542	482
Rank	18	44	28	32	51	58	44	35	34	50	52

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	130	167	249	279	272	59%
Non Residential	138	100	103	130	151	28%
Total	268	267	352	409	423	48%
Value per capita $2003/04						
Residential	639	777	1,119	1,239	1,188	52%
Non Residential	679	467	462	576	661	21%
Total	1,318	1,244	1,580	1,816	1,849	41%
Rank (value per capita)						
Residential	51	54	41	32	33	
Non Residential	24	48	56	49	39	
Total	48	53	49	40	38	

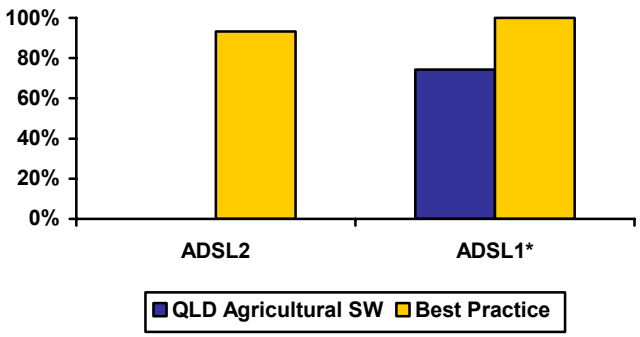
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.5%	98.5%	0.0%	2.0%	0.0%	98.0%
Population	71.2%	28.8%	0.0%	74.3%	0.0%	25.7%
Children	68.7%	31.3%	0.0%	72.2%	0.0%	27.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,084	1,130
% Rank #1	72%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Goondiwindi (T)	1,500	100.0%	Goondiwindi (T)	1,500	8.3%
Lowest Ranked LGA	Taroom (S)	56	3.7%	Taroom (S)	56	0.3%

ADSL Population Coverage



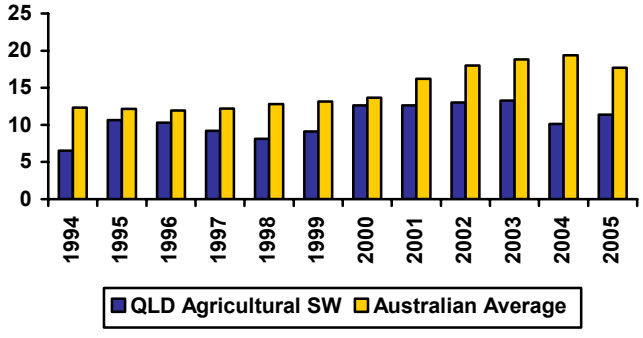
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	22.10	44.59	31
Average p.a. per capita	10.58	14.86	21
Hi Tech p.a. (1994-2005)	3.17	11.73	35
Hi Tech p.a. per capita	1.53	3.89	33
Info. Tech p.a. (1994-2005)	0.70	4.39	37
Info. Tech p.a. per capita	0.33	1.44	37
Average per capita (1994-2000)	9.51	12.61	20
Average per capita (2000-2005)	12.09	18.01	25
2000-05 avg./1994-00 avg.	1.27	1.43	40

Note: Per capita = 100,000 people

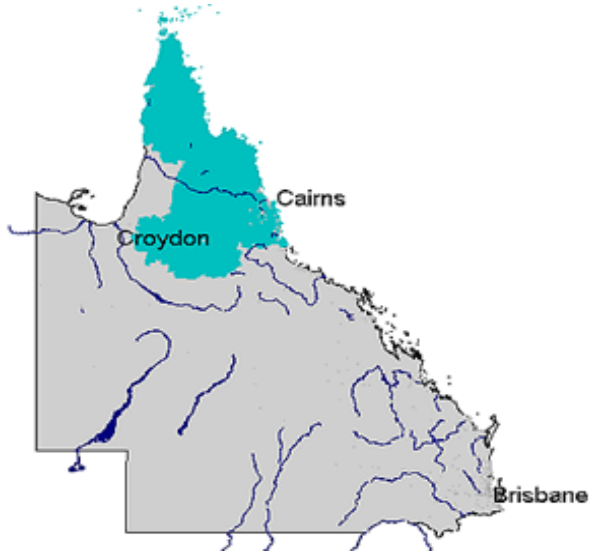
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	11
High Tech Startups	139
New Startup Employment as % of workforce	1.5%
High Tech Startups per capita	0.0006
Rank	33

QLD Far North



The Far North of Queensland comprises Cairns and its hinterland. Around Cairns retirement and resort developments are crowding out the established sugar industry, but further south around Innisfail and Tully the industry remains the dominant land use. Intensive agriculture is pursued on the Atherton Tableland above Cairns, but beyond this the pastoral zone extends west to the Gulf of Carpentaria and north to the tip of Cape York. With its high indigenous population this sparsely-populated area has affinities with NW Queensland, but is included here in deference to the Queensland planning regions and because it is serviced from Cairns rather than Mt Isa.

Major centres:

Cairns

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	223	226	230	234	237	242	1.7%	1.6%	1.6%	1.3%	2.0%	1.6%	1.7%
No Households	87	88	89	91	92	94	0.8%	1.2%	1.5%	1.9%	1.7%	1.2%	1.8%
NIEIR Workforce	107	107	110	109	114	117	0.4%	2.4%	-0.5%	4.4%	2.3%	0.7%	3.4%
NIEIR Employment	96	97	100	100	105	106	1.0%	2.4%	0.2%	5.1%	0.8%	1.2%	2.9%
NIEIR Unemployment	10.5	10.0	10.1	9.3	9.1	10.9	-5.0%	1.6%	-7.8%	-2.8%	20.6%	-3.8%	8.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.8%	9.3%	9.2%	8.5%	7.9%	9.4%	-0.5	-0.1	-0.7	-0.6	1.4	-0.4	0.4
Headline U/E	7.3%	6.9%	6.4%	5.5%	4.9%	6.5%	-0.3	-0.5	-0.9	-0.6	1.6	-0.6	0.5
NIEIR Structural U/E	16.3%	16.3%	16.6%	16.5%	14.7%	12.8%	-0.1	0.4	-0.1	-1.9	-1.8	0.1	-1.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,897	2,919	2,981	3,057	3,287	3,432	13,019	12,899	12,966	13,081	13,883	14,212	1.8%	6.0%
Taxes Paid	798	835	855	897	964	1,017	3,584	3,690	3,718	3,839	4,072	4,211	4.0%	6.5%
Benefits	824	818	823	910	904	870	3,703	3,615	3,580	3,895	3,819	3,602	3.4%	-2.2%
Business Income	908	1,055	995	1,026	1,051	1,121	4,080	4,664	4,326	4,393	4,438	4,640	4.2%	4.5%
Interest Paid	390	366	444	554	638	728	1,752	1,617	1,930	2,372	2,695	3,013	12.4%	14.6%
Net Property income	618	574	590	634	690	753	2,778	2,535	2,568	2,714	2,914	3,117	0.9%	8.9%
Business Value Added	3,805	3,974	3,975	4,083	4,338	4,553	17,100	17,563	17,291	17,474	18,321	18,853	2.4%	5.6%
Rank							48	50	49	53	51	48		
% Rank #1							52%	51%	50%	49%	50%	49%		
Net Disposable Income	4,460	4,593	4,553	4,673	4,853	5,069	20,043	20,296	19,805	19,999	20,498	20,990	1.6%	4.1%
Rank							52	53	55	59	59	58		
% Rank #1							51%	54%	51%	50%	49%	47%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	65.3	5,374.6	1.2%
Commercial	10.9	633.8	1.7%
Rural	15.2	416.9	3.6%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			91.4
Rates to Business Value %	1.8%	2.2%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.52	5.13
Average rate in cents value	0.51	0.29

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	74.9%	87.4%
Commercial	12.5%	5.8%
Rural	12.7%	6.7%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	20
2001	1.53%	9
2002	1.40%	12
2003	1.37%	14
2004	1.35%	15
2005	1.45%	9
Bounce 2003-04	-0.02%	53
Actual Change 2003-04 (Number)	-1	49
Bounce 2004-05	0.10%	3
Actual Change 2004-05 (Number)	280	6

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	2.96%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.07%	0.04%
Parenting Payment - Single (aged 20-24)	0.36%	0.22%
Parenting Payment - Single (aged 25+)	2.39%	1.82%
Unemployed Long Term	1.46%	1.28%
Unemployed Short Term	1.13%	0.85%
Youth Allowance - Non Student	0.53%	0.37%
Youth Allowance - Student	0.75%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	18.5%	27
2002	17.8%	25
2003	18.1%	29
2004	19.5%	24
2005	18.6%	32
2006	17.2%	36

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.8	11.9	101.6	147.0
Rank	15	3	5	23

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

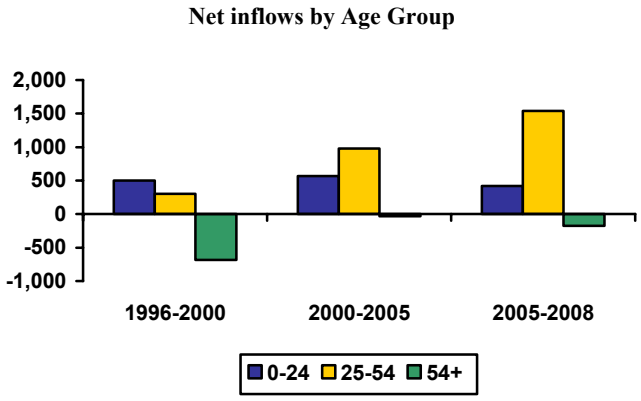
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	90,263	285,823
Commercial	194,317	610,662
Rural	126,351	201,822

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.5%	36.3%	35.2%	33.8%
25 - 54	45.9%	45.5%	44.5%	44.5%
55+	16.6%	18.2%	20.3%	21.7%
Net Inflow of Migrants (average between years)				
0 - 24		501	566	418
25 - 54		303	981	1,538
55+		-685	-34	-175
Average Age	34.5	35.6	36.3	37.2

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	92.1	19
Share of population under 55	79.7	15
Aged migration	4.2	32
Population growth rate, 55+	3.5	19
Demographic stress	22.0	19
Dominant locations	56.7	53
Family / Youth migration	1.9	28
Fertility bounce, 1996-2005	-0.1	13
Fertility, babies % pop, 2005	1.4	9
Sustainability score	65.7	16
Working elderly	29.2	22

Local Government Level		Score	Rank
Most Sustainable	Aurukun (S)	77.2	34
Least Sustainable	Etheridge (S)	35.8	462

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,972	1,863	1,945	2,785	4,609	3,023	1,260	1,186	1,948	1,436	1,957
Rank	1	2	1	1	1	1	2	5	1	1	1

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	287	234	411	423	397	75%
Non Residential	277	144	174	209	210	37%
Total	565	378	584	632	607	61%
Value per capita $2003/04						
Residential	1,332	1,024	1,735	1,765	1,635	67%
Non Residential	1,289	631	733	870	863	30%
Total	2,621	1,655	2,468	2,635	2,498	53%
Rank (value per capita)						
Residential	15	37	15	13	15	
Non Residential	5	24	25	21	22	
Total	9	38	15	16	18	

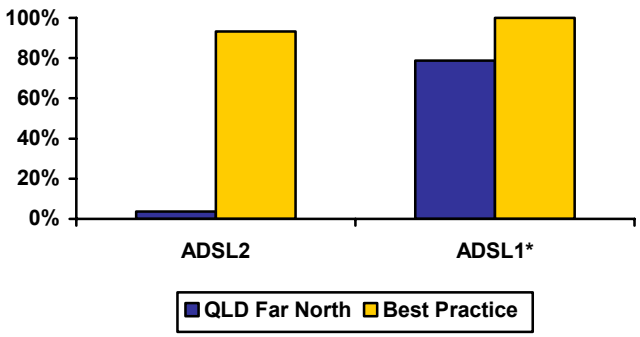
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.5%	99.5%	0.0%	0.8%	0.0%	99.2%
Population	74.7%	25.3%	3.7%	74.6%	0.5%	21.2%
Children	71.8%	28.2%	2.0%	74.1%	0.4%	23.6%

	2005	2006
Average Speed Available (kilobit bit per second)	1,135	1,805
% Rank #1	76%	11%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Cairns (C)	1,427	95.1%	Douglas (S)	5,270	29.3%
Lowest Ranked LGA	Aurukun (S)	56	3.7%	Aurukun (S)	56	0.3%

ADSL Population Coverage



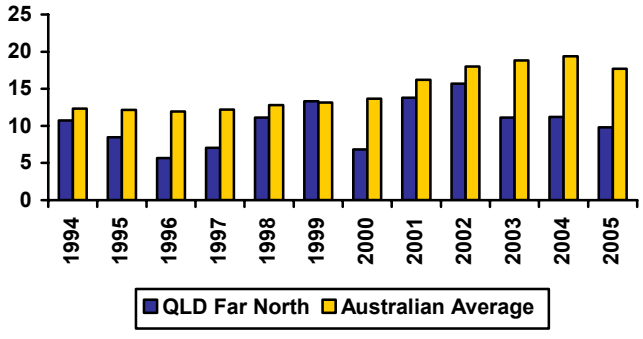
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	22.91	44.59	29
Average p.a. per capita	10.40	14.86	22
Hi Tech p.a. (1994-2005)	3.18	11.73	34
Hi Tech p.a. per capita	1.42	3.89	35
Info. Tech p.a. (1994-2005)	1.28	4.39	28
Info. Tech p.a. per capita	0.57	1.44	26
Average per capita (1994-2000)	9.03	12.61	24
Average per capita (2000-2005)	12.32	18.01	23
2000-05 avg./1994-00 avg.	1.36	1.43	33

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	7
High Tech Startups	91
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0004
Rank	49

QLD Fitzroy

The Fitzroy region comprises the Eastern part of Central Queensland. In the nineteenth century much of the Fitzroy region was regarded as useless scrub, but it is now more intensively developed. The region includes two belts of productive downs (Peak Downs and much of Banana Shire) and much of the rest of it has been cleared for extensive grazing. Production statistics are, however, dominated by black coal mining and power production, for the region includes the southern part of the Bowen Basin. Rockhampton is its oldest town and administrative and commercial capital, but Gladstone, with its natural harbour, continues to develop as a coal export port and heavy industrial centre.

Major centres:

Rockhampton, Gladstone

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	182	184	185	188	190	192	1.0%	1.0%	1.4%	1.0%	1.2%	1.1%	1.1%
No Households	67	68	69	70	71	72	0.8%	1.1%	1.3%	1.2%	1.4%	1.1%	1.3%
NIEIR Workforce	88	89	90	91	95	96	0.7%	0.8%	1.7%	4.1%	1.5%	1.0%	2.8%
NIEIR Employment	79	80	81	82	87	89	1.5%	1.5%	1.4%	5.3%	2.9%	1.5%	4.1%
NIEIR Unemployment	9.5	8.9	8.4	8.7	8.1	7.0	-6.2%	-5.9%	3.9%	-6.5%	-13.9%	-2.9%	-10.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.7%	10.0%	9.3%	9.6%	8.6%	7.3%	-0.7	-0.7	0.2	-1.0	-1.3	-0.4	-1.1
Headline U/E	9.0%	7.6%	6.9%	6.6%	5.7%	4.7%	-1.5	-0.7	-0.2	-0.9	-1.0	-0.8	-1.0
NIEIR Structural U/E	13.1%	13.0%	13.2%	13.3%	12.4%	11.0%	-0.1	0.2	0.1	-0.9	-1.4	0.1	-1.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,792	2,866	2,930	3,068	3,404	3,740	15,362	15,619	15,808	16,329	17,931	19,466	3.2%	10.4%
Taxes Paid	848	882	880	941	1,057	1,111	4,667	4,808	4,747	5,007	5,566	5,785	3.5%	8.7%
Benefits	643	633	634	699	705	687	3,538	3,448	3,423	3,721	3,712	3,577	2.8%	-0.9%
Business Income	780	819	652	719	780	649	4,292	4,461	3,517	3,827	4,109	3,378	-2.7%	-5.0%
Interest Paid	318	296	357	453	522	593	1,747	1,613	1,926	2,409	2,750	3,086	12.5%	14.5%
Net Property income	550	516	530	566	630	708	3,029	2,814	2,862	3,012	3,319	3,685	0.9%	11.9%
Business Value Added	3,572	3,685	3,582	3,787	4,184	4,389	19,653	20,080	19,325	20,156	22,040	22,844	2.0%	7.7%
Rank							27	29	33	30	23	21		
% Rank #1							60%	59%	56%	57%	60%	59%		
Net Disposable Income	3,952	4,028	3,904	4,095	4,421	4,679	21,745	21,947	21,062	21,796	23,288	24,357	1.2%	6.9%
Rank							41	42	43	46	33	26		
% Rank #1							56%	58%	55%	54%	56%	55%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	50.2	3,396.4	1.5%
Commercial	5.9	346.6	1.7%
Rural	20.4	433.4	4.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			76.5
Rates to Business Value %	1.8%	1.8%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.60	4.62
Average rate in cents value	0.88	0.41

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	62.5%	83.3%
Commercial	7.0%	5.0%
Rural	30.4%	11.7%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	17
2001	1.52%	13
2002	1.40%	11
2003	1.35%	15
2004	1.37%	12
2005	1.40%	13
Bounce 2003-04	0.02%	25
Actual Change 2003-04 (Number)	80	25
Bounce 2004-05	0.02%	17
Actual Change 2004-05 (Number)	67	22

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	2.77%	3.20%
Mature Age Allowance	0.08%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.33%	0.22%
Parenting Payment - Single (aged 25+)	1.89%	1.82%
Unemployed Long Term	1.26%	1.28%
Unemployed Short Term	0.78%	0.85%
Youth Allowance - Non Student	0.44%	0.37%
Youth Allowance - Student	0.77%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.3%	43
2002	15.7%	41
2003	16.3%	41
2004	17.1%	42
2005	15.9%	48
2006	14.7%	47

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.1	6.0	106.0	177.0
Rank	31	21	4	14

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

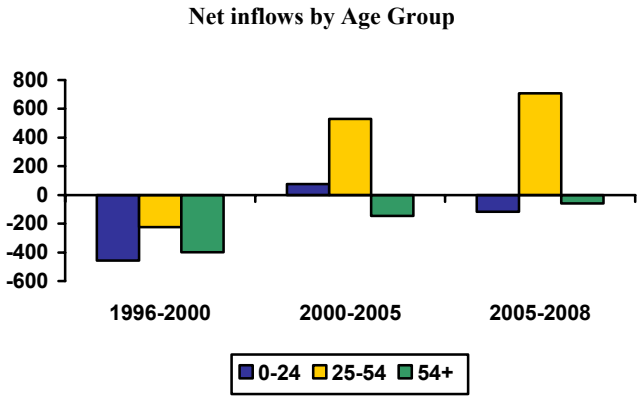
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	48,117	161,698
Commercial	101,824	358,885
Rural	160,435	209,022

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	39.6%	38.0%	37.1%	35.5%
25 - 54	43.2%	42.9%	42.0%	41.8%
55+	17.2%	19.1%	21.0%	22.7%
Net Inflow of Migrants (average between years)				
0 - 24		-458	74	-118
25 - 54		-224	529	708
55+		-398	-146	-60
Average Age	33.9	35.2	36.2	37.3

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	72.1	47
Share of population under 55	79.0	16
Aged migration	3.9	43
Population growth rate, 55+	2.9	31
Demographic stress	10.3	39
Dominant locations	70.4	38
Family / Youth migration	0.9	38
Fertility bounce, 1996-2005	-0.2	21
Fertility, babies % pop, 2005	1.4	13
Sustainability score	57.8	42
Working elderly	28.0	30

Local Government Level		Score	Rank
Most Sustainable	Calliope (S)	72.1	76
Least Sustainable	Duaringa (S)	31.9	504

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	721	696	538	885	1,023	1,097	540	471	555	569	477
Rank	40	40	46	28	40	37	48	42	41	45	53

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	135	145	206	233	227	53%
Non Residential	153	105	79	97	114	-8%
Total	287	250	285	330	341	27%
Value per capita $2003/04						
Residential	749	785	1,084	1,218	1,175	48%
Non Residential	850	569	415	506	591	-11%
Total	1,600	1,354	1,499	1,724	1,766	23%
Rank (value per capita)						
Residential	47	53	46	35	34	
Non Residential	13	30	60	56	50	
Total	36	47	54	46	42	

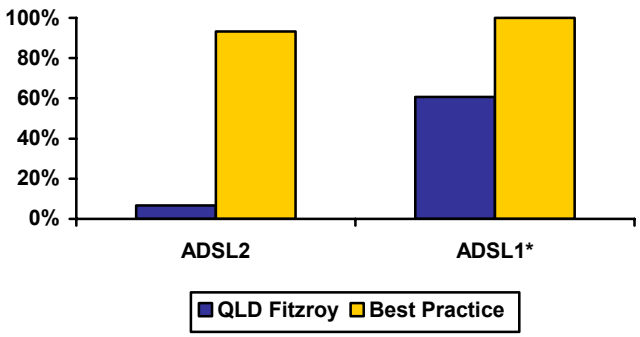
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.7%	99.3%	0.0%	1.0%	0.0%	99.0%
Population	57.0%	43.0%	6.7%	52.1%	1.9%	39.3%
Children	56.8%	43.2%	6.1%	52.8%	1.7%	39.4%

	2005	2006
Average Speed Available (kilobit bit per second)	880	2,041
% Rank #1	59%	12%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Mount Morgan (S)	1,298	86.5%	Rockhampton (C)	4,750	26.4%
Lowest Ranked LGA	Gladstone (C)	56	3.7%	Gladstone (C)	56	0.3%

ADSL Population Coverage



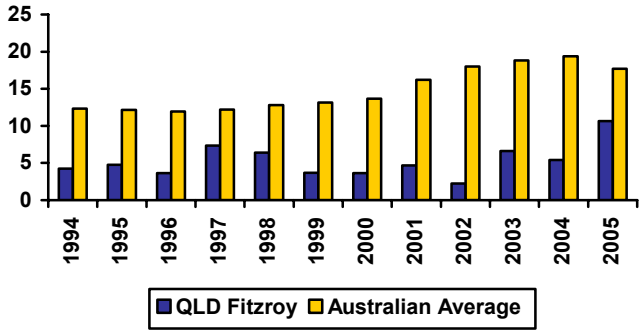
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	9.61	44.59	49
Average p.a. per capita	5.27	14.86	56
Hi Tech p.a. (1994-2005)	1.62	11.73	44
Hi Tech p.a. per capita	0.88	3.89	47
Info. Tech p.a. (1994-2005)	0.35	4.39	46
Info. Tech p.a. per capita	0.19	1.44	48
Average per capita (1994-2000)	4.81	12.61	54
Average per capita (2000-2005)	5.92	18.01	57
2000-05 avg./1994-00 avg.	1.23	1.43	46

Note: Per capita = 100,000 people

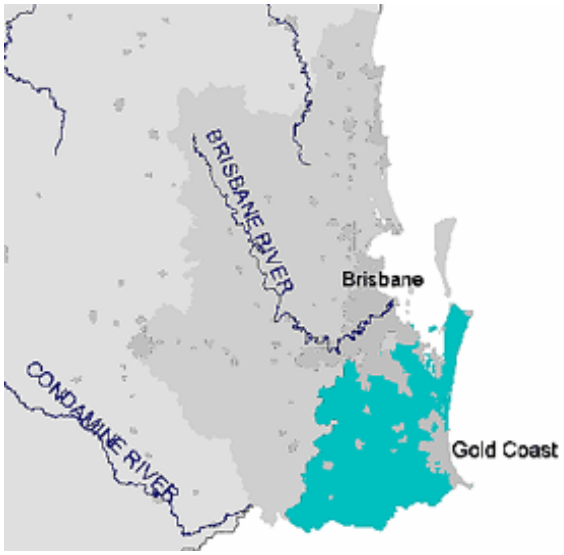
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	8
High Tech Startups	81
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0004
Rank	45

QLD Gold Coast



The Gold Coast region comprises two main sub-regions.

- The Gold Coast proper began as a tourist and retirement strip, but has diversified its economic base and has a fairly youthful population. The urban area now extends across the backwaters into the rain-forested ranges which complement the beaches as a tourist attraction.
- Between Brisbane City and the Gold Coast proper lies a belt of outer suburbs, fading into hobby farms in the valleys round Beaudesert. In this area manufacturing contributes to the economic base, but commuting to Brisbane is also very important.

Major centres:

Surfers Paradise, Coolangatta, Beenleigh

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	762	785	810	830	848	863	3.0%	3.1%	2.5%	2.2%	1.8%	2.9%	2.0%
No Households	287	293	301	309	316	322	2.2%	2.6%	2.8%	2.1%	1.8%	2.5%	2.0%
NIEIR Workforce	382	392	403	419	438	449	2.8%	2.6%	4.0%	4.6%	2.5%	3.1%	3.5%
NIEIR Employment	336	348	364	380	404	418	3.7%	4.4%	4.4%	6.3%	3.5%	4.2%	4.9%
NIEIR Unemployment	46.0	44.1	39.0	39.1	34.3	31.1	-4.0%	-11.6%	0.2%	-12.4%	-9.1%	-5.3%	-10.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.0%	11.2%	9.7%	9.3%	7.8%	6.9%	-0.8	-1.6	-0.4	-1.5	-0.9	-0.9	-1.2
Headline U/E	8.8%	9.0%	7.2%	7.0%	5.5%	4.7%	0.1	-1.8	-0.2	-1.5	-0.8	-0.6	-1.2
NIEIR Structural U/E	14.4%	14.0%	13.8%	12.8%	11.8%	11.0%	-0.4	-0.3	-1.0	-0.9	-0.8	-0.6	-0.9

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	10,190	10,614	11,026	11,798	12,856	13,809	13,365	13,516	13,614	14,211	15,157	15,993	5.0%	8.2%
Taxes Paid	2,919	3,037	3,317	3,572	3,914	4,220	3,829	3,867	4,096	4,302	4,615	4,888	7.0%	8.7%
Benefits	2,830	2,820	2,838	3,121	3,252	3,230	3,712	3,591	3,504	3,760	3,835	3,741	3.3%	1.7%
Business Income	2,352	2,549	2,822	2,864	2,949	3,121	3,084	3,246	3,484	3,450	3,477	3,615	6.8%	4.4%
Interest Paid	1,237	1,165	1,419	1,788	2,140	2,506	1,622	1,484	1,752	2,154	2,523	2,902	13.1%	18.4%
Net Property income	2,504	2,368	2,528	2,859	3,207	3,627	3,285	3,015	3,122	3,444	3,781	4,200	4.5%	12.6%
Business Value Added	12,542	13,162	13,848	14,663	15,805	16,930	16,449	16,762	17,099	17,661	18,634	19,608	5.3%	7.5%
Rank							53	54	52	50	47	42		
% Rank #1							50%	49%	49%	50%	51%	51%		
Net Disposable Income	15,106	15,637	16,175	17,222	18,284	19,659	19,813	19,913	19,973	20,744	21,558	22,767	4.5%	6.8%
Rank							54	54	52	53	52	44		
% Rank #1							51%	53%	52%	52%	52%	51%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	228.5	14,962.7	1.5%
Commercial	22.9	2,851.1	0.8%
Rural	5.0	98.0	5.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			256.5
Rates to Business Value %	1.5%	1.8%	1.6%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.87	4.55
Average rate in cents value	0.40	0.36

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	89.4%	94.8%
Commercial	9.0%	4.1%
Rural	1.7%	1.1%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	42
2001	1.31%	31
2002	1.26%	28
2003	1.20%	35
2004	1.23%	32
2005	1.25%	30
Bounce 2003-04	0.03%	18
Actual Change 2003-04 (Number)	525	3
Bounce 2004-05	0.01%	24
Actual Change 2004-05 (Number)	328	4

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	2.95%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.27%	0.22%
Parenting Payment - Single (aged 25+)	2.26%	1.82%
Unemployed Long Term	1.09%	1.28%
Unemployed Short Term	0.95%	0.85%
Youth Allowance - Non Student	0.39%	0.37%
Youth Allowance - Student	1.13%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	18.7%	26
2002	18.0%	23
2003	17.5%	35
2004	18.1%	37
2005	17.8%	36
2006	16.4%	39

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	7.6	9.0	0.0	0.0
Rank	1	9	60	60

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

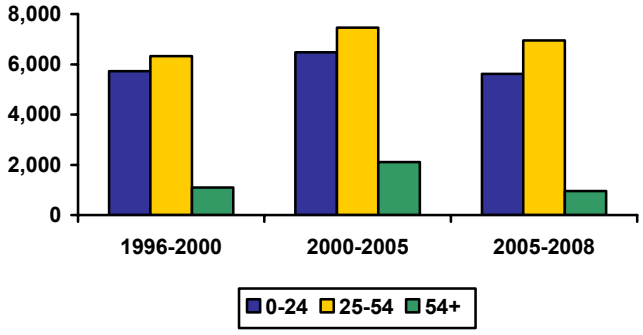
	Land Value $	Capital Value $
Residential	163,693	208,565
Commercial	554,290	1,042,746
Rural	187,627	220,076

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.8%	35.4%	34.5%	33.5%
25 - 54	44.5%	43.8%	42.5%	42.1%
55+	18.7%	20.8%	23.1%	24.4%
Net Inflow of Migrants (average between years)				
0 - 24		5,720	6,484	5,622
25 - 54		6,320	7,461	6,955
55+		1,096	2,114	956
Average Age	35.8	36.9	37.5	38.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	6
Share of population under 55	76.9	26
Aged migration	5.6	10
Population growth rate, 55+	5.0	6
Demographic stress	32.1	8
Dominant locations	100.0	3
Family / Youth migration	5.5	6
Fertility bounce, 1996-2005	-0.2	24
Fertility, babies % pop, 2005	1.2	30
Sustainability score	74.0	3
Working elderly	25.4	41

Local Government Level		Score	Rank
Most Sustainable	Gold Coast (C)	77.7	30
Least Sustainable	Logan (C)	63.2	190

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,719	1,054	1,097	1,666	1,652	1,334	785	1,111	1,002	1,068	1,058
Rank	3	14	8	6	11	22	23	6	7	8	6

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	1,486	1,832	2,231	2,140	2,093	18%
Non Residential	569	460	695	877	1,013	87%
Total	2,055	2,292	2,926	3,017	3,106	32%
Value per capita $2003/04						
Residential	2,102	2,286	2,631	2,470	2,364	9%
Non Residential	810	575	819	1,013	1,144	73%
Total	2,912	2,861	3,450	3,483	3,509	22%
Rank (value per capita)						
Residential	4	3	4	4	3	
Non Residential	14	29	15	9	9	
Total	5	6	4	5	8	

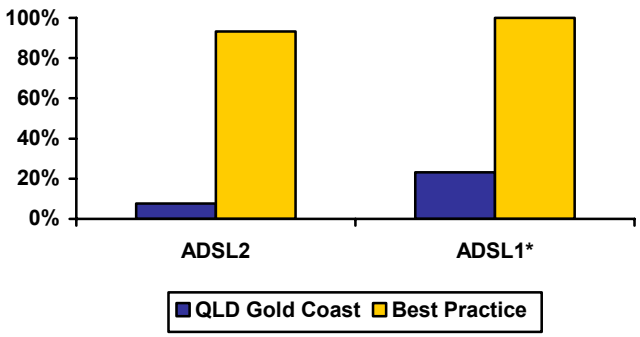
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	12.4%	87.6%	1.2%	13.6%	0.2%	85.0%
Population	22.3%	77.7%	7.7%	14.7%	0.8%	76.8%
Children	26.4%	73.6%	8.9%	17.7%	0.9%	72.6%

	2005	2006
Average Speed Available (kilobit bit per second)	378	1,662
% Rank #1	25%	10%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Logan (C)	1,331	88.7%	Redland (S)	4,557	25.3%
Lowest Ranked LGA	Gold Coast (C)	56	3.7%	Gold Coast (C)	56	0.3%

ADSL Population Coverage



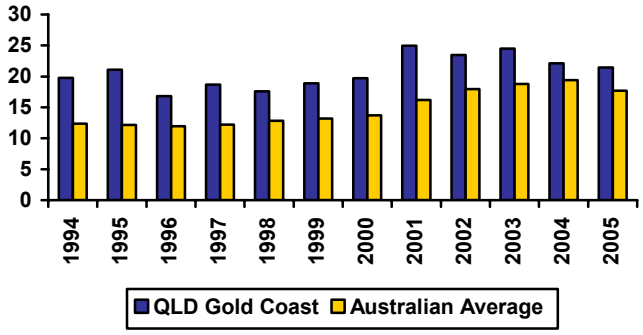
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	153.79	44.59	4
Average p.a. per capita	20.75	14.86	7
Hi Tech p.a. (1994-2005)	26.70	11.73	10
Hi Tech p.a. per capita	3.58	3.89	11
Info. Tech p.a. (1994-2005)	11.72	4.39	8
Info. Tech p.a. per capita	1.54	1.44	11
Average per capita (1994-2000)	18.94	12.61	6
Average per capita (2000-2005)	23.29	18.01	9
2000-05 avg./1994-00 avg.	1.23	1.43	45

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	8
High Tech Startups	404
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0005
Rank	43

QLD Mackay

Production statistics for the Mackay region are dominated by coal mines in the Bowen Basin, but even after including rail transport and the export port (Hay Point) these generate relatively little employment and income. The immediate hinterland of Mackay is high-rainfall sugar country, while Whitsunday Shire adds tourism to the basic sugar of its economic base. Given the uncertain future of the sugar industry, there is pressure to diversify, with the high-rainfall fields capable of growing a variety of alternative crops.

Major centres:

Mackay

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	125	127	129	132	135	139	1.7%	1.5%	2.3%	2.0%	2.9%	1.8%	2.4%
No Households	47	47	48	48	49	50	1.0%	1.0%	1.5%	2.0%	2.1%	1.2%	2.1%
NIEIR Workforce	63	65	67	70	73	75	3.1%	3.0%	4.4%	4.9%	2.2%	3.5%	3.5%
NIEIR Employment	57	59	61	64	67	70	3.6%	3.7%	4.2%	5.8%	4.3%	3.8%	5.1%
NIEIR Unemployment	5.9	5.9	5.6	5.9	5.6	4.3	-1.1%	-4.2%	5.9%	-5.6%	-23.6%	0.1%	-15.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.4%	9.0%	8.4%	8.5%	7.7%	5.7%	-0.4	-0.6	0.1	-0.8	-1.9	-0.3	-1.4
Headline U/E	8.3%	7.0%	6.4%	6.5%	5.6%	4.3%	-1.3	-0.6	0.1	-0.9	-1.3	-0.6	-1.1
NIEIR Structural U/E	12.2%	11.8%	12.0%	11.3%	10.1%	8.3%	-0.4	0.1	-0.7	-1.1	-1.8	-0.3	-1.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,024	2,175	2,249	2,431	2,706	3,007	16,177	17,090	17,410	18,393	20,071	21,674	6.3%	11.2%
Taxes Paid	586	667	674	744	825	901	4,687	5,243	5,216	5,629	6,116	6,493	8.3%	10.0%
Benefits	419	415	417	461	464	446	3,345	3,264	3,229	3,489	3,439	3,217	3.3%	-1.6%
Business Income	432	556	458	520	529	520	3,453	4,370	3,543	3,937	3,926	3,746	6.4%	-0.1%
Interest Paid	218	208	256	330	383	441	1,742	1,632	1,978	2,495	2,843	3,177	14.8%	15.6%
Net Property income	451	443	450	488	538	600	3,607	3,478	3,485	3,692	3,987	4,326	2.6%	10.9%
Business Value Added	2,456	2,731	2,707	2,952	3,236	3,526	19,630	21,461	20,952	22,329	23,997	25,421	6.3%	9.3%
Rank							28	26	22	20	15	13		
% Rank #1							60%	63%	61%	63%	66%	66%		
Net Disposable Income	2,785	3,007	2,961	3,188	3,423	3,736	22,254	23,631	22,919	24,117	25,386	26,931	4.6%	8.3%
Rank							32	26	23	21	18	15		
% Rank #1							57%	62%	60%	60%	61%	60%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	33.2	2,759.0	1.2%
Commercial	4.3	287.6	1.5%
Rural	20.1	241.7	8.3%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			57.6
Rates to Business Value %	2.4%	1.9%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.96	5.62
Average rate in cents value	0.67	0.32

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	63.1%	87.1%
Commercial	7.6%	4.8%
Rural	29.3%	8.1%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	14
2001	1.52%	11
2002	1.37%	14
2003	1.39%	11
2004	1.34%	17
2005	1.48%	7
Bounce 2003-04	-0.05%	59
Actual Change 2003-04 (Number)	-25	52
Bounce 2004-05	0.14%	1
Actual Change 2004-05 (Number)	230	8

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.13%	0.14%
Disability Support (aged 25+)	2.46%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.21%	0.22%
Parenting Payment - Single (aged 25+)	1.47%	1.82%
Unemployed Long Term	0.84%	1.28%
Unemployed Short Term	0.75%	0.85%
Youth Allowance - Non Student	0.35%	0.37%
Youth Allowance - Student	0.63%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	15.0%	49
2002	13.8%	51
2003	14.1%	52
2004	14.5%	52
2005	13.5%	53
2006	11.9%	53

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.6	4.3	46.1	118.0
Rank	47	38	16	26

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

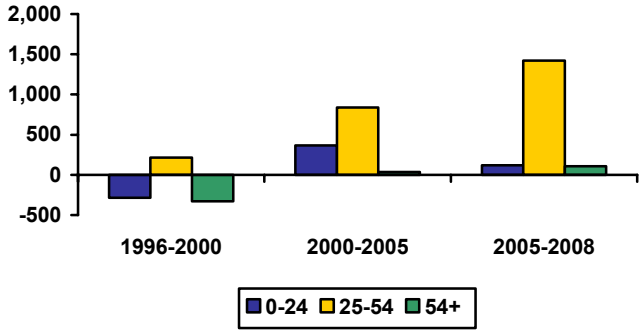
	Land Value $	Capital Value $
Residential	70,300	233,319
Commercial	144,998	537,912
Rural	262,117	323,702

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	38.5%	36.7%	35.6%	33.5%
25 - 54	45.9%	45.6%	44.4%	44.7%
55+	15.6%	17.7%	20.0%	21.8%
Net Inflow of Migrants (average between years)				
0 - 24		-285	368	120
25 - 54		214	837	1,422
55+		-330	34	105
Average Age	33.7	35.1	36.2	37.4

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	89.4	25
Share of population under 55	80.0	9
Aged migration	3.7	49
Population growth rate, 55+	4.0	13
Demographic stress	19.8	21
Dominant locations	59.6	50
Family / Youth migration	0.4	43
Fertility bounce, 1996-2005	-0.1	12
Fertility, babies % pop, 2005	1.5	7
Sustainability score	63.5	25
Working elderly	28.7	25

Local Government Level		Score	Rank
Most Sustainable	Whitsunday (S)	76.0	45
Least Sustainable	Broadsound (S)	29.8	527

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,032	1,206	897	1,688	2,902	1,884	792	634	665	802	775
Rank	16	6	16	5	4	5	21	27	29	23	15

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	159	158	259	281	278	73%
Non Residential	90	76	96	115	127	48%
Total	249	233	354	396	405	65%
Value per capita $2003/04						
Residential	1,304	1,223	1,919	2,046	1,993	62%
Non Residential	733	591	710	840	909	39%
Total	2,037	1,814	2,629	2,886	2,903	55%
Rank (value per capita)						
Residential	18	30	9	6	5	
Non Residential	19	27	28	24	21	
Total	20	29	11	11	12	

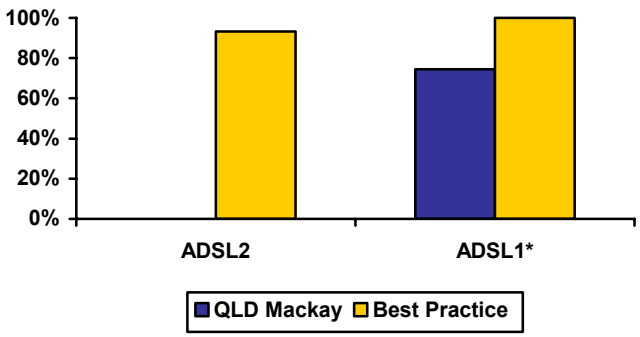
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.0%	99.0%	0.0%	1.6%	0.0%	98.4%
Population	68.6%	31.4%	0.0%	74.4%	0.0%	25.6%
Children	69.3%	30.7%	0.0%	74.9%	0.0%	25.1%

	2005	2006
Average Speed Available (kilobit bit per second)	1,046	1,130
% Rank #1	70%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Belyando (S)	1,253	83.5%	Belyando (S)	1,253	7.0%
Lowest Ranked LGA	Mirani (S)	56	3.7%	Mirani (S)	546	3.0%

ADSL Population Coverage



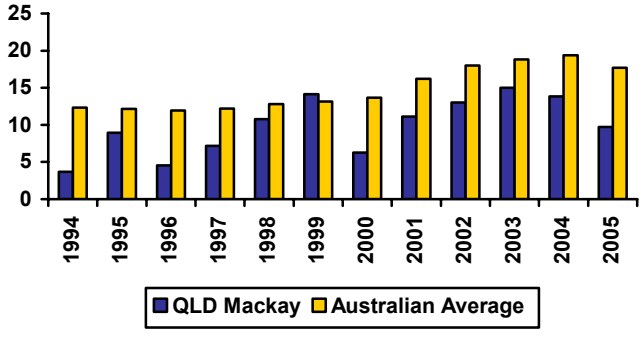
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	12.38	44.59	41
Average p.a. per capita	9.85	14.86	26
Hi Tech p.a. (1994-2005)	1.95	11.73	41
Hi Tech p.a. per capita	1.53	3.89	32
Info. Tech p.a. (1994-2005)	0.26	4.39	48
Info. Tech p.a. per capita	0.20	1.44	47
Average per capita (1994-2000)	7.93	12.61	30
Average per capita (2000-2005)	12.54	18.01	22
2000-05 avg./1994-00 avg.	1.58	1.43	15

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	9
Average Employment 2006	7
High Tech Startups	66
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0005
Rank	40

QLD North

North Queensland is centred on Townsville. The region has two intensive agricultural areas, both originally developed for sugar: the Burdekin Delta (Home Hill, Ayr) and the Herbert River Valley (Ingham). Much of the rest of the region has recently been cleared to provide low-quality pasture. The region produces coal from the north end of the Bowen Basin, and has its own coal export port at Abbot Point. The economic base of Townsville includes education, defence and the processing of minerals originating in NW Queensland. Despite the existence of Magnetic Island, the region is less involved in tourism than the other Queensland east coast regions.

Major centres:

Townsville, Bowen, Charters Towers

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	203	207	210	214	218	223	2.0%	1.7%	2.1%	1.7%	2.2%	1.9%	2.0%
No Households	74	75	77	78	79	81	1.4%	1.4%	1.8%	2.0%	2.1%	1.6%	2.0%
NIEIR Workforce	105	105	108	109	114	116	0.3%	2.0%	1.0%	4.5%	2.3%	1.1%	3.4%
NIEIR Employment	94	95	98	99	105	107	1.0%	2.8%	1.2%	5.9%	2.6%	1.7%	4.2%
NIEIR Unemployment	11.0	10.4	9.9	9.8	8.9	8.8	-5.7%	-5.1%	-1.1%	-9.2%	-0.4%	-4.0%	-4.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.5%	9.9%	9.2%	9.0%	7.8%	7.6%	-0.6	-0.7	-0.2	-1.2	-0.2	-0.5	-0.7
Headline U/E	8.2%	8.5%	7.3%	6.9%	5.6%	5.3%	0.2	-1.2	-0.4	-1.3	-0.3	-0.4	-0.8
NIEIR Structural U/E	12.4%	12.4%	12.4%	12.1%	11.3%	10.7%	0.0	0.0	-0.3	-0.7	-0.6	-0.1	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	3,120	3,182	3,275	3,389	3,684	3,929	15,396	15,393	15,584	15,804	16,887	17,613	2.8%	7.7%
Taxes Paid	848	887	920	981	1,059	1,136	4,184	4,294	4,376	4,575	4,853	5,093	5.0%	7.6%
Benefits	701	699	701	772	789	785	3,459	3,380	3,334	3,597	3,616	3,518	3.2%	0.8%
Business Income	725	815	769	862	843	915	3,576	3,945	3,657	4,020	3,865	4,103	6.0%	3.0%
Interest Paid	317	305	378	486	562	642	1,567	1,475	1,797	2,266	2,576	2,880	15.2%	15.0%
Net Property income	642	609	615	663	722	790	3,167	2,949	2,926	3,091	3,307	3,541	1.1%	9.2%
Business Value Added	3,845	3,997	4,044	4,252	4,528	4,844	18,973	19,337	19,241	19,824	20,753	21,716	3.4%	6.7%
Rank							34	35	34	33	30	27		
% Rank #1							58%	56%	56%	56%	57%	56%		
Net Disposable Income	4,443	4,557	4,545	4,753	4,982	5,345	21,920	22,047	21,628	22,163	22,837	23,961	2.3%	6.0%
Rank							38	40	40	42	39	29		
% Rank #1							56%	58%	56%	55%	55%	54%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	54.9	3,901.0	1.4%
Commercial	8.0	492.9	1.6%
Rural	19.3	350.4	5.5%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			82.2
Rates to Business Value %	2.1%	1.9%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.86	4.66
Average rate in cents value	0.71	0.39

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	62.7%	86.8%
Commercial	9.1%	5.7%
Rural	28.2%	7.4%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	16
2001	1.47%	16
2002	1.37%	15
2003	1.40%	10
2004	1.28%	25
2005	1.34%	18
Bounce 2003-04	-0.12%	63
Actual Change 2003-04 (Number)	-197	63
Bounce 2004-05	0.07%	5
Actual Change 2004-05 (Number)	193	10

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.13%	0.14%
Disability Support (aged 25+)	2.77%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.37%	0.22%
Parenting Payment - Single (aged 25+)	2.02%	1.82%
Unemployed Long Term	1.27%	1.28%
Unemployed Short Term	0.96%	0.85%
Youth Allowance - Non Student	0.44%	0.37%
Youth Allowance - Student	0.94%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	15.8%	47
2002	15.3%	44
2003	15.4%	45
2004	16.2%	47
2005	15.8%	49
2006	14.7%	48

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.4	6.3	116.6	171.0
Rank	25	20	3	16

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

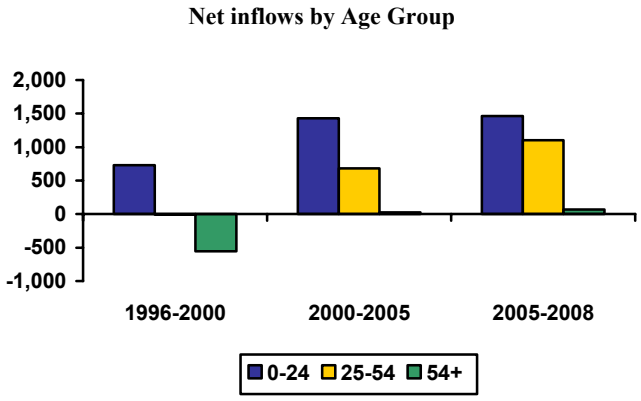
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	63,621	190,130
Commercial	163,274	506,774
Rural	184,508	308,822

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	39.5%	37.9%	37.3%	35.9%
25 - 54	43.3%	43.7%	42.6%	42.8%
55+	17.3%	18.4%	20.1%	21.3%
Net Inflow of Migrants (average between years)				
0 - 24		728	1,429	1,463
25 - 54		-9	680	1,103
55+		-554	25	66
Average Age	33.8	35.0	35.8	36.5

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	82.9	36
Share of population under 55	79.9	12
Aged migration	3.6	53
Population growth rate, 55+	3.1	26
Demographic stress	35.7	7
Dominant locations	73.6	36
Family / Youth migration	3.8	11
Fertility bounce, 1996-2005	-0.2	28
Fertility, babies % pop, 2005	1.3	18
Sustainability score	65.3	19
Working elderly	26.8	36

Local Government Level		Score	Rank
Most Sustainable	Thuringowa (C)	78.8	20
Least Sustainable	Hinchinbrook (S)	30.4	521

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	819	1,067	1,339	1,393	3,117	1,691	745	496	765	663	955
Rank	31	12	3	13	3	7	31	38	16	36	9

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	183	230	346	370	368	57%
Non Residential	179	185	170	211	256	15%
Total	363	415	516	581	624	38%
Value per capita $2003/04						
Residential	938	1,098	1,586	1,668	1,627	48%
Non Residential	916	889	780	952	1,133	7%
Total	1,854	1,988	2,366	2,620	2,761	30%
Rank (value per capita)						
Residential	39	34	19	19	16	
Non Residential	11	8	20	15	10	
Total	26	20	18	17	14	

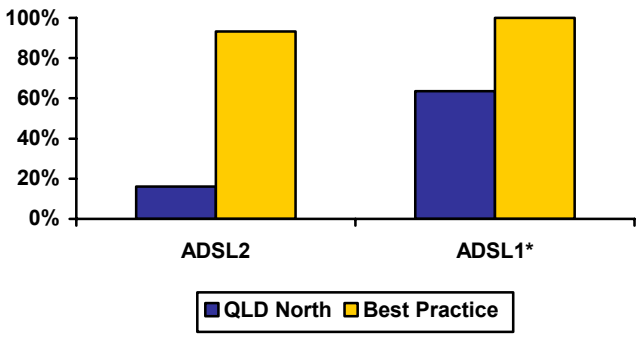
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.6%	99.4%	0.1%	0.9%	0.1%	99.0%
Population	59.1%	40.9%	16.2%	45.9%	1.4%	36.5%
Children	53.4%	46.6%	13.5%	42.8%	0.6%	43.2%

	2005	2006
Average Speed Available (kilobit bit per second)	910	3,641
% Rank #1	61%	22%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Charters Towers (C)	1,386	92.4%	Townsville (C)	7,200	40.0%
Lowest Ranked LGA	Thuringowa (C)	56	3.7%	Thuringowa (C)	56	0.3%

ADSL Population Coverage



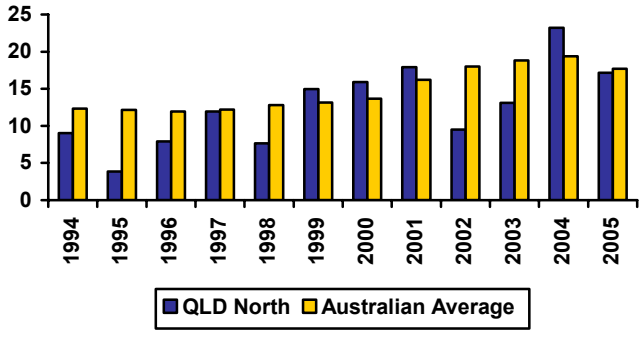
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	25.80	44.59	27
Average p.a. per capita	12.69	14.86	14
Hi Tech p.a. (1994-2005)	5.60	11.73	25
Hi Tech p.a. per capita	2.74	3.89	12
Info. Tech p.a. (1994-2005)	2.18	4.39	23
Info. Tech p.a. per capita	1.05	1.44	12
Average per capita (1994-2000)	10.19	12.61	17
Average per capita (2000-2005)	16.19	18.01	13
2000-05 avg./1994-00 avg.	1.59	1.43	14

Note: Per capita = 100,000 people

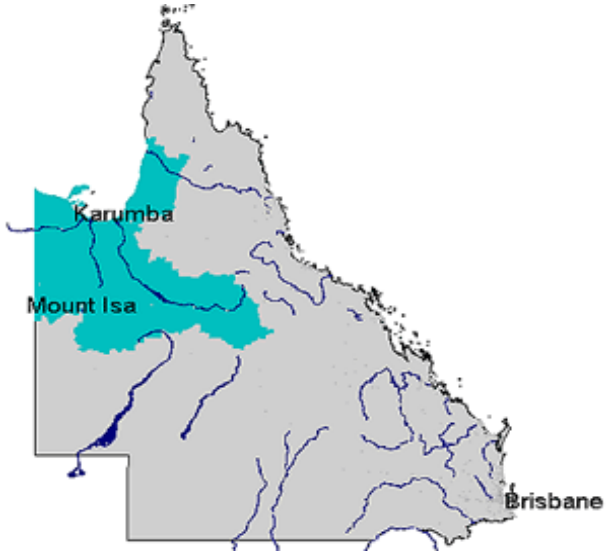
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	5
High Tech Startups	66
New Startup Employment as % of workforce	0.3%
High Tech Startups per capita	0.0003
Rank	57

QLD North West



North West Queensland is a belt of tropical savannah divided into hard country and soft. The hard country, with rock underfoot, has proved to be a major mineral province. Mt Isa is the main city and supply centre. There are few other towns since the newer mines are mostly fly-in fly-out, and mining now generates few jobs in relation to the value of output. The soft country supports extensive grazing, but has sufficient rainfall to give potential for intensification in some places. There is a significant Aboriginal population.

N.B Unemployment figures in remote regions can display excess variation.

Major centres:

Mt Isa, Hughenden

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	36	35	36	36	36	36	-1.7%	0.8%	0.5%	0.2%	0.4%	-0.1%	0.3%
No Households	13	13	13	13	13	13	0.3%	0.1%	0.0%	0.1%	0.2%	0.2%	0.2%
NIEIR Workforce	18	17	16	16	17	17	-4.1%	-2.4%	-0.6%	2.7%	0.6%	-2.4%	1.7%
NIEIR Employment	16	15	15	15	15	15	-3.5%	-2.7%	-0.7%	4.6%	1.2%	-2.3%	2.9%
NIEIR Unemployment	1.9	1.7	1.7	1.7	1.5	1.4	-9.3%	0.9%	0.0%	-13.5%	-5.2%	-2.9%	-9.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.8%	10.2%	10.5%	10.6%	8.9%	8.4%	-0.6	0.3	0.1	-1.7	-0.5	-0.1	-1.1
Headline U/E	7.6%	7.4%	7.4%	7.3%	6.0%	5.8%	-0.2	0.0	-0.1	-1.3	-0.2	-0.1	-0.8
NIEIR Structural U/E	14.0%	14.6%	15.5%	15.5%	14.2%	11.3%	0.6	0.9	0.0	-1.4	-2.8	0.5	-2.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	613	594	576	574	630	676	17,052	16,813	16,168	16,035	17,567	18,796	-2.2%	8.6%
Taxes Paid	191	202	179	181	193	211	5,318	5,722	5,031	5,046	5,378	5,860	-1.9%	8.1%
Benefits	157	155	161	186	159	120	4,378	4,400	4,517	5,210	4,434	3,347	5.8%	-19.6%
Business Income	256	311	206	234	206	244	7,135	8,814	5,774	6,533	5,754	6,785	-3.0%	2.2%
Interest Paid	71	67	81	103	117	131	1,982	1,886	2,265	2,884	3,261	3,636	13.2%	12.6%
Net Property income	113	101	99	97	104	112	3,142	2,850	2,777	2,705	2,891	3,104	-5.0%	7.4%
Business Value Added	869	906	781	807	836	921	24,187	25,627	21,942	22,568	23,321	25,582	-2.4%	6.8%
Rank							10	8	15	18	17	12		
% Rank #1							74%	75%	63%	64%	64%	67%		
Net Disposable Income	963	983	865	896	879	929	26,796	27,808	24,290	25,051	24,527	25,811	-2.4%	1.8%
Rank							14	11	15	18	22	17		
% Rank #1							69%	73%	63%	63%	59%	58%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	4.5	660.4	0.7%
Commercial	0.7	54.7	1.3%
Rural	3.0	151.6	2.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			8.2
Rates to Business Value %	1.5%	1.1%	1.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.52	3.18
Average rate in cents value	0.21	0.31

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	77.0%	79.0%
Commercial	11.6%	8.2%
Rural	11.4%	12.8%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	4
2001	2.27%	1
2002	1.73%	1
2003	1.64%	3
2004	1.71%	3
2005	1.84%	2
Bounce 2003-04	0.07%	4
Actual Change 2003-04 (Number)	28	39
Bounce 2004-05	0.13%	2
Actual Change 2004-05 (Number)	49	26

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.05%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	2.16%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.09%	0.04%
Parenting Payment - Single (aged 20-24)	0.43%	0.22%
Parenting Payment - Single (aged 25+)	2.01%	1.82%
Unemployed Long Term	1.66%	1.28%
Unemployed Short Term	1.00%	0.85%
Youth Allowance - Non Student	0.59%	0.37%
Youth Allowance - Student	0.41%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.3%	42
2002	15.8%	39
2003	18.6%	23
2004	20.8%	17
2005	18.1%	34
2006	13.0%	51

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.5	14.8	60.6	458.0
Rank	48	1	12	1

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

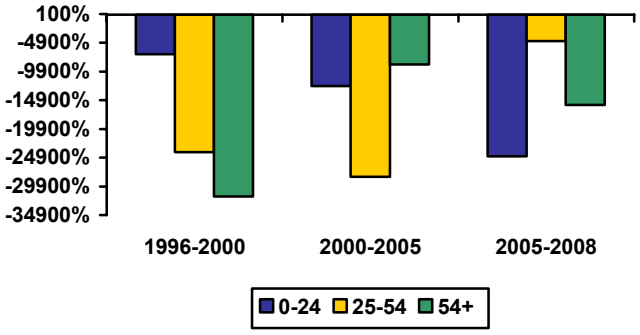
	Land Value $	Capital Value $
Residential	23,237	105,888
Commercial	44,554	235,373
Rural	188,545	281,847

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	42.1%	41.2%	40.2%	38.1%
25 - 54	45.5%	46.0%	45.0%	46.0%
55+	12.3%	12.9%	15.1%	15.9%
Net Inflow of Migrants (average between years)				
0 - 24		-69	-124	-247
25 - 54		-239	-282	-46
55+		-316	-87	-157
Average Age	30.4	32.4	32.6	33.4

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	38.1	63
Share of population under 55	85.1	4
Aged migration	3.2	59
Population growth rate, 55+	2.1	50
Demographic stress	-27.0	63
Dominant locations	77.3	32
Family / Youth migration	-2.2	61
Fertility bounce, 1996-2005	-0.1	11
Fertility, babies % pop, 2005	1.8	2
Sustainability score	46.0	58
Working elderly	35.4	4

Local Government Level		Score	Rank
Most Sustainable	Cloncurry (S)	80.9	14
Least Sustainable	Flinders (S)	28.2	547

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	427	559	647	705	1,204	1,402	518	348	588	481	792
Rank	57	49	35	42	29	15	49	53	38	52	14

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	15	9	7	7	6	-26%
Non Residential	24	17	11	10	11	-37%
Total	39	26	18	17	18	-33%
Value per capita $2003/04						
Residential	415	258	196	198	180	-26%
Non Residential	680	470	295	274	313	-37%
Total	1,095	728	491	472	493	-33%
Rank (value per capita)						
Residential	62	64	64	64	64	
Non Residential	23	47	64	64	64	
Total	52	63	64	64	64	

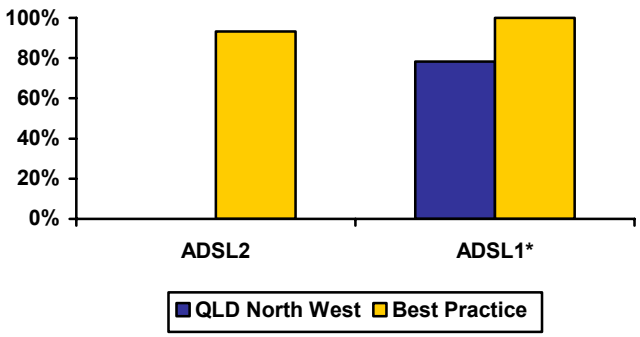
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.1%	99.9%	0.0%	0.2%	0.0%	99.8%
Population	66.4%	33.6%	0.0%	78.3%	0.0%	21.7%
Children	73.2%	26.8%	0.0%	84.2%	0.0%	15.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,015	1,186
% Rank #1	68%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Mount Isa (C)	1,390	92.6%	Mount Isa (C)	1,406	7.8%
Lowest Ranked LGA	Carpentaria (S)	56	3.7%	McKinlay (S)	604	3.4%

ADSL Population Coverage



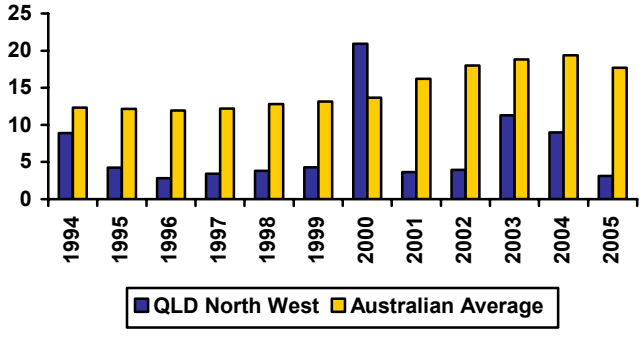
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	2.37	44.59	61
Average p.a. per capita	6.61	14.86	46
Hi Tech p.a. (1994-2005)	0.36	11.73	59
Hi Tech p.a. per capita	1.00	3.89	44
Info. Tech p.a. (1994-2005)	0.18	4.39	53
Info. Tech p.a. per capita	0.50	1.44	29
Average per capita (1994-2000)	6.91	12.61	37
Average per capita (2000-2005)	6.19	18.01	56
2000-05 avg./1994-00 avg.	0.90	1.43	62

Note: Per capita = 100,000 people

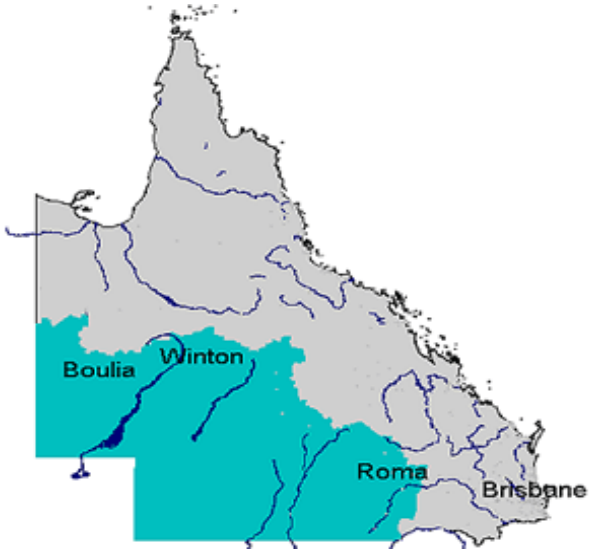
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	7
Average Employment 2006	7
High Tech Startups	17
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0005
Rank	42

QLD Pastoral



Pastoral Queensland comprises two state planning zones, grouped together because of low population and similarity of economic base. The region has no large towns, though it is gradually developing an 'outback' tourist trade. Much of the region is alluvial Channel country or low-rainfall black-soil downs, divided into extensive pastoral stations. Unlike the region to the north, this pastoral zone is not known for hard-rock mining, but has natural gas fields. North of Roma, extending into the Fitzroy region, coal seam methane fields are rising in importance.

Major centres:

Roma, Longreach, Charleville

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	39	40	39	39	39	39	0.2%	-0.4%	-0.2%	-0.5%	-0.3%	-0.2%	-0.4%
No Households	15	16	16	16	16	17	1.5%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NIEIR Workforce	19	18	18	18	18	18	-1.8%	-2.9%	0.0%	2.3%	0.4%	-1.6%	1.3%
NIEIR Employment	17	17	17	17	17	17	-2.2%	-2.8%	0.1%	3.3%	1.5%	-1.6%	2.4%
NIEIR Unemployment	1.1	1.2	1.2	1.1	1.0	0.8	4.3%	-3.4%	-1.7%	-12.9%	-19.0%	-0.3%	-16.0%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	6.2%	6.6%	6.5%	6.4%	5.5%	4.4%	0.4	0.0	-0.1	-0.9	-1.1	0.1	-1.0
Headline U/E	3.7%	3.3%	3.1%	3.3%	2.6%	2.3%	-0.4	-0.3	0.2	-0.6	-0.3	-0.2	-0.5
NIEIR Structural U/E	9.5%	9.7%	11.6%	11.3%	10.9%	8.8%	0.2	1.9	-0.3	-0.4	-2.1	0.6	-1.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	466	461	446	457	490	523	11,808	11,635	11,327	11,615	12,529	13,416	-0.7%	7.0%
Taxes Paid	221	236	174	192	203	187	5,599	5,964	4,402	4,878	5,192	4,808	-4.6%	-1.1%
Benefits	138	132	138	163	149	127	3,496	3,333	3,497	4,153	3,802	3,250	5.8%	-11.9%
Business Income	618	679	385	457	458	347	15,658	17,158	9,764	11,613	11,708	8,897	-9.6%	-12.8%
Interest Paid	69	65	79	101	114	129	1,735	1,631	1,995	2,566	2,925	3,301	13.8%	12.9%
Net Property income	102	98	91	99	108	118	2,572	2,466	2,308	2,522	2,755	3,039	-0.8%	9.3%
Business Value Added	1,085	1,140	831	913	948	870	27,466	28,793	21,090	23,227	24,237	22,312	-5.6%	-2.4%
Rank							6	6	21	15	14	22		
% Rank #1							83%	84%	61%	65%	66%	58%		
Net Disposable Income	1,142	1,184	900	990	998	918	28,902	29,915	22,842	25,190	25,509	23,541	-4.6%	-3.7%
Rank							7	6	24	16	17	35		
% Rank #1							74%	79%	59%	63%	61%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	3.3	552.9	0.6%
Commercial	0.8	81.5	1.0%
Rural	17.2	376.4	4.6%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			21.4
Rates to Business Value %	3.3%	1.9%	2.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.56	3.60
Average rate in cents value	0.90	0.54

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	12.9%	49.9%
Commercial	3.0%	5.2%
Rural	84.1%	44.9%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	7
2001	1.74%	4
2002	1.48%	7
2003	1.52%	7
2004	1.41%	10
2005	1.39%	14
Bounce 2003-04	-0.11%	62
Actual Change 2003-04 (Number)	-44	55
Bounce 2004-05	-0.02%	49
Actual Change 2004-05 (Number)	-12	40

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.04%	0.08%
Disability Support (aged 20-24)	0.07%	0.14%
Disability Support (aged 25+)	2.16%	3.20%
Mature Age Allowance	0.02%	0.06%
Parenting Payment - Single (aged 15-19)	0.02%	0.04%
Parenting Payment - Single (aged 20-24)	0.16%	0.22%
Parenting Payment - Single (aged 25+)	1.28%	1.82%
Unemployed Long Term	1.06%	1.28%
Unemployed Short Term	0.60%	0.85%
Youth Allowance - Non Student	0.27%	0.37%
Youth Allowance - Student	0.83%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	12.1%	55
2002	11.1%	58
2003	15.3%	47
2004	16.5%	46
2005	14.9%	50
2006	13.8%	50

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.4	9.7	25.5	200.0
Rank	52	7	30	10

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

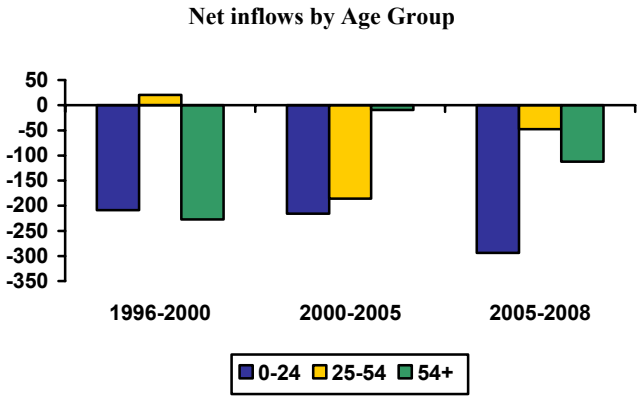
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	13,091	87,343
Commercial	22,224	121,343
Rural	168,635	249,329

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	37.4%	36.7%	35.5%	33.4%
25 - 54	43.2%	44.1%	42.6%	42.9%
55+	19.4%	19.6%	22.6%	23.7%
Net Inflow of Migrants (average between years)				
0 - 24		-209	-216	-294
25 - 54		20	-186	-47
55+		-227	-9	-113
Average Age	33.3	35.8	36.8	37.8

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	43.2	61
Share of population under 55	78.1	18
Aged migration	3.8	44
Population growth rate, 55+	1.6	58
Demographic stress	-7.7	56
Dominant locations	63.2	48
Family / Youth migration	-3.9	64
Fertility bounce, 1996-2005	-0.3	48
Fertility, babies % pop, 2005	1.4	14
Sustainability score	46.1	57
Working elderly	37.6	1

Local Government Level		Score	Rank
Most Sustainable	Balonne (S)	65.3	152
Least Sustainable	Quilpie (S)	17.4	621

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	423	550	465	601	867	767	348	252	417	336	241
Rank	58	50	53	50	54	57	60	63	53	61	64

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	11	10	11	11	11	5%
Non Residential	25	14	14	17	16	8%
Total	36	25	24	28	27	7%
Value per capita $2003/04						
Residential	283	265	277	287	279	6%
Non Residential	636	362	346	426	417	10%
Total	919	626	623	713	696	8%
Rank (value per capita)						
Residential	64	63	63	63	63	
Non Residential	27	59	63	61	62	
Total	61	64	63	63	63	

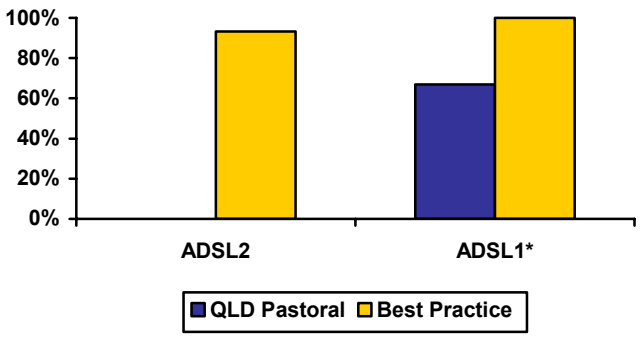
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.1%	99.9%	0.0%	0.2%	0.0%	99.8%
Population	60.0%	40.0%	0.0%	66.9%	0.0%	33.1%
Children	62.2%	37.8%	0.0%	69.3%	0.0%	30.7%

	2005	2006
Average Speed Available (kilobit bit per second)	922	1,022
% Rank #1	61%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Roma (T)	1,450	96.7%	Roma (T)	1,450	8.1%
Lowest Ranked LGA	Bulloo (S)	56	3.7%	Diamantina (S)	56	0.3%

ADSL Population Coverage



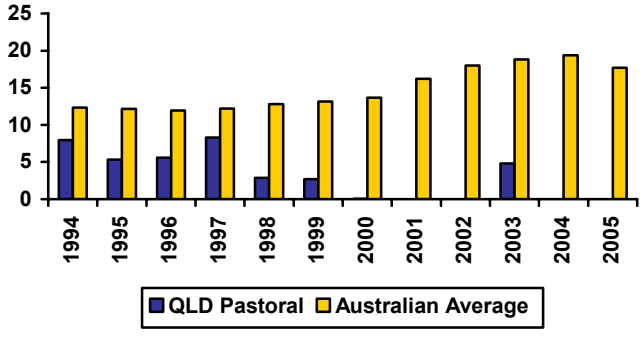
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	1.24	44.59	64
Average p.a. per capita	3.13	14.86	62
Hi Tech p.a. (1994-2005)	0.09	11.73	64
Hi Tech p.a. per capita	0.22	3.89	62
Info. Tech p.a. (1994-2005)	0.00	4.39	61
Info. Tech p.a. per capita	0.00	1.44	61
Average per capita (1994-2000)	4.68	12.61	55
Average per capita (2000-2005)	0.96	18.01	64
2000-05 avg./1994-00 avg.	0.21	1.43	64

Note: Per capita = 100,000 people

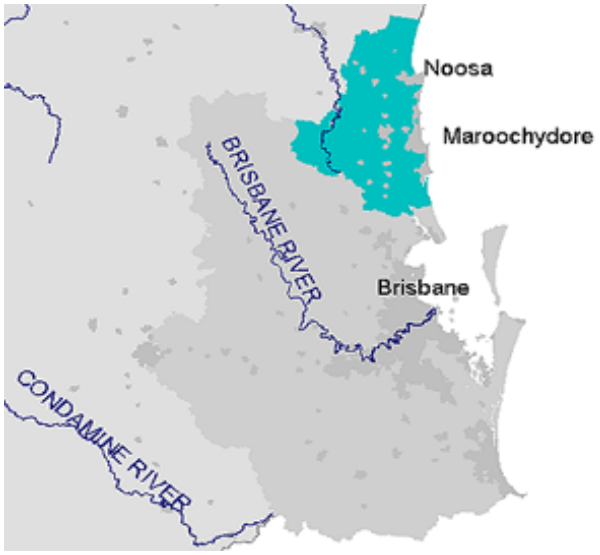
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	16
Average Employment 2006	12
High Tech Startups	16
New Startup Employment as % of workforce	1.1%
High Tech Startups per capita	0.0004
Rank	46

QLD Sunshine Coast



The Sunshine Coast is a resort and retirement strip, newer than the Gold Coast and with more room; hence not so intensively developed, but growing much more rapidly. Back from the strip is a row of older towns, the chief of which is Nambour. Some intensive farming survives (including pineapples), but the region's sugar industry has recently collapsed. This has increased the supply of land available for urban conversion.

Major centres:

Caloundra, Nambour, Noosa

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	247	256	266	275	283	289	3.4%	4.1%	3.2%	2.9%	2.3%	3.6%	2.6%
No Households	100	101	104	108	110	112	1.9%	2.9%	3.4%	2.3%	1.4%	2.7%	1.9%
NIEIR Workforce	113	117	124	128	134	138	3.5%	5.6%	3.5%	5.0%	3.2%	4.2%	4.1%
NIEIR Employment	95	100	108	115	123	127	5.6%	7.8%	6.0%	6.9%	3.6%	6.5%	5.3%
NIEIR Unemployment	18.0	16.7	15.4	13.2	11.6	11.5	-7.6%	-7.4%	-14.3%	-12.1%	-1.5%	-9.8%	-6.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	16.0%	14.2%	12.5%	10.3%	8.7%	8.3%	-1.7	-1.8	-2.1	-1.7	-0.4	-1.9	-1.0
Headline U/E	11.5%	11.0%	9.9%	8.1%	6.4%	6.0%	-0.5	-1.1	-1.7	-1.8	-0.4	-1.1	-1.1
NIEIR Structural U/E	18.0%	17.4%	16.5%	14.8%	13.6%	12.6%	-0.6	-0.9	-1.8	-1.2	-1.0	-1.1	-1.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,586	2,755	2,959	3,213	3,532	3,811	10,462	10,777	11,119	11,693	12,498	13,177	7.5%	8.9%
Taxes Paid	746	842	940	1,048	1,147	1,237	3,018	3,293	3,531	3,814	4,057	4,278	12.0%	8.6%
Benefits	1,036	1,028	1,039	1,150	1,212	1,215	4,190	4,020	3,904	4,184	4,287	4,202	3.5%	2.8%
Business Income	742	934	993	1,093	1,118	1,168	3,002	3,654	3,731	3,977	3,954	4,038	13.8%	3.4%
Interest Paid	310	269	302	378	488	595	1,253	1,052	1,135	1,375	1,726	2,056	6.8%	25.5%
Net Property income	781	775	852	968	1,086	1,228	3,161	3,031	3,203	3,522	3,842	4,247	7.4%	12.7%
Business Value Added	3,328	3,690	3,952	4,306	4,650	4,979	13,464	14,432	14,850	15,669	16,451	17,216	9.0%	7.5%
Rank							61	61	61	60	60	59		
% Rank #1							41%	42%	43%	44%	45%	45%		
Net Disposable Income	4,505	4,853	5,166	5,665	6,025	6,472	18,226	18,982	19,413	20,615	21,315	22,378	7.9%	6.9%
Rank							60	60	59	55	54	48		
% Rank #1							47%	50%	50%	51%	51%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	130.6	2,551.3	5.1%
Commercial	9.1	997.8	0.9%
Rural	3.4	119.8	2.8%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			143.1
Rates to Business Value %	2.2%	1.2%	3.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	8.20	9.66
Average rate in cents value	0.63	0.54

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	91.8%	93.1%
Commercial	5.9%	3.9%
Rural	2.3%	3.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	55
2001	1.15%	57
2002	1.12%	55
2003	1.09%	58
2004	1.09%	60
2005	1.12%	57
Bounce 2003-04	0.00%	46
Actual Change 2003-04 (Number)	83	23
Bounce 2004-05	0.03%	15
Actual Change 2004-05 (Number)	179	11

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	3.06%	3.20%
Mature Age Allowance	0.10%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.23%	0.22%
Parenting Payment - Single (aged 25+)	2.35%	1.82%
Unemployed Long Term	1.31%	1.28%
Unemployed Short Term	1.08%	0.85%
Youth Allowance - Non Student	0.44%	0.37%
Youth Allowance - Student	1.30%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	23.0%	8
2002	21.2%	8
2003	20.1%	13
2004	20.3%	21
2005	20.1%	21
2006	18.8%	25

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.1	3.8	7.5	26.5
Rank	33	48	56	53

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

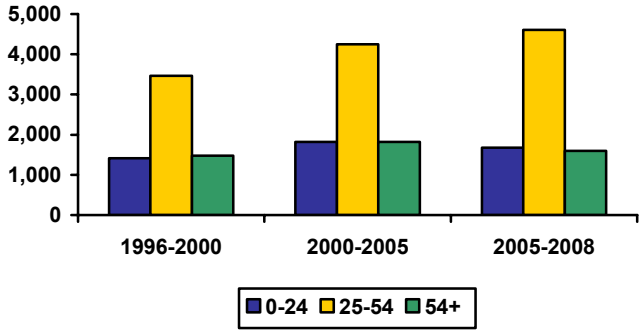
	Land Value $	Capital Value $
Residential	208,904	244,149
Commercial	466,141	763,745
Rural	88,077	116,006

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	33.2%	31.7%	30.8%	29.6%
25 - 54	41.9%	41.3%	40.2%	40.1%
55+	25.0%	27.0%	29.0%	30.4%
Net Inflow of Migrants (average between years)				
0 - 24		1,416	1,818	1,681
25 - 54		3,469	4,248	4,610
55+		1,480	1,821	1,596
Average Age	39.2	39.9	40.6	41.5

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	3
Share of population under 55	71.0	58
Aged migration	8.5	1
Population growth rate, 55+	5.0	6
Demographic stress	58.8	1
Dominant locations	67.4	41
Family / Youth migration	3.6	12
Fertility bounce, 1996-2005	-0.2	22
Fertility, babies % pop, 2005	1.1	57
Sustainability score	75.4	1
Working elderly	18.7	60

Local Government Level		Score	Rank
Most Sustainable	Maroochy (S)	75.9	46
Least Sustainable	Noosa (S)	74.6	55

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,466	1,125	1,191	2,686	2,447	1,690	974	1,311	1,298	1,214	1,204
Rank	6	9	6	2	5	8	9	2	3	3	5

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	615	733	933	786	769	13%
Non Residential	162	170	224	266	306	57%
Total	777	903	1,157	1,051	1,076	21%
Value per capita $2003/04						
Residential	2,728	2,785	3,300	2,699	2,566	3%
Non Residential	721	648	793	912	1,021	40%
Total	3,449	3,433	4,093	3,611	3,588	10%
Rank (value per capita)						
Residential	1	2	2	3	2	
Non Residential	20	18	18	20	15	
Total	4	3	3	4	4	

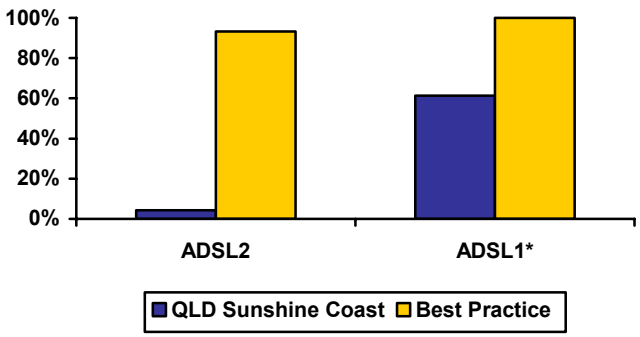
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	21.6%	78.4%	0.2%	28.8%	0.0%	71.0%
Population	60.2%	39.8%	4.4%	57.0%	0.0%	38.7%
Children	58.7%	41.3%	3.1%	56.9%	0.0%	40.1%

	2005	2006
Average Speed Available (kilobit bit per second)	926	1,659
% Rank #1	62%	10%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Maroochy (S)	1,368	91.2%	Caloundra (C)	2,460	13.7%
Lowest Ranked LGA	Caloundra (C)	56	3.7%	Noosa (S)	1,142	6.3%

ADSL Population Coverage



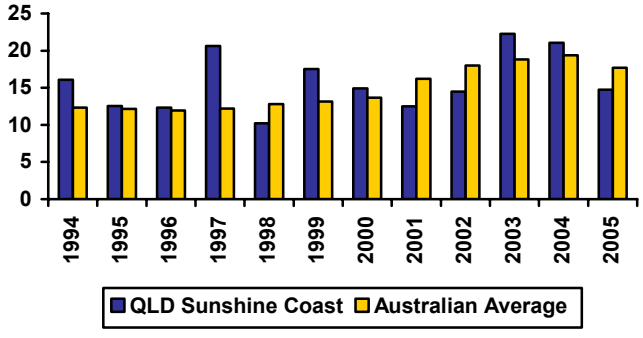
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	37.78	44.59	21
Average p.a. per capita	15.78	14.86	12
Hi Tech p.a. (1994-2005)	5.67	11.73	24
Hi Tech p.a. per capita	2.34	3.89	16
Info. Tech p.a. (1994-2005)	2.07	4.39	24
Info. Tech p.a. per capita	0.81	1.44	17
Average per capita (1994-2000)	14.89	12.61	11
Average per capita (2000-2005)	17.01	18.01	12
2000-05 avg./1994-00 avg.	1.14	1.43	52

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	5
High Tech Startups	105
New Startup Employment as % of workforce	0.4%
High Tech Startups per capita	0.0004
Rank	52

QLD West Moreton

The West Moreton region centres on Ipswich, which has long regarded itself as independent of Brisbane 40 km to the east. Manufacturing industry and power production were originally based on local coal mines, and the region also attracted defence facilities. In more recent times commuting has increased, but the hills are hot in summer and have not proved attractive to hobby farmers. Intensive agriculture is practised in the several fertile valleys of tributaries of the Brisbane river, though drought has threatened their groundwater supply.

Major centres:

Ipswich

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	178	182	185	190	195	204	1.7%	1.8%	3.0%	2.6%	4.2%	2.2%	3.4%
No Households	63	63	64	65	67	69	0.7%	0.6%	2.1%	2.8%	2.9%	1.1%	2.8%
NIEIR Workforce	88	90	93	95	99	102	2.3%	3.1%	3.1%	4.2%	3.0%	2.8%	3.6%
NIEIR Employment	77	78	80	84	89	92	1.1%	3.7%	4.1%	6.3%	3.4%	3.0%	4.8%
NIEIR Unemployment	11.1	12.2	12.1	11.6	10.3	10.2	10.6%	-1.4%	-4.0%	-11.1%	-0.6%	1.5%	-6.0%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	12.6%	13.6%	13.0%	12.1%	10.4%	10.0%	1.0	-0.6	-0.9	-1.8	-0.4	-0.2	-1.1
Headline U/E	7.9%	7.4%	7.7%	6.7%	5.6%	5.5%	-0.5	0.3	-1.0	-1.1	-0.1	-0.4	-0.6
NIEIR Structural U/E	18.4%	17.9%	17.9%	17.1%	16.2%	15.6%	-0.4	0.0	-0.8	-0.9	-0.6	-0.4	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,401	2,449	2,508	2,663	2,888	3,085	13,453	13,488	13,564	13,984	14,778	15,144	3.5%	7.6%
Taxes Paid	584	622	633	674	737	778	3,273	3,424	3,424	3,539	3,772	3,820	4.9%	7.5%
Benefits	710	706	711	791	812	817	3,978	3,888	3,849	4,153	4,153	4,011	3.7%	1.7%
Business Income	459	562	512	558	571	571	2,570	3,092	2,767	2,931	2,920	2,803	6.7%	1.2%
Interest Paid	340	316	380	474	545	626	1,904	1,739	2,053	2,491	2,786	3,072	11.8%	14.9%
Net Property income	398	368	374	402	443	490	2,229	2,024	2,023	2,111	2,265	2,403	0.3%	10.4%
Business Value Added	2,860	3,011	3,019	3,221	3,459	3,656	16,023	16,580	16,331	16,915	17,699	17,947	4.0%	6.5%
Rank							55	55	56	54	54	54		
% Rank #1							49%	48%	47%	48%	49%	47%		
Net Disposable Income	3,316	3,442	3,410	3,622	3,810	4,027	18,579	18,954	18,445	19,019	19,496	19,766	3.0%	5.4%
Rank							59	61	62	61	61	61		
% Rank #1							48%	50%	48%	47%	47%	44%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	84.9	2,828.1	3.0%
Commercial	8.0	359.0	2.2%
Rural	12.1	211.7	5.7%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			105.0
Rates to Business Value %	1.7%	2.9%	3.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.95	3.57
Average rate in cents value	1.41	0.86

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	73.8%	83.2%
Commercial	6.6%	3.8%
Rural	19.7%	13.0%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	8
2001	1.49%	15
2002	1.39%	13
2003	1.32%	18
2004	1.38%	11
2005	1.42%	11
Bounce 2003-04	0.07%	5
Actual Change 2003-04 (Number)	198	10
Bounce 2004-05	0.04%	14
Actual Change 2004-05 (Number)	139	16

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.15%	0.08%
Disability Support (aged 20-24)	0.25%	0.14%
Disability Support (aged 25+)	4.69%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.08%	0.04%
Parenting Payment - Single (aged 20-24)	0.43%	0.22%
Parenting Payment - Single (aged 25+)	2.51%	1.82%
Unemployed Long Term	1.12%	1.28%
Unemployed Short Term	0.84%	0.85%
Youth Allowance - Non Student	0.51%	0.37%
Youth Allowance - Student	1.05%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	21.4%	10
2002	20.5%	10
2003	20.9%	10
2004	21.8%	11
2005	21.3%	15
2006	20.3%	16

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.1	5.5	8.1	41.5
Rank	32	24	54	49

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

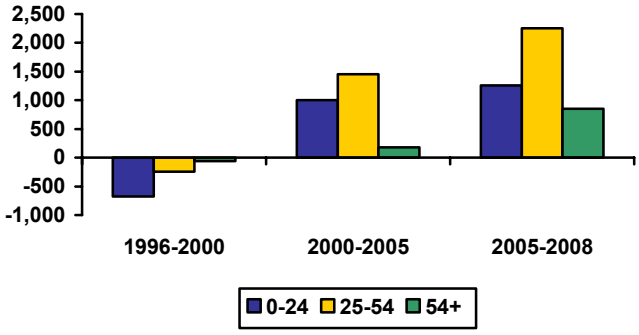
	Land Value $	Capital Value $
Residential	67,138	117,640
Commercial	130,691	338,607
Rural	109,550	204,917

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	40.1%	38.2%	37.4%	35.7%
25 - 54	43.3%	42.6%	41.6%	41.6%
55+	16.6%	19.2%	21.0%	22.7%
Net Inflow of Migrants (average between years)				
0 - 24		-675	1,004	1,258
25 - 54		-246	1,454	2,251
55+		-61	179	852
Average Age	33.8	34.8	36.2	37.1

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	92.8	18
Share of population under 55	79.0	16
Aged migration	3.7	48
Population growth rate, 55+	4.0	13
Demographic stress	19.2	23
Dominant locations	77.9	31
Family / Youth migration	1.2	35
Fertility bounce, 1996-2005	-0.3	58
Fertility, babies % pop, 2005	1.4	11
Sustainability score	64.5	22
Working elderly	25.1	43

Local Government Level		Score	Rank
Most Sustainable	Ipswich (C)	65.7	145
Least Sustainable	Boonah (S)	53.3	299

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,224	735	755	1,013	1,046	926	634	581	727	645	661
Rank	10	35	24	24	36	49	40	30	21	39	25

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	101	169	350	365	360	112%
Non Residential	86	75	106	186	252	141%
Total	187	244	456	551	612	121%
Value per capita $2003/04						
Residential	575	908	1,790	1,822	1,748	97%
Non Residential	490	410	541	928	1,225	119%
Total	1,065	1,317	2,331	2,750	2,973	104%
Rank (value per capita)						
Residential	57	44	11	10	11	
Non Residential	49	55	48	18	8	
Total	54	49	20	14	11	

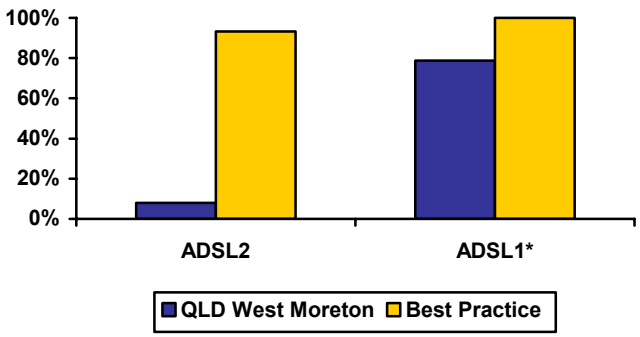
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	10.2%	89.8%	0.3%	15.8%	0.1%	83.8%
Population	71.8%	28.2%	8.0%	69.2%	1.6%	21.2%
Children	70.6%	29.4%	6.8%	69.2%	1.6%	22.5%

	2005	2006
Average Speed Available (kilobit bit per second)	1,092	2,506
% Rank #1	73%	15%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Ipswich (C)	1,265	84.3%	Ipswich (C)	3,134	17.4%
Lowest Ranked LGA	Boonah (S)	495	33.0%	Boonah (S)	685	3.8%

ADSL Population Coverage



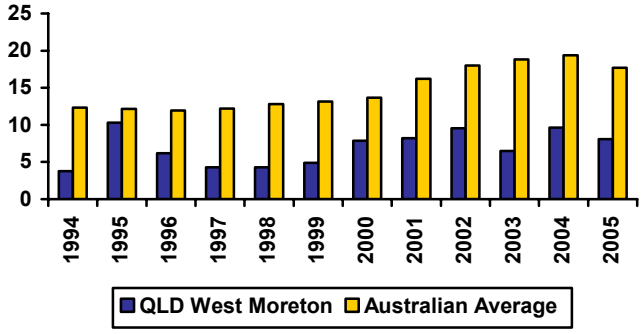
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	12.53	44.59	40
Average p.a. per capita	6.96	14.86	42
Hi Tech p.a. (1994-2005)	2.29	11.73	39
Hi Tech p.a. per capita	1.28	3.89	39
Info. Tech p.a. (1994-2005)	0.50	4.39	39
Info. Tech p.a. per capita	0.27	1.44	39
Average per capita (1994-2000)	5.94	12.61	46
Average per capita (2000-2005)	8.39	18.01	42
2000-05 avg./1994-00 avg.	1.41	1.43	29

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	15
Average Employment 2006	13
High Tech Startups	74
New Startup Employment as % of workforce	0.9%
High Tech Startups per capita	0.0004
Rank	51

QLD Wide Bay-Burnett

Wide Bay-Burnett comprises several sub-regions.

- The retirement and resort developments around Hervey Bay are the northerly outposts of a settlement type familiar on the NSW coast. The old industrial town of Maryborough provides a commercial centre.
- Around and behind Bundaberg is a region of intensive agriculture, growing mainly sugar cane. Bundaberg has developed as a regional centre and has manufacturing industries based on agricultural processing.
- The rural hinterland, beyond reach of the sea breeze, has missed out on retirement migration. Round Kingaroy and in several other places intensive agriculture is practised.

Major centres:

Bundaberg, Maryborough, Gympie

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	236	240	245	251	257	265	1.5%	2.0%	2.6%	2.3%	3.0%	2.0%	2.6%
No Households	94	95	97	99	102	104	1.4%	1.8%	2.6%	2.7%	2.7%	1.9%	2.7%
NIEIR Workforce	101	103	107	111	115	118	2.3%	3.5%	3.7%	3.9%	2.0%	3.2%	2.9%
NIEIR Employment	81	83	87	92	98	101	2.4%	4.6%	5.4%	6.1%	3.2%	4.1%	4.6%
NIEIR Unemployment	19.6	19.9	19.7	18.9	17.7	16.9	1.7%	-1.2%	-3.7%	-6.7%	-4.6%	-1.1%	-5.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	19.4%	19.3%	18.4%	17.1%	15.3%	14.3%	-0.1	-0.9	-1.3	-1.8	-1.0	-0.8	-1.4
Headline U/E	10.6%	12.8%	12.8%	11.3%	9.0%	7.6%	2.2	0.0	-1.5	-2.2	-1.4	0.2	-1.8
NIEIR Structural U/E	25.4%	24.8%	25.1%	23.6%	22.4%	21.7%	-0.6	0.3	-1.5	-1.2	-0.7	-0.6	-0.9

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,224	2,297	2,375	2,567	2,789	2,982	9,404	9,570	9,701	10,216	10,853	11,270	4.9%	7.8%
Taxes Paid	600	658	700	764	832	858	2,538	2,741	2,859	3,041	3,236	3,243	8.4%	6.0%
Benefits	1,095	1,082	1,102	1,243	1,271	1,285	4,629	4,510	4,499	4,946	4,945	4,857	4.3%	1.7%
Business Income	752	922	950	983	1,034	932	3,181	3,843	3,879	3,912	4,024	3,521	9.3%	-2.6%
Interest Paid	333	311	375	475	555	642	1,408	1,295	1,531	1,889	2,161	2,426	12.5%	16.3%
Net Property income	483	475	499	552	612	683	2,042	1,979	2,037	2,198	2,381	2,580	4.6%	11.2%
Business Value Added	2,976	3,219	3,325	3,550	3,823	3,914	12,585	13,413	13,580	14,129	14,877	14,791	6.1%	5.0%
Rank							63	63	63	62	61	62		
% Rank #1							38%	39%	39%	40%	41%	38%		
Net Disposable Income	3,932	4,158	4,243	4,547	4,791	4,944	16,628	17,326	17,328	18,096	18,641	18,683	5.0%	4.3%
Rank							64	64	64	63	63	63		
% Rank #1							43%	46%	45%	45%	45%	42%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	66.8	2,844.0	2.4%
Commercial	7.0	505.9	1.4%
Rural	16.5	528.2	3.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			90.3
Rates to Business Value %	2.3%	2.6%	2.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.83	7.69
Average rate in cents value	0.81	0.34

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	71.6%	82.4%
Commercial	6.6%	3.6%
Rural	21.8%	14.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	36
2001	1.22%	49
2002	1.15%	53
2003	1.06%	62
2004	1.11%	59
2005	1.14%	52
Bounce 2003-04	0.05%	10
Actual Change 2003-04 (Number)	194	11
Bounce 2004-05	0.03%	16
Actual Change 2004-05 (Number)	135	17

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.15%	0.08%
Disability Support (aged 20-24)	0.23%	0.14%
Disability Support (aged 25+)	5.75%	3.20%
Mature Age Allowance	0.15%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.33%	0.22%
Parenting Payment - Single (aged 25+)	2.45%	1.82%
Unemployed Long Term	1.89%	1.28%
Unemployed Short Term	1.10%	0.85%
Youth Allowance - Non Student	0.62%	0.37%
Youth Allowance - Student	1.23%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	27.8%	3
2002	26.0%	3
2003	26.0%	3
2004	27.3%	3
2005	26.5%	3
2006	26.0%	3

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.3	5.2	140.1	174.0
Rank	26	28	2	15

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

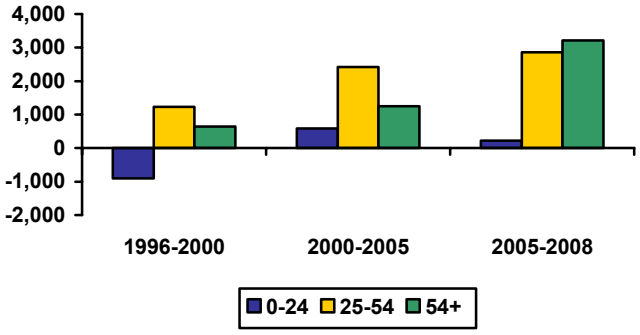
	Land Value $	Capital Value $
Residential	44,493	143,140
Commercial	76,294	251,216
Rural	76,628	179,749

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.1%	33.0%	32.0%	29.7%
25 - 54	40.3%	39.2%	37.7%	36.9%
55+	24.6%	27.8%	30.3%	33.4%
Net Inflow of Migrants (average between years)				
0 - 24		-905	585	220
25 - 54		1,228	2,417	2,863
55+		649	1,251	3,211
Average Age	38.5	39.3	40.8	42.3

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.6	15
Share of population under 55	69.7	63
Aged migration	7.0	4
Population growth rate, 55+	3.9	15
Demographic stress	22.5	18
Dominant locations	59.0	51
Family / Youth migration	-0.4	50
Fertility bounce, 1996-2005	-0.3	47
Fertility, babies % pop, 2005	1.1	52
Sustainability score	60.3	35
Working elderly	20.3	57

Local Government Level		Score	Rank
Most Sustainable	Perry (S)	72.4	73
Least Sustainable	Monto (S)	21.4	606

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	957	699	806	1,055	1,208	1,042	695	719	828	735	625
Rank	23	38	22	20	28	46	34	21	12	30	31

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	216	266	480	508	516	88%
Non Residential	120	98	125	157	170	53%
Total	335	365	605	664	686	79%
Value per capita $2003/04						
Residential	942	1,087	1,868	1,932	1,917	75%
Non Residential	524	405	488	597	630	41%
Total	1,466	1,492	2,356	2,529	2,548	66%
Rank (value per capita)						
Residential	38	35	10	7	7	
Non Residential	47	56	50	45	45	
Total	41	41	19	18	17	

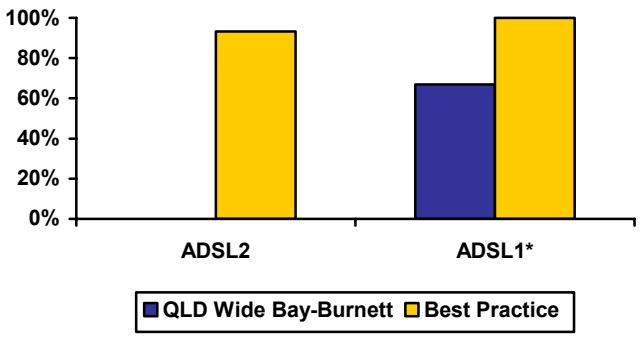
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	2.6%	97.4%	0.0%	3.6%	0.0%	96.4%
Population	64.6%	35.4%	0.0%	66.9%	0.0%	33.1%
Children	62.3%	37.7%	0.0%	64.6%	0.0%	35.4%

	2005	2006
Average Speed Available (kilobit bit per second)	989	1,021
% Rank #1	66%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Bundaberg (C)	1,387	92.5%	Bundaberg (C)	1,387	7.7%
Lowest Ranked LGA	Kilkivan (S)	56	3.7%	Woocoo (S)	90	0.5%

ADSL Population Coverage



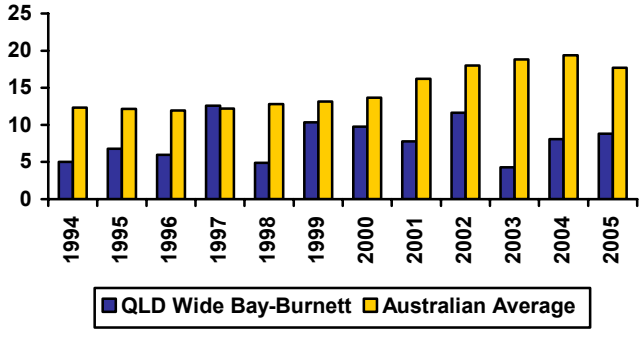
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	18.79	44.59	33
Average p.a. per capita	8.00	14.86	38
Hi Tech p.a. (1994-2005)	2.36	11.73	38
Hi Tech p.a. per capita	0.99	3.89	45
Info. Tech p.a. (1994-2005)	0.86	4.39	35
Info. Tech p.a. per capita	0.35	1.44	35
Average per capita (1994-2000)	7.91	12.61	31
Average per capita (2000-2005)	8.13	18.01	43
2000-05 avg./1994-00 avg.	1.03	1.43	61

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	6
High Tech Startups	160
New Startup Employment as % of workforce	0.8%
High Tech Startups per capita	0.0006
Rank	34

Adelaide Central

The founding fathers of Adelaide picked a site where the Adelaide plain began to slope upwards towards Mt Lofty, though still well short of the main escarpment. This choice resulted in the City having essentially industrial suburbs to the immediate west, while leafy garden suburbs developed to the east and south, between the City and the escarpment. The Adelaide Central region groups the City with these garden suburbs. The economic base of the region lies in its City; the rest of the region consists of suburbs into which a few city centre functions are slowly infusing, plus the gracious resorts of the Holdfast Bay coastline.

Major centres:

Adelaide, Glenelg

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	375	376	377	378	379	380	0.3%	0.4%	0.2%	0.4%	0.1%	0.3%	0.2%
No Households	158	160	162	164	166	168	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
NIEIR Workforce	189	190	194	197	201	203	0.5%	2.0%	1.8%	1.6%	1.0%	1.4%	1.3%
NIEIR Employment	174	175	179	183	187	189	0.5%	2.7%	2.3%	1.8%	1.3%	1.8%	1.5%
NIEIR Unemployment	15.5	15.5	14.5	14.0	13.7	13.4	0.2%	-6.2%	-3.9%	-1.7%	-2.2%	-3.4%	-2.0%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.2%	8.2%	7.5%	7.1%	6.8%	6.6%	0.0	-0.7	-0.4	-0.2	-0.2	-0.4	-0.2
Headline U/E	6.2%	5.6%	4.9%	4.7%	4.6%	4.5%	-0.6	-0.7	-0.2	-0.1	-0.1	-0.5	-0.1
NIEIR Structural U/E	11.3%	11.3%	11.4%	10.7%	10.3%	9.8%	-0.1	0.1	-0.7	-0.4	-0.4	-0.2	-0.4

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	6,813	6,752	6,849	6,921	7,084	7,269	18,191	17,968	18,161	18,320	18,685	19,146	0.5%	2.5%
Taxes Paid	2,216	2,232	2,350	2,462	2,622	2,728	5,918	5,939	6,232	6,517	6,917	7,186	3.6%	5.3%
Benefits	1,489	1,428	1,424	1,528	1,554	1,561	3,976	3,800	3,775	4,045	4,099	4,111	0.9%	1.1%
Business Income	1,265	1,414	1,584	1,622	1,634	1,694	3,378	3,764	4,201	4,294	4,310	4,463	8.6%	2.2%
Interest Paid	541	466	558	693	829	968	1,445	1,241	1,481	1,835	2,187	2,550	8.6%	18.2%
Net Property income	2,518	2,190	2,239	2,462	2,679	2,953	6,723	5,827	5,938	6,518	7,068	7,778	-0.7%	9.5%
Business Value Added	8,078	8,167	8,433	8,543	8,718	8,963	21,569	21,732	22,362	22,614	22,996	23,610	1.9%	2.4%
Rank							16	22	13	17	19	17		
% Rank #1							66%	63%	65%	64%	63%	61%		
Net Disposable Income	10,346	10,213	10,358	10,444	10,761	11,206	27,626	27,178	27,466	27,646	28,387	29,518	0.3%	3.6%
Rank							11	14	11	12	12	10		
% Rank #1							71%	72%	71%	69%	68%	66%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	152.6	8,034.8	1.9%
Commercial	21.0	1,633.0	1.3%
Rural	5.3	1.1	490.8%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			178.9
Rates to Business Value %	1.6%	1.8%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	4.04	6.77
Average rate in cents value	0.48	0.27

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	87.1%	83.4%
Commercial	11.2%	16.6%
Rural	1.7%	0.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	56
2001	1.14%	60
2002	1.11%	59
2003	1.13%	54
2004	1.00%	63
2005	0.97%	64
Bounce 2003-04	-0.13%	64
Actual Change 2003-04 (Number)	-629	64
Bounce 2004-05	-0.02%	48
Actual Change 2004-05 (Number)	-98	59

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.08%	0.08%
Disability Support (aged 20-24)	0.13%	0.14%
Disability Support (aged 25+)	3.15%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.02%	0.04%
Parenting Payment - Single (aged 20-24)	0.11%	0.22%
Parenting Payment - Single (aged 25+)	1.16%	1.82%
Unemployed Long Term	1.09%	1.28%
Unemployed Short Term	0.71%	0.85%
Youth Allowance - Non Student	0.25%	0.37%
Youth Allowance - Student	1.63%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	14.4%	52
2002	14.0%	49
2003	13.7%	53
2004	14.6%	51
2005	14.4%	51
2006	13.9%	49

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.7	7.6	47.6	98.8
Rank	12	14	15	35

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

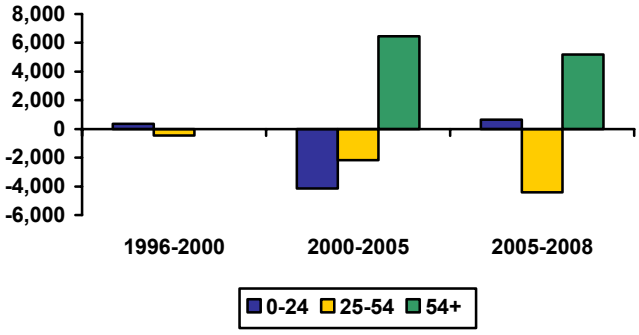
	Land Value $	Capital Value $
Residential	220,447	431,006
Commercial	207,375	522,342
Rural	3,157	5,965

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	30.7%	29.5%	29.3%	28.8%
25 - 54	42.3%	42.5%	41.1%	40.4%
55+	27.0%	28.0%	29.6%	30.9%
Net Inflow of Migrants (average between years)				
0 - 24		346	-4,147	643
25 - 54		-447	-2,167	-4,417
55+		-11	6,466	5,183
Average Age	37.8	38.6	41.9	43.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	81.8	38
Share of population under 55	70.4	61
Aged migration	5.4	13
Population growth rate, 55+	3.6	17
Demographic stress	3.0	46
Dominant locations	100.0	3
Family / Youth migration	4.3	8
Fertility bounce, 1996-2005	-0.1	16
Fertility, babies % pop, 2005	1.0	64
Sustainability score	57.6	44
Working elderly	22.3	49

Local Government Level		Score	Rank
Most Sustainable	Adelaide (C)	71.9	78
Least Sustainable	Mitcham (C)	50.9	321

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	454	499	537	496	916	812	515	475	416	453	514
Rank	55	53	47	59	50	53	50	41	54	54	49

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	277	370	413	464	444	19%
Non Residential	275	343	399	354	382	10%
Total	551	713	811	818	826	15%
Value per capita $2003/04						
Residential	748	983	1,088	1,220	1,166	18%
Non Residential	744	912	1,051	931	1,003	9%
Total	1,491	1,894	2,140	2,151	2,169	14%
Rank (value per capita)						
Residential	48	41	45	34	36	
Non Residential	16	7	8	16	17	
Total	39	26	27	26	28	

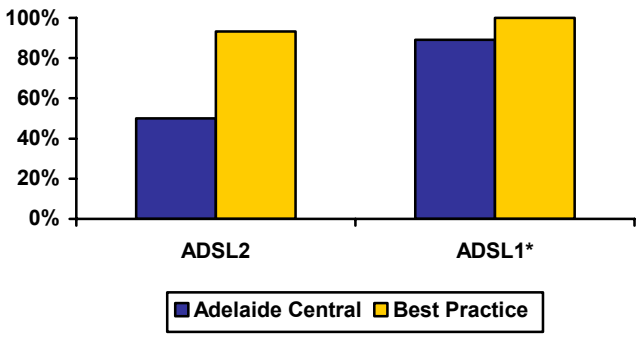
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	83.1%	16.9%	41.1%	42.0%	7.3%	9.5%
Population	86.4%	13.6%	50.1%	36.3%	2.7%	10.9%
Children	85.3%	14.7%	46.5%	38.8%	2.9%	11.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,303	9,604
% Rank #1	87%	57%

	2005				2006			
	LGA	Speed (kBits/s)	% of Rank #1		LGA	Speed (kBits/s)	% of Rank #1	
Highest Ranked LGA	Adelaide (C)	1,500	100.0%		Walkerville (M)	17,979	99.9%	
Lowest Ranked LGA	Prospect (C)	56	3.7%		Prospect (C)	56	0.3%	

ADSL Population Coverage



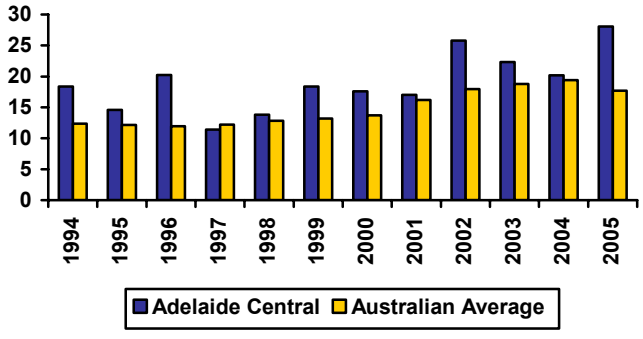
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	70.75	44.59	13
Average p.a. per capita	18.98	14.86	9
Hi Tech p.a. (1994-2005)	24.26	11.73	11
Hi Tech p.a. per capita	6.50	3.89	6
Info. Tech p.a. (1994-2005)	9.70	4.39	10
Info. Tech p.a. per capita	2.59	1.44	5
Average per capita (1994-2000)	16.34	12.61	9
Average per capita (2000-2005)	22.68	18.01	10
2000-05 avg./1994-00 avg.	1.39	1.43	32

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	11
Average Employment 2006	11
High Tech Startups	349
New Startup Employment as % of workforce	1.9%
High Tech Startups per capita	0.0007
Rank	22

Adelaide Outer

The Outer Adelaide region comprises the Mt Lofty Ranges and the Fleurieu Peninsula. It is separated from Central Adelaide and the Adelaide Plains by a scarp which angles across from behind Gawler to the sea at Marino. To the east the rainfall drops off and the Mallee begins. The region includes a number of national parks and conservation areas, but there are also extensive post-1960s suburbs. Beyond these suburbs, to the south and north, are the established wine areas (the Barossa Valley and Southern Vales), and beyond again to the south are the resorts and retirement areas of Encounter Bay. The wine industry combines agriculture, manufacturing and tourism but the region is mainly a commuter zone.

Major centres:

Angaston, Mt Barker, Noarlunga Centre

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	366	369	372	374	377	380	0.8%	0.8%	0.6%	0.8%	0.6%	0.7%	0.7%
No Households	137	139	142	144	147	150	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
NIEIR Workforce	185	188	191	194	198	199	1.4%	1.9%	1.3%	2.0%	0.9%	1.6%	1.4%
NIEIR Employment	168	171	175	178	181	184	1.8%	2.8%	1.3%	2.0%	1.4%	1.9%	1.7%
NIEIR Unemployment	17.3	17.0	15.9	16.2	16.4	15.6	-1.7%	-6.5%	2.1%	1.2%	-4.6%	-2.1%	-1.7%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.3%	9.0%	8.3%	8.4%	8.3%	7.8%	-0.3	-0.7	0.1	-0.1	-0.4	-0.3	-0.3
Headline U/E	6.3%	5.5%	4.7%	4.9%	4.8%	4.4%	-0.9	-0.8	0.2	-0.1	-0.4	-0.5	-0.3
NIEIR Structural U/E	12.4%	12.3%	12.5%	12.0%	11.7%	11.4%	-0.2	0.2	-0.5	-0.3	-0.3	-0.1	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	5,934	5,954	6,061	6,051	6,205	6,372	16,217	16,136	16,301	16,170	16,447	16,784	0.7%	2.6%
Taxes Paid	1,465	1,522	1,583	1,597	1,687	1,720	4,005	4,125	4,258	4,268	4,472	4,530	2.9%	3.8%
Benefits	1,465	1,407	1,430	1,590	1,634	1,617	4,003	3,813	3,847	4,249	4,331	4,258	2.8%	0.8%
Business Income	1,021	1,120	1,149	1,160	1,122	1,094	2,791	3,036	3,089	3,100	2,973	2,881	4.3%	-2.9%
Interest Paid	730	616	724	879	1,002	1,132	1,994	1,671	1,948	2,349	2,657	2,981	6.4%	13.5%
Net Property income	1,281	1,130	1,169	1,244	1,364	1,507	3,502	3,062	3,143	3,324	3,615	3,969	-1.0%	10.1%
Business Value Added	6,955	7,075	7,210	7,211	7,327	7,466	19,007	19,173	19,389	19,270	19,419	19,665	1.2%	1.8%
Rank							33	36	31	35	39	40		
% Rank #1							58%	56%	56%	54%	53%	51%		
Net Disposable Income	8,196	8,282	8,325	8,273	8,473	8,674	22,397	22,445	22,388	22,107	22,458	22,847	0.3%	2.4%
Rank							30	33	28	43	42	43		
% Rank #1							57%	59%	58%	55%	54%	51%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	123.0	7,711.0	1.6%
Commercial	17.9	882.1	2.0%
Rural	12.6	239.5	5.2%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			153.4
Rates to Business Value %	1.5%	1.7%	2.1%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.61	3.19
Average rate in cents value	0.62	0.47

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	80.7%	75.4%
Commercial	11.6%	11.4%
Rural	7.7%	13.2%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	47
2001	1.21%	50
2002	1.16%	51
2003	1.14%	50
2004	1.13%	57
2005	1.12%	58
Bounce 2003-04	-0.01%	50
Actual Change 2003-04 (Number)	-24	51
Bounce 2004-05	-0.01%	33
Actual Change 2004-05 (Number)	13	32

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.35%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.20%	0.22%
Parenting Payment - Single (aged 25+)	1.92%	1.82%
Unemployed Long Term	1.20%	1.28%
Unemployed Short Term	0.80%	0.85%
Youth Allowance - Non Student	0.39%	0.37%
Youth Allowance - Student	1.23%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.9%	32
2002	17.0%	32
2003	17.2%	36
2004	19.2%	28
2005	19.3%	25
2006	18.6%	26

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	4.0	10.6	23.6	62.7
Rank	7	5	33	45

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

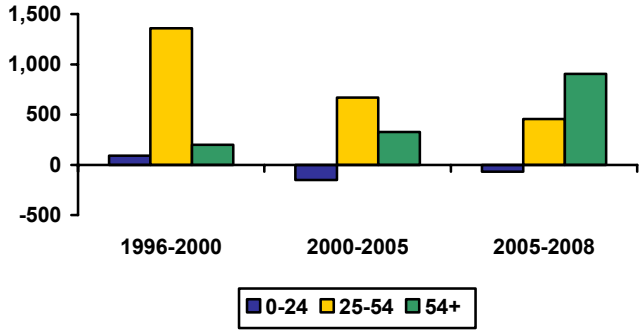
	Land Value $	Capital Value $
Residential	144,622	224,252
Commercial	125,171	299,018
Rural	399,016	544,015

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.6%	34.4%	33.2%	31.9%
25 - 54	45.5%	44.3%	41.9%	40.3%
55+	17.9%	21.3%	24.9%	27.8%
Net Inflow of Migrants (average between years)				
0 - 24		92	-152	-67
25 - 54		1,361	669	456
55+		201	326	906
Average Age	35.5	37.3	38.7	39.8

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.7	13
Share of population under 55	75.1	32
Aged migration	4.3	29
Population growth rate, 55+	4.7	9
Demographic stress	7.5	40
Dominant locations	86.0	26
Family / Youth migration	0.7	41
Fertility bounce, 1996-2005	-0.3	40
Fertility, babies % pop, 2005	1.1	58
Sustainability score	57.7	43
Working elderly	26.9	35

Local Government Level		Score	Rank
Most Sustainable	Mount Barker (DC)	71.1	88
Least Sustainable	Tea Tree Gully (C)	51.3	317

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	675	696	728	679	1,212	1,166	728	645	651	631	691
Rank	46	39	27	43	27	34	32	26	31	41	20

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	336	377	418	452	435	15%
Non Residential	100	103	155	177	199	72%
Total	436	480	573	629	634	27%
Value per capita $2003/04						
Residential	946	1,019	1,107	1,187	1,136	12%
Non Residential	283	278	412	465	520	68%
Total	1,229	1,297	1,519	1,653	1,656	24%
Rank (value per capita)						
Residential	37	38	44	40	38	
Non Residential	64	64	61	59	59	
Total	50	50	51	51	48	

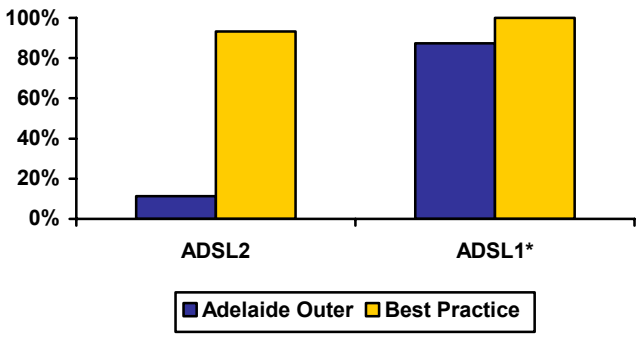
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	23.6%	76.4%	0.6%	25.4%	0.8%	73.1%
Population	83.7%	16.3%	11.3%	73.3%	2.8%	12.6%
Children	83.4%	16.6%	10.1%	74.3%	2.5%	13.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,264	3,177
% Rank #1	84%	19%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Tea Tree Gully (C)	1,489	99.2%	Tea Tree Gully (C)	5,139	28.5%
Lowest Ranked LGA	Yankalilla (DC)	603	40.2%	Yankalilla (DC)	618	3.4%

ADSL Population Coverage



** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

INNOVATION STARTUPS

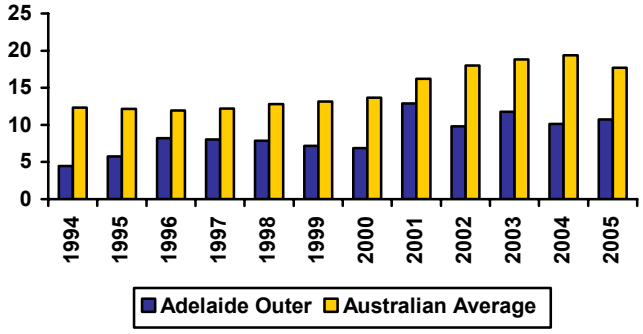
	No.
Average Employment 2001	5
Average Employment 2006	6
High Tech Startups	154
New Startup Employment as % of workforce	0.4%
High Tech Startups per capita	0.0004
Rank	47

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	31.28	44.59	23
Average p.a. per capita	8.64	14.86	34
Hi Tech p.a. (1994-2005)	7.08	11.73	22
Hi Tech p.a. per capita	1.96	3.89	24
Info. Tech p.a. (1994-2005)	0.90	4.39	33
Info. Tech p.a. per capita	0.25	1.44	42
Average per capita (1994-2000)	6.91	12.61	36
Average per capita (2000-2005)	11.06	18.01	30
2000-05 avg./1994-00 avg.	1.60	1.43	13

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



Adelaide Plains

The Adelaide Plains region includes the southern or urbanised part of the plain which begins with Adelaide airport and extends north. The region includes old-established inner suburbs, old-established towns now incorporated into the metropolitan area (particularly Port Adelaide and Gawler), and an extensive area of post-war planned development in which public housing was provided to accommodate workers in new manufacturing industries. The region has suffered severely from employment reductions in automotive manufacturing over the past several decades, and the rate of generation of office jobs in Central Adelaide has not been sufficient to provide opportunities for commuting. The region now pins its hopes on port-related developments and on high technology investments, particularly at Mawson Lakes.

Major centres:

Port Adelaide, Salisbury, Elizabeth

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	477	481	485	488	492	496	0.7%	0.8%	0.7%	0.9%	0.7%	0.7%	0.8%
No Households	192	195	197	200	202	205	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
NIEIR Workforce	227	228	232	239	243	245	0.2%	1.6%	3.4%	1.5%	1.0%	1.7%	1.2%
NIEIR Employment	193	196	203	209	214	219	1.2%	3.8%	2.8%	2.4%	2.3%	2.6%	2.3%
NIEIR Unemployment	33.9	32.2	28.4	30.7	29.3	26.8	-5.3%	-11.7%	8.0%	-4.4%	-8.5%	-3.3%	-6.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	14.9%	14.1%	12.3%	12.8%	12.1%	10.9%	-0.8	-1.8	0.5	-0.7	-1.1	-0.7	-0.9
Headline U/E	10.5%	9.7%	8.0%	8.9%	8.2%	6.9%	-0.8	-1.7	0.9	-0.7	-1.3	-0.5	-1.0
NIEIR Structural U/E	21.3%	21.2%	21.1%	19.8%	19.2%	18.9%	0.0	-0.1	-1.3	-0.6	-0.4	-0.5	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	6,739	6,769	6,975	7,143	7,394	7,708	14,119	14,076	14,396	14,639	15,022	15,553	2.0%	3.9%
Taxes Paid	1,519	1,594	1,678	1,748	1,866	1,938	3,183	3,315	3,464	3,582	3,790	3,911	4.8%	5.3%
Benefits	2,353	2,262	2,268	2,459	2,517	2,498	4,930	4,704	4,681	5,041	5,114	5,040	1.5%	0.8%
Business Income	820	925	972	999	1,006	1,029	1,719	1,923	2,005	2,049	2,043	2,075	6.8%	1.4%
Interest Paid	749	639	758	931	1,059	1,197	1,570	1,329	1,564	1,909	2,151	2,415	7.5%	13.4%
Net Property income	1,323	1,179	1,209	1,329	1,460	1,620	2,771	2,451	2,496	2,724	2,967	3,268	0.2%	10.4%
Business Value Added	7,559	7,694	7,947	8,142	8,400	8,736	15,838	15,999	16,401	16,688	17,065	17,628	2.5%	3.6%
Rank							56	57	55	56	56	56		
% Rank #1							48%	47%	47%	47%	47%	46%		
Net Disposable Income	9,729	9,793	9,905	10,059	10,432	10,835	20,383	20,366	20,443	20,617	21,194	21,862	1.1%	3.8%
Rank							51	52	50	54	55	54		
% Rank #1							52%	54%	53%	51%	51%	49%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	185.1	7,072.1	2.6%
Commercial	15.3	879.3	1.7%
Rural	3.6	126.3	2.8%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			204.0
Rates to Business Value %	1.8%	2.1%	2.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	3.29	4.38
Average rate in cents value	0.79	0.52

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	90.4%	79.5%
Commercial	8.4%	16.6%
Rural	1.3%	4.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	44
2001	1.21%	51
2002	1.24%	30
2003	1.22%	31
2004	1.22%	33
2005	1.20%	39
Bounce 2003-04	0.00%	44
Actual Change 2003-04 (Number)	35	36
Bounce 2004-05	-0.02%	47
Actual Change 2004-05 (Number)	-59	56

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.13%	0.08%
Disability Support (aged 20-24)	0.21%	0.14%
Disability Support (aged 25+)	5.23%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.07%	0.04%
Parenting Payment - Single (aged 20-24)	0.36%	0.22%
Parenting Payment - Single (aged 25+)	2.47%	1.82%
Unemployed Long Term	1.93%	1.28%
Unemployed Short Term	1.13%	0.85%
Youth Allowance - Non Student	0.57%	0.37%
Youth Allowance - Student	1.60%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	24.2%	6
2002	23.1%	6
2003	22.9%	7
2004	24.4%	6
2005	24.1%	6
2006	23.1%	5

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	3.9	8.0	41.4	84.1
Rank	8	12	19	40

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

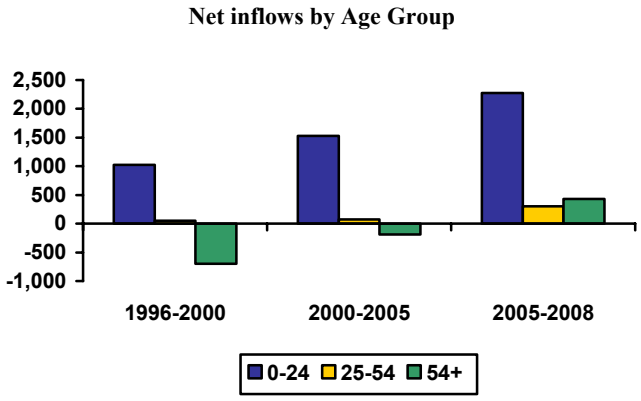
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	112,386	217,971
Commercial	115,104	349,912
Rural	213,849	332,815

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	33.9%	32.8%	32.4%	31.8%
25 - 54	43.1%	43.2%	42.2%	41.7%
55+	23.0%	24.0%	25.4%	26.6%
Net Inflow of Migrants (average between years)				
0 - 24		1,023	1,526	2,278
25 - 54		50	76	302
55+		-696	-189	434
Average Age	37.2	38.3	39.0	39.7

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	90.5	22
Share of population under 55	74.6	34
Aged migration	3.8	46
Population growth rate, 55+	1.7	56
Demographic stress	12.3	34
Dominant locations	98.6	21
Family / Youth migration	2.1	27
Fertility bounce, 1996-2005	-0.2	27
Fertility, babies % pop, 2005	1.2	39
Sustainability score	60.5	34
Working elderly	18.1	62

Local Government Level		Score	Rank
Most Sustainable	Light (DC)	77.5	31
Least Sustainable	Charles Sturt (C)	51.2	318

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	397	420	503	409	758	615	419	385	337	412	484
Rank	60	58	49	60	58	60	56	47	60	56	51

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	264	406	547	575	565	39%
Non Residential	229	307	536	480	542	69%
Total	492	713	1,084	1,055	1,107	52%
Value per capita $2003/04						
Residential	560	839	1,112	1,157	1,126	35%
Non Residential	487	635	1,090	966	1,081	65%
Total	1,047	1,474	2,202	2,123	2,208	48%
Rank (value per capita)						
Residential	58	49	43	43	40	
Non Residential	50	22	6	13	11	
Total	55	42	23	27	24	

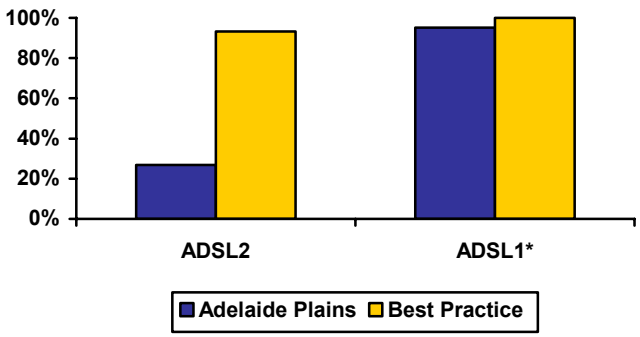
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	21.8%	78.2%	2.8%	21.1%	0.9%	75.2%
Population	93.1%	6.9%	26.9%	67.1%	1.2%	4.8%
Children	92.0%	8.0%	23.7%	69.5%	1.3%	5.6%

	2005	2006
Average Speed Available (kilobit bit per second)	1,400	5,865
% Rank #1	93%	35%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	West Torrens (C)	1,500	100.0%	Gawler (M)	10,961	60.9%
Lowest Ranked LGA	Mallala (DC)	56	3.7%	Mallala (DC)	115	0.6%

ADSL Population Coverage



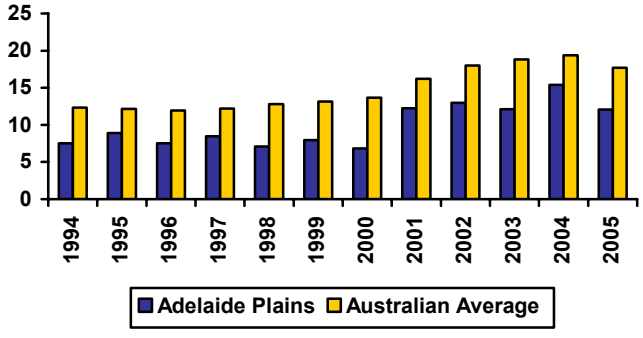
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	47.36	44.59	18
Average p.a. per capita	9.93	14.86	25
Hi Tech p.a. (1994-2005)	11.02	11.73	15
Hi Tech p.a. per capita	2.30	3.89	18
Info. Tech p.a. (1994-2005)	3.01	4.39	18
Info. Tech p.a. per capita	0.62	1.44	22
Average per capita (1994-2000)	7.76	12.61	33
Average per capita (2000-2005)	12.97	18.01	20
2000-05 avg./1994-00 avg.	1.67	1.43	5

Note: Per capita = 100,000 people

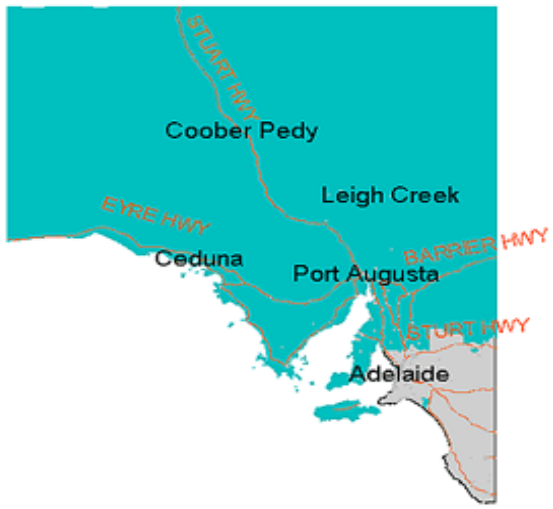
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	13
Average Employment 2006	15
High Tech Startups	279
New Startup Employment as % of workforce	1.7%
High Tech Startups per capita	0.0006
Rank	37

SA Eyre and Yorke



Eyre and Yorke comprise five distinct sub-regions.

- Kangaroo Island – an agricultural shire increasingly involved in tourism.
- Eyre Peninsula and the SA West Coast is wheat/sheep country. Port Lincoln is the major centre, known for its fishing and grain export port.
- The Upper Spencer Gulf comprises the three industrial cities of Whyalla, Port Augusta and Port Pirie. All are involved in the processing of minerals railed from the interior, with steel production at Whyalla, base metals smelting at Port Pirie, and electric power at Port Augusta.
- The SA Outback comprises the northern two-thirds of the state. It has scattered pastoral stations, mines, Aboriginal communities and tourist attractions including the Flinders Ranges.
- The Mid and Upper North is again wheat/sheep country. The Clare Valley is slightly higher than the rest and is wet enough to support viticulture.

Major centres:

Port Pirie, Port Augusta, Whyalla, Port Lincoln

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	163	162	162	161	161	161	-0.7%	-0.2%	-0.2%	0.0%	-0.2%	-0.4%	-0.1%
No Households	66	66	67	68	68	69	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
NIEIR Workforce	65	66	67	66	66	66	2.0%	1.6%	-1.7%	0.7%	-0.2%	0.6%	0.2%
NIEIR Employment	55	56	58	57	58	60	3.1%	2.8%	-2.1%	2.5%	2.8%	1.2%	2.6%
NIEIR Unemployment	10.1	9.7	9.2	9.3	8.3	6.6	-4.0%	-5.0%	0.6%	-10.3%	-20.7%	-2.9%	-15.6%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	15.6%	14.7%	13.7%	14.1%	12.5%	10.0%	-0.9	-1.0	0.3	-1.5	-2.6	-0.5	-2.1
Headline U/E	8.9%	8.4%	7.6%	7.7%	6.1%	4.1%	-0.5	-0.8	0.1	-1.6	-2.0	-0.4	-1.8
NIEIR Structural U/E	21.7%	21.2%	21.9%	21.3%	21.0%	19.9%	-0.4	0.7	-0.6	-0.2	-1.1	-0.1	-0.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,791	1,829	1,880	1,849	1,918	2,014	10,988	11,304	11,637	11,467	11,894	12,513	1.1%	4.4%
Taxes Paid	599	733	642	661	673	682	3,673	4,528	3,976	4,101	4,175	4,236	3.4%	1.5%
Benefits	732	698	705	777	778	758	4,490	4,311	4,364	4,820	4,826	4,708	2.0%	-1.3%
Business Income	1,219	1,680	996	1,137	969	896	7,477	10,383	6,165	7,051	6,006	5,563	-2.3%	-11.3%
Interest Paid	219	191	231	281	324	364	1,345	1,181	1,433	1,744	2,008	2,259	8.7%	13.7%
Net Property income	444	452	465	464	515	580	2,725	2,792	2,881	2,875	3,191	3,603	1.4%	11.8%
Business Value Added	3,010	3,510	2,876	2,987	2,887	2,910	18,465	21,688	17,802	18,518	17,900	18,076	-0.3%	-1.3%
Rank							36	23	44	46	53	52		
% Rank #1							56%	63%	51%	52%	49%	47%		
Net Disposable Income	3,672	4,145	3,516	3,586	3,526	3,587	22,529	25,612	21,761	22,234	21,863	22,285	-0.8%	0.0%
Rank							29	17	38	40	49	49		
% Rank #1							58%	68%	57%	55%	53%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	36.3	2,693.6	1.3%
Commercial	11.3	202.8	5.6%
Rural	23.3	765.9	3.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			71.0
Rates to Business Value %	2.1%	1.9%	2.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.65	2.18
Average rate in cents value	0.96	0.55

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	59.7%	45.2%
Commercial	15.6%	12.0%
Rural	24.6%	42.8%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	33
2001	1.28%	37
2002	1.21%	39
2003	1.20%	37
2004	1.20%	40
2005	1.18%	44
Bounce 2003-04	0.00%	41
Actual Change 2003-04 (Number)	2	48
Bounce 2004-05	-0.02%	44
Actual Change 2004-05 (Number)	-27	43

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.11%	0.08%
Disability Support (aged 20-24)	0.18%	0.14%
Disability Support (aged 25+)	4.67%	3.20%
Mature Age Allowance	0.09%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	2.03%	1.82%
Unemployed Long Term	2.29%	1.28%
Unemployed Short Term	0.95%	0.85%
Youth Allowance - Non Student	0.64%	0.37%
Youth Allowance - Student	1.04%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.9%	18
2002	16.8%	33
2003	20.1%	14
2004	21.7%	12
2005	22.1%	11
2006	21.1%	10

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.6	4.1	41.5	269.9
Rank	45	42	18	5

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

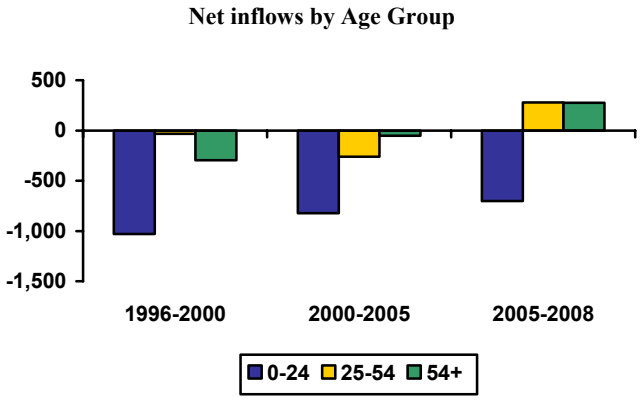
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	20,180	84,766
Commercial	51,852	208,681
Rural	232,824	396,997

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.7%	33.1%	32.2%	30.6%
25 - 54	42.2%	41.4%	39.6%	38.8%
55+	23.1%	25.5%	28.3%	30.6%
Net Inflow of Migrants (average between years)				
0 - 24		-1,029	-822	-701
25 - 54		-34	-261	279
55+		-294	-53	278
Average Age	37.0	38.8	40.0	41.1

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	38.5	62
Share of population under 55	71.8	55
Aged migration	4.4	24
Population growth rate, 55+	2.0	52
Demographic stress	-15.3	61
Dominant locations	58.4	52
Family / Youth migration	-2.1	60
Fertility bounce, 1996-2005	-0.3	41
Fertility, babies % pop, 2005	1.2	45
Sustainability score	39.3	63
Working elderly	24.7	45

Local Government Level		Score	Rank
Most Sustainable	Roxby Downs (M)	85.0	6
Least Sustainable	Peterborough (DC)	18.8	619

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	290	375	402	322	553	595	341	270	276	300	374
Rank	64	61	59	62	64	61	61	58	64	62	59

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	103	113	157	193	180	56%
Non Residential	68	54	77	97	122	85%
Total	171	167	235	290	302	65%
Value per capita $2003/04						
Residential	625	699	975	1,194	1,114	57%
Non Residential	417	331	480	604	757	85%
Total	1,041	1,030	1,455	1,798	1,871	66%
Rank (value per capita)						
Residential	52	56	51	39	42	
Non Residential	58	62	52	43	31	
Total	57	58	55	41	37	

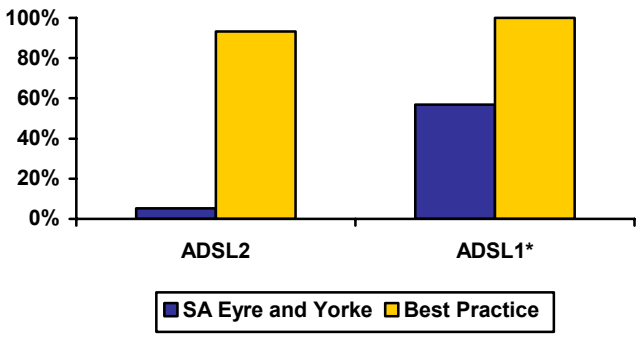
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.1%	99.9%	0.0%	0.2%	0.0%	99.8%
Population	54.8%	45.2%	5.3%	51.3%	0.2%	43.2%
Children	54.0%	46.0%	5.1%	51.0%	0.2%	43.7%

	2005	2006
Average Speed Available (kilobit bit per second)	847	1,753
% Rank #1	56%	10%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Port Lincoln (C)	1,485	99.0%	Streaky Bay (DC)	9,868	54.8%
Lowest Ranked LGA	Barunga West (DC)	56	3.7%	Barunga West (DC)	56	0.3%

ADSL Population Coverage



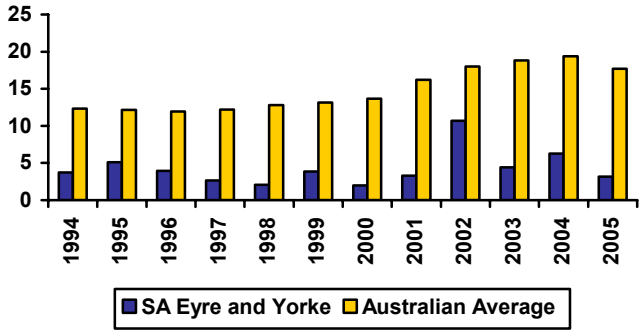
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	6.96	44.59	54
Average p.a. per capita	4.26	14.86	59
Hi Tech p.a. (1994-2005)	0.99	11.73	53
Hi Tech p.a. per capita	0.60	3.89	56
Info. Tech p.a. (1994-2005)	0.27	4.39	47
Info. Tech p.a. per capita	0.17	1.44	52
Average per capita (1994-2000)	3.33	12.61	62
Average per capita (2000-2005)	5.57	18.01	58
2000-05 avg./1994-00 avg.	1.67	1.43	6

Note: Per capita = 100,000 people

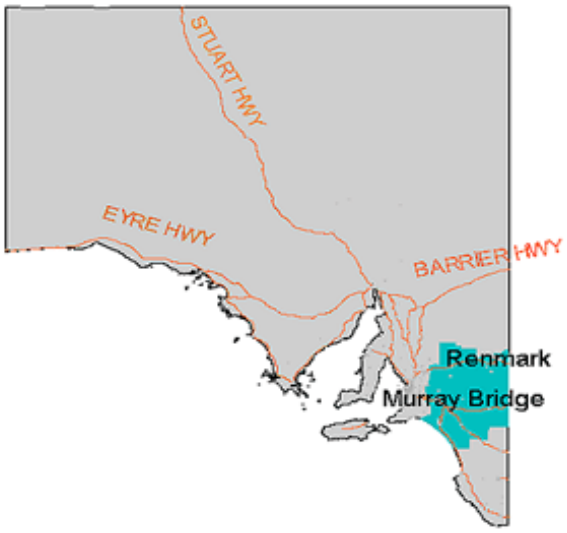
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	5
High Tech Startups	58
New Startup Employment as % of workforce	0.5%
High Tech Startups per capita	0.0004
Rank	53

SA Murraylands



The Murray Mallee of SA adjoins the Mallee of Victoria, and has a similar pattern of development: intensive irrigated agriculture along the river, and extensive wheat/sheep farming away from it. The Riverland has a number of industries processing farm products.

Major centres:

Renmark, Murray Bridge

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	68	68	68	68	69	69	0.1%	-0.2%	0.1%	0.3%	0.1%	0.0%	0.2%
No Households	27	28	28	28	28	29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
NIEIR Workforce	30	30	31	30	31	31	0.8%	1.1%	-0.9%	1.1%	0.9%	0.3%	1.0%
NIEIR Employment	27	27	27	27	28	28	0.9%	0.9%	0.0%	1.1%	2.0%	0.6%	1.6%
NIEIR Unemployment	3.2	3.2	3.3	3.0	3.0	2.7	-0.4%	2.9%	-8.8%	1.2%	-9.9%	-2.2%	-4.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.5%	10.4%	10.6%	9.8%	9.8%	8.7%	-0.1	0.2	-0.8	0.0	-1.0	-0.3	-0.5
Headline U/E	7.8%	6.3%	5.8%	5.0%	5.0%	4.3%	-1.5	-0.4	-0.9	0.1	-0.7	-0.9	-0.3
NIEIR Structural U/E	18.4%	18.3%	19.0%	18.6%	18.3%	17.5%	-0.1	0.8	-0.5	-0.3	-0.8	0.1	-0.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	783	787	788	787	805	838	11,448	11,503	11,539	11,507	11,734	12,194	0.2%	3.2%
Taxes Paid	306	343	300	318	359	340	4,476	5,009	4,393	4,651	5,229	4,946	1.3%	3.3%
Benefits	311	298	301	331	336	332	4,541	4,351	4,399	4,836	4,900	4,827	2.1%	0.1%
Business Income	813	949	684	792	900	779	11,885	13,856	10,005	11,583	13,116	11,342	-0.9%	-0.8%
Interest Paid	112	97	117	146	167	187	1,636	1,421	1,719	2,134	2,435	2,717	9.3%	13.1%
Net Property income	193	172	173	175	191	212	2,821	2,505	2,531	2,558	2,788	3,089	-3.2%	10.1%
Business Value Added	1,596	1,736	1,472	1,579	1,705	1,617	23,333	25,358	21,544	23,090	24,851	23,536	-0.4%	1.2%
Rank							13	9	17	16	13	18		
% Rank #1							71%	74%	62%	65%	68%	61%		
Net Disposable Income	1,836	1,957	1,692	1,770	1,894	1,829	26,836	28,593	24,768	25,870	27,593	26,626	-1.2%	1.7%
Rank							13	9	14	15	13	16		
% Rank #1							69%	75%	64%	65%	66%	60%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	15.7	948.6	1.7%
Commercial	9.1	89.5	10.1%
Rural	8.6	810.6	1.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			33.3
Rates to Business Value %	2.1%	1.6%	2.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.19	2.44
Average rate in cents value	1.18	0.66

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	40.2%	45.9%
Commercial	34.9%	11.4%
Rural	24.9%	42.7%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	28
2001	1.24%	46
2002	1.28%	24
2003	1.13%	53
2004	1.19%	43
2005	1.18%	42
Bounce 2003-04	0.06%	7
Actual Change 2003-04 (Number)	41	34
Bounce 2004-05	-0.01%	36
Actual Change 2004-05 (Number)	-5	37

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.16%	0.14%
Disability Support (aged 25+)	4.60%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.22%	0.22%
Parenting Payment - Single (aged 25+)	2.02%	1.82%
Unemployed Long Term	1.78%	1.28%
Unemployed Short Term	1.00%	0.85%
Youth Allowance - Non Student	0.52%	0.37%
Youth Allowance - Student	1.08%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.9%	39
2002	15.2%	45
2003	17.8%	30
2004	18.7%	33
2005	17.8%	37
2006	18.1%	30

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.1	1.0	22.3	325.7
Rank	60	59	34	2

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

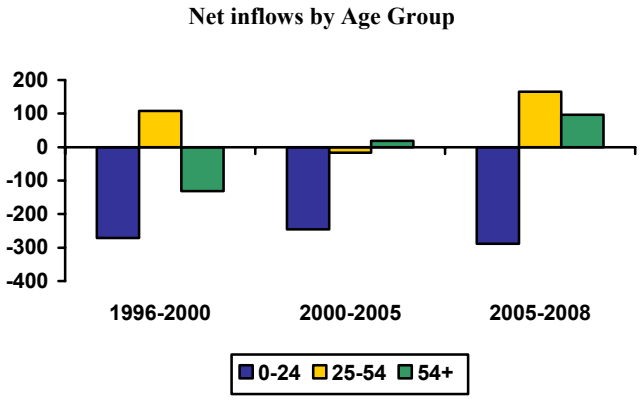
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	29,352	98,363
Commercial	45,826	156,039
Rural	173,701	324,438

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	34.1%	32.7%	31.9%	30.4%
25 - 54	42.6%	41.9%	39.9%	39.2%
55+	23.3%	25.4%	28.1%	30.4%
Net Inflow of Migrants (average between years)				
0 - 24		-272	-246	-288
25 - 54		108	-16	165
55+		-132	19	97
Average Age	37.3	38.8	40.0	41.1

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	47.9	59
Share of population under 55	71.9	54
Aged migration	4.2	31
Population growth rate, 55+	2.2	48
Demographic stress	-8.9	57
Dominant locations	44.8	60
Family / Youth migration	-0.9	52
Fertility bounce, 1996-2005	-0.3	53
Fertility, babies % pop, 2005	1.2	42
Sustainability score	42.7	62
Working elderly	28.3	29

Local Government Level		Score	Rank
Most Sustainable	Murray Bridge (RC)	55.1	287
Least Sustainable	Karoonda East Murray (DC)	23.0	588

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	319	309	353	307	619	474	314	264	304	381	394
Rank	62	63	62	63	62	63	63	59	62	60	58

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	43	43	53	63	59	38%
Non Residential	23	33	50	37	39	25%
Total	66	76	103	100	98	32%
Value per capita $2003/04						
Residential	625	623	777	922	859	37%
Non Residential	344	489	726	536	566	25%
Total	969	1,112	1,503	1,458	1,426	31%
Rank (value per capita)						
Residential	53	57	56	50	51	
Non Residential	63	42	27	52	52	
Total	60	57	52	55	56	

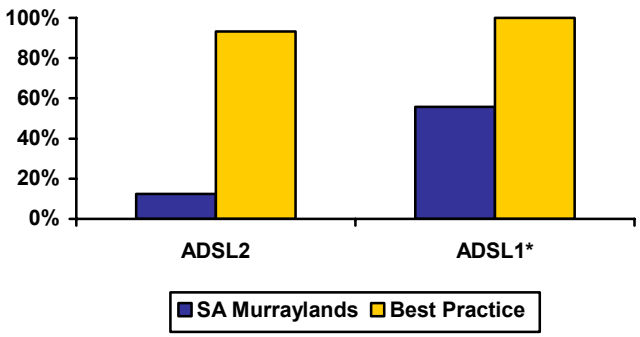
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.4%	98.6%	0.2%	1.3%	0.1%	98.4%
Population	49.4%	50.6%	12.4%	41.8%	1.5%	44.3%
Children	47.6%	52.4%	12.1%	39.3%	1.7%	46.9%

	2005	2006
Average Speed Available (kilobit bit per second)	770	2,906
% Rank #1	51%	17%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Murray Bridge (RC)	1,133	75.5%	The Coorong (DC)	7,171	39.8%
Lowest Ranked LGA	Karoonda East Murray (DC)	56	3.7%	Karoonda East Murray (DC)	56	0.3%

ADSL Population Coverage



** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

INNOVATION STARTUPS

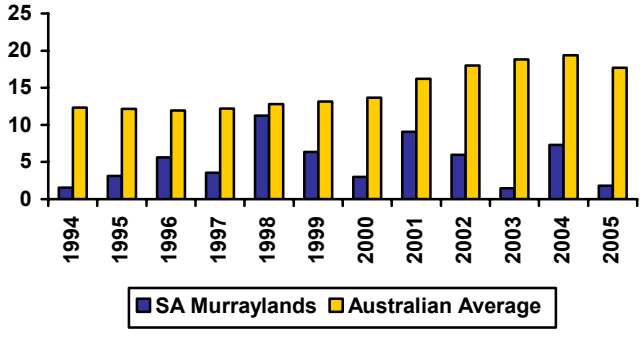
	No.
Average Employment 2001	12
Average Employment 2006	11
High Tech Startups	18
New Startup Employment as % of workforce	0.6%
High Tech Startups per capita	0.0003
Rank	61

PATENT APPLICATIONS

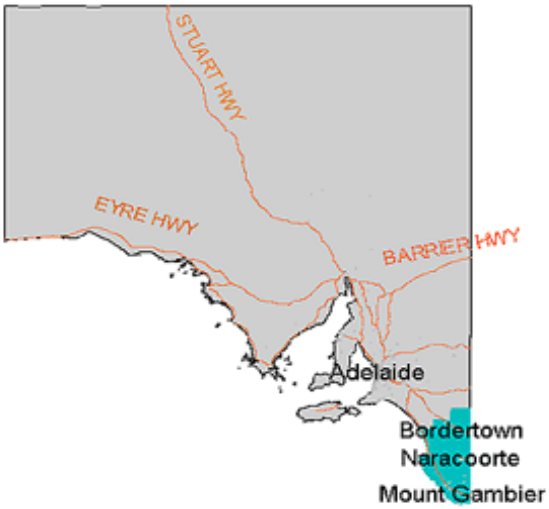
	No	Aust Avg	Rank
Average p.a. (1994-2005)	3.42	44.59	59
Average p.a. per capita	5.01	14.86	58
Hi Tech p.a. (1994-2005)	0.35	11.73	60
Hi Tech p.a. per capita	0.51	3.89	58
Info. Tech p.a. (1994-2005)	0.00	4.39	61
Info. Tech p.a. per capita	0.00	1.44	61
Average per capita (1994-2000)	4.92	12.61	53
Average per capita (2000-2005)	5.13	18.01	59
2000-05 avg./1994-00 avg.	1.04	1.43	60

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



SA South East



Though quite flat, the South East of South Australia is limestone country with the remnants of recent volcanic activity round Mt Gambier. It has been a grazing rather than a grain-growing area, but lately has developed viticulture round Penola and a plantation-based timber products industry centred on Mt Gambier.

Major centres:

Mt Gambier

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	63	63	63	63	63	64	0.3%	0.3%	0.3%	0.5%	0.3%	0.3%	0.4%
No Households	24	25	25	25	25	26	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
NIEIR Workforce	34	33	34	34	34	34	-2.5%	2.0%	-1.4%	1.0%	1.4%	-0.6%	1.2%
NIEIR Employment	30	31	31	31	31	32	1.0%	2.1%	-1.3%	1.4%	1.8%	0.6%	1.6%
NIEIR Unemployment	3.9	2.7	2.8	2.7	2.6	2.5	-29.5%	0.8%	-2.1%	-3.5%	-4.0%	-11.4%	-3.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	11.4%	8.2%	8.1%	8.1%	7.7%	7.3%	-3.1	-0.1	-0.1	-0.4	-0.4	-1.1	-0.4
Headline U/E	5.8%	5.2%	4.8%	4.4%	4.1%	3.6%	-0.6	-0.4	-0.4	-0.3	-0.5	-0.5	-0.4
NIEIR Structural U/E	10.4%	12.9%	13.6%	13.6%	13.7%	12.5%	2.5	0.6	0.1	0.1	-1.2	1.1	-0.6

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,007	1,003	1,018	997	1,019	1,054	16,094	15,986	16,168	15,791	16,053	16,546	-0.3%	2.8%
Taxes Paid	324	347	345	348	336	323	5,172	5,528	5,477	5,511	5,294	5,075	2.5%	-3.6%
Benefits	266	254	255	276	283	287	4,247	4,054	4,047	4,374	4,450	4,505	1.3%	1.9%
Business Income	566	635	559	583	437	339	9,044	10,123	8,875	9,227	6,883	5,321	1.0%	-23.7%
Interest Paid	122	104	122	149	169	190	1,950	1,651	1,944	2,354	2,660	2,978	6.8%	13.0%
Net Property income	244	213	223	230	251	276	3,891	3,398	3,545	3,644	3,946	4,340	-1.9%	9.6%
Business Value Added	1,573	1,638	1,576	1,580	1,456	1,393	25,139	26,109	25,043	25,018	22,935	21,867	0.1%	-6.1%
Rank							8	7	7	11	20	25		
% Rank #1							76%	76%	72%	70%	63%	57%		
Net Disposable Income	1,794	1,842	1,769	1,745	1,654	1,623	28,665	29,350	28,099	27,631	26,048	25,480	-0.9%	-3.6%
Rank							9	7	8	13	15	19		
% Rank #1							74%	77%	73%	69%	63%	57%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	14.6	1,183.8	1.2%
Commercial	3.0	98.8	3.0%
Rural	19.0	338.3	5.6%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			36.6
Rates to Business Value %	2.4%	1.8%	2.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.82	1.83
Average rate in cents value	1.80	0.65

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	47.8%	38.7%
Commercial	8.8%	10.9%
Rural	43.4%	50.3%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	23
2001	1.34%	24
2002	1.34%	18
2003	1.32%	17
2004	1.27%	26
2005	1.27%	29
Bounce 2003-04	-0.05%	60
Actual Change 2003-04 (Number)	-36	54
Bounce 2004-05	0.00%	28
Actual Change 2004-05 (Number)	6	35

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	3.05%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.25%	0.22%
Parenting Payment - Single (aged 25+)	1.71%	1.82%
Unemployed Long Term	1.47%	1.28%
Unemployed Short Term	0.84%	0.85%
Youth Allowance - Non Student	0.45%	0.37%
Youth Allowance - Student	0.80%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	14.8%	51
2002	13.8%	50
2003	14.4%	51
2004	15.8%	49
2005	17.1%	41
2006	17.7%	33

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.3	4.3	5.6	87.7
Rank	56	39	57	39

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

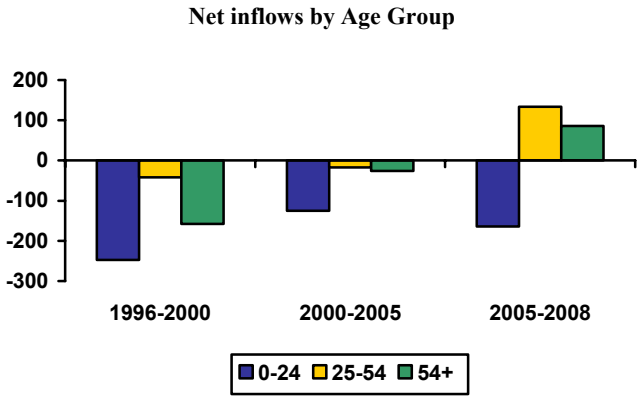
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	35,396	128,341
Commercial	83,192	299,351
Rural	271,137	410,754

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	35.6%	34.4%	33.8%	32.3%
25 - 54	43.8%	43.4%	41.8%	40.9%
55+	20.6%	22.2%	24.5%	26.7%
Net Inflow of Migrants (average between years)				
0 - 24		-247	-125	-165
25 - 54		-42	-18	134
55+		-158	-26	86
Average Age	35.9	37.5	38.4	39.4

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	65.6	52
Share of population under 55	75.6	27
Aged migration	3.3	58
Population growth rate, 55+	2.0	52
Demographic stress	-4.7	54
Dominant locations	62.0	49
Family / Youth migration	-1.4	56
Fertility bounce, 1996-2005	-0.2	26
Fertility, babies % pop, 2005	1.3	22
Sustainability score	48.2	55
Working elderly	31.1	12

Local Government Level		Score	Rank
Most Sustainable	Mount Gambier (C)	56.4	270
Least Sustainable	Wattle Range (DC)	34.9	473

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	544	648	566	531	966	1,005	602	632	632	559	522
Rank	52	43	43	54	43	47	43	28	33	47	47

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	44	54	79	79	75	44%
Non Residential	27	27	30	28	31	10%
Total	71	81	109	107	106	32%
Value per capita $2003/04						
Residential	699	857	1,242	1,234	1,172	42%
Non Residential	426	432	477	438	490	8%
Total	1,125	1,289	1,719	1,672	1,662	31%
Rank (value per capita)						
Residential	49	47	36	33	35	
Non Residential	57	53	53	60	60	
Total	51	52	41	49	47	

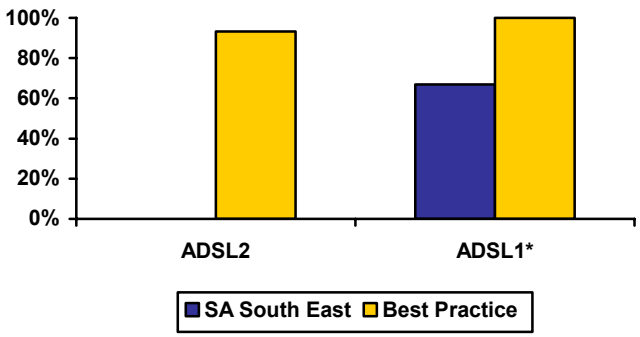
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	2.5%	97.5%	0.0%	3.0%	0.0%	97.0%
Population	65.4%	34.6%	0.0%	67.0%	0.0%	33.0%
Children	63.5%	36.5%	0.0%	65.0%	0.0%	35.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,000	1,023
% Rank #1	67%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Mount Gambier (C)	1,496	99.7%	Mount Gambier (C)	1,496	8.3%
Lowest Ranked LGA	Lacepede (DC)	56	3.7%	Lacepede (DC)	56	0.3%

ADSL Population Coverage



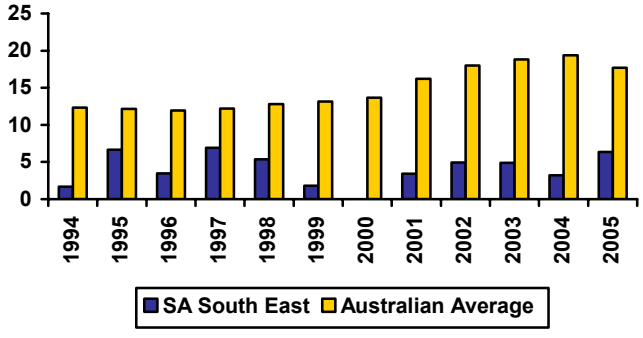
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	2.55	44.59	60
Average p.a. per capita	4.06	14.86	61
Hi Tech p.a. (1994-2005)	0.09	11.73	62
Hi Tech p.a. per capita	0.14	3.89	63
Info. Tech p.a. (1994-2005)	0.09	4.39	56
Info. Tech p.a. per capita	0.14	1.44	53
Average per capita (1994-2000)	3.70	12.61	60
Average per capita (2000-2005)	4.57	18.01	61
2000-05 avg./1994-00 avg.	1.23	1.43	44

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	19
Average Employment 2006	17
High Tech Startups	14
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0002
Rank	63

Perth Central

For its first century, what is now metropolitan Perth included several distinct population centres – Fremantle, Perth and others up-river to Guildford. All this was filled in after the second world war, and our region of Central Perth includes all the old centres and all that is between. It thus includes the container port, the established eastern and inner southern suburbs, and long-established manufacturing in Bayswater. Though the region is diverse, the city centre dominates its economic base. The city centre shares educational, cultural and tourism functions with Fremantle.

Major centres:

Perth, Fremantle

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	426	430	434	438	442	447	0.9%	0.9%	0.8%	1.0%	0.9%	0.9%	1.0%
No Households	183	184	186	188	189	191	0.5%	0.9%	1.0%	0.9%	1.0%	0.8%	1.0%
NIEIR Workforce	234	234	236	239	246	254	-0.2%	1.2%	1.3%	2.6%	3.3%	0.8%	3.0%
NIEIR Employment	212	212	217	221	230	240	0.3%	2.3%	1.8%	4.0%	4.5%	1.5%	4.2%
NIEIR Unemployment	22.4	21.2	19.3	18.4	15.8	13.7	-5.4%	-9.2%	-4.7%	-14.1%	-13.4%	-6.5%	-13.8%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.6%	9.1%	8.2%	7.7%	6.4%	5.4%	-0.5	-0.9	-0.5	-1.3	-1.0	-0.6	-1.1
Headline U/E	7.2%	7.6%	7.0%	6.6%	5.7%	4.7%	0.4	-0.6	-0.4	-0.9	-1.0	-0.2	-1.0
NIEIR Structural U/E	11.8%	11.9%	11.8%	11.1%	10.4%	9.3%	0.0	0.0	-0.7	-0.7	-1.0	-0.2	-0.9

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	7,565	7,644	8,099	8,640	8,965	9,570	17,749	17,772	18,653	19,730	20,263	21,433	4.5%	5.2%
Taxes Paid	2,871	2,950	3,203	3,415	3,673	3,901	6,736	6,858	7,376	7,799	8,302	8,736	6.0%	6.9%
Benefits	1,474	1,454	1,444	1,565	1,618	1,668	3,459	3,380	3,325	3,574	3,656	3,735	2.0%	3.2%
Business Income	2,174	2,376	2,684	2,846	2,895	3,043	5,101	5,525	6,182	6,500	6,545	6,814	9.4%	3.4%
Interest Paid	705	662	794	1,000	1,213	1,407	1,654	1,539	1,828	2,283	2,742	3,151	12.4%	18.6%
Net Property income	2,508	2,218	2,334	2,620	2,902	3,243	5,884	5,156	5,374	5,983	6,560	7,264	1.5%	11.3%
Business Value Added	9,739	10,021	10,783	11,486	11,860	12,613	22,850	23,297	24,835	26,230	26,808	28,247	5.7%	4.8%
Rank							14	15	9	8	9	7		
% Rank #1							69%	68%	72%	74%	73%	73%		
Net Disposable Income	11,363	11,531	12,251	12,776	13,296	14,221	26,662	26,809	28,215	29,178	30,053	31,848	4.0%	5.5%
Rank							15	15	7	8	7	7		
% Rank #1							68%	71%	73%	73%	72%	71%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	168.4	11,676.5	1.4%
Commercial	41.6	2,891.5	1.4%
Rural	0.0	4.0	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			210.1
Rates to Business Value %	1.9%	1.8%	1.8%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	2.56	4.09
Average rate in cents value	0.55	0.33

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	78.5%	74.0%
Commercial	21.5%	26.0%
Rural	0.0%	0.0%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	62
2001	1.11%	63
2002	1.09%	61
2003	1.08%	60
2004	1.15%	54
2005	1.17%	47
Bounce 2003-04	0.07%	3
Actual Change 2003-04 (Number)	349	7
Bounce 2004-05	0.02%	21
Actual Change 2004-05 (Number)	133	18

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	2.92%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.03%	0.04%
Parenting Payment - Single (aged 20-24)	0.16%	0.22%
Parenting Payment - Single (aged 25+)	1.39%	1.82%
Unemployed Long Term	1.08%	1.28%
Unemployed Short Term	0.72%	0.85%
Youth Allowance - Non Student	0.22%	0.37%
Youth Allowance - Student	1.66%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	13.0%	54
2002	12.6%	54
2003	11.8%	55
2004	12.2%	56
2005	12.2%	56
2006	11.7%	55

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	2.5	5.6	28.6	64.6
Rank	18	23	25	44

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

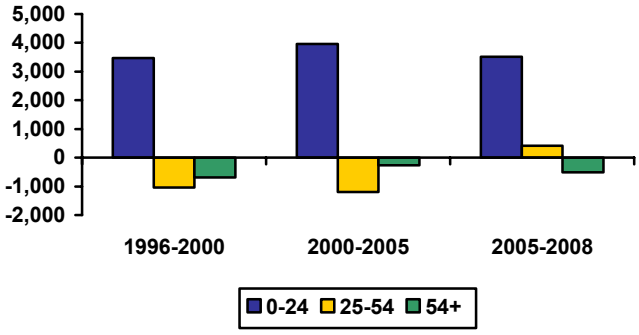
	Land Value $	Capital Value $
Residential	216,037	330,860
Commercial	596,019	1,180,671
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	32.1%	30.9%	30.7%	29.9%
25 - 54	44.5%	45.0%	43.9%	44.1%
55+	23.5%	24.2%	25.4%	26.0%
Net Inflow of Migrants (average between years)				
0 - 24		3,468	3,965	3,517
25 - 54		-1,040	-1,192	413
55+		-693	-270	-514
Average Age	38.0	38.7	39.6	39.9

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.4	17
Share of population under 55	74.6	34
Aged migration	5.4	14
Population growth rate, 55+	1.6	58
Demographic stress	15.0	29
Dominant locations	100.0	3
Family / Youth migration	6.7	4
Fertility bounce, 1996-2005	0.1	4
Fertility, babies % pop, 2005	1.2	47
Sustainability score	66.8	13
Working elderly	25.3	42

Local Government Level		Score	Rank
Most Sustainable	Perth (C)	84.6	8
Least Sustainable	Claremont (T)	45.9	371

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	810	821	624	716	982	875	694	477	467	840	490
Rank	34	26	37	41	41	50	35	39	49	18	50

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	642	733	744	816	823	8%
Non Residential	364	528	611	561	666	16%
Total	1,006	1,261	1,355	1,377	1,489	12%
Value per capita $2003/04						
Residential	1,535	1,695	1,681	1,822	1,814	5%
Non Residential	870	1,221	1,382	1,253	1,467	12%
Total	2,406	2,916	3,063	3,075	3,282	8%
Rank (value per capita)						
Residential	10	11	17	11	9	
Non Residential	12	4	4	7	7	
Total	11	5	8	10	10	

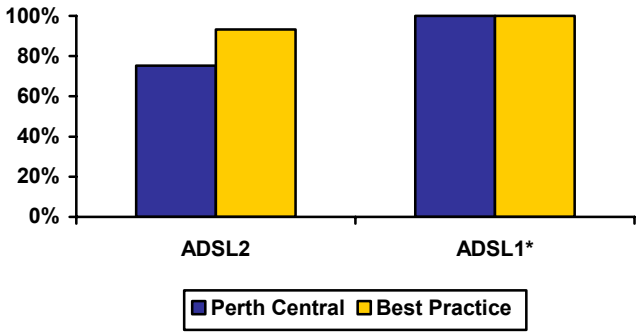
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	99.5%	0.5%	64.9%	34.6%	0.5%	0.0%
Population	100.0%	0.0%	75.2%	24.8%	0.0%	0.0%
Children	100.0%	0.0%	72.8%	27.2%	0.0%	0.0%

	2005	2006
Average Speed Available (kilobit bit per second)	1,500	13,906
% Rank #1	100%	82%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Perth (C)	1,500	100.0%	Peppermint Grove (S)	18,000	100.0%
Lowest Ranked LGA	Belmont (C)	1,500	100.0%	Mosman Park (T)	3,145	17.5%

ADSL Population Coverage



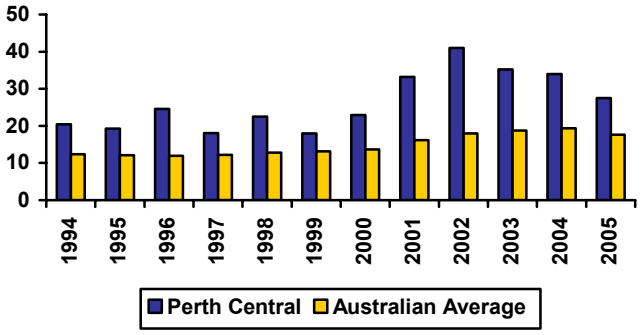
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	112.14	44.59	9
Average p.a. per capita	26.39	14.86	5
Hi Tech p.a. (1994-2005)	34.83	11.73	6
Hi Tech p.a. per capita	8.16	3.89	5
Info. Tech p.a. (1994-2005)	9.61	4.39	11
Info. Tech p.a. per capita	2.25	1.44	6
Average per capita (1994-2000)	20.83	12.61	4
Average per capita (2000-2005)	34.18	18.01	5
2000-05 avg./1994-00 avg.	1.64	1.43	9

Note: Per capita = 100,000 people

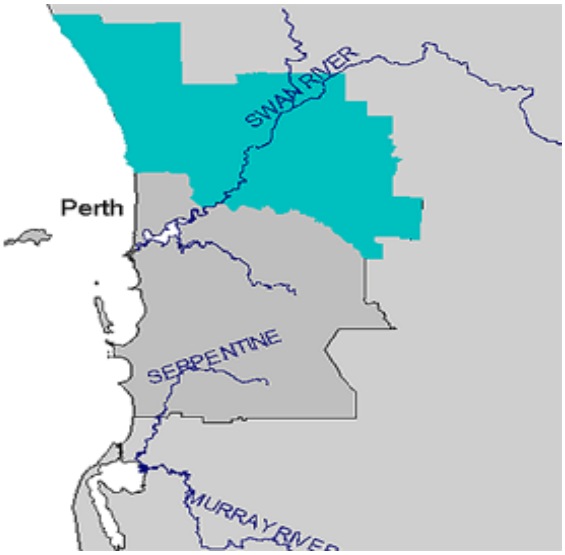
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	12
Average Employment 2006	12
High Tech Startups	908
New Startup Employment as % of workforce	4.3%
High Tech Startups per capita	0.0020
Rank	3

Perth Outer North



The Outer North of Perth comprises a coastal strip of commuter suburbs developed over the last few decades, plus, inland, the older-established Shires of Swan and Mundaring. The area is largely a commuter zone, but its older parts have manufacturing industries and high-intensity rural production. Above the scarp of the Darling Ranges is an important water catchment. There are grave concerns that this catchment is drying out as a result of climate change.

Major centres:

Joondalup, Midland

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	431	439	447	455	464	473	1.6%	1.8%	1.9%	2.0%	2.0%	1.8%	2.0%
No Households	151	155	161	166	172	178	3.0%	3.4%	3.5%	3.5%	3.6%	3.3%	3.5%
NIEIR Workforce	228	231	236	240	249	260	1.4%	2.0%	1.5%	3.9%	4.4%	1.6%	4.1%
NIEIR Employment	211	214	220	224	234	246	1.5%	2.7%	2.1%	4.5%	5.0%	2.1%	4.7%
NIEIR Unemployment	17.5	17.6	16.5	15.5	14.7	13.9	0.7%	-6.4%	-5.9%	-5.3%	-5.0%	-4.0%	-5.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	7.7%	7.6%	7.0%	6.5%	5.9%	5.4%	-0.1	-0.6	-0.5	-0.6	-0.5	-0.4	-0.6
Headline U/E	5.9%	6.5%	5.8%	5.3%	4.6%	4.2%	0.6	-0.7	-0.5	-0.7	-0.4	-0.2	-0.6
NIEIR Structural U/E	10.5%	10.3%	10.3%	9.9%	9.3%	8.3%	-0.1	-0.1	-0.4	-0.6	-1.0	-0.2	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	6,914	6,979	7,369	7,871	8,135	8,657	16,025	15,914	16,500	17,304	17,532	18,297	4.4%	4.9%
Taxes Paid	1,893	1,982	2,139	2,219	2,367	2,484	4,387	4,520	4,789	4,877	5,101	5,250	5.4%	5.8%
Benefits	1,434	1,435	1,445	1,603	1,692	1,695	3,323	3,273	3,236	3,525	3,647	3,582	3.8%	2.8%
Business Income	1,412	1,542	1,717	1,788	1,789	1,865	3,272	3,516	3,845	3,931	3,855	3,941	8.2%	2.1%
Interest Paid	977	897	1,053	1,291	1,486	1,675	2,264	2,046	2,358	2,838	3,203	3,541	9.7%	13.9%
Net Property income	1,295	1,189	1,262	1,360	1,512	1,690	3,001	2,711	2,825	2,990	3,258	3,571	1.6%	11.5%
Business Value Added	8,326	8,522	9,086	9,659	9,924	10,521	19,297	19,430	20,345	21,235	21,387	22,238	5.1%	4.4%
Rank							30	34	24	24	24	23		
% Rank #1							59%	57%	59%	60%	59%	58%		
Net Disposable Income	9,047	9,343	9,845	10,198	10,556	11,164	20,967	21,302	22,044	22,419	22,750	23,598	4.1%	4.6%
Rank							46	48	34	37	40	33		
% Rank #1							54%	56%	57%	56%	55%	53%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	112.3	8,810.7	1.3%
Commercial	20.8	1,736.2	1.2%
Rural	13.8	52.6	26.2%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			147.0
Rates to Business Value %	1.5%	1.4%	1.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.82	3.11
Average rate in cents value	0.72	0.37

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	78.9%	69.2%
Commercial	13.6%	15.8%
Rural	7.5%	15.1%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	25
2001	1.33%	27
2002	1.30%	23
2003	1.28%	22
2004	1.31%	19
2005	1.29%	24
Bounce 2003-04	0.02%	27
Actual Change 2003-04 (Number)	215	9
Bounce 2004-05	-0.01%	38
Actual Change 2004-05 (Number)	65	23

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.10%	0.14%
Disability Support (aged 25+)	2.35%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.21%	0.22%
Parenting Payment - Single (aged 25+)	1.83%	1.82%
Unemployed Long Term	0.75%	1.28%
Unemployed Short Term	0.56%	0.85%
Youth Allowance - Non Student	0.21%	0.37%
Youth Allowance - Student	1.24%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	15.8%	46
2002	15.4%	43
2003	14.7%	49
2004	15.7%	50
2005	16.0%	47
2006	15.2%	44

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	4.3	9.3	51.9	111.8
Rank	6	8	13	29

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

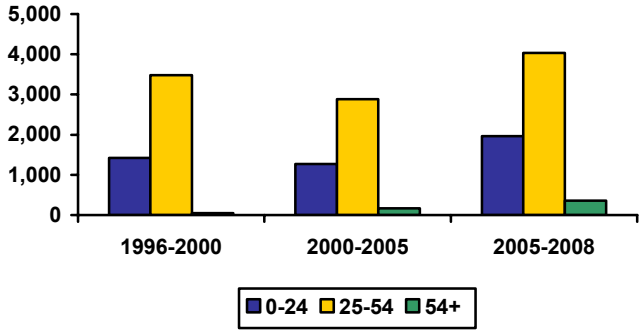
	Land Value $	Capital Value $
Residential	107,908	185,465
Commercial	105,139	234,092
Rural	81,192	106,815

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	39.2%	37.0%	35.7%	34.3%
25 - 54	46.1%	45.8%	44.3%	43.7%
55+	14.7%	17.2%	20.0%	22.0%
Net Inflow of Migrants (average between years)				
0 - 24		1,424	1,266	1,963
25 - 54		3,486	2,884	4,036
55+		44	170	361
Average Age	33.9	35.1	36.3	37.4

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	88.9	27
Share of population under 55	80.0	9
Aged migration	4.4	25
Population growth rate, 55+	5.5	5
Demographic stress	40.5	6
Dominant locations	100.0	3
Family / Youth migration	3.3	17
Fertility bounce, 1996-2005	-0.3	39
Fertility, babies % pop, 2005	1.3	25
Sustainability score	68.0	8
Working elderly	29.3	20

Local Government Level		Score	Rank
Most Sustainable	Wanneroo (C)	85.0	7
Least Sustainable	Bayswater (C)	49.9	331

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	816	822	623	812	1,161	1,057	774	734	690	761	532
Rank	32	25	38	34	31	44	26	19	26	27	45

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	677	668	706	773	774	12%
Non Residential	221	213	260	276	348	38%
Total	898	881	966	1,049	1,122	19%
Value per capita $2003/04						
Residential	1,665	1,508	1,522	1,633	1,604	5%
Non Residential	546	480	560	583	720	29%
Total	2,211	1,988	2,082	2,216	2,324	11%
Rank (value per capita)						
Residential	8	15	26	21	17	
Non Residential	41	45	42	47	33	
Total	14	19	31	23	20	

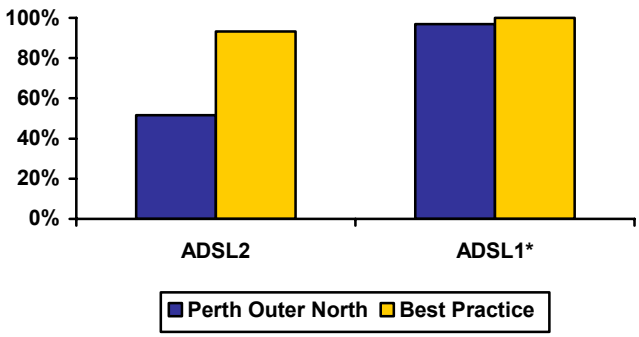
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	34.8%	65.2%	8.2%	26.7%	2.8%	62.2%
Population	95.8%	4.2%	51.6%	44.5%	0.9%	3.0%
Children	95.5%	4.5%	51.3%	44.6%	1.0%	3.1%

	2005	2006
Average Speed Available (kilobit bit per second)	1,439	9,972
% Rank #1	96%	59%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Bayswater (C)	1,500	100.0%	Bassendean (T)	16,945	94.1%
Lowest Ranked LGA	Wanneroo (C)	1,365	91.0%	Swan (C)	7,266	40.4%

ADSL Population Coverage



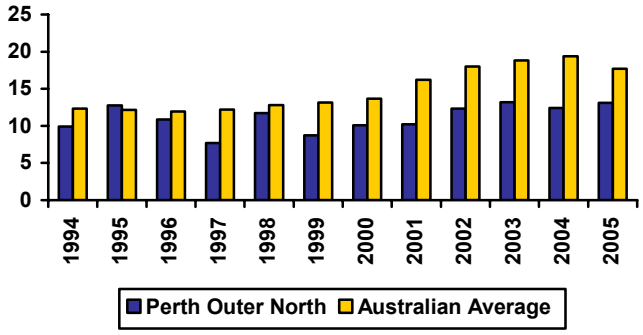
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	46.52	44.59	20
Average p.a. per capita	11.09	14.86	19
Hi Tech p.a. (1994-2005)	8.32	11.73	20
Hi Tech p.a. per capita	1.97	3.89	23
Info. Tech p.a. (1994-2005)	2.48	4.39	22
Info. Tech p.a. per capita	0.58	1.44	24
Average per capita (1994-2000)	10.26	12.61	16
Average per capita (2000-2005)	12.25	18.01	24
2000-05 avg./1994-00 avg.	1.19	1.43	47

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	6
High Tech Startups	379
New Startup Employment as % of workforce	0.9%
High Tech Startups per capita	0.0008
Rank	18

Perth Outer South

Though Rockingham, at the far end of the Outer South of Perth, is a seaside suburb which bears comparison with the Outer North, the waterfront along Cockburn Sound is industrial, with bulk port facilities. There are also industrial and transport-oriented areas in the inland part of the region, as well as extensive commuter residential areas and several higher educational facilities. In overall socio-economic status, the region is probably lower than the other two Perth regions, and it is less dependent on central city commuting for its economic base, though this may change after completion of the fast rail connection now under construction.

Major centres:

Armadale, Rockingham

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	524	531	539	548	558	570	1.4%	1.4%	1.8%	1.9%	2.1%	1.5%	2.0%
No Households	189	192	196	201	206	211	1.5%	2.2%	2.5%	2.5%	2.4%	2.0%	2.5%
NIEIR Workforce	269	272	275	280	289	299	1.2%	0.9%	1.8%	3.3%	3.5%	1.3%	3.4%
NIEIR Employment	244	248	254	259	271	282	1.6%	2.3%	2.1%	4.6%	4.2%	2.0%	4.4%
NIEIR Unemployment	24.4	23.9	20.7	20.6	17.8	16.6	-2.4%	-13.1%	-0.7%	-13.5%	-6.5%	-5.6%	-10.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.1%	8.8%	7.5%	7.4%	6.2%	5.6%	-0.3	-1.2	-0.2	-1.2	-0.6	-0.6	-0.9
Headline U/E	6.5%	6.9%	6.0%	5.8%	4.9%	4.5%	0.5	-0.9	-0.2	-0.9	-0.5	-0.2	-0.7
NIEIR Structural U/E	11.4%	11.3%	11.3%	10.8%	10.2%	9.2%	-0.1	0.0	-0.5	-0.6	-1.0	-0.2	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	8,166	8,256	8,718	9,381	9,737	10,314	15,595	15,548	16,189	17,119	17,434	18,091	4.7%	4.9%
Taxes Paid	2,269	2,384	2,532	2,683	2,876	3,011	4,333	4,489	4,702	4,896	5,149	5,280	5.7%	5.9%
Benefits	1,868	1,844	1,843	2,023	2,123	2,156	3,567	3,473	3,423	3,691	3,801	3,782	2.7%	3.2%
Business Income	1,502	1,635	1,764	1,830	1,863	1,912	2,868	3,079	3,276	3,341	3,335	3,354	6.8%	2.2%
Interest Paid	1,098	1,006	1,180	1,440	1,653	1,867	2,096	1,895	2,191	2,628	2,960	3,275	9.5%	13.9%
Net Property income	1,637	1,527	1,553	1,745	1,934	2,149	3,127	2,876	2,884	3,185	3,463	3,769	2.1%	11.0%
Business Value Added	9,668	9,891	10,482	11,211	11,599	12,226	18,463	18,627	19,465	20,460	20,769	21,445	5.1%	4.4%
Rank							37	42	30	28	29	28		
% Rank #1							56%	54%	56%	58%	57%	56%		
Net Disposable Income	10,835	11,152	11,625	12,151	12,671	13,350	20,691	21,002	21,586	22,174	22,689	23,415	3.9%	4.8%
Rank							49	49	42	41	41	37		
% Rank #1							53%	55%	56%	55%	55%	52%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	129.8	10,508.5	1.2%
Commercial	30.4	1,804.2	1.7%
Rural	6.1	58.5	10.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			166.3
Rates to Business Value %	1.2%	1.4%	1.4%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.69	3.17
Average rate in cents value	0.73	0.36

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	77.9%	72.5%
Commercial	18.9%	22.4%
Rural	3.2%	5.1%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	41
2001	1.27%	39
2002	1.20%	41
2003	1.20%	36
2004	1.26%	27
2005	1.21%	35
Bounce 2003-04	0.06%	6
Actual Change 2003-04 (Number)	461	5
Bounce 2004-05	-0.04%	58
Actual Change 2004-05 (Number)	-118	62

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.07%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	2.61%	3.20%
Mature Age Allowance	0.04%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.26%	0.22%
Parenting Payment - Single (aged 25+)	1.90%	1.82%
Unemployed Long Term	0.76%	1.28%
Unemployed Short Term	0.61%	0.85%
Youth Allowance - Non Student	0.28%	0.37%
Youth Allowance - Student	1.20%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	17.2%	36
2002	16.5%	36
2003	15.9%	43
2004	16.6%	44
2005	16.8%	42
2006	16.2%	41

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	4.4	7.8	99.3	177.7
Rank	5	13	6	13

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

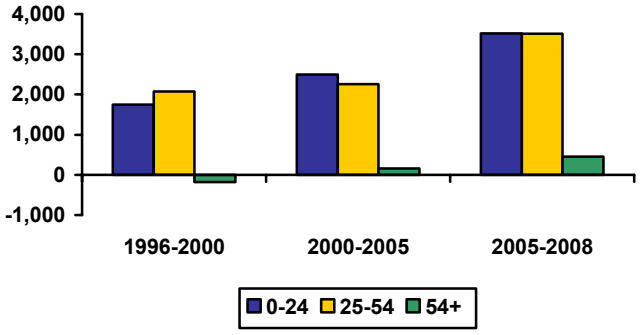
	Land Value $	Capital Value $
Residential	101,192	191,355
Commercial	174,611	421,286
Rural	141,822	207,406

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	38.5%	36.7%	35.6%	34.4%
25 - 54	44.0%	43.5%	42.2%	41.8%
55+	17.5%	19.8%	22.2%	23.8%
Net Inflow of Migrants (average between years)				
0 - 24		1,748	2,497	3,518
25 - 54		2,078	2,257	3,514
55+		-179	156	451
Average Age	34.6	35.9	37.1	37.9

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	93.6	16
Share of population under 55	77.8	21
Aged migration	4.0	36
Population growth rate, 55+	4.3	11
Demographic stress	26.9	10
Dominant locations	100.0	3
Family / Youth migration	3.6	14
Fertility bounce, 1996-2005	-0.2	34
Fertility, babies % pop, 2005	1.2	35
Sustainability score	67.1	11
Working elderly	26.7	37

Local Government Level		Score	Rank
Most Sustainable	Rockingham (C)	78.4	24
Least Sustainable	Armadale (C)	45.9	370

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	850	881	675	766	1,276	1,189	838	734	707	960	562
Rank	29	18	30	38	23	31	15	20	24	12	38

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	645	729	861	898	921	23%
Non Residential	301	238	281	294	371	32%
Total	946	967	1,142	1,192	1,292	25%
Value per capita $2003/04						
Residential	1,286	1,359	1,542	1,578	1,586	15%
Non Residential	600	445	503	515	638	24%
Total	1,886	1,804	2,045	2,093	2,224	18%
Rank (value per capita)						
Residential	19	22	22	23	18	
Non Residential	33	50	49	54	42	
Total	25	31	33	29	23	

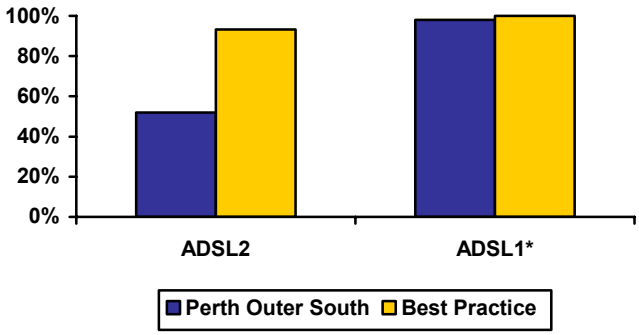
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	47.4%	52.6%	14.9%	31.9%	7.7%	45.5%
Population	97.5%	2.5%	52.0%	45.3%	0.9%	1.8%
Children	97.5%	2.5%	48.6%	48.7%	0.9%	1.8%

	2005	2006
Average Speed Available (kilobit bit per second)	1,463	10,050
% Rank #1	98%	60%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Melville (C)	1,500	100.0%	Melville (C)	13,444	74.7%
Lowest Ranked LGA	Kwinana (T)	1,289	85.9%	Rockingham (C)	4,992	27.7%

ADSL Population Coverage



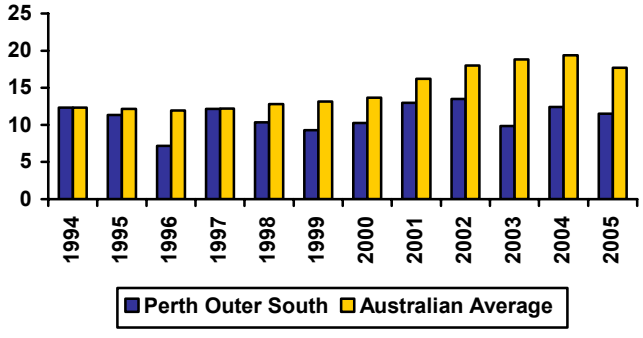
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	56.89	44.59	17
Average p.a. per capita	11.09	14.86	18
Hi Tech p.a. (1994-2005)	10.57	11.73	16
Hi Tech p.a. per capita	2.05	3.89	20
Info. Tech p.a. (1994-2005)	3.02	4.39	17
Info. Tech p.a. per capita	0.59	1.44	23
Average per capita (1994-2000)	10.41	12.61	15
Average per capita (2000-2005)	12.04	18.01	26
2000-05 avg./1994-00 avg.	1.16	1.43	51

Note: Per capita = 100,000 people

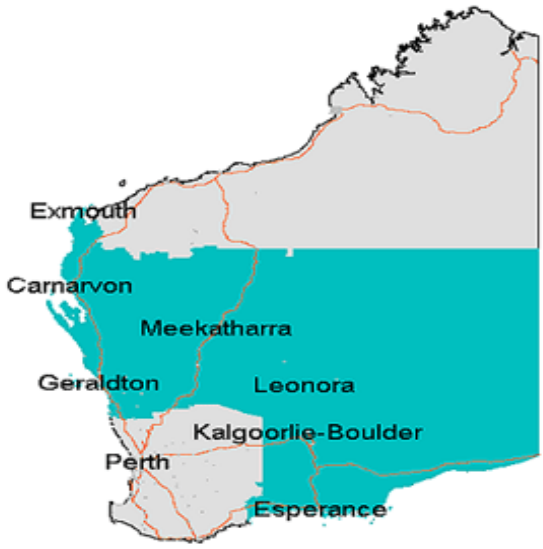
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	10
High Tech Startups	559
New Startup Employment as % of workforce	1.8%
High Tech Startups per capita	0.0010
Rank	13

WA Gascoyne-Goldfields



The Gascoyne/Goldfields region comprises the three low-population WA planning regions centred on Carnarvon, Geraldton and Kalgoorlie. With the exception of the wheat country back of Geraldton and in the immediate vicinity of Esperance, rural production is confined to extensive pastoralism, which peters out inland. The region includes the major mineral province centred on Kalgoorlie, and the lesser but still significant mineral output of the Murchison region. Though Kalgoorlie is a major supply and mineral processing centre, many of the mines are worked by fly-in fly-out workforces based in Perth.

Major centres:

Carnarvon, Geraldton, Kalgoorlie

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	116	115	115	114	114	113	-0.5%	-0.2%	-0.8%	-0.6%	-0.7%	-0.5%	-0.6%
No Households	45	45	45	46	46	46	0.6%	0.7%	0.7%	0.6%	0.9%	0.6%	0.8%
NIEIR Workforce	54	54	54	53	55	56	-0.5%	0.5%	-2.4%	2.6%	1.9%	-0.8%	2.3%
NIEIR Employment	49	50	50	49	50	52	0.3%	0.8%	-2.0%	2.5%	2.8%	-0.3%	2.6%
NIEIR Unemployment	4.9	4.5	4.4	4.1	4.3	3.9	-8.2%	-2.4%	-6.3%	4.5%	-8.7%	-5.7%	-2.3%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.0%	8.3%	8.1%	7.8%	7.9%	7.1%	-0.7	-0.2	-0.3	0.1	-0.8	-0.4	-0.3
Headline U/E	6.1%	5.8%	5.3%	4.9%	4.7%	4.2%	-0.3	-0.5	-0.3	-0.3	-0.5	-0.4	-0.4
NIEIR Structural U/E	13.3%	13.4%	14.1%	13.8%	13.4%	11.4%	0.1	0.6	-0.2	-0.5	-1.9	0.2	-1.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,749	1,739	1,818	1,833	1,860	1,940	15,097	15,080	15,790	16,040	16,377	17,199	1.6%	2.9%
Taxes Paid	547	598	595	629	649	630	4,725	5,182	5,171	5,504	5,712	5,585	4.7%	0.1%
Benefits	426	411	419	475	455	414	3,676	3,564	3,635	4,157	4,003	3,668	3.7%	-6.7%
Business Income	649	813	662	868	819	674	5,603	7,050	5,746	7,597	7,207	5,976	10.2%	-11.9%
Interest Paid	267	242	282	338	377	414	2,302	2,103	2,448	2,958	3,318	3,668	8.2%	10.6%
Net Property income	365	336	344	355	379	408	3,150	2,913	2,985	3,110	3,338	3,615	-0.9%	7.1%
Business Value Added	2,399	2,552	2,480	2,701	2,679	2,614	20,700	22,130	21,536	23,637	23,584	23,175	4.0%	-1.6%
Rank							21	17	18	14	16	20		
% Rank #1							63%	64%	62%	67%	65%	60%		
Net Disposable Income	2,625	2,782	2,702	2,864	2,828	2,736	22,653	24,122	23,465	25,069	24,895	24,260	2.9%	-2.3%
Rank							28	24	19	17	19	27		
% Rank #1							58%	64%	61%	63%	60%	54%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	31.0	1,936.6	1.6%
Commercial	12.0	247.5	4.9%
Rural	19.4	571.1	3.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			62.4
Rates to Business Value %	1.9%	2.3%	2.3%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.94	3.41
Average rate in cents value	1.38	0.58

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	40.1%	61.6%
Commercial	15.0%	17.9%
Rural	44.9%	20.5%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	6
2001	1.61%	6
2002	1.55%	4
2003	1.47%	8
2004	1.49%	7
2005	1.45%	8
Bounce 2003-04	0.02%	26
Actual Change 2003-04 (Number)	15	46
Bounce 2004-05	-0.04%	56
Actual Change 2004-05 (Number)	-58	55

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.05%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	2.72%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.33%	0.22%
Parenting Payment - Single (aged 25+)	2.10%	1.82%
Unemployed Long Term	1.38%	1.28%
Unemployed Short Term	0.86%	0.85%
Youth Allowance - Non Student	0.53%	0.37%
Youth Allowance - Student	0.68%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.2%	44
2002	14.8%	47
2003	15.5%	44
2004	16.6%	45
2005	16.1%	46
2006	15.1%	45

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.3	11.7	21.9	193.8
Rank	27	4	36	11

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

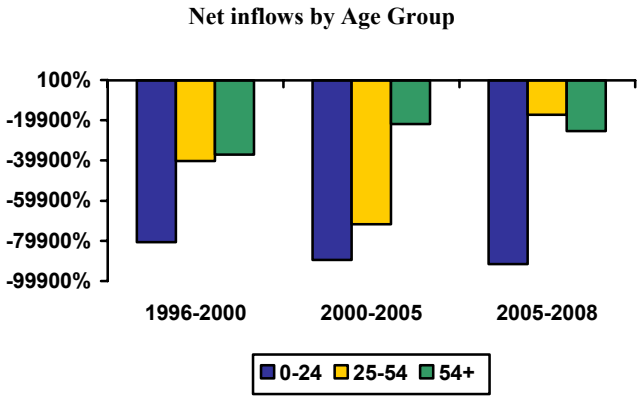
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	35,399	182,638
Commercial	55,574	235,876
Rural	172,454	271,488

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	39.9%	37.5%	35.7%	33.8%
25 - 54	45.9%	46.5%	45.4%	44.8%
55+	14.2%	16.2%	19.3%	21.3%
Net Inflow of Migrants (average between years)				
0 - 24		-805	-893	-915
25 - 54		-401	-716	-171
55+		-369	-218	-253
Average Age	32.3	33.9	35.5	36.9

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	54.4	56
Share of population under 55	81.1	6
Aged migration	4.2	33
Population growth rate, 55+	3.1	26
Demographic stress	-30.4	64
Dominant locations	75.1	34
Family / Youth migration	-0.3	48
Fertility bounce, 1996-2005	-0.3	46
Fertility, babies % pop, 2005	1.4	8
Sustainability score	48.9	53
Working elderly	33.4	6

Local Government Level		Score	Rank
Most Sustainable	Greenough (S)	77.2	35
Least Sustainable	Perenjori (S)	19.9	615

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	314	419	322	519	744	404	299	253	299	297	277
Rank	63	59	63	56	59	64	64	62	63	63	63

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	148	100	105	133	130	23%
Non Residential	91	68	87	88	117	43%
Total	239	167	193	221	247	31%
Value per capita $2003/04						
Residential	1,271	864	928	1,175	1,149	25%
Non Residential	783	590	767	780	1,036	46%
Total	2,054	1,455	1,695	1,955	2,185	34%
Rank (value per capita)						
Residential	20	46	52	42	37	
Non Residential	15	28	23	26	13	
Total	19	43	46	35	26	

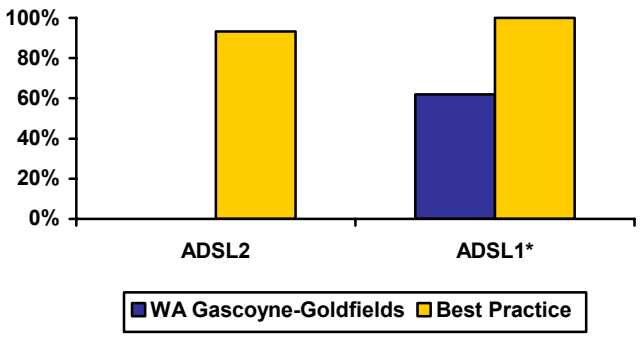
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.0%	100.0%	0.0%	0.1%	0.0%	99.9%
Population	60.6%	39.4%	0.0%	61.9%	0.0%	38.1%
Children	65.2%	34.8%	0.0%	66.6%	0.0%	33.4%

	2005	2006
Average Speed Available (kilobit bit per second)	931	950
% Rank #1	62%	6%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Geraldton (C)	1,500	100.0%	Geraldton (C)	1,500	8.3%
Lowest Ranked LGA	Carnamah (S)	56	3.7%	Coorow (S)	56	0.3%

ADSL Population Coverage



** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

INNOVATION STARTUPS

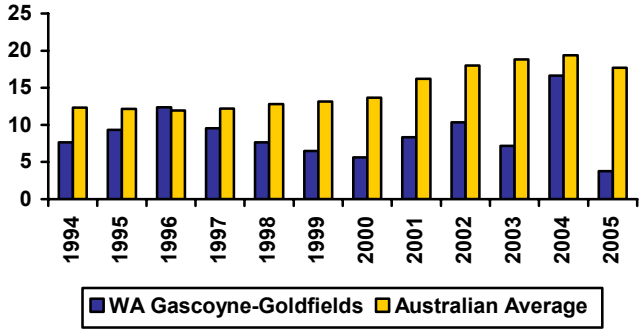
	No.
Average Employment 2001	5
Average Employment 2006	6
High Tech Startups	85
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0007
Rank	20

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	10.07	44.59	46
Average p.a. per capita	8.75	14.86	33
Hi Tech p.a. (1994-2005)	0.73	11.73	55
Hi Tech p.a. per capita	0.64	3.89	55
Info. Tech p.a. (1994-2005)	0.19	4.39	51
Info. Tech p.a. per capita	0.17	1.44	50
Average per capita (1994-2000)	8.38	12.61	27
Average per capita (2000-2005)	9.26	18.01	37
2000-05 avg./1994-00 avg.	1.11	1.43	56

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



WA Peel-South West

The Peel/South West region comprises the two WA planning regions on the coast south of Perth, the first centred on the resort town of Mandurah and the second on Bunbury, with its bulk freight port. The region is noted for its resource-based industries: bauxite and alumina, coal and power, and forestry and timber products. The coastal strip is intensively farmed, by WA standards, and Margaret River is known for its viticulture. In addition, much of the coastline, especially Mandurah and Busselton, is a resort and retirement area which bears comparison with the NSW coast. In the timber country there is conflict between the timber industry and conservation with its allies in tourism.

Major centres:

Mandurah, Bunbury

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	206	211	216	224	233	243	2.3%	2.6%	3.7%	3.8%	4.4%	2.9%	4.1%
No Households	74	76	78	80	83	86	1.6%	2.7%	3.2%	3.6%	3.5%	2.5%	3.5%
NIEIR Workforce	95	97	99	102	106	112	2.3%	1.7%	3.3%	4.3%	5.3%	2.5%	4.8%
NIEIR Employment	85	87	90	93	99	105	2.2%	3.1%	3.6%	5.8%	6.6%	3.0%	6.2%
NIEIR Unemployment	9.5	9.8	8.8	8.8	7.7	6.9	3.2%	-10.4%	0.1%	-12.1%	-11.1%	-2.5%	-11.6%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	10.0%	10.1%	8.9%	8.6%	7.3%	6.1%	0.1	-1.2	-0.3	-1.4	-1.1	-0.5	-1.2
Headline U/E	6.8%	7.3%	6.7%	6.4%	5.7%	4.9%	0.5	-0.6	-0.3	-0.7	-0.8	-0.1	-0.8
NIEIR Structural U/E	14.6%	14.2%	14.4%	13.5%	12.6%	11.1%	-0.3	0.2	-0.9	-0.9	-1.5	-0.3	-1.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,681	2,738	2,923	3,168	3,334	3,619	13,027	13,001	13,523	14,129	14,327	14,894	5.7%	6.9%
Taxes Paid	788	846	914	988	1,069	1,121	3,830	4,020	4,231	4,407	4,592	4,614	7.8%	6.5%
Benefits	791	788	797	894	962	986	3,845	3,741	3,689	3,988	4,136	4,058	4.1%	5.0%
Business Income	770	868	934	1,019	1,034	981	3,739	4,123	4,320	4,548	4,444	4,037	9.8%	-1.9%
Interest Paid	340	314	371	454	533	612	1,650	1,492	1,718	2,025	2,289	2,518	10.2%	16.1%
Net Property income	594	564	586	663	741	836	2,888	2,679	2,713	2,955	3,186	3,441	3.7%	12.3%
Business Value Added	3,451	3,606	3,856	4,187	4,368	4,600	16,765	17,124	17,843	18,677	18,770	18,930	6.7%	4.8%
Rank							51	51	43	43	45	47		
% Rank #1							51%	50%	52%	53%	51%	49%		
Net Disposable Income	4,099	4,290	4,522	4,818	5,091	5,372	19,912	20,372	20,926	21,492	21,878	22,106	5.5%	5.6%
Rank							53	51	46	49	48	52		
% Rank #1							51%	54%	54%	54%	53%	49%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	49.7	3,891.5	1.3%
Commercial	11.0	724.1	1.5%
Rural	34.4	309.9	11.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			95.1
Rates to Business Value %	1.8%	2.1%	2.2%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.28	3.19
Average rate in cents value	0.88	0.41

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	46.0%	53.4%
Commercial	10.2%	14.3%
Rural	43.9%	32.3%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	38
2001	1.26%	44
2002	1.20%	42
2003	1.10%	57
2004	1.18%	47
2005	1.13%	54
Bounce 2003-04	0.08%	2
Actual Change 2003-04 (Number)	272	8
Bounce 2004-05	-0.05%	59
Actual Change 2004-05 (Number)	-7	38

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.07%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	2.86%	3.20%
Mature Age Allowance	0.07%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.21%	0.22%
Parenting Payment - Single (aged 25+)	1.86%	1.82%
Unemployed Long Term	0.90%	1.28%
Unemployed Short Term	0.62%	0.85%
Youth Allowance - Non Student	0.28%	0.37%
Youth Allowance - Student	0.80%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.3%	22
2002	18.4%	19
2003	17.6%	33
2004	18.6%	34
2005	18.9%	28
2006	18.4%	28

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.0	4.3	47.7	204.8
Rank	35	40	14	8

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

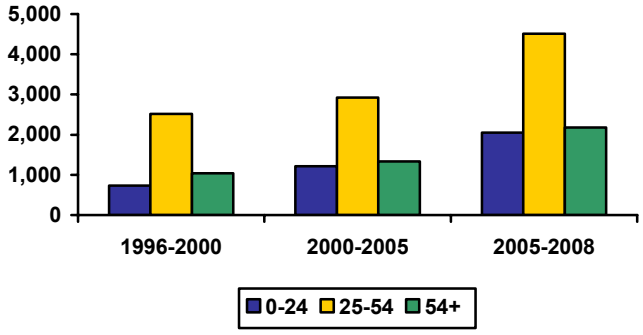
	Land Value $	Capital Value $
Residential	61,581	165,061
Commercial	40,885	130,284
Rural	243,241	351,424

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.8%	34.7%	33.3%	31.8%
25 - 54	42.6%	42.2%	41.0%	40.6%
55+	20.6%	23.0%	25.7%	27.6%
Net Inflow of Migrants (average between years)				
0 - 24		734	1,216	2,050
25 - 54		2,517	2,925	4,516
55+		1,035	1,335	2,182
Average Age	36.5	37.6	38.8	40.0

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	89.3	26
Share of population under 55	74.3	36
Aged migration	6.7	6
Population growth rate, 55+	5.6	3
Demographic stress	57.8	2
Dominant locations	81.4	29
Family / Youth migration	2.6	22
Fertility bounce, 1996-2005	-0.3	45
Fertility, babies % pop, 2005	1.1	54
Sustainability score	70.8	6
Working elderly	24.9	44

Local Government Level		Score	Rank
Most Sustainable	Capel (S)	84.2	9
Least Sustainable	Boyup Brook (S)	22.4	598

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	913	1,113	786	938	1,230	1,266	718	743	727	878	614
Rank	26	10	23	27	25	27	33	17	20	17	32

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	380	461	615	672	676	42%
Non Residential	141	129	157	162	207	36%
Total	521	591	771	834	884	40%
Value per capita $2003/04						
Residential	2,004	2,147	2,641	2,779	2,687	26%
Non Residential	742	604	673	671	824	20%
Total	2,746	2,750	3,314	3,450	3,511	25%
Rank (value per capita)						
Residential	6	4	3	2	1	
Non Residential	17	25	30	34	26	
Total	7	8	5	6	7	

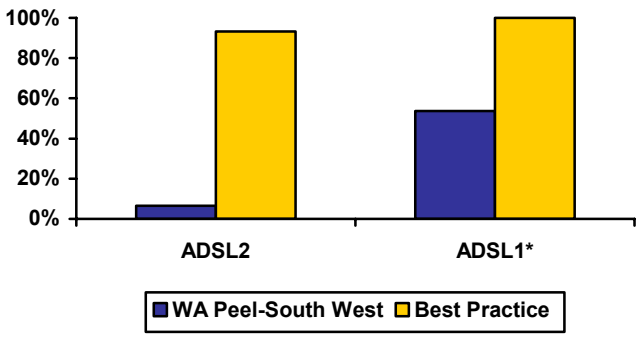
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	3.6%	96.4%	0.0%	4.4%	0.0%	95.5%
Population	49.6%	50.4%	6.6%	47.1%	0.0%	46.2%
Children	49.5%	50.5%	5.2%	48.6%	0.0%	46.1%

	2005	2006
Average Speed Available (kilobit bit per second)	772	1,921
% Rank #1	51%	11%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Bunbury (C)	1,499	99.9%	Bunbury (C)	8,827	49.0%
Lowest Ranked LGA	Boddington (S)	56	3.7%	Boddington (S)	56	0.3%

ADSL Population Coverage



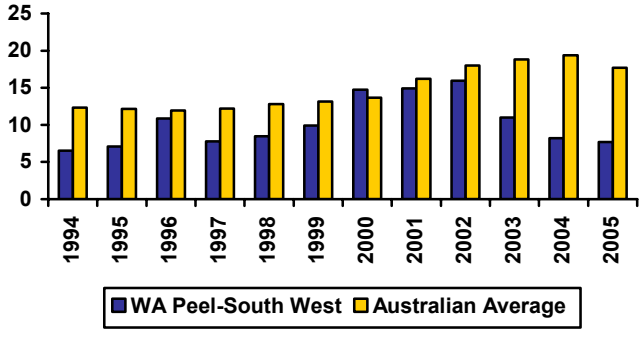
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	20.48	44.59	32
Average p.a. per capita	10.27	14.86	24
Hi Tech p.a. (1994-2005)	4.22	11.73	29
Hi Tech p.a. per capita	2.09	3.89	19
Info. Tech p.a. (1994-2005)	0.47	4.39	40
Info. Tech p.a. per capita	0.23	1.44	45
Average per capita (1994-2000)	9.34	12.61	21
Average per capita (2000-2005)	11.56	18.01	27
2000-05 avg./1994-00 avg.	1.24	1.43	43

Note: Per capita = 100,000 people

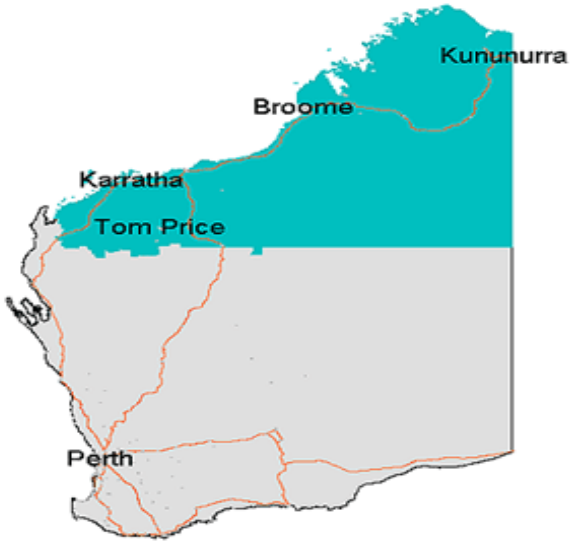
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	6
High Tech Startups	136
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0006
Rank	36

WA Pilbara-Kimberly



The Pilbara and Kimberley are two WA planning regions, here brought together. Their output is dominated by minerals: offshore oil and gas, and onshore iron ore. The extensive pastoral stations first settled in the nineteenth century are still there, and so is a significant Aboriginal population. The region has a dry-season tourist trade. Towns in the Pilbara accommodate workers in the mining and petroleum industries, while those in the Kimberley include the old polyglot pearling port of Broome and the newer town of Kununurra, which was founded as an urban centre for the Ord River intensive agricultural area. However, an increasing proportion of the workforce flies in and out from Perth.

N.B Unemployment figures in remote regions can display excess variation.

Major centres:

Karratha, Port Hedland, Broome

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	72	73	74	74	75	76	1.3%	1.1%	0.7%	0.9%	0.8%	1.0%	0.8%
No Households	27	28	28	29	29	30	1.7%	2.0%	2.0%	2.1%	2.4%	1.9%	2.2%
NIEIR Workforce	34	34	35	36	37	38	-1.2%	3.6%	1.1%	3.8%	3.5%	1.1%	3.6%
NIEIR Employment	32	31	33	33	34	36	-0.2%	3.2%	1.0%	3.8%	4.6%	1.4%	4.2%
NIEIR Unemployment	2.9	2.5	2.7	2.7	2.8	2.5	-12.7%	7.6%	1.3%	4.1%	-10.3%	-1.6%	-3.4%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	8.3%	7.4%	7.6%	7.7%	7.7%	6.7%	-1.0	0.3	0.0	0.0	-1.0	-0.2	-0.5
Headline U/E	7.4%	6.0%	5.7%	4.7%	4.4%	4.2%	-1.4	-0.3	-1.0	-0.3	-0.2	-0.9	-0.2
NIEIR Structural U/E	14.3%	14.5%	14.8%	16.4%	15.6%	11.0%	0.2	0.3	1.5	-0.8	-4.6	0.7	-2.7

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,351	1,345	1,465	1,570	1,677	1,852	18,740	18,408	19,853	21,118	22,354	24,502	5.1%	8.6%
Taxes Paid	396	408	448	463	504	564	5,498	5,591	6,073	6,229	6,719	7,457	5.3%	10.3%
Benefits	286	282	303	374	329	244	3,971	3,859	4,106	5,034	4,381	3,228	9.3%	-19.3%
Business Income	247	252	254	245	227	292	3,428	3,449	3,440	3,301	3,024	3,864	-0.2%	9.1%
Interest Paid	154	150	185	260	294	327	2,131	2,051	2,512	3,492	3,919	4,325	19.1%	12.2%
Net Property income	277	261	264	282	312	350	3,841	3,573	3,583	3,796	4,165	4,630	0.6%	11.4%
Business Value Added	1,598	1,597	1,719	1,815	1,904	2,145	22,167	21,858	23,293	24,419	25,378	28,365	4.3%	8.7%
Rank							15	20	12	13	12	6		
% Rank #1							67%	64%	67%	69%	70%	74%		
Net Disposable Income	1,785	1,789	1,887	1,942	1,981	2,124	24,756	24,492	25,568	26,121	26,398	28,098	2.9%	4.6%
Rank							16	20	13	14	14	12		
% Rank #1							63%	65%	66%	65%	63%	63%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	21.8	1,596.2	1.4%
Commercial	9.3	180.6	5.2%
Rural	2.0	46.2	4.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			33.2
Rates to Business Value %	1.8%	1.7%	1.7%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.72	3.14
Average rate in cents value	1.94	0.52

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	67.7%	78.3%
Commercial	24.4%	16.5%
Rural	7.8%	5.2%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	1
2001	2.05%	3
2002	1.65%	2
2003	1.57%	6
2004	1.75%	2
2005	1.80%	3
Bounce 2003-04	0.18%	1
Actual Change 2003-04 (Number)	140	16
Bounce 2004-05	0.05%	11
Actual Change 2004-05 (Number)	50	25

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.10%	0.14%
Disability Support (aged 25+)	2.73%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.14%	0.04%
Parenting Payment - Single (aged 20-24)	0.45%	0.22%
Parenting Payment - Single (aged 25+)	2.01%	1.82%
Unemployed Long Term	1.28%	1.28%
Unemployed Short Term	0.88%	0.85%
Youth Allowance - Non Student	1.13%	0.37%
Youth Allowance - Student	0.30%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.0%	45
2002	15.8%	40
2003	16.1%	42
2004	19.3%	26
2005	16.6%	44
2006	11.5%	56

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.0	13.0	18.6	247.3
Rank	38	2	40	6

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

AVERAGE PROPERTY VALUE

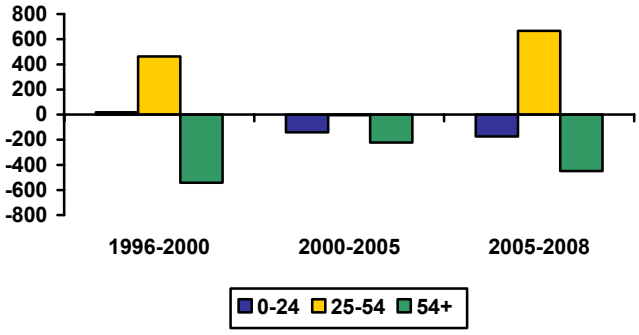
	Land Value $	Capital Value $
Residential	52,075	255,630
Commercial	40,804	164,042
Rural	85,147	105,778

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	43.1%	41.9%	39.8%	37.4%
25 - 54	47.4%	49.6%	50.2%	51.7%
55+	9.5%	8.5%	10.2%	10.9%
Net Inflow of Migrants (average between years)				
0 - 24		17	-140	-174
25 - 54		462	-5	666
55+		-541	-223	-450
Average Age	29.4	31.2	31.2	32.2

Note: Migration is from other Regions as well as Overseas.

Net inflows by Age Group



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	79.7	40
Share of population under 55	89.8	1
Aged migration	3.4	56
Population growth rate, 55+	2.2	48
Demographic stress	50.7	3
Dominant locations	66.2	43
Family / Youth migration	0.9	36
Fertility bounce, 1996-2005	-0.2	36
Fertility, babies % pop, 2005	1.8	3
Sustainability score	67.2	10
Working elderly	32.2	9

Local Government Level		Score	Rank
Most Sustainable	Broome (S)	84.0	10
Least Sustainable	Ashburton (S)	28.8	542

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	481	736	453	831	1,838	778	444	378	599	262	686
Rank	54	34	55	31	9	55	52	49	37	64	21

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	87	74	87	104	103	32%
Non Residential	67	50	74	111	172	136%
Total	153	125	161	215	276	74%
Value per capita $2003/04						
Residential	1,252	1,013	1,164	1,372	1,342	28%
Non Residential	965	687	987	1,464	2,239	128%
Total	2,217	1,700	2,151	2,835	3,581	68%
Rank (value per capita)						
Residential	22	39	38	28	27	
Non Residential	8	14	10	6	4	
Total	13	36	24	12	5	

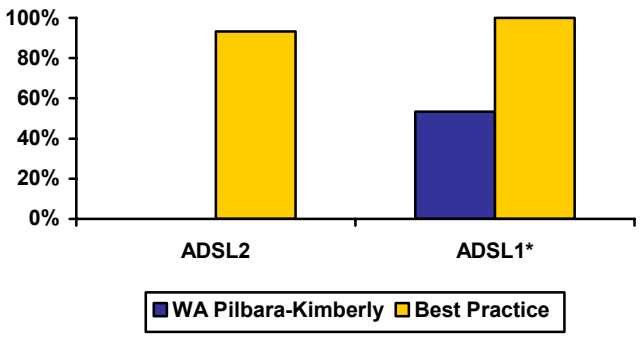
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.1%	99.9%	0.0%	0.1%	0.0%	99.9%
Population	52.7%	47.3%	0.0%	53.3%	0.0%	46.7%
Children	55.2%	44.8%	0.0%	55.7%	0.0%	44.3%

	2005	2006
Average Speed Available (kilobit bit per second)	817	826
% Rank #1	54%	5%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Port Hedland (T)	1,372	91.5%	Port Hedland (T)	1,372	7.6%
Lowest Ranked LGA	Unincorporated WA	56	3.7%	Unincorporated WA	56	0.3%

ADSL Population Coverage



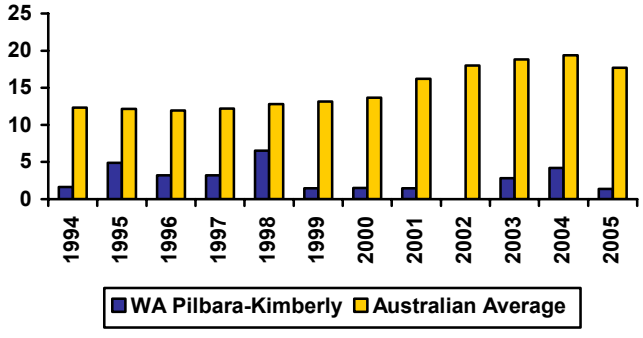
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	1.88	44.59	63
Average p.a. per capita	2.69	14.86	63
Hi Tech p.a. (1994-2005)	0.09	11.73	63
Hi Tech p.a. per capita	0.12	3.89	64
Info. Tech p.a. (1994-2005)	0.00	4.39	61
Info. Tech p.a. per capita	0.00	1.44	61
Average per capita (1994-2000)	3.21	12.61	63
Average per capita (2000-2005)	1.97	18.01	63
2000-05 avg./1994-00 avg.	0.61	1.43	63

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	8
Average Employment 2006	8
High Tech Startups	49
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0007
Rank	24

WA Wheatbelt-Great Southern

The WA planning authorities distinguish the Wheat Belt and the Great Southern, but they are here brought together. Relative to the Eastern States, towns in the WA wheat belt are few and small; the largest are Northam and Narrogin. Much of the area depends directly on Perth for higher-order retail and administrative functions. By contrast, the Great Southern comprises the hinterland of Albany, a town of some size and long history. The region as a whole is classic wheat/sheep country, much of it now troubled by dry-land saltation. The strip close to Albany is better watered, with some plantation forestry.

Major centres:

Albany, Northam

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	126	126	126	125	124	123	-0.1%	-0.3%	-0.8%	-0.6%	-0.5%	-0.4%	-0.5%
No Households	47	48	48	48	49	50	0.8%	1.0%	1.0%	1.0%	1.2%	0.9%	1.1%
NIEIR Workforce	52	53	53	54	55	56	1.8%	0.9%	1.9%	1.8%	2.0%	1.6%	1.9%
NIEIR Employment	47	47	48	49	50	52	1.2%	1.2%	2.6%	2.1%	3.3%	1.6%	2.7%
NIEIR Unemployment	5.0	5.4	5.3	5.1	5.1	4.5	7.6%	-1.1%	-3.8%	-1.4%	-10.5%	0.8%	-6.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	9.6%	10.2%	10.0%	9.4%	9.1%	8.0%	0.6	-0.2	-0.6	-0.3	-1.1	-0.1	-0.7
Headline U/E	5.0%	5.1%	5.0%	5.0%	4.6%	4.0%	0.1	-0.1	0.0	-0.4	-0.6	0.0	-0.5
NIEIR Structural U/E	14.2%	14.0%	15.9%	14.9%	14.5%	12.6%	-0.3	1.9	-1.0	-0.4	-1.9	0.2	-1.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,238	1,235	1,293	1,393	1,415	1,489	9,824	9,811	10,296	11,180	11,424	12,081	4.0%	3.4%
Taxes Paid	562	675	606	796	786	725	4,454	5,359	4,824	6,389	6,346	5,886	12.3%	-4.5%
Benefits	485	463	467	521	523	505	3,848	3,677	3,718	4,183	4,221	4,100	2.4%	-1.5%
Business Income	1,325	1,845	1,379	2,155	1,957	1,600	10,514	14,654	10,981	17,292	15,800	12,984	17.6%	-13.8%
Interest Paid	251	230	269	336	380	421	1,990	1,826	2,145	2,698	3,067	3,419	10.2%	12.0%
Net Property income	421	382	391	435	479	533	3,340	3,035	3,117	3,489	3,867	4,329	1.1%	10.8%
Business Value Added	2,564	3,080	2,672	3,548	3,372	3,089	20,338	24,465	21,278	28,472	27,224	25,065	11.4%	-6.7%
Rank							23	11	20	6	7	14		
% Rank #1							62%	71%	61%	80%	75%	65%		
Net Disposable Income	2,948	3,437	3,049	3,798	3,680	3,435	23,389	27,301	24,281	30,479	29,706	27,875	8.8%	-4.9%
Rank							22	13	16	7	8	13		
% Rank #1							60%	72%	63%	76%	71%	62%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	13.7	1,872.2	0.7%
Commercial	3.3	300.4	1.1%
Rural	66.1	1,656.8	4.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			83.2
Rates to Business Value %	3.1%	2.8%	2.5%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.74	2.60
Average rate in cents value	0.83	0.54

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	13.7%	31.8%
Commercial	3.5%	7.7%
Rural	82.8%	60.5%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	13
2001	1.39%	20
2002	1.26%	27
2003	1.26%	24
2004	1.29%	22
2005	1.30%	22
Bounce 2003-04	0.03%	22
Actual Change 2003-04 (Number)	25	40
Bounce 2004-05	0.01%	25
Actual Change 2004-05 (Number)	5	36

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.07%	0.08%
Disability Support (aged 20-24)	0.12%	0.14%
Disability Support (aged 25+)	3.25%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.04%	0.04%
Parenting Payment - Single (aged 20-24)	0.18%	0.22%
Parenting Payment - Single (aged 25+)	1.82%	1.82%
Unemployed Long Term	1.21%	1.28%
Unemployed Short Term	0.76%	0.85%
Youth Allowance - Non Student	0.33%	0.37%
Youth Allowance - Student	0.95%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	16.5%	41
2002	13.5%	52
2003	15.3%	46
2004	13.7%	53
2005	14.2%	52
2006	14.7%	46

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.4	3.3	25.2	203.5
Rank	51	50	31	9

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

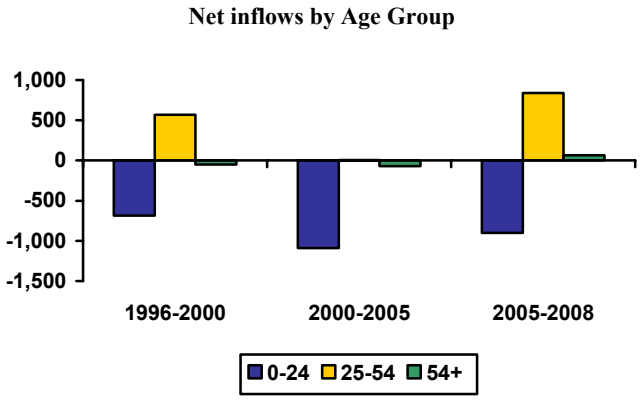
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	27,034	118,137
Commercial	21,839	86,310
Rural	340,462	519,202

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.9%	34.8%	32.8%	30.5%
25 - 54	43.1%	43.0%	41.5%	41.0%
55+	20.0%	22.4%	26.1%	28.6%
Net Inflow of Migrants (average between years)				
0 - 24		-686	-1,088	-902
25 - 54		569	8	840
55+		-48	-72	67
Average Age	34.9	37.0	39.0	40.5

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	62.7	54
Share of population under 55	73.6	41
Aged migration	5.2	15
Population growth rate, 55+	3.5	19
Demographic stress	-12.8	60
Dominant locations	55.9	55
Family / Youth migration	-1.9	59
Fertility bounce, 1996-2005	-0.2	35
Fertility, babies % pop, 2005	1.3	23
Sustainability score	50.3	51
Working elderly	34.3	5

Local Government Level		Score	Rank
Most Sustainable	Chittering (S)	76.8	40
Least Sustainable	Kent (S)	12.4	628

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	420	500	402	497	724	488	387	382	393	451	349
Rank	59	52	58	58	60	62	58	48	57	55	61

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	131	118	131	149	151	22%
Non Residential	51	63	69	61	73	7%
Total	182	181	200	210	224	16%
Value per capita $2003/04						
Residential	1,056	939	1,054	1,208	1,218	23%
Non Residential	412	506	559	493	585	8%
Total	1,468	1,445	1,612	1,700	1,803	18%
Rank (value per capita)						
Residential	32	43	47	37	31	
Non Residential	59	37	43	58	51	
Total	40	44	48	48	40	

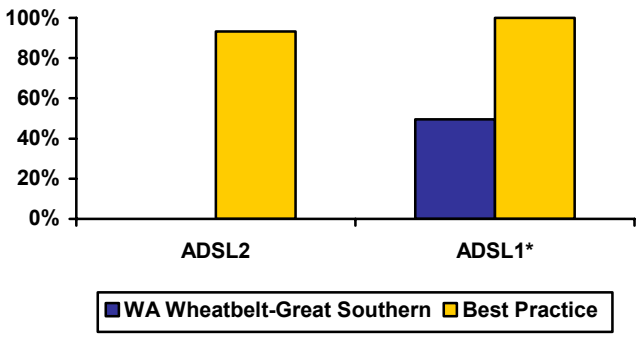
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.7%	99.3%	0.0%	0.8%	0.0%	99.2%
Population	46.5%	53.5%	0.0%	49.5%	0.0%	50.5%
Children	46.1%	53.9%	0.0%	49.0%	0.0%	51.0%

	2005	2006
Average Speed Available (kilobit bit per second)	727	771
% Rank #1	48%	5%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Narrogin (T)	1,500	100.0%	Narrogin (T)	1,500	8.3%
Lowest Ranked LGA	Beverley (S)	56	3.7%	Beverley (S)	56	0.3%

ADSL Population Coverage



** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

INNOVATION STARTUPS

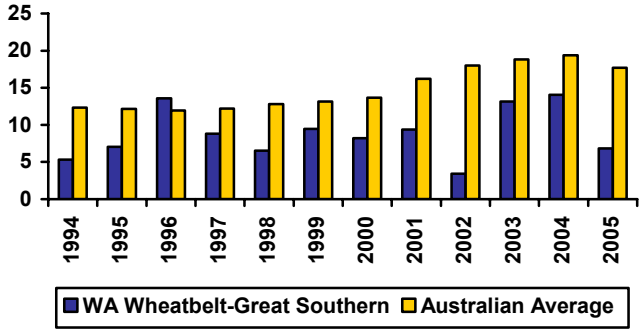
	No.
Average Employment 2001	12
Average Employment 2006	8
High Tech Startups	37
New Startup Employment as % of workforce	0.5%
High Tech Startups per capita	0.0003
Rank	59

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	10.92	44.59	44
Average p.a. per capita	8.82	14.86	32
Hi Tech p.a. (1994-2005)	1.08	11.73	52
Hi Tech p.a. per capita	0.87	3.89	48
Info. Tech p.a. (1994-2005)	0.09	4.39	54
Info. Tech p.a. per capita	0.08	1.44	57
Average per capita (1994-2000)	8.42	12.61	26
Average per capita (2000-2005)	9.37	18.01	36
2000-05 avg./1994-00 avg.	1.11	1.43	55

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



TAS Hobart-South

Southern Tasmania includes all of Hobart, plus its commuter zone, purely rural areas and forests. It accordingly has a greater mix of economic base than the capital city regions of the mainland states. The regional economic base includes city centre functions, manufacturing (much of which is resource-related), agriculture, fishing, forestry and tourism, the latter based on both natural attractions and the region's urban heritage. The region extends into high country exploited for hydro-electricity.

Major centres:

Hobart

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	232	233	235	238	239	241	0.3%	1.0%	1.2%	0.7%	0.8%	0.8%	0.8%
No Households	93	94	95	97	99	100	1.1%	1.5%	1.7%	1.8%	1.6%	1.4%	1.7%
NIEIR Workforce	111	110	111	115	117	121	-0.5%	1.3%	2.8%	2.1%	3.2%	1.2%	2.7%
NIEIR Employment	95	95	96	101	104	107	-0.7%	1.7%	4.3%	3.0%	3.4%	1.7%	3.2%
NIEIR Unemployment	15.0	15.2	15.0	14.0	13.4	13.7	0.7%	-1.3%	-6.5%	-4.2%	2.2%	-2.4%	-1.1%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	13.6%	13.8%	13.4%	12.2%	11.5%	11.3%	0.2	-0.4	-1.2	-0.8	-0.1	-0.5	-0.4
Headline U/E	9.3%	8.6%	7.9%	6.8%	6.3%	6.5%	-0.7	-0.7	-1.1	-0.5	0.2	-0.8	-0.1
NIEIR Structural U/E	19.5%	19.6%	20.2%	18.9%	18.0%	16.8%	0.1	0.6	-1.3	-1.0	-1.2	-0.2	-1.1

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,734	2,800	2,992	3,099	3,401	3,579	11,790	12,037	12,732	13,038	14,206	14,834	4.3%	7.5%
Taxes Paid	857	898	947	1,025	1,119	1,166	3,697	3,860	4,031	4,314	4,673	4,835	6.2%	6.7%
Benefits	1,056	1,036	1,036	1,136	1,152	1,130	4,553	4,453	4,409	4,780	4,811	4,685	2.5%	-0.3%
Business Income	546	632	671	701	722	699	2,355	2,718	2,856	2,950	3,014	2,898	8.7%	-0.1%
Interest Paid	323	284	334	413	482	548	1,393	1,220	1,423	1,738	2,011	2,271	8.5%	15.2%
Net Property income	856	754	784	856	940	1,041	3,692	3,241	3,339	3,602	3,927	4,313	0.0%	10.3%
Business Value Added	3,280	3,432	3,663	3,800	4,123	4,278	14,145	14,755	15,588	15,988	17,219	17,732	5.0%	6.1%
Rank							58	60	58	58	55	55		
% Rank #1							43%	43%	45%	45%	47%	46%		
Net Disposable Income	4,374	4,522	4,663	4,943	5,201	5,431	18,867	19,443	19,846	20,796	21,720	22,512	4.2%	4.8%
Rank							56	59	53	51	50	46		
% Rank #1							48%	51%	52%	52%	52%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	65.1	3,935.5	1.7%
Commercial	6.0	568.4	1.1%
Rural	9.2	153.2	6.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			80.3
Rates to Business Value %	2.1%	0.0%	1.9%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.65	3.25
Average rate in cents value	0.96	0.49

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	77.7%	83.8%
Commercial	8.8%	8.9%
Rural	13.5%	7.3%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	50
2001	1.31%	30
2002	1.23%	34
2003	1.26%	26
2004	1.21%	37
2005	1.27%	28
Bounce 2003-04	-0.05%	58
Actual Change 2003-04 (Number)	-77	61
Bounce 2004-05	0.06%	8
Actual Change 2004-05 (Number)	168	13

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.10%	0.08%
Disability Support (aged 20-24)	0.18%	0.14%
Disability Support (aged 25+)	4.65%	3.20%
Mature Age Allowance	0.09%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.35%	0.22%
Parenting Payment - Single (aged 25+)	2.19%	1.82%
Unemployed Long Term	2.02%	1.28%
Unemployed Short Term	0.95%	0.85%
Youth Allowance - Non Student	0.53%	0.37%
Youth Allowance - Student	1.87%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	24.1%	7
2002	22.9%	7
2003	22.2%	8
2004	23.0%	10
2005	22.2%	10
2006	20.8%	11

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	1.7	7.1	76.6	320.1
Rank	21	17	9	3

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

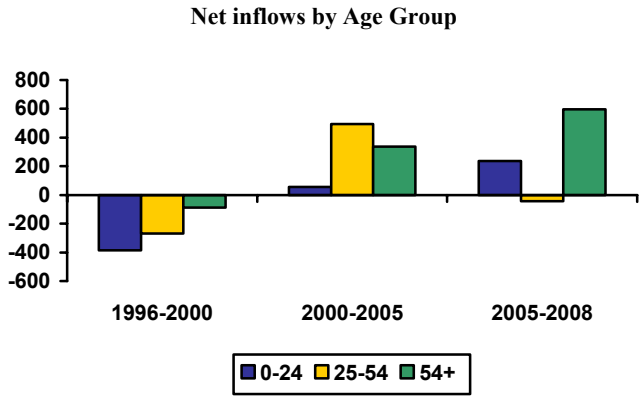
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	68,082	144,845
Commercial	61,326	122,343
Rural	157,508	167,703

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.2%	34.2%	33.4%	32.9%
25 - 54	42.7%	42.3%	40.7%	39.0%
55+	21.2%	23.5%	25.9%	28.0%
Net Inflow of Migrants (average between years)				
0 - 24		-384	55	236
25 - 54		-268	493	-44
55+		-88	336	596
Average Age	36.1	37.6	39.0	39.8

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	73.0	46
Share of population under 55	74.1	37
Aged migration	4.3	30
Population growth rate, 55+	2.7	36
Demographic stress	2.2	47
Dominant locations	80.0	30
Family / Youth migration	0.8	39
Fertility bounce, 1996-2005	-0.1	10
Fertility, babies % pop, 2005	1.3	29
Sustainability score	53.9	47
Working elderly	22.1	52

Local Government Level		Score	Rank
Most Sustainable	Kingborough (M)	66.6	139
Least Sustainable	Central Highlands (M)	23.0	592

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,040	748	661	768	798	1,183	864	691	759	651	720
Rank	15	33	33	36	56	32	14	22	17	38	18

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	133	165	196	232	189	25%
Non Residential	107	101	143	167	182	62%
Total	240	266	340	399	372	39%
Value per capita $2003/04						
Residential	579	701	819	961	778	22%
Non Residential	463	433	599	692	750	57%
Total	1,042	1,134	1,419	1,653	1,528	35%
Rank (value per capita)						
Residential	55	55	55	49	54	
Non Residential	55	52	38	31	32	
Total	56	56	56	50	54	

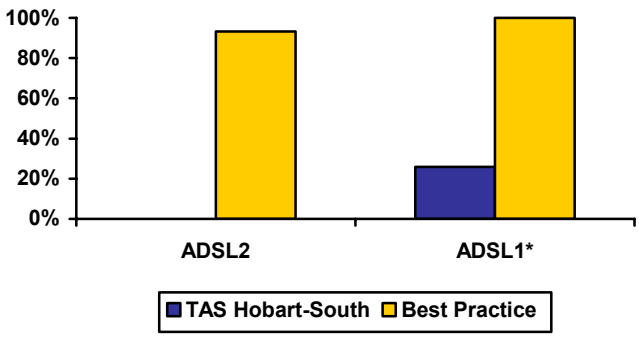
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.0%	99.0%	0.0%	1.2%	0.0%	98.8%
Population	25.2%	74.8%	0.0%	25.9%	0.0%	74.1%
Children	20.6%	79.4%	0.0%	21.3%	0.0%	78.7%

	2005	2006
Average Speed Available (kilobit bit per second)	420	430
% Rank #1	28%	3%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Hobart (C)	1,493	99.5%	Hobart (C)	1,493	8.3%
Lowest Ranked LGA	Brighton (M)	56	3.7%	Brighton (M)	56	0.3%

ADSL Population Coverage



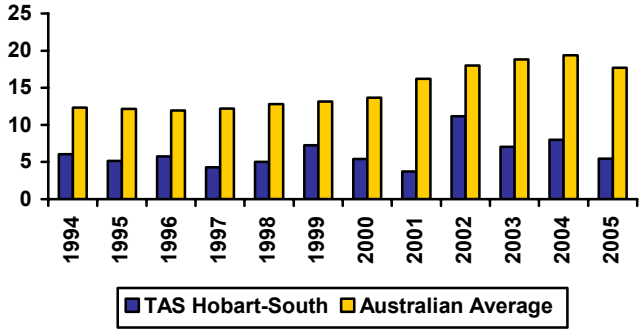
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	14.40	44.59	38
Average p.a. per capita	6.19	14.86	51
Hi Tech p.a. (1994-2005)	3.73	11.73	30
Hi Tech p.a. per capita	1.60	3.89	30
Info. Tech p.a. (1994-2005)	1.06	4.39	30
Info. Tech p.a. per capita	0.46	1.44	32
Average per capita (1994-2000)	5.57	12.61	49
Average per capita (2000-2005)	7.07	18.01	53
2000-05 avg./1994-00 avg.	1.27	1.43	41

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	10
Average Employment 2006	9
High Tech Startups	112
New Startup Employment as % of workforce	0.9%
High Tech Startups per capita	0.0005
Rank	44

TAS North

Northern Tasmania comprises the north east part of the island. Its chief city is Launceston. The region includes areas of intensive farming with associated agricultural processing. The northern midlands and east coast are relatively dry, and are devoted to livestock rather than crop production. It has some manufacturing, with a nucleus of heavy industry at the port of Bell Bay, and also a coal mine.

Major centres:

Launceston

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	133	134	135	137	138	139	0.4%	1.1%	1.2%	0.8%	0.8%	0.9%	0.8%
No Households	53	54	55	55	56	57	1.0%	1.2%	1.3%	1.4%	1.4%	1.2%	1.4%
NIEIR Workforce	63	62	62	65	65	66	-1.2%	0.5%	4.0%	0.7%	1.8%	1.1%	1.3%
NIEIR Employment	54	53	54	56	58	60	-1.3%	1.3%	4.5%	3.2%	3.5%	1.5%	3.3%
NIEIR Unemployment	9.1	9.0	8.6	8.7	7.4	6.6	-1.1%	-4.0%	1.2%	-15.1%	-10.6%	-1.3%	-12.9%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	14.5%	14.5%	13.9%	13.5%	11.4%	10.0%	0.0	-0.6	-0.4	-2.1	-1.4	-0.3	-1.8
Headline U/E	7.5%	8.6%	8.4%	8.2%	6.4%	5.2%	1.1	-0.3	-0.2	-1.9	-1.1	0.2	-1.5
NIEIR Structural U/E	18.9%	19.2%	19.9%	18.7%	17.9%	17.2%	0.2	0.7	-1.2	-0.8	-0.7	-0.1	-0.8

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,466	1,488	1,577	1,639	1,799	1,890	11,010	11,136	11,668	11,979	13,039	13,600	3.8%	7.4%
Taxes Paid	451	493	506	551	588	613	3,389	3,689	3,745	4,026	4,260	4,409	6.9%	5.5%
Benefits	629	616	615	672	680	665	4,723	4,612	4,553	4,913	4,931	4,788	2.3%	-0.5%
Business Income	407	508	482	505	472	466	3,054	3,801	3,564	3,693	3,419	3,355	7.5%	-3.9%
Interest Paid	190	160	181	218	255	291	1,430	1,197	1,339	1,597	1,849	2,091	4.7%	15.3%
Net Property income	431	393	405	437	483	536	3,240	2,939	2,999	3,197	3,499	3,860	0.5%	10.7%
Business Value Added	1,872	1,996	2,059	2,144	2,270	2,356	14,064	14,937	15,232	15,673	16,458	16,955	4.6%	4.8%
Rank							59	59	60	59	59	60		
% Rank #1							43%	44%	44%	44%	45%	44%		
Net Disposable Income	2,490	2,629	2,651	2,815	2,914	3,040	18,704	19,669	19,613	20,579	21,127	21,875	4.2%	3.9%
Rank							57	57	56	56	56	53		
% Rank #1							48%	52%	51%	51%	51%	49%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	48.1	2,038.1	2.4%
Commercial	5.0	253.0	2.0%
Rural	16.2	218.6	7.4%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			69.2
Rates to Business Value %	2.1%	0.1%	3.0%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.97	3.08
Average rate in cents value	1.85	0.85

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	52.7%	69.9%
Commercial	4.9%	6.4%
Rural	42.4%	23.7%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	26
2001	1.31%	32
2002	1.26%	26
2003	1.19%	40
2004	1.21%	36
2005	1.19%	40
Bounce 2003-04	0.02%	29
Actual Change 2003-04 (Number)	49	30
Bounce 2004-05	-0.02%	43
Actual Change 2004-05 (Number)	-11	39

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.09%	0.08%
Disability Support (aged 20-24)	0.17%	0.14%
Disability Support (aged 25+)	4.42%	3.20%
Mature Age Allowance	0.10%	0.06%
Parenting Payment - Single (aged 15-19)	0.05%	0.04%
Parenting Payment - Single (aged 20-24)	0.28%	0.22%
Parenting Payment - Single (aged 25+)	2.01%	1.82%
Unemployed Long Term	2.25%	1.28%
Unemployed Short Term	0.98%	0.85%
Youth Allowance - Non Student	0.51%	0.37%
Youth Allowance - Student	1.75%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	25.3%	5
2002	23.4%	5
2003	23.2%	6
2004	23.9%	7
2005	23.3%	7
2006	21.9%	8

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.6	4.4	33.2	240.6
Rank	46	35	22	7

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

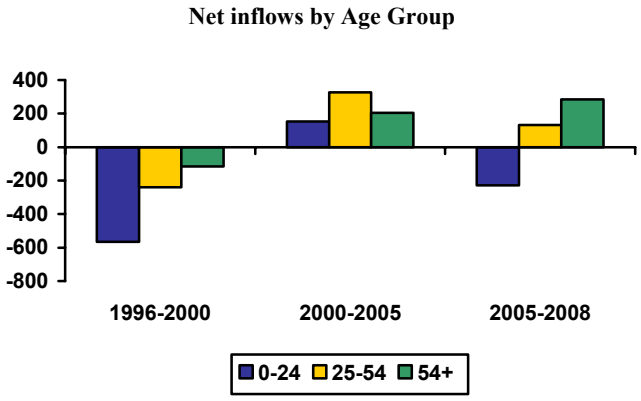
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	40,569	116,351
Commercial	31,072	87,459
Rural	145,804	176,604

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.1%	34.0%	33.3%	32.6%
25 - 54	41.7%	41.7%	40.1%	38.8%
55+	22.2%	24.4%	26.6%	28.7%
Net Inflow of Migrants (average between years)				
0 - 24		-566	153	-229
25 - 54		-241	327	131
55+		-116	205	285
Average Age	36.4	37.5	39.1	40.0

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	59.8	55
Share of population under 55	73.5	43
Aged migration	4.3	28
Population growth rate, 55+	2.4	43
Demographic stress	-2.0	52
Dominant locations	90.9	22
Family / Youth migration	0.2	44
Fertility bounce, 1996-2005	-0.3	51
Fertility, babies % pop, 2005	1.2	40
Sustainability score	49.4	52
Working elderly	21.9	53

Local Government Level		Score	Rank
Most Sustainable	West Tamar (M)	60.8	221
Least Sustainable	Flinders (M)	30.2	524

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	815	829	671	882	1,046	1,395	818	811	840	573	856
Rank	33	24	32	29	37	16	19	13	11	44	10

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	67	81	100	110	90	23%
Non Residential	54	53	75	87	100	66%
Total	121	134	176	197	189	40%
Value per capita $2003/04						
Residential	505	602	728	790	643	20%
Non Residential	405	390	546	625	713	61%
Total	910	993	1,274	1,414	1,356	36%
Rank (value per capita)						
Residential	60	58	57	57	60	
Non Residential	60	58	47	41	35	
Total	62	59	58	56	57	

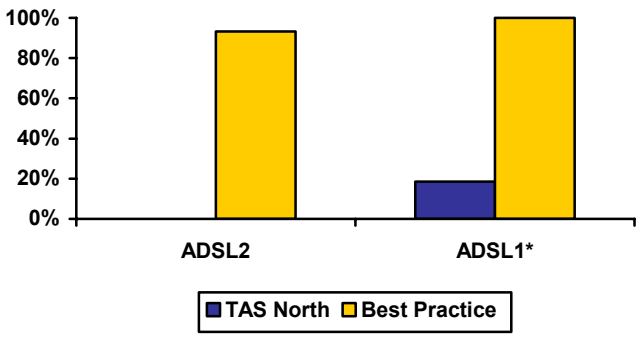
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	2.2%	97.8%	0.0%	3.8%	0.0%	96.2%
Population	14.5%	85.5%	0.0%	18.5%	0.0%	81.5%
Children	15.8%	84.2%	0.0%	19.7%	0.0%	80.3%

	2005	2006
Average Speed Available (kilobit bit per second)	265	324
% Rank #1	18%	2%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	George Town (M)	1,062	70.8%	George Town (M)	1,129	6.3%
Lowest Ranked LGA	Break O'Day (M)	56	3.7%	Dorset (M)	56	0.3%

ADSL Population Coverage



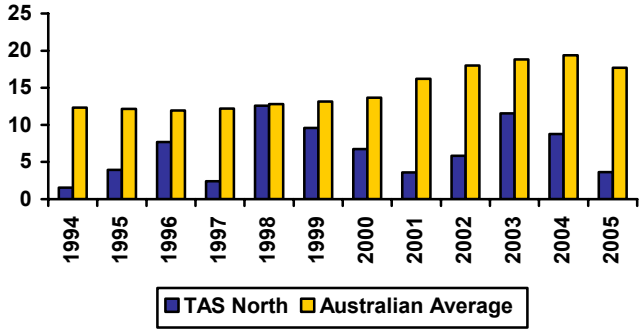
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	8.71	44.59	50
Average p.a. per capita	6.49	14.86	49
Hi Tech p.a. (1994-2005)	1.29	11.73	48
Hi Tech p.a. per capita	0.96	3.89	46
Info. Tech p.a. (1994-2005)	0.08	4.39	59
Info. Tech p.a. per capita	0.06	1.44	59
Average per capita (1994-2000)	6.36	12.61	40
Average per capita (2000-2005)	6.68	18.01	54
2000-05 avg./1994-00 avg.	1.05	1.43	59

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	6
High Tech Startups	101
New Startup Employment as % of workforce	1.0%
High Tech Startups per capita	0.0007
Rank	23

TAS North West

North West Tasmania comprises the urban strip along the Cradle Coast (Devonport to Ulverstone, Burnie and Wynyard, with Stanley and Smithton beyond) plus the hinterland of this strip including the West Coast. The coastal North West is dairy farming country, while further inland plantation forestry is in conflict with the conservation of native forest and so with the tourist industry. The West Coast has a history of more than a century of mining, but tourism now overshadows mining as its economic base. Extensive tree plantations were originally started to support a paper industry, but the two industries have become disconnected and much of the product of the plantations is exported as woodchips.

Major centres:

Burnie, Devonport

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	107	106	107	108	108	108	-0.4%	0.8%	0.5%	0.1%	0.3%	0.3%	0.2%
No Households	43	43	43	44	44	45	0.6%	0.8%	1.1%	1.3%	1.1%	0.8%	1.2%
NIEIR Workforce	50	49	50	51	52	53	-1.8%	1.8%	2.2%	1.0%	2.7%	0.7%	1.8%
NIEIR Employment	42	41	42	44	45	46	-1.7%	2.5%	4.3%	2.8%	2.6%	1.7%	2.7%
NIEIR Unemployment	8.6	8.4	8.3	7.6	6.9	7.1	-2.3%	-1.9%	-8.2%	-9.4%	3.6%	-4.2%	-3.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	17.2%	17.1%	16.5%	14.8%	13.3%	13.4%	-0.1	-0.6	-1.7	-1.5	0.1	-0.8	-0.7
Headline U/E	10.7%	9.9%	9.9%	8.4%	6.9%	6.9%	-0.8	-0.1	-1.5	-1.4	0.0	-0.8	-0.7
NIEIR Structural U/E	22.1%	22.5%	22.7%	21.3%	20.3%	19.5%	0.4	0.2	-1.4	-1.0	-0.9	-0.3	-0.9

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	1,148	1,166	1,258	1,300	1,428	1,496	10,745	10,960	11,733	12,063	13,241	13,823	4.2%	7.3%
Taxes Paid	353	388	390	425	456	468	3,301	3,648	3,635	3,942	4,227	4,327	6.4%	5.0%
Benefits	524	509	509	558	561	552	4,902	4,787	4,753	5,183	5,201	5,104	2.2%	-0.5%
Business Income	368	462	398	428	411	387	3,448	4,340	3,715	3,970	3,814	3,575	5.1%	-4.9%
Interest Paid	150	126	142	172	198	224	1,403	1,183	1,327	1,595	1,835	2,065	4.7%	14.1%
Net Property income	304	267	269	295	326	361	2,847	2,509	2,512	2,737	3,019	3,338	-1.0%	10.7%
Business Value Added	1,516	1,628	1,656	1,728	1,840	1,883	14,193	15,301	15,449	16,033	17,055	17,398	4.4%	4.4%
Rank							57	58	59	57	57	58		
% Rank #1							43%	45%	45%	45%	47%	45%		
Net Disposable Income	1,994	2,102	2,098	2,237	2,321	2,397	18,663	19,759	19,571	20,759	21,515	22,150	3.9%	3.5%
Rank							58	55	57	52	53	51		
% Rank #1							48%	52%	51%	52%	52%	50%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	36.1	1,542.8	2.3%
Commercial	3.3	162.7	2.1%
Rural	10.2	248.8	4.1%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			49.6
Rates to Business Value %	2.6%	0.0%	2.7%

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	1.27	3.16
Average rate in cents value	1.51	0.79

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	59.6%	75.0%
Commercial	5.8%	7.2%
Rural	34.6%	17.8%

BABY BOUNCE

	Per cent	Rank
1996	0.01%	37
2001	1.31%	29
2002	1.24%	29
2003	1.16%	46
2004	1.18%	45
2005	1.20%	37
Bounce 2003-04	0.02%	28
Actual Change 2003-04 (Number)	32	37
Bounce 2004-05	0.02%	19
Actual Change 2004-05 (Number)	22	30

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.15%	0.08%
Disability Support (aged 20-24)	0.24%	0.14%
Disability Support (aged 25+)	5.33%	3.20%
Mature Age Allowance	0.12%	0.06%
Parenting Payment - Single (aged 15-19)	0.06%	0.04%
Parenting Payment - Single (aged 20-24)	0.29%	0.22%
Parenting Payment - Single (aged 25+)	2.28%	1.82%
Unemployed Long Term	2.39%	1.28%
Unemployed Short Term	1.06%	0.85%
Youth Allowance - Non Student	0.65%	0.37%
Youth Allowance - Student	1.36%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	26.3%	4
2002	24.2%	4
2003	24.3%	5
2004	25.0%	5
2005	24.2%	5
2006	23.0%	6

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.4	4.0	16.8	155.3
Rank	50	43	44	19

[1] *Annual Increase in LGA Resource Shortfall*

[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

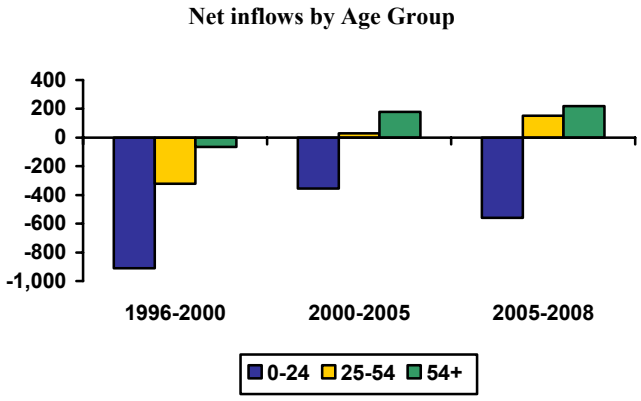
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	48,540	116,940
Commercial	44,658	107,252
Rural	181,768	178,990

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	36.4%	34.0%	32.9%	31.6%
25 - 54	42.5%	41.6%	39.8%	38.8%
55+	21.2%	24.4%	27.3%	29.7%
Net Inflow of Migrants (average between years)				
0 - 24		-911	-356	-560
25 - 54		-321	29	153
55+		-65	179	218
Average Age	36.0	37.6	39.4	40.5

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	31.4	64
Share of population under 55	72.7	50
Aged migration	4.0	38
Population growth rate, 55+	2.6	37
Demographic stress	-19.6	62
Dominant locations	72.2	37
Family / Youth migration	-2.6	63
Fertility bounce, 1996-2005	-0.2	29
Fertility, babies % pop, 2005	1.2	37
Sustainability score	36.7	64
Working elderly	21.3	55

Local Government Level		Score	Rank
Most Sustainable	Latrobe (M)	58.3	247
Least Sustainable	West Coast (M)	14.5	626

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,316	1,438	1,082	1,322	1,571	2,024	1,203	1,255	1,297	915	1,273
Rank	9	3	10	16	14	2	3	4	4	15	4

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	45	50	70	86	71	51%
Non Residential	41	35	50	59	65	67%
Total	86	85	121	145	135	58%
Value per capita $2003/04						
Residential	412	466	653	792	653	50%
Non Residential	376	323	465	546	598	66%
Total	789	789	1,118	1,338	1,251	57%
Rank (value per capita)						
Residential	63	62	60	56	59	
Non Residential	62	63	55	51	49	
Total	64	62	60	57	58	

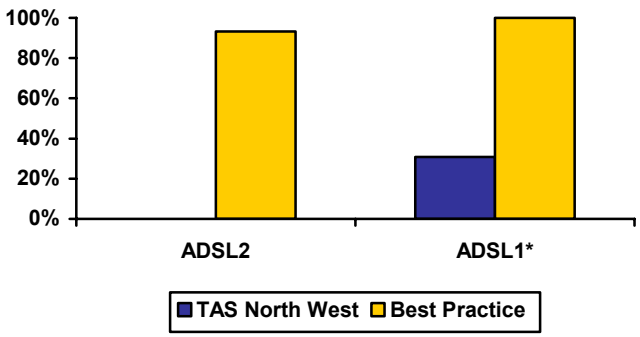
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	1.5%	98.5%	0.0%	1.6%	0.0%	98.4%
Population	30.9%	69.1%	0.0%	30.8%	0.0%	69.2%
Children	31.2%	68.8%	0.0%	31.0%	0.0%	69.0%

	2005	2006
Average Speed Available (kilobit bit per second)	502	500
% Rank #1	33%	3%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Burnie (C)	1,304	87.0%	Burnie (C)	1,386	7.7%
Lowest Ranked LGA	Central Coast (M)	56	3.7%	Central Coast (M)	56	0.3%

ADSL Population Coverage



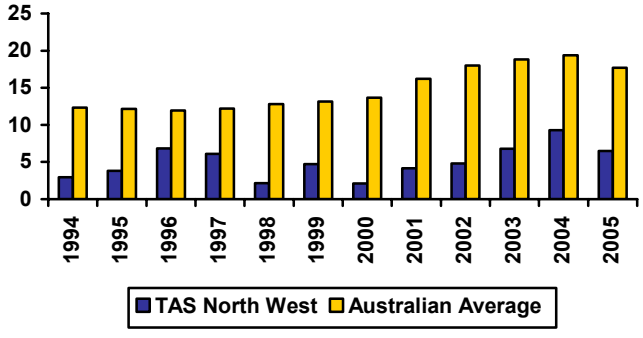
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	5.43	44.59	57
Average p.a. per capita	5.01	14.86	57
Hi Tech p.a. (1994-2005)	0.50	11.73	57
Hi Tech p.a. per capita	0.46	3.89	60
Info. Tech p.a. (1994-2005)	0.00	4.39	61
Info. Tech p.a. per capita	0.00	1.44	61
Average per capita (1994-2000)	4.09	12.61	59
Average per capita (2000-2005)	6.31	18.01	55
2000-05 avg./1994-00 avg.	1.54	1.43	19

Note: Per capita = 100,000 people

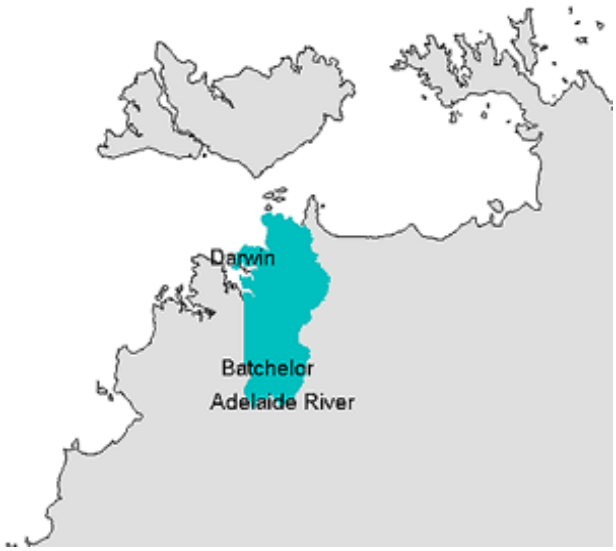
Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	5
High Tech Startups	72
New Startup Employment as % of workforce	0.7%
High Tech Startups per capita	0.0007
Rank	31

Darwin



As the smallest of the capitals (though growing faster than the rest), Darwin comprises a single region which includes the CBD, all the suburbs and virtually all of the commuter and hobby farm belt. Darwin's economic base includes the provision of urban functions for the Top End and government functions for the whole of the NT. Tourism is important, and defence very important. Darwin is also the service port for offshore oil and gas fields, and expects to gain gas-processing industries. It is yet to be seen whether the rail connection from the south will increase activity in the port.

Major centres:

Darwin

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	107	108	109	110	112	115	0.8%	0.3%	1.1%	1.9%	2.4%	0.7%	2.2%
No Households	40	40	41	41	42	42	0.7%	0.7%	1.0%	1.5%	1.5%	0.8%	1.5%
NIEIR Workforce	68	67	67	70	69	72	-1.9%	0.1%	5.2%	-2.0%	4.4%	1.1%	1.2%
NIEIR Employment	64	63	64	67	66	69	-1.2%	0.7%	5.3%	-2.0%	4.8%	1.5%	1.3%
NIEIR Unemployment	4.0	3.4	3.1	3.2	3.2	3.1	-13.1%	-9.4%	3.6%	-1.3%	-3.7%	-6.6%	-2.5%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	5.8%	5.2%	4.7%	4.6%	4.6%	4.3%	-0.7	-0.5	-0.1	0.0	-0.4	-0.4	-0.2
Headline U/E	3.7%	4.0%	3.5%	3.6%	3.6%	3.2%	0.4	-0.5	0.1	0.0	-0.4	0.0	-0.2
NIEIR Structural U/E	11.6%	11.9%	11.9%	11.1%	11.2%	10.6%	0.2	0.0	-0.8	0.1	-0.6	-0.2	-0.2

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	2,352	2,282	2,315	2,504	2,662	2,774	21,883	21,057	21,300	22,803	23,788	24,199	2.1%	5.2%
Taxes Paid	641	634	658	748	812	832	5,967	5,846	6,057	6,815	7,255	7,256	5.3%	5.4%
Benefits	201	207	199	200	234	295	1,870	1,909	1,832	1,817	2,090	2,569	-0.2%	21.5%
Business Income	351	352	379	428	445	432	3,268	3,247	3,492	3,898	3,980	3,772	6.8%	0.5%
Interest Paid	156	144	170	213	251	286	1,450	1,325	1,568	1,941	2,239	2,497	11.0%	15.9%
Net Property income	440	406	406	493	550	620	4,093	3,742	3,739	4,493	4,920	5,408	3.9%	12.1%
Business Value Added	2,703	2,634	2,694	2,932	3,107	3,206	25,151	24,303	24,792	26,701	27,768	27,972	2.8%	4.6%
Rank							7	12	10	7	6	9		
% Rank #1							76%	71%	72%	75%	76%	73%		
Net Disposable Income	2,968	2,821	2,797	3,089	3,315	3,514	27,614	26,029	25,734	28,126	29,624	30,657	1.3%	6.7%
Rank							12	16	12	10	9	8		
% Rank #1							71%	69%	67%	70%	71%	69%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	0.0	0.0	0.0%
Commercial	0.0	0.0	0.0%
Rural	0.0	0.0	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			0.0
Rates to Business Value %			

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.00	0.00
Average rate in cents value		

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	82.7%	84.7%
Commercial	10.5%	11.4%
Rural	6.8%	3.9%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	3
2001	1.69%	5
2002	1.58%	3
2003	1.66%	2
2004	1.65%	4
2005	1.53%	5
Bounce 2003-04	-0.01%	51
Actual Change 2003-04 (Number)	4	47
Bounce 2004-05	-0.12%	63
Actual Change 2004-05 (Number)	-101	60

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.07%	0.08%
Disability Support (aged 20-24)	0.14%	0.14%
Disability Support (aged 25+)	2.73%	3.20%
Mature Age Allowance	0.05%	0.06%
Parenting Payment - Single (aged 15-19)	0.12%	0.04%
Parenting Payment - Single (aged 20-24)	0.36%	0.22%
Parenting Payment - Single (aged 25+)	2.18%	1.82%
Unemployed Long Term	2.16%	1.28%
Unemployed Short Term	1.11%	0.85%
Youth Allowance - Non Student	0.63%	0.37%
Youth Allowance - Student	0.60%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	6.8%	64
2002	7.3%	64
2003	7.1%	64
2004	6.5%	64
2005	7.1%	64
2006	8.4%	60

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.0	0.0	0.0	0.0
Rank	61	61	60	60

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

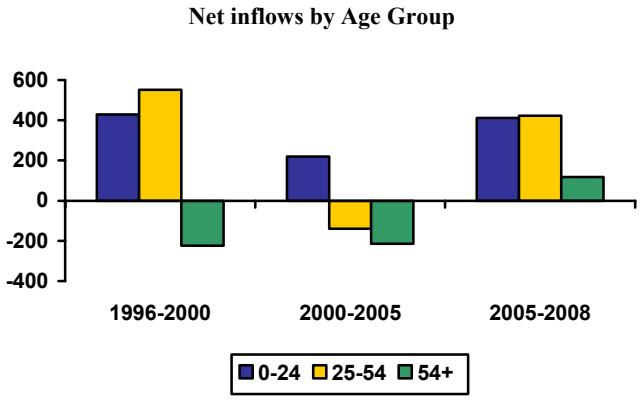
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	256,041	315,043
Commercial	128,668	138,418
Rural	140,875	320,513

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	40.0%	38.2%	37.2%	36.3%
25 - 54	51.3%	50.5%	48.6%	47.1%
55+	8.7%	11.4%	14.2%	16.5%
Net Inflow of Migrants (average between years)				
0 - 24		430	220	411
25 - 54		553	-140	423
55+		-225	-215	118
Average Age	31.4	32.2	33.4	34.2

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	74.4	45
Share of population under 55	85.8	3
Aged migration	3.1	60
Population growth rate, 55+	7.3	2
Demographic stress	25.5	13
Dominant locations	89.6	23
Family / Youth migration	5.6	5
Fertility bounce, 1996-2005	-0.5	64
Fertility, babies % pop, 2005	1.5	5
Sustainability score	60.8	32
Working elderly	35.8	3

Local Government Level		Score	Rank
Most Sustainable	Palmerston (C)	86.3	2
Least Sustainable	Coomalie (CGC)	35.6	465

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	1,447	2,262	1,866	2,267	3,654	1,942	1,295	1,397	1,628	1,124	1,515
Rank	7	1	2	3	2	3	1	1	2	5	2

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	229	129	152	219	228	55%
Non Residential	170	112	130	169	187	44%
Total	398	240	282	388	414	50%
Value per capita $2003/04						
Residential	2,237	1,183	1,361	1,916	1,950	47%
Non Residential	1,676	1,031	1,162	1,475	1,598	37%
Total	3,914	2,214	2,523	3,392	3,549	42%
Rank (value per capita)						
Residential	3	32	33	8	6	
Non Residential	3	5	5	5	6	
Total	3	13	13	7	6	

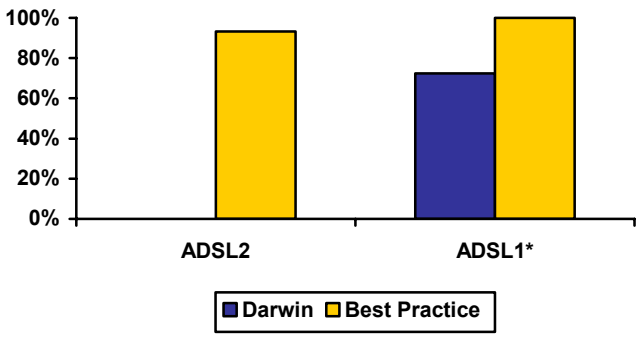
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	4.7%	95.3%	0.0%	6.3%	0.1%	93.6%
Population	66.4%	33.6%	0.0%	67.8%	4.7%	27.6%
Children	66.6%	33.4%	0.0%	68.0%	1.9%	30.1%

	2005	2006
Average Speed Available (kilobit bit per second)	1,015	1,102
% Rank #1	68%	7%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Darwin (C)	1,248	83.2%	Darwin (C)	1,351	7.5%
Lowest Ranked LGA	Coomalie (CGC)	56	3.7%	Coomalie (CGC)	56	0.3%

ADSL Population Coverage



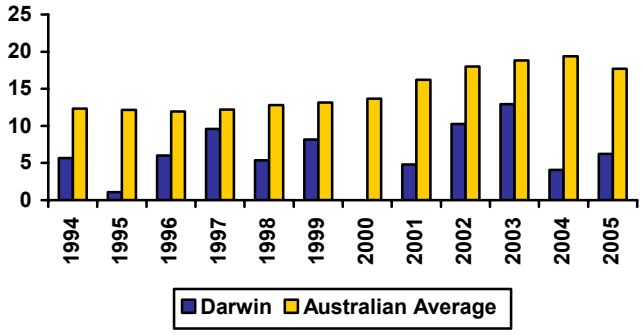
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	6.45	44.59	55
Average p.a. per capita	6.19	14.86	52
Hi Tech p.a. (1994-2005)	1.14	11.73	50
Hi Tech p.a. per capita	1.06	3.89	42
Info. Tech p.a. (1994-2005)	0.38	4.39	44
Info. Tech p.a. per capita	0.34	1.44	36
Average per capita (1994-2000)	5.13	12.61	52
Average per capita (2000-2005)	7.66	18.01	47
2000-05 avg./1994-00 avg.	1.49	1.43	21

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	6
Average Employment 2006	7
High Tech Startups	85
New Startup Employment as % of workforce	0.8%
High Tech Startups per capita	0.0007
Rank	21

NT Lingiari

Outside Darwin, the Northern Territory comprises conservation reserves and low-productivity pastoral country, with only small areas incorporated under fully-fledged local governments. Production statistics are dominated by offshore oil and gas and onshore minerals, but these do not yield much in employment or local income. In the two main towns, Katherine and Alice Springs, defence and tourism are important parts of the economic base. Outside the towns and mining settlements, the people are predominantly Aboriginal, and mostly live in communities which, due to lack of economic base, are heavily dependent on social security in its Community Development Employment Project form.

N.B Unemployment figures in remote regions can display excess variation.

Major centres:

Alice Springs, Katherine

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	90	90	90	90	91	92	0.0%	-0.4%	0.2%	1.0%	0.9%	-0.1%	0.9%
No Households	28	28	28	29	29	29	1.2%	1.2%	1.0%	1.0%	1.2%	1.1%	1.1%
NIEIR Workforce	31	37	37	31	31	32	16.9%	0.0%	-14.1%	-2.0%	5.1%	0.2%	1.5%
NIEIR Employment	27	33	33	27	26	27	21.0%	-0.4%	-16.4%	-3.0%	2.6%	0.3%	-0.3%
NIEIR Unemployment	4.2	3.8	4.0	4.2	4.4	5.2	-9.5%	4.2%	4.8%	4.8%	20.2%	-0.4%	12.2%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	13.5%	10.4%	10.8%	13.2%	14.2%	16.2%	-3.0	0.4	2.4	0.9	2.0	-0.1	1.5
Headline U/E	6.8%	8.1%	8.6%	8.8%	9.4%	9.2%	1.3	0.5	0.2	0.6	-0.2	0.7	0.2
NIEIR Structural U/E	32.6%	27.9%	30.5%	37.0%	38.4%	26.1%	-4.7	2.6	6.6	1.3	-12.3	1.5	-5.5

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	993	1,183	1,192	998	1,041	1,054	10,993	13,101	13,268	11,084	11,452	11,487	0.2%	2.8%
Taxes Paid	281	344	344	293	311	304	3,117	3,811	3,831	3,253	3,420	3,318	1.3%	2.0%
Benefits	305	314	327	368	352	281	3,381	3,481	3,634	4,084	3,875	3,063	6.4%	-12.6%
Business Income	233	311	243	243	230	211	2,583	3,445	2,699	2,698	2,526	2,298	1.4%	-6.9%
Interest Paid	84	73	83	100	117	131	928	812	919	1,109	1,285	1,429	6.0%	14.6%
Net Property income	185	193	207	165	180	197	2,050	2,135	2,298	1,836	1,978	2,152	-3.7%	9.3%
Business Value Added	1,226	1,494	1,435	1,241	1,271	1,264	13,576	16,546	15,967	13,783	13,978	13,785	0.4%	0.9%
Rank							60	56	57	63	63	64		
% Rank #1							41%	48%	46%	39%	38%	36%		
Net Disposable Income	1,536	1,778	1,716	1,551	1,560	1,494	17,011	19,700	19,093	17,229	17,164	16,293	0.3%	-1.8%
Rank							63	56	60	64	64	64		
% Rank #1							44%	52%	50%	43%	41%	36%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	0.0	0.0	0.0%
Commercial	0.0	0.0	0.0%
Rural	0.0	0.0	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			0.0
Rates to Business Value %			

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.00	0.00
Average rate in cents value		

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	82.7%	86.1%
Commercial	10.5%	11.1%
Rural	6.8%	2.8%

BABY BOUNCE

	Per cent	Rank
1996	0.02%	2
2001	2.06%	2
2002	1.51%	6
2003	2.06%	1
2004	2.09%	1
2005	1.91%	1
Bounce 2003-04	0.03%	20
Actual Change 2003-04 (Number)	31	38
Bounce 2004-05	-0.17%	64
Actual Change 2004-05 (Number)	-140	63

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.06%	0.08%
Disability Support (aged 20-24)	0.11%	0.14%
Disability Support (aged 25+)	2.57%	3.20%
Mature Age Allowance	0.06%	0.06%
Parenting Payment - Single (aged 15-19)	0.17%	0.04%
Parenting Payment - Single (aged 20-24)	0.49%	0.22%
Parenting Payment - Single (aged 25+)	2.09%	1.82%
Unemployed Long Term	4.99%	1.28%
Unemployed Short Term	1.32%	0.85%
Youth Allowance - Non Student	1.96%	0.37%
Youth Allowance - Student	0.31%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	19.9%	19
2002	17.7%	26
2003	19.0%	21
2004	23.7%	8
2005	22.6%	8
2006	18.8%	24

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.0	0.0	0.0	0.0
Rank	61	61	60	60

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

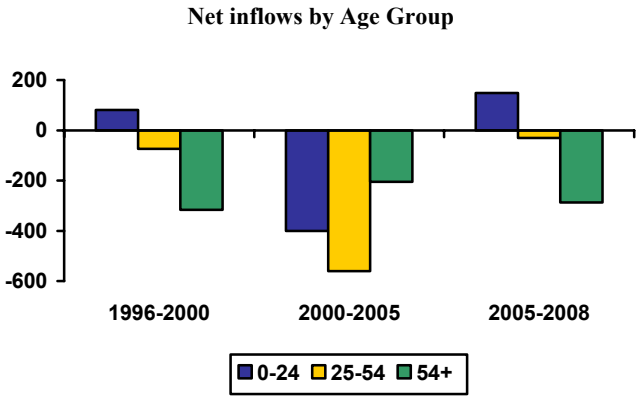
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	241,379	254,621
Commercial	100,580	106,053
Rural	80,952	245,570

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	47.3%	45.5%	44.0%	43.4%
25 - 54	45.0%	45.5%	44.9%	44.6%
55+	7.7%	9.1%	11.1%	12.1%
Net Inflow of Migrants (average between years)				
0 - 24		81	-401	149
25 - 54		-73	-561	-30
55+		-316	-205	-286
Average Age	28.9	30.0	30.3	30.8

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	84.7	32
Share of population under 55	88.9	2
Aged migration	2.6	64
Population growth rate, 55+	4.8	8
Demographic stress	5.6	43
Dominant locations	40.4	62
Family / Youth migration	1.7	30
Fertility bounce, 1996-2005	-0.1	18
Fertility, babies % pop, 2005	1.9	1
Sustainability score	62.8	26
Working elderly	32.5	8

Local Government Level		Score	Rank
Most Sustainable	Unincorporated NT	69.4	105
Least Sustainable	Jabiru (T)	31.5	508

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	713	1,037	846	1,032	2,057	1,533	835	750	1,102	549	1,022
Rank	41	15	20	21	7	11	16	16	5	48	8

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	92	50	50	60	72	21%
Non Residential	55	58	60	61	64	6%
Total	147	109	110	122	136	13%
Value per capita $2003/04						
Residential	1,047	557	547	655	768	18%
Non Residential	626	647	660	667	689	4%
Total	1,672	1,204	1,207	1,323	1,458	10%
Rank (value per capita)						
Residential	33	59	62	60	56	
Non Residential	30	19	31	36	38	
Total	33	55	59	58	55	

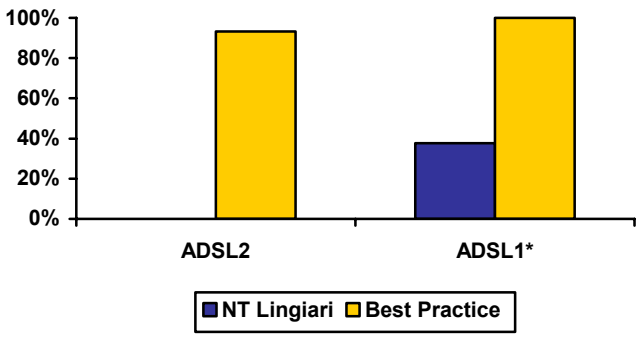
ADSL COVERAGE

	2005		2006		
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Population	37.7%	62.3%	0.0%	37.7%	0.0%	62.3%
Children	35.5%	64.5%	0.0%	35.5%	0.0%	64.5%

	2005	2006
Average Speed Available (kilobit bit per second)	600	604
% Rank #1	40%	4%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Jabiru (T)	1,500	100.0%	Jabiru (T)	1,500	8.3%
Lowest Ranked LGA	Unincorporated NT	56	3.7%	Unincorporated NT	63	0.3%

ADSL Population Coverage



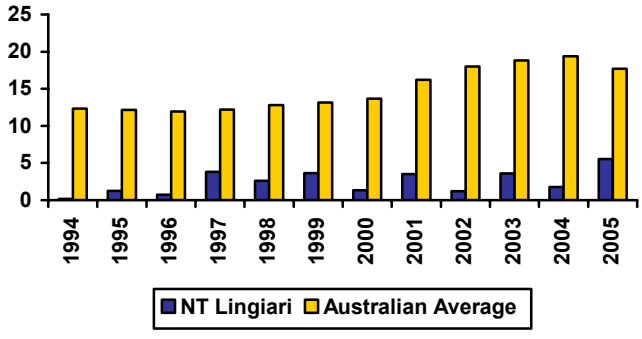
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	2.16	44.59	62
Average p.a. per capita	2.43	14.86	64
Hi Tech p.a. (1994-2005)	0.24	11.73	61
Hi Tech p.a. per capita	0.27	3.89	61
Info. Tech p.a. (1994-2005)	0.22	4.39	49
Info. Tech p.a. per capita	0.24	1.44	44
Average per capita (1994-2000)	1.93	12.61	64
Average per capita (2000-2005)	3.12	18.01	62
2000-05 avg./1994-00 avg.	1.61	1.43	12

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	5
Average Employment 2006	5
High Tech Startups	48
New Startup Employment as % of workforce	0.8%
High Tech Startups per capita	0.0005
Rank	38

ACT

The boundaries of the ACT have been static since the delineation of the national capital territory early last century. The Canberra urban area extends beyond these limits, and its hobby farm and commuter zone extends even further out to include a significant part of SE NSW; however because of its late foundation, political separateness and situation in an area of relatively low population density Canberra has not become a regional capital. Its original raison d'etre, government administration, remains fundamental to its economic base. Virtually all the former farmland in the ACT is now urbanised, but the territory still includes significant forested water reserves.

Major centres:

Canberra

LABOUR FORCE

	Number ('000s)						Percentage Change					%p.a. growth	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
Population	319	322	323	324	325	328	0.7%	0.6%	0.2%	0.3%	0.8%	0.5%	0.6%
No Households	123	125	129	133	136	140	2.3%	2.8%	2.9%	2.8%	2.4%	2.7%	2.6%
NIEIR Workforce	178	176	181	180	182	184	-1.0%	2.5%	-0.5%	1.2%	1.2%	0.3%	1.2%
NIEIR Employment	165	165	169	169	172	175	-0.2%	2.9%	-0.4%	2.1%	1.7%	0.8%	1.9%
NIEIR Unemployment	13.0	11.7	11.2	10.9	9.5	8.7	-10.2%	-4.2%	-2.8%	-12.9%	-7.9%	-5.8%	-10.4%

UNEMPLOYMENT

	Percentage						Percentage Point Change					Average % Point Change pa	
	2001	2002	2003	2004	2005	2006	2001 to 2002	2002 to 2003	2003 to 2004	2004 to 2005	2005 to 2006	2001 -2004	2004 -2006
NIEIR Unemployment	7.3%	6.6%	6.2%	6.1%	5.2%	4.7%	-0.7	-0.4	-0.1	-0.8	-0.5	-0.4	-0.7
Headline U/E	4.8%	4.6%	4.3%	4.1%	3.7%	3.3%	-0.3	-0.3	-0.2	-0.4	-0.4	-0.3	-0.4
NIEIR Structural U/E	7.2%	7.3%	7.4%	7.2%	7.0%	6.7%	0.1	0.1	-0.1	-0.2	-0.4	0.0	-0.3

DISPOSABLE FUNDS & PRODUCTIVITY

	Level 2005 $m						Per Capita $						%p.a. Growth of Level	
	2001	2002	2003	2004	2005	2006	2001	2002	2003	2004	2005	2006	2001 -2004	2004 -2006
Wages/Salaries	8,562	8,747	8,975	9,443	9,940	10,078	26,813	27,206	27,756	29,134	30,570	30,739	3.3%	3.3%
Taxes Paid	2,265	2,235	2,384	2,481	2,609	2,669	7,092	6,951	7,372	7,654	8,025	8,141	3.1%	3.7%
Benefits	1,045	1,000	1,004	1,101	1,114	1,104	3,274	3,110	3,106	3,395	3,426	3,366	1.7%	0.1%
Business Income	775	847	944	969	974	1,018	2,427	2,634	2,920	2,990	2,994	3,105	7.7%	2.5%
Interest Paid	642	588	696	845	949	1,058	2,012	1,829	2,152	2,606	2,918	3,227	9.6%	11.9%
Net Property income	2,982	2,795	2,889	3,014	3,268	3,543	9,337	8,693	8,935	9,298	10,051	10,806	0.4%	8.4%
Business Value Added	9,337	9,594	9,920	10,412	10,914	11,096	29,240	29,839	30,676	32,124	33,564	33,844	3.7%	3.2%
Rank							4	4	3	3	3	3		
% Rank #1							89%	87%	89%	90%	92%	88%		
Net Disposable Income	11,703	11,826	12,342	12,784	13,201	13,741	36,651	36,783	38,169	39,442	40,598	41,910	3.0%	3.7%
Rank							3	3	2	2	3	3		
% Rank #1							94%	97%	99%	98%	98%	94%		

Note: All years stated above are fiscal year ending.

RATE REVENUE AND INCOME 2005

	Rate Revenue 2000 $m	Income 2004-2005 $m	Rates to Income %
Residential	0.0	13,178.2	0.0%
Commercial	0.0	971.8	0.0%
Rural	0.0	1.7	0.0%

RATE REVENUE 1991-2005

	1991	2001	2005
Rates Income $2005			0.0
Rates to Business Value %			

RATES AFFORDABILITY

	Land Value $	Capital Value $
Average Residential Value in years of non-farm HH disposable income	0.00	0.00
Average rate in cents value		

COMPOSITION OF PROPERTY VALUES

	Land Value $	Capital Value $
Residential	0.0%	
Commercial	0.0%	
Rural	0.0%	

BABY BOUNCE

	Per cent	Rank
1996	0.01%	35
2001	1.27%	42
2002	1.24%	31
2003	1.24%	29
2004	1.28%	23
2005	1.30%	23
Bounce 2003-04	0.04%	17
Actual Change 2003-04 (Number)	139	17
Bounce 2004-05	0.02%	22
Actual Change 2004-05 (Number)	72	20

SOCIAL SECURITY

	% Pop	Australian Average
Disability Support (aged 15-19)	0.05%	0.08%
Disability Support (aged 20-24)	0.10%	0.14%
Disability Support (aged 25+)	1.97%	3.20%
Mature Age Allowance	0.03%	0.06%
Parenting Payment - Single (aged 15-19)	0.02%	0.04%
Parenting Payment - Single (aged 20-24)	0.14%	0.22%
Parenting Payment - Single (aged 25+)	1.21%	1.82%
Unemployed Long Term	0.76%	1.28%
Unemployed Short Term	0.44%	0.85%
Youth Allowance - Non Student	0.21%	0.37%
Youth Allowance - Student	1.39%	1.32%

Cash Benefits Share of Disposable Income	Share	Rank
2001	8.9%	60
2002	8.5%	60
2003	8.1%	60
2004	8.6%	60
2005	8.4%	60
2006	8.0%	62

IMBALANCES OF DISCRETIONARY RESOURCES

	Increase[1]		Required[2]	
	2005 $m	2005 Per Cap $	2005 $m	2005 Per Cap $
Value	0.0	0.0	0.0	0.0
Rank	61	61	60	60

[1] *Annual Increase in LGA Resource Shortfall*
[2] *Resources required to bring Lagging LGA to Current Average Discretionary Resource Standards*

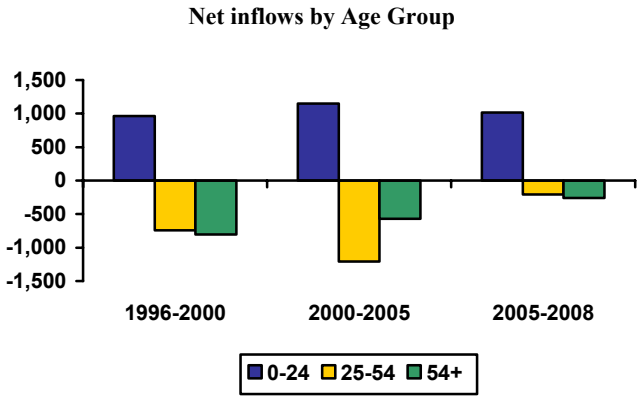
AVERAGE PROPERTY VALUE

	Land Value $	Capital Value $
Residential	158,837	342,395
Commercial	37,574	91,726
Rural	0	0

POPULATION AND MIGRATION

	1996	2001	2005	2008
Share of Population				
0 - 24	39.1%	36.5%	35.2%	33.4%
25 - 54	46.9%	46.4%	44.9%	44.6%
55+	14.0%	17.1%	20.0%	22.0%
Net Inflow of Migrants (average between years)				
0 - 24		963	1,151	1,016
25 - 54		-742	-1,208	-206
55+		-803	-572	-261
Average Age	33.6	35.1	36.4	37.4

Note: Migration is from other Regions as well as Overseas.



POPULATION SUSTAINABILITY

Sustainability measures	Value	Rank
% Years growing since 1995	100.0	3
Share of population under 55	80.0	9
Aged migration	5.6	9
Population growth rate, 55+	4.6	10
Demographic stress	2.1	48
Dominant locations	99.3	20
Family / Youth migration	3.6	13
Fertility bounce, 1996-2005	-0.1	20
Fertility, babies % pop, 2005	1.3	24
Sustainability score	64.7	21
Working elderly	32.5	7

Local Government Level		Score	Rank
Most Sustainable	Unincorporated ACT	64.7	166
Least Sustainable	Unincorporated ACT	64.7	166

RAINFALL

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rainfall (mm)	761	700	514	787	1,036	1,224	669	343	443	545	545
Rank	37	37	48	35	39	29	38	55	52	49	43

RESIDENTIAL AND NON-RESIDENTIAL BUILDING CONSTRUCTION

	1996 -2000	2001 -2004	2005	2006	2007	Average Growth 2001-04 to 2005-07
Value $m2003/04 per annum						
Residential	463	554	572	571	505	-1%
Non Residential	403	326	346	651	967	101%
Total	866	879	918	1,222	1,472	37%
Value per capita $2003/04						
Residential	1,488	1,717	1,759	1,744	1,527	-2%
Non Residential	1,297	1,011	1,064	1,986	2,929	97%
Total	2,785	2,727	2,823	3,730	4,456	35%
Rank (value per capita)						
Residential	12	10	13	14	20	
Non Residential	4	6	7	3	2	
Total	6	9	10	3	2	

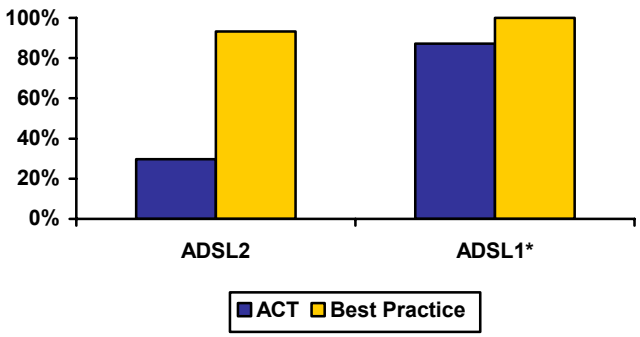
ADSL COVERAGE

	2005		2006			
	ADSL1	None/ Dialup	ADSL2 Fast	ADSL1	ADSL2 Extended	None/ Dialup
Area	18.4%	81.6%	3.4%	15.7%	2.5%	78.4%
Population	84.1%	15.9%	29.6%	54.5%	3.2%	12.7%
Children	85.1%	14.9%	30.4%	54.7%	3.2%	11.7%

	2005	2006
Average Speed Available (kilobit bit per second)	1,271	6,208
% Rank #1	85%	37%

	2005			2006		
	LGA	Speed (kBits/s)	% of Rank #1	LGA	Speed (kBits/s)	% of Rank #1
Highest Ranked LGA	Unincorporated ACT	1,271	84.7%	Unincorporated ACT	6,208	34.5%
Lowest Ranked LGA	Unincorporated ACT	1,271	84.7%	Unincorporated ACT	6,208	34.5%

ADSL Population Coverage



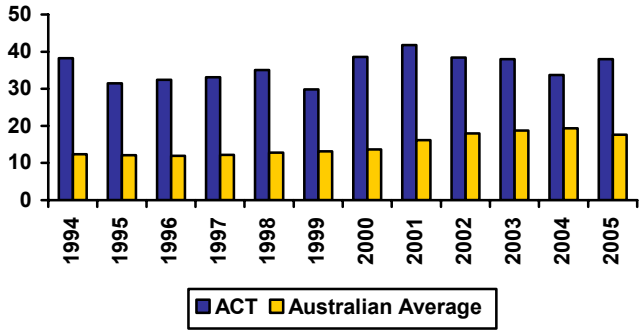
** This figure includes 1.5Mb ADSL1 and equivalent extended ADLS2 coverage*

PATENT APPLICATIONS

	No	Aust Avg	Rank
Average p.a. (1994-2005)	112.46	44.59	8
Average p.a. per capita	35.72	14.86	4
Hi Tech p.a. (1994-2005)	51.64	11.73	4
Hi Tech p.a. per capita	16.40	3.89	3
Info. Tech p.a. (1994-2005)	14.65	4.39	6
Info. Tech p.a. per capita	4.62	1.44	4
Average per capita (1994-2000)	34.11	12.61	3
Average per capita (2000-2005)	37.97	18.01	4
2000-05 avg./1994-00 avg.	1.11	1.43	54

Note: Per capita = 100,000 people

Patent Applications per 100,000 residents



INNOVATION STARTUPS

	No.
Average Employment 2001	11
Average Employment 2006	10
High Tech Startups	390
New Startup Employment as % of workforce	2.2%
High Tech Startups per capita	0.0012
Rank	10

APPENDIX 2

INDEX OF LOCALITIES AND REGION MEMBERSHIP

A2.1 Index of localities

Local Government Area	Region
Adelaide (C)	Adelaide Central
Adelaide Hills (DC)	Adelaide Outer
Albany (C)	WA Wheatbelt-Great Southern
Albury (C)	NSW Murray
Alexandrina (DC)	Adelaide Outer
Alice Springs (T)	NT Lingiari
Alpine (S)	VIC Ovens-Hume
Alpurrurulam (CGC)	NT Lingiari
Anangu Pitjantjatjara (AC)	SA Eyre and Yorke
Angurugu (CGC)	NT Lingiari
Anmatjere (CGC)	NT Lingiari
Aramac (S)	QLD Pastoral
Ararat (RC)	VIC Central Highlands
Arltarlpilta (CGC)	NT Lingiari
Armadale (C)	Perth Outer South
Armidale Dumaresq (A)	NSW North
Ashburton (S)	WA Pilbara-Kimberly
Ashfield (A)	Sydney Inner West
Atherton (S)	QLD Far North
Auburn (A)	Sydney Mid West
Augusta-Margaret River (S)	WA Peel-South West
Aurukun (S)	QLD Far North
Badu (IC)	QLD Far North
Ballarat (C)	VIC Central Highlands
Ballina (A)	NSW Richmond-Tweed
Balonne (S)	QLD Pastoral
Balranald (A)	NSW Murray
Bamaga (IC)	QLD Far North
anana (S)	QLD Fitzroy
Bankstown (C)	Sydney Mid West
Banyule (C)	Melbourne North
Barcaldine (S)	QLD Pastoral
Barcoo (S)	QLD Pastoral
Barossa (DC)	Adelaide Outer
Barunga West (DC)	SA Eyre and Yorke
Bass Coast (S)	VIC Gippsland
Bassendean (T)	Perth Outer North
Bathurst Regional (A)	NSW Central West
Bauhinia (S)	QLD Fitzroy
Baulkham Hills (A)	Sydney Outer North
Baw Baw (S)	VIC Gippsland
Bayside (C)	Melbourne South
Bayswater (C)	Perth Outer North
Beaudesert (S)	QLD Gold Coast
Bega Valley (A)	NSW South-East
Bellingen (A)	NSW Mid North Coast

Local Government Area	Region
Belmont (C)	Perth Central
Belyando (S)	QLD Mackay
Belyuen (CGC)	NT Lingiari
Benalla (RC)	VC Goulburn
Bendemere (S)	QLD Pastoral
Berri and Barmera (DC)	SA Murraylands
Berrigan (A)	NSW Murray
Beverley (S)	WA Wheatbelt-Great Southern
Biggenden (S)	QLD Wide Bay-Burnett
Binjari (CGC)	NT Lingiari
Blackall (S)	QLD Pastoral
Blacktown (C)	Sydney Mid West
Bland (A)	NSW Central West
Blayney (A)	NSW Central West
Blue Mountains (C)	Sydney Outer West
Boddington (S)	WA Peel-South West
Bogan (A)	NSW Far and North West
Boigu (IC)	QLD Far North
Bombala (A)	NSW South-East
Boonah (S)	QLD West Moreton
Booringa (S)	QLD Pastoral
Boorowa (A)	NSW South-East
Boroondara (C)	Melbourne East
Borroloola (CGC)	NT Lingiari
Botany Bay (C)	Global Sydney
Boulia (S)	QLD Pastoral
Bourke (A)	NSW Far and North West
Bowen (S)	QLD North
Boyup Brook (S)	WA Peel-South West
Break O'Day (M)	TAS North
Brewarrina (A)	NSW Far and North West
Bridgetown-Greenbushes (S)	WA Peel-South West
Brighton (M)	TAS Hobart-South
Brimbank (C)	Melbourne West
Brisbane (C)	Brisbane City
Broadsound (S)	QLD Mackay
Broken Hill (C)	NSW Far and North West
Brookton (S)	WA Wheatbelt-Great Southern
Broome (S)	WA Pilbara-Kimberly
Broomehill (S)	WA Wheatbelt-Great Southern
Bruce Rock (S)	WA Wheatbelt-Great Southern
Bulloo (S)	QLD Pastoral
Buloke (S)	VIC Mallee-Wimmera
Bunbury (C)	WA Peel-South West
Bundaberg (C)	QLD Wide Bay-Burnett
Bungil (S)	QLD Pastoral

Local Government Area	Region
Burdekin (S)	QLD North
Burke (S)	QLD North West
Burnett (S)	QLD Wide Bay-Burnett
Burnie (C)	TAS North West
Burnside (C)	Adelaide Central
Burwood (A)	Sydney Inner West
Busselton (S)	WA Peel-South West
Byron (A)	NSW Richmond-Tweed
Cabonne (A)	NSW Central West
Caboolture (S)	Brisbane North
Cairns (C)	QLD Far North
Calliope (S)	QLD Fitzroy
Caloundra (C)	QLD Sunshine Coast
Cambooya (S)	QLD Agricultural SW
Cambridge (T)	Perth Central
Camden (A)	Sydney Outer South West
Campaspe (S)	VC Goulburn
Campbelltown (C)	Adelaide Central
Campbelltown (C)	Sydney Outer South West
Canada Bay (A)	Sydney Inner West
Canning (C)	Perth Outer South
Canterbury (C)	Sydney Mid West
Capel (S)	WA Peel-South West
Cardinia (S)	Melbourne Westport
Cardwell (S)	QLD Far North
Carnamah (S)	WA Gascoyne-Goldfields
Carnarvon (S)	WA Gascoyne-Goldfields
Carpentaria (S)	QLD North West
Carrathool (A)	NSW Murrumbidgee
Casey (C)	Melbourne Westport
Ceduna (DC)	SA Eyre and Yorke
Central Coast (M)	TAS North West
Central Darling (A)	NSW Far and North West
Central Goldfields (S)	VIC Loddon
Central Highlands (M)	TAS Hobart-South
Cessnock (C)	NSW Hunter
Chapman Valley (S)	WA Gascoyne-Goldfields
Charles Sturt (C)	Adelaide Plains
Charters Towers (C)	QLD North
Cherbourg (S)	QLD Wide Bay-Burnett
Chinchilla (S)	QLD Agricultural SW
Chittering (S)	WA Wheatbelt-Great Southern
Circular Head (M)	TAS North West
Clare and Gilbert Valleys (DC)	SA Eyre and Yorke
Claremont (T)	Perth Central
Clarence (C)	TAS Hobart-South
Clarence Valley (A)	NSW Mid North Coast
Cleve (DC)	SA Eyre and Yorke
Clifton (S)	QLD Agricultural SW

Local Government Area	Region
Cloncurry (S)	QLD North West
Cobar (A)	NSW Far and North West
Cockburn (C)	Perth Outer South
Coffs Harbour (C)	NSW Mid North Coast
Colac-Otway (S)	VIC Barwon
Collie (S)	WA Peel-South West
Conargo (A)	NSW Murray
Coober Pedy (DC)	SA Eyre and Yorke
Cook (S)	QLD Far North
Coolamon (A)	NSW Murrumbidgee
Coolgardie (S)	WA Gascoyne-Goldfields
Cooloola (S)	QLD Wide Bay-Burnett
Coomalie (CGC)	Darwin
Cooma-Monaro (A)	NSW South-East
Coonamble (A)	NSW Far and North West
Coorow (S)	WA Gascoyne-Goldfields
Cootamundra (A)	NSW Murrumbidgee
Copper Coast (DC)	SA Eyre and Yorke
Corangamite (S)	VIC West
Corowa Shire (A)	NSW Murray
Corrigin (S)	WA Wheatbelt-Great Southern
Cottesloe (T)	Perth Central
Cowra (A)	NSW Central West
Cranbrook (S)	WA Wheatbelt-Great Southern
Crow's Nest (S)	QLD Agricultural SW
Croydon (S)	QLD Far North
Cuballing (S)	WA Wheatbelt-Great Southern
Cue (S)	WA Gascoyne-Goldfields
Cunderdin (S)	WA Wheatbelt-Great Southern
Daguragu (CGC)	NT Lingiari
Dalby (T)	QLD Agricultural SW
Dalrymple (S)	QLD North
Dalwallinu (S)	WA Wheatbelt-Great Southern
Dandaragan (S)	WA Wheatbelt-Great Southern
Dardanup (S)	WA Peel-South West
Darebin (C)	Melbourne North
Darwin (C)	Darwin
Dauan (IC)	QLD Far North
Deniliquin (A)	NSW Murray
Denmark (S)	WA Wheatbelt-Great Southern
Derby-West Kimberley (S)	WA Pilbara-Kimberly
Derwent Valley (M)	TAS Hobart-South
Devonport (C)	TAS North West
Diamantina (S)	QLD Pastoral
Donnybrook-Balingup (S)	WA Peel-South West
Doomadgee (S)	QLD North West
Dorset (M)	TAS North
Douglas (S)	QLD Far North
Dowerin (S)	WA Wheatbelt-Great Southern
Duaringa (S)	QLD Fitzroy

Local Government Area	Region
Dubbo (C)	NSW Far and North West
Dumbleyung (S)	WA Wheatbelt-Great Southern
Dundas (S)	WA Gascoyne-Goldfields
Dungog (A)	NSW Hunter
Eacham (S)	QLD Far North
East Fremantle (T)	Perth Central
East Gippsland (S)	VIC Gippsland
East Pilbara (S)	WA Pilbara-Kimberly
Eidsvold (S)	QLD Wide Bay-Burnett
Elliott District (CGC)	NT Lingiari
Elliston (DC)	SA Eyre and Yorke
Emerald (S)	QLD Fitzroy
Erub (IC)	QLD Far North
Esk (S)	QLD West Moreton
Esperance (S)	WA Gascoyne-Goldfields
Etheridge (S)	QLD Far North
Eurobodalla (A)	NSW South-East
Exmouth (S)	WA Gascoyne-Goldfields
Fairfield (C)	Sydney Mid West
Fitzroy (S)	QLD Fitzroy
Flinders (M)	TAS North
Flinders (S)	QLD North West
Flinders Ranges (DC)	SA Eyre and Yorke
Forbes (A)	NSW Central West
Franklin Harbour (DC)	SA Eyre and Yorke
Frankston (C)	Melbourne Westport
Fremantle (C)	Perth Central
Gannawarra (S)	VIC Mallee-Wimmera
Gatton (S)	QLD West Moreton
Gawler (T)	Adelaide Plains
Gayndah (S)	QLD Wide Bay-Burnett
George Town (M)	TAS North
Geraldton (C)	WA Gascoyne-Goldfields
Gilgandra (A)	NSW Far and North West
Gingin (S)	WA Wheatbelt-Great Southern
Gladstone (C)	QLD Fitzroy
Glamorgan/Spring Bay (M)	TAS Hobart-South
Glen Eira (C)	Melbourne South
Glen Innes Severn (A)	NSW North
Glenelg (S)	VIC West
Glenorchy (C)	TAS Hobart-South
Gloucester (A)	NSW Hunter
Gnowangerup (S)	WA Wheatbelt-Great Southern
Gold Coast (C)	QLD Gold Coast
Golden Plains (S)	VIC Barwon
Goomalling (S)	WA Wheatbelt-Great Southern
Goondiwindi (T)	QLD Agricultural SW
Gosford (C)	NSW Central Coast
Gosnells (C)	Perth Outer South

Local Government Area	Region
Goulburn Mulwaree (A)	NSW South-East
Goyder (DC)	SA Eyre and Yorke
Grant (DC)	SA South East
Great Lakes (A)	NSW Hunter
Greater Bendigo (C)	VIC Loddon
Greater Dandenong (C)	Melbourne Westport
Greater Geelong (C)	VIC Barwon
Greater Hume Shire (A)	NSW Murray
Greater Shepparton (C)	VC Goulburn
Greater Taree (C)	NSW Mid North Coast
Greenough (S)	WA Gascoyne-Goldfields
Griffith (C)	NSW Murrumbidgee
Gundagai (A)	NSW Murrumbidgee
Gunnedah (A)	NSW North
Guyra (A)	NSW North
Gwydir (A)	NSW North
Halls Creek (S)	WA Pilbara-Kimberly
Hammond (IC)	QLD Far North
Harden (A)	NSW South-East
Harvey (S)	WA Peel-South West
Hastings (A)	NSW Mid North Coast
Hawkesbury (C)	Sydney Outer West
Hay (A)	NSW Murrumbidgee
Hepburn (S)	VIC Central Highlands
Herberton (S)	QLD Far North
Hervey Bay (C)	QLD Wide Bay-Burnett
Hinchinbrook (S)	QLD North
Hindmarsh (S)	VIC Mallee-Wimmera
Hobart (C)	TAS Hobart-South
Hobsons Bay (C)	Melbourne West
Holdfast Bay (C)	Adelaide Central
Holroyd (C)	Sydney Mid West
Hope Vale (S)	QLD Far North
Hornsby (A)	Sydney Outer North
Horsham (RC)	VIC Mallee-Wimmera
Hume (C)	Melbourne North
Hunter's Hill (A)	Global Sydney
Huon Valley (M)	TAS Hobart-South
Hurstville (C)	Sydney South
Ilfracombe (S)	QLD Pastoral
Indigo (S)	VIC Ovens-Hume
Inglewood (S)	QLD Agricultural SW
Injinoo (S)	QLD Far North
Inverell (A)	NSW North
Ipswich (C)	QLD West Moreton
Irwin (S)	WA Gascoyne-Goldfields
Isis (S)	QLD Wide Bay-Burnett
Isisford (S)	QLD Pastoral
Jabiru (T)	NT Lingiari
Jericho (S)	QLD Fitzroy

Local Government Area	Region
Jerilderie (A)	NSW Murray
Jerramungup (S)	WA Wheatbelt-Great Southern
Jilkminggan (CGC)	NT Lingiari
Johnstone (S)	QLD Far North
Jondaryan (S)	QLD Agricultural SW
Joondalup (C)	Perth Outer North
Junee (A)	NSW Murrumbidgee
Kalamunda (S)	Perth Outer South
Kalgoorlie/Boulder (C)	WA Gascoyne-Goldfields
Kangaroo Island (DC)	SA Eyre and Yorke
Karoonda East Murray (DC)	SA Murraylands
Katanning (S)	WA Wheatbelt-Great Southern
Katherine (T)	NT Lingiari
Kellerberrin (S)	WA Wheatbelt-Great Southern
Kempsey (A)	NSW Mid North Coast
Kent (S)	WA Wheatbelt-Great Southern
Kentish (M)	TAS North West
Kiama (A)	NSW Illawarra
Kilcoy (S)	Brisbane North
Kilkivan (S)	QLD Wide Bay-Burnett
Kimba (DC)	SA Eyre and Yorke
King Island (M)	TAS North West
Kingaroy (S)	QLD Wide Bay-Burnett
Kingborough (M)	TAS Hobart-South
Kingston (C)	Melbourne South
Kingston (DC)	SA South East
Knox (C)	Melbourne East
Kogarah (A)	Sydney South
Kojonup (S)	WA Wheatbelt-Great Southern
Kolan (S)	QLD Wide Bay-Burnett
Kondinin (S)	WA Wheatbelt-Great Southern
Koorda (S)	WA Wheatbelt-Great Southern
Kowanyama (S)	QLD North West
Kubin (IC)	QLD Far North
Kulin (S)	WA Wheatbelt-Great Southern
Kunbarllanjnja (CGC)	NT Lingiari
Ku-ring-gai (A)	Sydney Outer North
Kwinana (T)	Perth Outer South
Kyogle (A)	NSW Richmond-Tweed
Lachlan (A)	NSW Central West
Laidley (S)	QLD West Moreton
Lajamanu (CGC)	NT Lingiari
Lake Grace (S)	WA Wheatbelt-Great Southern
Lake Macquarie (C)	NSW Hunter
Lane Cove (A)	Global Sydney
Latrobe (C)	VIC Gippsland
Latrobe (M)	TAS North West
Launceston (C)	TAS North
Laverton (S)	WA Gascoyne-Goldfields

Local Government Area	Region
Le Hunte (DC)	SA Eyre and Yorke
Leeton (A)	NSW Murrumbidgee
Leichhardt (A)	Sydney Inner West
Leonora (S)	WA Gascoyne-Goldfields
Light (RegC)	Adelaide Plains
Lismore (C)	NSW Richmond-Tweed
Litchfield (S)	Darwin
Lithgow (C)	NSW Central West
Liverpool (C)	Sydney Mid West
Liverpool Plains (A) part	NSW Hunter
Liverpool Plains (A) part	NSW North
Livingstone (S)	QLD Fitzroy
Lockhart (A)	NSW Murrumbidgee
Lockhart River (S)	QLD Far North
Loddon (S)	VIC Loddon
Logan (C)	QLD Gold Coast
Longreach (S)	QLD Pastoral
Lower Eyre Peninsula (DC)	SA Eyre and Yorke
Loxton Waikerie (DC)	SA Murraylands
Ltyentye Purte (CGC)	NT Lingiari
Mabuiag (IC)	QLD Far North
Macedon Ranges (S)	VIC Loddon
Mackay (C)	QLD Mackay
Maitland (C)	NSW Hunter
Mallala (DC)	Adelaide Plains
Mandurah (C)	WA Peel-South West
Manjimup (S)	WA Peel-South West
Manly (A)	Sydney Outer North
Manningham (C)	Melbourne East
Mansfield (S)	VC Goulburn
Mapoon (S)	QLD Far North
Maralinga Tjarutja (AC)	SA Eyre and Yorke
Mareeba (S)	QLD Far North
Maribyrnong (C)	Melbourne West
Marion (C)	Adelaide Central
Marngarr (CGC)	NT Lingiari
Maroochy (S)	QLD Sunshine Coast
Maroondah (C)	Melbourne East
Marrickville (A)	Sydney Mid West
Maryborough (C)	QLD Wide Bay-Burnett
Mataranka (CGC)	NT Lingiari
McKinlay (S)	QLD North West
Meander Valley (M)	TAS North
Meekatharra (S)	WA Gascoyne-Goldfields
Melbourne (C)	Melbourne Inner
Melton (S)	Melbourne West
Melville (C)	Perth Outer South
Menzies (S)	WA Gascoyne-Goldfields
Mer (IC)	QLD Far North

Local Government Area	Region
Merredin (S)	WA Wheatbelt-Great Southern
Mid Murray (DC)	SA Murraylands
Mid-Western Regional (A) part	NSW Central West
Mid-Western Regional (A) part	NSW Far and North West
Mid-Western Regional (A) part	NSW Hunter
Mildura (RC)	VIC Mallee-Wimmera
Millmerran (S)	QLD Agricultural SW
Mingenew (S)	WA Gascoyne-Goldfields
Mirani (S)	QLD Mackay
Miriam Vale (S)	QLD Wide Bay-Burnett
Mitcham (C)	Adelaide Central
Mitchell (S)	VC Goulburn
Moira (S)	VC Goulburn
Monash (C)	Melbourne East
Monto (S)	QLD Wide Bay-Burnett
Moonee Valley (C)	Melbourne West
Moora (S)	WA Wheatbelt-Great Southern
Moorabool (S)	VIC Central Highlands
Morawa (S)	WA Gascoyne-Goldfields
Moree Plains (A)	NSW North
Moreland (C)	Melbourne North
Mornington (S)	QLD North West
Mornington Peninsula (S)	Melbourne Westport
Mosman (A)	Global Sydney
Mosman Park (T)	Perth Central
Mount Alexander (S)	VIC Loddon
Mount Barker (DC)	Adelaide Outer
Mount Gambier (C)	SA South East
Mount Isa (C)	QLD North West
Mount Magnet (S)	WA Gascoyne-Goldfields
Mount Marshall (S)	WA Wheatbelt-Great Southern
Mount Morgan (S)	QLD Fitzroy
Mount Remarkable (DC)	SA Eyre and Yorke
Moyne (S)	VIC West
Mukinbudin (S)	WA Wheatbelt-Great Southern
Mullewa (S)	WA Gascoyne-Goldfields
Mundaring (S)	Perth Outer North
Mundubbera (S)	QLD Wide Bay-Burnett
Murchison (S)	WA Gascoyne-Goldfields
Murgon (S)	QLD Wide Bay-Burnett
Murilla (S)	QLD Agricultural SW
Murray (A)	NSW Murray
Murray (S)	WA Peel-South West
Murray Bridge (RC)	SA Murraylands
Murrindindi (S)	VC Goulburn
Murrumbidgee (A)	NSW Murrumbidgee
Murweh (S)	QLD Pastoral
Muswellbrook (A)	NSW Hunter

Local Government Area	Region
Nambucca (A)	NSW Mid North Coast
Nanango (S)	QLD Wide Bay-Burnett
Nannup (S)	WA Peel-South West
Napranum (S)	QLD Far North
Naracoorte and Lucindale (DC)	SA South East
Narembeen (S)	WA Wheatbelt-Great Southern
Narrabri (A)	NSW North
Narrandera (A)	NSW Murrumbidgee
Narrogin (S)	WA Wheatbelt-Great Southern
Narrogin (T)	WA Wheatbelt-Great Southern
Narromine (A)	NSW Far and North West
Nauiyu Nambiyu (CGC)	NT Lingiari
Nebo (S)	QLD Mackay
Nedlands (C)	Perth Central
New Mapoon (S)	QLD Far North
Newcastle (C)	NSW Hunter
Ngaanyatjarraku (S)	WA Gascoyne-Goldfields
Nillumbik (S)	Melbourne North
Noosa (S)	QLD Sunshine Coast
North Sydney (A)	Global Sydney
Northam (S)	WA Wheatbelt-Great Southern
Northam (T)	WA Wheatbelt-Great Southern
Northampton (S)	WA Gascoyne-Goldfields
Northern Areas (DC)	SA Eyre and Yorke
Northern Grampians (S)	VIC Mallee-Wimmera
Northern Midlands (M)	TAS North
Norwood Payneham St Peters (C)	Adelaide Central
Numbulwar Numburindi (CGC)	NT Lingiari
Nungarin (S)	WA Wheatbelt-Great Southern
Nyirranggulung Mardrulk Ngadberre (CGC)	NT Lingiari
Oberon (A)	NSW Central West
Onkaparinga (C)	Adelaide Outer
Orange (C)	NSW Central West
Orroroo/Carrieton (DC)	SA Eyre and Yorke
Palerang (A)	NSW South-East
Palm Island (S)	QLD North
Palmerston (C)	Darwin
Parkes (A)	NSW Central West
Paroo (S)	QLD Pastoral
Parramatta (C)	Sydney Mid West
Peak Downs (S)	QLD Fitzroy
Penrith (C)	Sydney Outer West
Peppermint Grove (S)	Perth Central
Perenjori (S)	WA Gascoyne-Goldfields
Perry (S)	QLD Wide Bay-Burnett
Perth (C)	Perth Central
Peterborough (DC)	SA Eyre and Yorke

Local Government Area	Region
Pine Creek (CGC)	NT Lingiari
Pine Rivers (S)	Brisbane North
Pingelly (S)	WA Wheatbelt-Great Southern
Pittsworth (S)	QLD Agricultural SW
Pittwater (A)	Sydney Outer North
Plantagenet (S)	WA Wheatbelt-Great Southern
Playford (C)	Adelaide Plains
Pormpuraaw (S)	QLD North West
Port Adelaide Enfield (C)	Adelaide Plains
Port Augusta (C)	SA Eyre and Yorke
Port Hedland (T)	WA Pilbara-Kimberly
Port Lincoln (C)	SA Eyre and Yorke
Port Phillip (C)	Melbourne Inner
Port Pirie City and Dists (M)	SA Eyre and Yorke
Port Stephens (A)	NSW Hunter
Poruma (IC)	QLD Far North
Prospect (C)	Adelaide Central
Pyrenees (S)	VIC Central Highlands
Quairading (S)	WA Wheatbelt-Great Southern
Queanbeyan (C)	NSW South-East
Queenscliffe (B)	VIC Barwon
Quilpie (S)	QLD Pastoral
Randwick (C)	Global Sydney
Ravensthorpe (S)	WA Gascoyne-Goldfields
Redcliffe (C)	Brisbane North
Redland (S)	QLD Gold Coast
Renmark Paringa (DC)	SA Murraylands
Richmond (S)	QLD North West
Richmond Valley (A) part	NSW Mid North Coast
Richmond Valley (A) part	NSW Richmond-Tweed
Robe (DC)	SA South East
Rockdale (C)	Sydney South
Rockhampton (C)	QLD Fitzroy
Rockingham (C)	Perth Outer South
Roebourne (S)	WA Pilbara-Kimberly
Roma (T)	QLD Pastoral
Rosalie (S)	QLD Agricultural SW
Roxby Downs (M)	SA Eyre and Yorke
Ryde (C)	Global Sydney
Saibai (IC)	QLD Far North
Salisbury (C)	Adelaide Plains
Sandstone (S)	WA Gascoyne-Goldfields
Sarina (S)	QLD Mackay
Seisia (IC)	QLD Far North
Serpentine-Jarrahdale (S)	WA Peel-South West
Shark Bay (S)	WA Gascoyne-Goldfields
Shellharbour (C)	NSW Illawarra
Shoalhaven (C)	NSW Illawarra
Singleton (A)	NSW Hunter

Local Government Area	Region
Snowy River (A)	NSW South-East
Sorell (M)	TAS Hobart-South
South Gippsland (S)	VIC Gippsland
South Perth (C)	Perth Central
Southern Grampians (S)	VIC West
Southern Mallee (DC)	SA Murraylands
Southern Midlands (M)	TAS Hobart-South
St Pauls (IC)	QLD Far North
Stanthorpe (S)	QLD Agricultural SW
Stirling (C)	Perth Central
Stonnington (C)	Melbourne Inner
Strathbogie (S)	VC Goulburn
Strathfield (A)	Sydney Inner West
Streaky Bay (DC)	SA Eyre and Yorke
Subiaco (C)	Perth Central
Surf Coast (S)	VIC Barwon
Sutherland Shire (A)	Sydney South
Swan (C)	Perth Outer North
Swan Hill (RC)	VIC Mallee-Wimmera
Sydney (C) part	Global Sydney
Sydney (C) part	Sydney Inner West
Tambellup (S)	WA Wheatbelt-Great Southern
Tambo (S)	QLD Pastoral
Tammin (S)	WA Wheatbelt-Great Southern
Tamworth Regional (A)	NSW North
Tapatjatjaka (CGC)	NT Lingiari
Tara (S)	QLD Agricultural SW
Taroom (S)	QLD Agricultural SW
Tasman (M)	TAS Hobart-South
Tatiara (DC)	SA South East
Tea Tree Gully (C)	Adelaide Outer
Temora (A)	NSW Murrumbidgee
Tennant Creek (T)	NT Lingiari
Tenterfield (A)	NSW North
Thamarrurr (CGC)	NT Lingiari
The Coorong (DC)	SA Murraylands
Three Springs (S)	WA Gascoyne-Goldfields
Thuringowa (C)	QLD North
Tiaro (S)	QLD Wide Bay-Burnett
Timber Creek (CGC)	NT Lingiari
Tiwi Islands (CGC)	NT Lingiari
Toodyay (S)	WA Wheatbelt-Great Southern
Toowoomba (C)	QLD Agricultural SW
Torres (S)	QLD Far North
Townsville (C)	QLD North
Towong (S)	VIC Ovens-Hume
Trayning (S)	WA Wheatbelt-Great Southern
Tumbarumba (A)	NSW Murray
Tumby Bay (DC)	SA Eyre and Yorke
Tumut Shire (A) part	NSW Murrumbidgee

Local Government Area	Region
Tumut Shire (A) part	NSW South-East
Tweed (A)	NSW Richmond-Tweed
Ugar (IC)	QLD Far North
Umagico (S)	QLD Far North
Unincorporated ACT	ACT
Unincorporated NSW	NSW Far and North West
Unincorporated NT	NT Lingiari
Unincorporated Qld	QLD North
Unincorporated SA	SA Eyre and Yorke
Unincorporated Vic	VIC Gippsland
Unley (C)	Adelaide Central
Upper Gascoyne (S)	WA Gascoyne-Goldfields
Upper Hunter Shire (A)	NSW Hunter
Upper Lachlan (A)	NSW South-East
Uralla (A)	NSW North
Urana (A)	NSW Murray
Victor Harbor (C)	Adelaide Outer
Victoria Park (T)	Perth Central
Victoria Plains (S)	WA Wheatbelt-Great Southern
Vincent (T)	Perth Central
Wagga Wagga (C)	NSW Murrumbidgee
Waggamba (S)	QLD Agricultural SW
Wagin (S)	WA Wheatbelt-Great Southern
Wakefield (DC)	SA Eyre and Yorke
Wakool (A)	NSW Murray
Walangeri Ngumpinku (CGC)	NT Lingiari
Walcha (A)	NSW North
Walgett (A)	NSW Far and North West
Walkerville (M)	Adelaide Central
Wallace Rockhole (CGC)	NT Lingiari
Wambo (S)	QLD Agricultural SW
Wandering (S)	WA Wheatbelt-Great Southern
Wangaratta (RC)	VIC Ovens-Hume
Wanneroo (C)	Perth Outer North
Waratah/Wynyard (M)	TAS North West
Waroona (S)	WA Peel-South West
Warraber (IC)	QLD Far North
Warren (A)	NSW Far and North West
Warringah (A)	Sydney Outer North
Warrnambool (C)	VIC West
Warroo (S)	QLD Pastoral
Warrumbungle Shire (A)	NSW Far and North West
Warwick (S)	QLD Agricultural SW
Watiyawanu (CGC)	NT Lingiari
Wattle Range (DC)	SA South East
Waverley (A)	Global Sydney
Weddin (A)	NSW Central West
Weipa (T)	QLD Far North
Wellington (A)	NSW Far and North West

Local Government Area	Region
Wellington (S)	VIC Gippsland
Wentworth (A)	NSW Murray
West Arthur (S)	WA Wheatbelt-Great Southern
West Coast (M)	TAS North West
West Tamar (M)	TAS North
West Torrens (C)	Adelaide Plains
West Wimmera (S)	VIC Mallee-Wimmera
Westonia (S)	WA Wheatbelt-Great Southern
Whitehorse (C)	Melbourne East
Whitsunday (S)	QLD Mackay
Whittlesea (C)	Melbourne North
Whyalla (C)	SA Eyre and Yorke
Wickepin (S)	WA Wheatbelt-Great Southern
Williams (S)	WA Wheatbelt-Great Southern
Willoughby (C)	Global Sydney
Wiluna (S)	WA Gascoyne-Goldfields
Wingecarribee (A)	NSW Illawarra
Winton (S)	QLD Pastoral
Wodonga (RC)	VIC Ovens-Hume
Wollondilly (A)	Sydney Outer South West
Wollongong (C)	NSW Illawarra
Wondai (S)	QLD Wide Bay-Burnett
Wongan-Ballidu (S)	WA Wheatbelt-Great Southern
Woocoo (S)	QLD Wide Bay-Burnett
Woodanilling (S)	WA Wheatbelt-Great Southern
Woollahra (A)	Global Sydney
Woorabinda (S)	QLD Fitzroy
Wujal Wujal (S)	QLD Far North
Wyalkatchem (S)	WA Wheatbelt-Great Southern
Wyndham (C)	Melbourne West
Wyndham-East Kimberley (S)	WA Pilbara-Kimberly
Wyong (A)	NSW Central Coast
Yalgoo (S)	WA Gascoyne-Goldfields
Yankalilla (DC)	Adelaide Outer
Yarra (C)	Melbourne Inner
Yarra Ranges (S)	Melbourne Westport
Yarrabah (S)	QLD Far North
Yarriambiack (S)	VIC Mallee-Wimmera
Yass Valley (A)	NSW South-East
Yilgarn (S)	WA Wheatbelt-Great Southern
York (S)	WA Wheatbelt-Great Southern
Yorke (IC)	QLD Far North
Yorke Peninsula (DC)	SA Eyre and Yorke
Young (A)	NSW South-East
Yuendumu (CGC)	NT Lingiari
Yugul Mangi (CGC)	NT Lingiari

A2.2 Index of region membership

Region	Local Government Area
ACT	Unincorporated ACT
Adelaide Central	Adelaide (C) Burnside (C) Campbelltown (C) Holdfast Bay (C) Marion (C) Mitcham (C) Norwood Payneham St Peters (C) Prospect (C) Unley (C) Walkerville (M)
Adelaide Outer	Adelaide Hills (DC) Alexandrina (DC) Barossa (DC) Mount Barker (DC) Onkaparinga (C) Tea Tree Gully (C) Victor Harbor (C) Yankalilla (DC)
Adelaide Plains	Charles Sturt (C) Gawler (T) Light (RegC) Mallala (DC) Playford (C) Port Adelaide Enfield (C) Salisbury (C) West Torrens (C)
Brisbane City	Brisbane (C)
Brisbane North	Caboolture (S) Kilcoy (S) Pine Rivers (S) Redcliffe (C)
Darwin	Coomalie (CGC) Darwin (C) Litchfield (S) Palmerston (C)
Global Sydney	Botany Bay (C) Hunter's Hill (A) Lane Cove (A) Mosman (A) North Sydney (A) Randwick (C) Ryde (C) Sydney (C) Waverley (A) Willoughby (C) Woollahra (A)
Melbourne East	Boroondara (C) Knox (C) Manningham (C) Maroondah (C) Monash (C) Whitehorse (C)
Melbourne Inner	Melbourne (C) Port Phillip (C) Stonnington (C) Yarra (C)
Melbourne North	Banyule (C) Darebin (C) Hume (C) Moreland (C) Nillumbik (S) Whittlesea (C)
Melbourne South	Bayside (C) Glen Eira (C) Kingston (C)
Melbourne West	Brimbank (C) Hobsons Bay (C) Maribyrnong (C) Melton (S) Moonee Valley (C) Wyndham (C)
Melbourne Westport	Cardinia (S) Casey (C) Frankston (C) Greater Dandenong (C) Mornington Peninsula (S) Yarra Ranges (S)
NSW Central Coast	Gosford (C) Wyong (A)
NSW Central West	Bathurst Regional (A) Bland (A) Blayney (A) Cabonne (A) Cowra (A) Forbes (A) Lachlan (A) Lithgow (C) Mid-Western Regional (A) Oberon (A) Orange (C) Parkes (A) Weddin (A)

Region	Local Government Area
NSW Far and North West	Bogan (A)
	Bourke (A)
	Brewarrina (A)
	Broken Hill (C)
	Central Darling (A)
	Cobar (A)
	Coonamble (A)
	Dubbo (C)
	Gilgandra (A)
	Mid-Western Regional (A)
	Narromine (A)
	Unincorporated NSW
	Walgett (A)
	Warren (A)
	Warrumbungle Shire (A)
	Wellington (A)
NSW Hunter	Cessnock (C)
	Dungog (A)
	Gloucester (A)
	Great Lakes (A)
	Lake Macquarie (C)
	Liverpool Plains (A)
	Maitland (C)
	Mid-Western Regional (A)
	Muswellbrook (A)
	Newcastle (C)
	Port Stephens (A)
	Singleton (A)
	Upper Hunter Shire (A)
NSW Illawarra	Kiama (A)
	Shellharbour (C)
	Shoalhaven (C)
	Wingecarribee (A)
	Wollongong (C)
NSW Mid North Coast	Bellingen (A)
	Clarence Valley (A)
	Coffs Harbour (C)
	Greater Taree (C)
	Hastings (A)
	Kempsey (A)
	Nambucca (A)
	Richmond Valley (A)
NSW Murray	Albury (C)
	Balranald (A)
	Berrigan (A)
	Conargo (A)
	Corowa Shire (A)
	Deniliquin (A)
	Greater Hume Shire (A)
	Jerilderie (A)

Region	Local Government Area
	Murray (A)
	Tumbarumba (A)
	Urana (A)
	Wakool (A)
	Wentworth (A)
NSW Murrumbidgee	Carrathool (A)
	Coolamon (A)
	Cootamundra (A)
	Griffith (C)
	Gundagai (A)
	Hay (A)
	Junee (A)
	Leeton (A)
	Lockhart (A)
	Murrumbidgee (A)
	Narrandera (A)
	Temora (A)
	Tumut Shire (A)
	Wagga Wagga (C)
NSW North	Armidale Dumaresq (A)
	Glen Innes Severn (A)
	Gunnedah (A)
	Guyra (A)
	Gwydir (A)
	Inverell (A)
	Liverpool Plains (A)
	Moree Plains (A)
	Narrabri (A)
	Tamworth Regional (A)
	Tenterfield (A)
	Uralla (A)
	Walcha (A)
NSW Richmond-Tweed	Ballina (A)
	Byron (A)
	Kyogle (A)
	Lismore (C)
	Richmond Valley (A)
	Tweed (A)
NSW South-East	Bega Valley (A)
	Bombala (A)
	Boorowa (A)
	Cooma-Monaro (A)
	Eurobodalla (A)
	Goulburn Mulwaree (A)
	Harden (A)
	Palerang (A)
	Queanbeyan (C)
	Snowy River (A)
	Tumut Shire (A)
	Upper Lachlan (A)

Region	Local Government Area
	Yass Valley (A)
	Young (A)
NT Lingiari	Alice Springs (T)
	Alpurrurulam (CGC)
	Angurugu (CGC)
	Anmatjere (CGC)
	Arltarlpilta (CGC)
	Belyuen (CGC)
	Binjari (CGC)
	Borroloola (CGC)
	Daguragu (CGC)
	Elliott District (CGC)
	Jabiru (T)
	Jilkminggan (CGC)
	Katherine (T)
	Kunbarllanjnja (CGC)
	Lajamanu (CGC)
	Ltyentye Purte (CGC)
	Marngarr (CGC)
	Mataranka (CGC)
	Nauiyu Nambiyu (CGC)
	Numbulwar Numburindi (CGC)
	Nyirranggulung Mardrulk Ngadberre (CGC)
	Pine Creek (CGC)
	Tapatjatjaka (CGC)
	Tennant Creek (T)
	Thamarrurr (CGC)
	Timber Creek (CGC)
	Tiwi Islands (CGC)
	Unincorporated NT
	Walangeri Ngumpinku (CGC)
	Wallace Rockhole (CGC)
	Watiyawanu (CGC)
	Yuendumu (CGC)
	Yugul Mangi (CGC)
Perth Central	Belmont (C)
	Cambridge (T)
	Claremont (T)
	Cottesloe (T)
	East Fremantle (T)
	Fremantle (C)
	Mosman Park (T)
	Nedlands (C)
	Peppermint Grove (S)
	Perth (C)
	South Perth (C)
	Stirling (C)
	Subiaco (C)
	Victoria Park (T)
	Vincent (T)
Perth Outer North	Bassendean (T)
	Bayswater (C)
	Joondalup (C)
	Mundaring (S)
	Swan (C)
	Wanneroo (C)
Perth Outer South	Armadale (C)
	Canning (C)
	Cockburn (C)
	Gosnells (C)
	Kalamunda (S)
	Kwinana (T)
	Melville (C)
	Rockingham (C)
QLD Agricultural SW	Cambooya (S)
	Chinchilla (S)
	Clifton (S)
	Crow's Nest (S)
	Dalby (T)
	Goondiwindi (T)
	Inglewood (S)
	Jondaryan (S)
	Millmerran (S)
	Murilla (S)
	Pittsworth (S)
	Rosalie (S)
	Stanthorpe (S)
	Tara (S)
	Taroom (S)
	Toowoomba (C)
	Waggamba (S)
	Wambo (S)
	Warwick (S)
QLD Far North	Atherton (S)
	Aurukun (S)
	Badu (IC)
	Bamaga (IC)
	Boigu (IC)
	Cairns (C)
	Cardwell (S)
	Cook (S)
	Croydon (S)
	Dauan (IC)
	Douglas (S)
	Eacham (S)
	Erub (IC)
	Etheridge (S)
	Hammond (IC)
	Herberton (S)

Region	Local Government Area
	Hope Vale (S)
	Injinoo (S)
	Johnstone (S)
	Kubin (IC)
	Lockhart River (S)
	Mabuiag (IC)
	Mapoon (S)
	Mareeba (S)
	Mer (IC)
	Napranum (S)
	New Mapoon (S)
	Poruma (IC)
	Saibai (IC)
	Seisia (IC)
	St Pauls (IC)
	Torres (S)
	Ugar (IC)
	Umagico (S)
	Warraber (IC)
	Weipa (T)
	Wujal Wujal (S)
	Yarrabah (S)
	Yorke (IC)
QLD Fitzroy	Banana (S)
	Bauhinia (S)
	Calliope (S)
	Duaringa (S)
	Emerald (S)
	Fitzroy (S)
	Gladstone (C)
	Jericho (S)
	Livingstone (S)
	Mount Morgan (S)
	Peak Downs (S)
	Rockhampton (C)
	Woorabinda (S)
QLD Gold Coast	Beaudesert (S)
	Gold Coast (C)
	Logan (C)
	Redland (S)
QLD Mackay	Belyando (S)
	Broadsound (S)
	Mackay (C)
	Mirani (S)
	Nebo (S)
	Sarina (S)
	Whitsunday (S)
QLD North	Bowen (S)
	Burdekin (S)
	Charters Towers (C)
	Dalrymple (S)
	Hinchinbrook (S)

Region	Local Government Area
	Palm Island (S)
	Thuringowa (C)
	Townsville (C)
	Unincorporated Qld
QLD North West	Burke (S)
	Carpentaria (S)
	Cloncurry (S)
	Doomadgee (S)
	Flinders (S)
	Kowanyama (S)
	McKinlay (S)
	Mornington (S)
	Mount Isa (C)
	Pormpuraaw (S)
	Richmond (S)
QLD Pastoral	Aramac (S)
	Balonne (S)
	Barcaldine (S)
	Barcoo (S)
	Bendemere (S)
	Blackall (S)
	Booringa (S)
	Boulia (S)
	Bulloo (S)
	Bungil (S)
	Diamantina (S)
	Ilfracombe (S)
	Isisford (S)
	Longreach (S)
	Murweh (S)
	Paroo (S)
	Quilpie (S)
	Roma (T)
	Tambo (S)
	Warroo (S)
	Winton (S)
QLD Sunshine Coast	Caloundra (C)
	Maroochy (S)
	Noosa (S)
QLD West Moreton	Boonah (S)
	Esk (S)
	Gatton (S)
	Ipswich (C)
	Laidley (S)
QLD Wide Bay-Burnett	Biggenden (S)
	Bundaberg (C)
	Burnett (S)
	Cherbourg (S)
	Cooloola (S)
	Eidsvold (S)
	Gayndah (S)
	Hervey Bay (C)
	Isis (S)
	Kilkivan (S)
	Kingaroy (S)

Region	Local Government Area
	Kolan (S)
	Maryborough (C)
	Miriam Vale (S)
	Monto (S)
	Mundubbera (S)
	Murgon (S)
	Nanango (S)
	Perry (S)
	Tiaro (S)
	Wondai (S)
	Woocoo (S)
SA Eyre and Yorke	Anangu Pitjantjatjara (AC)
	Barunga West (DC)
	Ceduna (DC)
	Clare and Gilbert Valleys (DC)
	Cleve (DC)
	Coober Pedy (DC)
	Copper Coast (DC)
	Elliston (DC)
	Flinders Ranges (DC)
	Franklin Harbour (DC)
	Goyder (DC)
	Kangaroo Island (DC)
	Kimba (DC)
	Le Hunte (DC)
	Lower Eyre Peninsula (DC)
	Maralinga Tjarutja (AC)
	Mount Remarkable (DC)
	Northern Areas (DC)
	Orroroo/Carrieton (DC)
	Peterborough (DC)
	Port Augusta (C)
	Port Lincoln (C)
	Port Pirie City and Dists (M)
	Roxby Downs (M)
	Streaky Bay (DC)
	Tumby Bay (DC)
	Unincorporated SA
	Wakefield (DC)
	Whyalla (C)
	Yorke Peninsula (DC)
SA Murraylands	Berri and Barmera (DC)
	Karoonda East Murray (DC)
	Loxton Waikerie (DC)
	Mid Murray (DC)
	Murray Bridge (RC)
	Renmark Paringa (DC)
	Southern Mallee (DC)
	The Coorong (DC)
SA South East	Grant (DC)
	Kingston (DC)
	Mount Gambier (C)
	Naracoorte and Lucindale (DC)
	Robe (DC)
	Tatiara (DC)
	Wattle Range (DC)
Sydney Inner West	Ashfield (A)
	Burwood (A)
	Canada Bay (A)
	Leichhardt (A)
	Strathfield (A)
	Sydney (C)
Sydney Mid West	Auburn (A)
	Bankstown (C)
	Blacktown (C)
	Canterbury (C)
	Fairfield (C)
	Holroyd (C)
	Liverpool (C)
	Marrickville (A)
	Parramatta (C)
Sydney Outer North	Baulkham Hills (A)
	Hornsby (A)
	Ku-ring-gai (A)
	Manly (A)
	Pittwater (A)
	Warringah (A)
Sydney Outer South West	Camden (A)
	Campbelltown (C)
	Wollondilly (A)
Sydney Outer West	Blue Mountains (C)
	Hawkesbury (C)
	Penrith (C)
Sydney South	Hurstville (C)
	Kogarah (A)
	Rockdale (C)
	Sutherland Shire (A)
TAS Hobart-South	Brighton (M)
	Central Highlands (M)
	Clarence (C)
	Derwent Valley (M)
	Glamorgan/Spring Bay (M)
	Glenorchy (C)
	Hobart (C)
	Huon Valley (M)
	Kingborough (M)
	Sorell (M)
	Southern Midlands (M)
	Tasman (M)
TAS North	Break O'Day (M)
	Dorset (M)
	Flinders (M)
	George Town (M)
	Launceston (C)
	Meander Valley (M)
	Northern Midlands (M)
	West Tamar (M)

Region	Local Government Area
TAS North West	Burnie (C)
	Central Coast (M)
	Circular Head (M)
	Devonport (C)
	Kentish (M)
	King Island (M)
	Latrobe (M)
	Waratah/Wynyard (M)
	West Coast (M)
VC Goulburn	Benalla (RC)
	Campaspe (S)
	Greater Shepparton (C)
	Mansfield (S)
	Mitchell (S)
	Moira (S)
	Murrindindi (S)
	Strathbogie (S)
VIC Barwon	Colac-Otway (S)
	Golden Plains (S)
	Greater Geelong (C)
	Queenscliffe (B)
	Surf Coast (S)
VIC Central Highlands	Ararat (RC)
	Ballarat (C)
	Hepburn (S)
	Moorabool (S)
	Pyrenees (S)
VIC Gippsland	Bass Coast (S)
	Baw Baw (S)
	East Gippsland (S)
	Latrobe (C)
	South Gippsland (S)
	Unincorporated Vic
	Wellington (S)
VIC Loddon	Central Goldfields (S)
	Greater Bendigo (C)
	Loddon (S)
	Macedon Ranges (S)
	Mount Alexander (S)
VIC Mallee-Wimmera	Buloke (S)
	Gannawarra (S)
	Hindmarsh (S)
	Horsham (RC)
	Mildura (RC)
	Northern Grampians (S)
	Swan Hill (RC)
	West Wimmera (S)
	Yarriambiack (S)
VIC Ovens-Hume	Alpine (S)
	Indigo (S)
	Towong (S)
	Wangaratta (RC)
	Wodonga (RC)
VIC West	Corangamite (S)
	Glenelg (S)
	Moyne (S)
	Southern Grampians (S)
	Warrnambool (C)
WA Gascoyne-Goldfields	Carnamah (S)
	Carnarvon (S)
	Chapman Valley (S)
	Coolgardie (S)
	Coorow (S)
	Cue (S)
	Dundas (S)
	Esperance (S)
	Exmouth (S)
	Geraldton (C)
	Greenough (S)
	Irwin (S)
	Kalgoorlie/Boulder (C)
	Laverton (S)
	Leonora (S)
	Meekatharra (S)
	Menzies (S)
	Mingenew (S)
	Morawa (S)
	Mount Magnet (S)
	Mullewa (S)
	Murchison (S)
	Ngaanyatjarraku (S)
	Northampton (S)
	Perenjori (S)
	Ravensthorpe (S)
	Sandstone (S)
	Shark Bay (S)
	Three Springs (S)
	Upper Gascoyne (S)
	Wiluna (S)
	Yalgoo (S)
WA Peel-South West	Augusta-Margaret River (S)
	Boddington (S)
	Boyup Brook (S)
	Bridgetown-Greenbushes (S)
	Bunbury (C)
	Busselton (S)
	Capel (S)
	Collie (S)
	Dardanup (S)
	Donnybrook-Balingup (S)
	Harvey (S)
	Mandurah (C)
	Manjimup (S)
	Murray (S)
	Nannup (S)
	Serpentine-Jarrahdale (S)
	Waroona (S)
WA Pilbara-Kimberly	Ashburton (S)
	Broome (S)
	Derby-West Kimberley (S)

Region	Local Government Area
	East Pilbara (S)
	Halls Creek (S)
	Port Hedland (T)
	Roebourne (S)
	Wyndham-East Kimberley (S)
WA Wheatbelt-Great Southern	
	Albany (C)
	Beverley (S)
	Brookton (S)
	Broomehill (S)
	Bruce Rock (S)
	Chittering (S)
	Corrigin (S)
	Cranbrook (S)
	Cuballing (S)
	Cunderdin (S)
	Dalwallinu (S)
	Dandaragan (S)
	Denmark (S)
	Dowerin (S)
	Dumbleyung (S)
	Gingin (S)
	Gnowangerup (S)
	Goomalling (S)
	Jerramungup (S)
	Katanning (S)
	Kellerberrin (S)
	Kent (S)
	Kojonup (S)
	Kondinin (S)
	Koorda (S)
	Kulin (S)
	Lake Grace (S)
	Merredin (S)
	Moora (S)
	Mount Marshall (S)
	Mukinbudin (S)
	Narembeen (S)
	Narrogin (S)
	Narrogin (T)
	Northam (S)
	Northam (T)
	Nungarin (S)
	Pingelly (S)
	Plantagenet (S)
	Quairading (S)
	Tambellup (S)
	Tammin (S)
	Toodyay (S)
	Trayning (S)
	Victoria Plains (S)
	Wagin (S)
	Wandering (S)
	West Arthur (S)
	Westonia (S)
	Wickepin (S)
	Williams (S)
	Wongan-Ballidu (S)
	Woodanilling (S)
	Wyalkatchem (S)
	Yilgarn (S)
	York (S)

A2.3 Regional classification

The regions resulting from these boundary changes can be included within the established classification as follows.

Core metropolitan regions

Global Sydney
Sydney Inner West
Melbourne Inner
Brisbane City
Adelaide Central
Perth Central
TAS Hobart-South
Darwin
ACT

Dispersed metropolitan regions

NSW Central Coast
Sydney Outer North
Sydney Outer South West
Sydney Outer West
Sydney South
Melbourne East
Melbourne South
Brisbane North
Adelaide Outer
Perth Outer North
Perth Outer South

Production zones

NSW Hunter
NSW Illawarra
Sydney Mid West
VIC Barwon
Melbourne North
Melbourne West
Melbourne Westport
QLD West Moreton
Adelaide Plains

Resource-based regions

QLD Pastoral
QLD Fitzroy
QLD North West
WA Pilbara-Kimberly
WA Gascoyne-Goldfields
WA Peel-South West
NT Lingiari

Lifestyle regions

NSW Mid North Coast
NSW Richmond-Tweed
NSW South-East
QLD Gold Coast
QLD Sunshine Coast

Rural based regions

NSW Central West
NSW Far and North West
NSW Murrumbidgee
NSW Murray
NSW North
VIC Gippsland
VIC Goulburn
VIC Loddon
VIC Mallee-Wimmera
VIC Ovens-Hume
VIC West
VIC Central Highlands
QLD Agricultural SW
QLD Far North
QLD Mackay
QLD North
QLD Wide Bay-Burnett
SA Eyre and Yorke
SA Murraylands
SA South East
WA Wheatbelt-Great Southern
TAS North West
TAS North

APPENDIX 3

INDICATOR EXPLANATIONS

Appendix 3: Indicator explanations

A3.1 Regional indicators

Population

Residential population by region for 1998 and 2001 are taken from the *ABS estimated resident population* (ERP) series. The 2005 population was derived from the household growth for 2004/2005 and constrained to 2005 state population growth. The 2005 household total was derived by increasing the 2004 household total by the number of dwelling approvals.

No Households

The number of Households per region uses the *ABS Census* for 1998 and 2001. From the 2001 benchmark, new residential building approvals data is used to grow the stock of houses in a region. This data is provided by the ABS and reported quarterly. If however, the new building approvals data is added to the stock in 2005 an over estimation will occur, due to the demolition of old houses. Therefore, National Economics uses estimated demolition rates to ensure no double counting occurs.

Workforce

Before 2005 the workforce is based on NIEIR's unemployment level plus employment based on the tax statistics. This is driven forward using a measure of the labour force adjusted for the movement of people from the workforce to Disability Support Pensions (DSP). The labour force estimates are produced by the *Department of Employment, Education and Training* (DEET). The information is contained in the *Small Area Labour Markets* publication that is produced quarterly. The labour force is defined as the yearly average level for 1998 and 2001 and 2005. The average DEET figure is added to the excess movement to disability support pensions. Excess movement is defined as any growth in excess of the rate of growth in the general population. It therefore assumes that there is a natural level of people (expressed as a per cent of the population) who need to access the DSP. The DSP data is ascertained from the Department of Social Security (Centrelink). The rationale for adding in people who move from unemployment benefits to disability support is to measure the real labour force. If a person is receiving unemployment benefits, they are counted as part of the labour force, however when people move from unemployment benefits to the DSP they are excluded. This impacts on the unemployment rate which is defined as the number of unemployed divided by the labour force.

Employment

Before 2005 this is based on the tax statistics adjusted to NIEIR definitions. This National Economics' measure of employment is the adjusted labour force as defined above, minus the estimated National Economics unemployment level. This means that since some unemployed people will be working a small number of hours, the NIEIR employment estimates exclude those employees who are on benefits while working a small number of hours.

Unemployment

This is a National Economics' measure derived from Centrelink data. It includes all people receiving Newstart allowance, Mature Age Allowance, excess growth in DSP (that is, at a level greater than population growth), youth allowance as a non-student and an estimate of students on youth allowance who are, for example, unemployed and undertaking compulsory training. This latter measure is based on demographic trends and microsimulation. This measure was discussed at length in *State of the Regions* 2005-06 Chapters 10 and 11.

Headline U/E

This is the unemployment rate produced by the *Department of Employment, Education and Training* (DEET). The information is contained in the *Small Area Labour Markets* publication. It contains estimates of employment, labour force participation, unemployment and the unemployment rate by Statistical Local Areas (SLAs). NIEIR does additional adjustments to the data to smooth the series. Hence, it is now designated the headline unemployment rate to denote that it is not exactly equal to the DEET series.

NIEIR Structural U/E

This is a measure of the level of long-term unemployed as a percentage of the population aged 18 to 65 years old. It includes all those classified as long-term unemployed, those receiving disability support pensions, 50 per cent of people from a non-English speaking background receiving Newstart allowance, 50 per cent of people receiving single parents benefits and all people receiving the mature age allowance. This measure excludes people on Newstart allowance short-term and anyone receiving youth allowance. It therefore assumes that none of the youth are structurally unemployed.

Disposable funds and productivity

Source: ATO Taxation Statistics, National Accounts Data

In the past SOR reports NIEIR used a net flow of funds concept. This has been changed to accord directly with the net household disposable income and business value added. All state totals are reconciled to the household accounts in the Australian Bureau of Statistics' "State Accounts".

The household disposable income indicator for each LGA is household disposable income from wages and salaries (including supplements, e.g. superannuation contributions) plus benefits and business income (adjusted to gross operating surplus basis consistent with the State Accounts) and interest and dividends received (including superannuation accrued earnings) and rent income less direct taxes, interest paid and depreciation expenses. The ABS 'other income' is treated as a balancing item. All data are in real dollars, which for this year are in 2004-05 prices.

To 2004 all data are derived from the postcode tax statistics. The data are estimated for 2004-05 and 2005-06 using the following methods.

Wages/salaries

The following dot points outline the calculation of the non-farm components of wages and salaries income.

- Recent growth in income from taxation records provides the trend in income per person that can be expected in each region. This measure is required due to the very large differences in wage growth at the regional level.

- Growth in employment at the local area level is combined with growth in income per employee and the base levels of income from Taxation Statistics to produce updates of income at the regional level.
- State and national account control totals are then used to balance wages and income growth.
- As with all information collected from taxation Statistics the data is converted from postcode definitions to ABS regions using the 2001 Postcode to Statistical Local Area concordance provide by the ABS.

Again this year we directly estimate farm income using rainfall data as a proxy for the impact of the drought on regional incomes. The change in rainfall from long-term average is used as a basis for allocating farm income on a regional basis. Farm income cannot be derived from declared taxable income from primary production due to problems of declaration and the transfer of losses between tax years. Instead, the NIEIR estimate is based on the most recent measure of gross agricultural output converted to a realised income measure consistent with national accounts. In this process differences between the relative income generating capacity of various agricultural activities are accounted for. By varying the incomes derived by our estimate of the impact of drought we obtain a reasonably accurate distribution of incomes for 2005.

Taxes paid

This total income tax paid is the net tax paid after deductions and rebates. It includes the Medicare levy as well as the additional Medicare levy for high-income taxpayers. The 1999 and 2001 figure is based on reported taxation statistics. The 2005 and 2006 figure has been adjusted by state control totals, and using estimates of income created earlier.

Benefits

This figure is an estimate of the total amount of benefits received at the local level. The mount includes all benefits and allowances received from Centrelink and an indicative assessment of the contribution of Community Development Employment Program income in remote areas. Figures for all years are based on recipient data. This measure does not include the income derived from Department of Veterans Affairs (DVA) benefits.

Business income

The business income for a region is effectively based on the value of the businesses that operate in the region and the relative performance of the economy as a whole. Unfortunately the net business income as reported in Taxation Statistics does not adequately capture the total impact of business income. National Economics utilises small area microsimulation of the value of unincorporated businesses based on realised cash flows. Using state control totals and the estimated value of business assets the destination of business income can be adequately measured. The changes in business income reflect both the evolution of business values through time as well as the macro-economic trends captured in economy wide reported values of business income.

Interest paid

The amount of interest paid by the household sector is a function of the stock of debt, the nature of the debt and interest rates applied. In order to keep abreast of the impacts that the rising level of household debt in the late 1990's National Economics developed a Household Debt Model which estimates the impact of debt at the local level. One of the measures derived from such modelling is the amount of interest that is paid by the household sector on debt. The debts incurred in running unincorporated

businesses are not included, but rather used in the net business income estimates presented in the table. The debt included covers housing, personal finance and credit card debt. These model estimates are balanced to state and national control totals automatically. The relatively large increase in the amount of interest paid across the period 1998 to 2006 reflects the continued strong growth in household debt throughout the same period.

Net property income

Net property income is derived from Taxation Statistics, and balanced to state control totals. This small measure cannot be updated at the local levels and hence National Economics relies on state trends to derive the 2005 and 2006 estimates.

Business value added

Business value added is wages and salaries plus business income. Productivity is business value added divided by employment. Business value added excludes the gross surplus of companies, since this is difficult to allocate to any small geographic area. For LGAs that are relatively isolated, business value added represents the LGA's capture of gross regional product. For LGAs in major metropolitan areas, this is not necessarily be the case because it is based on the household sector. However, for SOR aggregated LGAs the measure is a good indicator of the SOR region's capture of gross product.

Rate revenue and income

Source: State Grants Commissions (in the main) reconciled to ABS national balance sheet and tax collection data.

Rate revenue data was compiled from State Local Government Grants Commission data, state local government departments and where necessary council websites. Receipts for 2004-05 are expressed in 2000 dollars. Income: sources as for disposable funds and productivity.

Rate revenue 1991-2005

Rate revenue data as above. Business value: sources as for disposable funds and productivity.

Rates affordability

Average residential value per residential property: see documentation under the heading Property Values, below. Non-farm household disposable income: sources are as for disposable funds and productivity, above. The estimate for land value is the number of years of average disposable income required to purchase the land only of the average residential allotment; the estimate for capital value is the number of years of average disposable income required to purchase an average house/land package.

The average rate is obtained by dividing rate collections by (a) total land value and (b) total capital value. It is expressed in cents per dollar of value (note that for most regions the average rate is less than a cent in the dollar). For rate revenue, see above. For values, see below.

Composition of property values

See the note on property values, below.

Imbalances of discretionary resources

Compiled using econometric analysis of revenue and expenditure patterns – see text, Chapter 4.

Average property value

See the note on property values, below.

Baby bounce

Source: ABS

The estimates of effective fertility are calculated using the individual year estimated resident population (ERP) at the SLA level. These amounts are aggregated to the SOR region, with the effective fertility equally the share of total population represented by those aged less than one year. It is "effective" in the sense that the actually birthplace is not collected, rather the place at which the infant lives at June 30th in their first year.

Social Security

Source: Centrelink

Summarised from postcode level values provided by Centrelink, divided by population, for which see below.

Population and migration

Source: ABS Estimated Regional Population

The presentation of ageing, population and migration information is primarily based on the ABS report census migration rates, ABS Estimated Resident Population (ERP) series by age 1991 to 2003, and National Economics' population and migration modelling program called PopInfo.

The calculation of the 2001 to 2005 migration patterns relies heavily on the trends established in the ABS *ERP by Age* series. Based on reported changes in population and age distribution at the LGA level and recent migration patterns, population movements are modelled to produce the population outcomes estimated in the 2005 ERP series. The extent to which such a series has incorrectly modelled the actual 2003 estimated resident population by age will create errors in the modelled net flows of migration. The other balancing items crucial to this modelling on an inter-censual basis are the state control totals of net migration from both overseas and interstate.

Population sustainability

This suite of measures was fully described in Ch 8 of last year's *State of the Regions Report*. The individual measures are as follows.

- Percentage of years since 1995 in which the population has grown, from the *ABS Estimated Regional Populations.* This can be termed consistency of population growth.
- Share of population under 55 in 2001, from the Census.
- Aged migration: estimated in-migration of persons aged 55 and over, 1996-2001, as a percentage of population.

- Population growth rate, 55+: estimated rate of growth of population 55 and over.
- Demographic stress: a US government measure based on the total levels of out-migration and the growth rate of the 15 to 55 year age group.
- Dominant locations: the share of population of the largest urban locality within the region.
- Family/youth migration: net migration of 0-14 year olds 1996-2001, from the Census.
- Fertility bounce 10\996-2005, see baby bounce above.
- Fertility, babies as a percentage of the population 2005, see baby bounce, above.
- Sustainability score: a compound of the above measures.
- Working elderly: share of persons aged 55 and over who are employed, from the 2001 Census.

Rainfall

Source: Commonwealth Bureau of Meteorology, National, Climate Centre, Australian Monthly Rainfall.

Specially requested monthly rainfall data from each available Australian weather stations is assigned into the appropriate region and then totalled and averaged to generate the average annual rainfall for each region.

Residential and non-residential building and construction

Source: ABS publication 8731.0 – Building Approvals Australia

Building approvals data is converted to constant price values. Forecasts are derived using National Economics construction models.

ADSL coverage

Source: ABS Census 2001, Telstra Wholesale, dslamwatch.com.au

With the advent of ADSL2+ in the Australian telecommunications market it was necessary to rethink the method used to calculate ADSL coverage. It was necessary not only to calculate if ADSL1 was available but also if ADSL2+ coverage was available and at what speed.

The finest detail of population available from the ABS is the 2001 Census Collection District boundaries. These boundaries contain detailed information about the population information of approximately 225 households.

A list of exchange locations was compiled to provide and longitude and latitude of each location and the technology available at the exchange (ADSL, ADSL2+). The radius of each exchange was then estimated using rings of distance for each of the technologies. ADSL2+, ADSL1 and ADSL2+ Extended Coverage were calculated at distances of 2, 4 and 5.5 kilometres respectively. These rings enabled the technology available to each CCD to be derived, this coverage can then be combined to the SOR level and an average

The Average Bandwidth speed is a calculation of the average speed of the best available ADSL technology.

Innovation startups

Source: Dunn & Bradstreet

Innovation Start-up estimates are defined as the total number of high tech companies in 2006 which were not present in 2001. The Rank of each region was based on the gross number of high tech start-ups per capita. Average employment figures for both 2001 and 2006 were obtained by taking only hi tech businesses, which reported at least an employee. New start-up employment is calculated as the gross number of High Tech Start-ups multiplied by the average number of employees for 2006. This was then taken as a percentage of the workforce.

Patent applications

Patent applications per 100,000 people

This indicator measures the number of patent applications from businesses and individuals over a ten-year period. It is an average from 1993 to 2003, expressed as the number of patents per 100,000 residents. Expressing the measure in these terms allows for regional comparisons.

The patent data is provided by the Australian patent office (IP Australia). The number of applications was chosen over patents granted, due to the long delays associated with the granting of patents. In some cases this can be up to 5 years.

This measure acts as a proxy for scientific innovation, knowledge endowment and entrepreneurial dynamism. Regions with a high value for this indicator will generally prosper, as innovation leads to greater value added and wealth creation.

Hi-Tech and IT applications per 100,000 people

The patent application data is grouped into 31 different classifications. The following classifications were identified as 'Hi-Tech':

- Electrical devices and engineering
- Information technology
- Optics
- Instrumentation
- Medical engineering
- Polymers
- Pharmaceuticals
- Biotechnology
- Environmental processes
- Nuclear engineering
- Space technology, weapons

A3.2 Property values

The following analysis of values was conducted to estimate land and capital value per property. All analysis was done on an LGA basis and then aggregated to SOR Regions. Since each state provided different information on land value and property assessment, analysis and estimation of values was conducted in a per state basis. State level land and capital values are the adjusted as far as possible to reflect the ABS definition used in the national balance sheet, and as far as possible the definitions of residential, rural and commercial (including commercial, industrial and other) land are adjusted to follow Victoria Grants Commission practice.

Victoria

The latest Victoria Grants Commission (VGC) data is for 2004. It is complete (with a few interpolations). Note that commercial, industrial and other aggregate to 'commercial'. The VGC updates its benchmarks from time to time. Such an update occurred in 2004, and this 2004 valuation is close the ABS data reduced to 95 per cent to account for only rateable lands. However, some of the land which the VGC classifies as commercial-industrial-other is classified by the ABS as rural. Since the ABS definition was not available by LGA, it was decided to use the VGC definition. The VGC estimates were updated to 2005 by multiplying by the ABS value increases for three separate classes, Residential, Rural, and Commercial.

Queensland

Number of properties

Data obtained from the Queensland Grants Commission (QGC) Annual Report.

Land value

The QGC data is in terms of unimproved values (UV) which are less than site values. The Queensland aggregate data for 2004 diverge from ABS as follows.

- Residential: Queensland values 55.8 per cent of ABS.
- Commercial: Queensland values 66 per cent of ABS.
- Rural: Queensland values 47 per cent of ABS.

The ABS 2005 national balance sheet estimate for the value of land in Queensland was very large in comparison to previous years. For example, the average annual increase in aggregate residential value from 1989 to 2004 was around $1 billion while the change from 2004-2005 was an increase of 8 billion. Clearly, a redefinition of land value has occurred. Starting from the QGC's 2004 data, a 2005 land value total was recalculated for the whole state using Holt-Winters exponential smoothing using time series data until 2004 (See equation IV)

Taking the upper limit of each prediction, the new Queensland total land value is:-

- residential –$ 203.3213 billion;
- commercial – $ 23.72419 billion; and
- rural – $ 17.69963 billion.

The QGC data was then multiplied to bring it to 95 per cent of ABS (on the assumption that 5 per cent of ABS value is non-rateable) to obtain land (site) valuations.

Capital value

Capital Value for Residential, Commercial and Rural categories was estimated using regression equations run from Victorian data. (See equations I, II, III respectively).

Equations for Residential and Commercial are the log of the ratio of Capital Value to Site Value. Obtaining the percentage require taking the exponent of the term and then multiplying it by the site value.

For residential and commercial values:

$$\frac{\text{Capital Improved Value}}{\text{Numer of Assessments}} = \frac{\text{SiteValue}}{\text{Number of Assessments}} \bullet \exp\left(\ln\left(\frac{\text{Capital Improved Value}}{\text{Site Value}}\right)\right)$$

Rural values:

$$\frac{\text{Capital Improved Value}}{\text{Numer of Assessments}} = \frac{\text{SiteValue}}{\text{Number of Assessments}} \div \exp\left(\ln\left(\frac{\text{SiteValue}}{\text{Capital Improved Value}}\right)\right)$$

South Australia

Number of properties

The 2004 –2005 Annual Report by the Local Government Grants Commission of South Australia (LGGCSA), provides the total number of properties and residential properties.

To determine the split between rural and commercial properties given total and residential properties, the percentage of rural and commercial properties was taken from a neighbouring region.

SA Eyre and Yorke Region used averaged commercial and rural percentages from WA Gascoyne Goldfields.

Adelaide Outer and Adelaide Plains used averaged commercial and rural percentages from Melbourne West.

SA Murraylands used averaged commercial and rural percentages from VIC Mallee-Wimmera.

SA Southeast used averaged commercial and rural percentages from VIC West

Capital improved values

LGGSA values data is presented in per capita. Multiplying the data by the LGA population obtains the residential, commercial and rural values. This is then assumed to be capital value.

Land value

Land values were estimated using previously calculated equations of the determinants of the ratio of Capital improved value to Site value from Victorian data see equations I, II, III.

To obtain site valuation from capital improved value:

Residential, commercial

$$\frac{\text{SiteValue}}{\text{Numer of Assessments}} = \frac{\text{Capital Improved Value}}{\text{Number of Assessments}} \div \exp\left(\ln\left(\frac{\text{Capital Improved Value}}{\text{Site Value}}\right)\right)$$

Rural

$$\frac{\text{SiteValue}}{\text{Numer of Assessments}} = \frac{\text{Capital Improved Value}}{\text{Number of Assessments}} \bullet \exp\left(\ln\left(\frac{\text{SiteValue}}{\text{Capital Improved Value}}\right)\right)$$

Tasmania

Number of properties

The total number of properties was obtained from the ABS Tasmanian Regional Statistics. The number of dwellings reported in the ABS 2001 Census was assumed to be split between residential and rural properties, with the ratio for each Tasmanian LGA taken from Victorian LGAs considered to be roughly comparable. The number of commercial properties was likewise estimated by comparison with Victorian LGAs.

Land value

Total site values for each LGA are published in the ABS Tasmanian Regional Statistics. They are adjusted to the ABS Land Value national total. Site values were distributed across the different land uses according to ratios estimated from Victoria.

Capital value

Values are known from the ABS Tasmanian Regional Statistics. Capital values were distributed across the different land uses by ratio to site values, estimated from Victoria.

It will be apparent from this methodology that, while total values for Tasmania are regarded as reasonably accurate, the division by land use class is approximate.

Western Australia

Each of the sample of 15 LGAs listed below provided in their Annual Report information on residential GRV, total GRV and residential assessments and total number of assessments.

Armadale (C)	Narrogin (S)
Cockburn (C)	Northam (T)
Cuballing (S)	Perth (C)
East Fremantle (T)	Pingelly (S)
Geraldton (C)	South Perth (C)
Joondalup (C)	Westonia (S)
Kent (S)	Mundaring (S)
Mandurah (C)	

Number of properties

The WA Grants Commission (WAGC) Annual Report provides the total number of Commercial and Residential properties.

Regression analysis was conducted using the sample LGAs in order to determine the percentage of residential properties in the combined number of Commercial and Residential properties. (See equation VI).

The number of rural properties is known through the WAGC. However, the number of pastoral properties was not listed by the WAGC, which, however, provided pastoral site valuations. For many LGAs the number of pastoral properties was published by the Pastoral Rating review (Pastoral Industry Working Group 2003). However, this list does not cover all LGAs that have pastoral properties. For LGAs listing a pastoral property valuation without pastoral properties listed in the Pastoral Rating, the following equation was used to obtain the number of pastoral properties.

$$\text{Pastoral Properties} = \text{Total Pastoral Site Valuation} \div \frac{\sum \text{Pastoral Site Valuations}}{\sum \text{Pastoral Properties}}$$

Thus, the number of unknown pastoral properties was estimated from the all-state average Site Value per pastoral property.

Capital value

The WAGC values urban properties using Gross Rental value (GRV). The following approach was used in order to convert GRV to Capital Improved Value. GRV are similar to the Victorian Net Annual Value (NAV). By law, NAV must not be less than 5 per cent of the Capital Improved Value. Assuming, NAV and GRV are similar, GRV was divided by 5 per cent to obtain Capital Value. In WA rural and pastoral land and mining leases are valued at unimproved value, and capital value was estimated using site value/capital value relationships from Victoria.

Land value

To obtain urban Site Values, regression equations from Victorian data were used, see equations I, II, III. The total was then adjusted to 95 per cent of the ABS land value.

New South Wales

Number of properties

The total number of properties by residential, commercial and rural was taken from *Comparative Information on New South Wales 1994/95 – 2003/04* published by the New South Wales Department of Local Government.

Land value

A sample of 11 LGAs were taken, listed below. They provided in their Annual Reports information on total land value.

Berrigan (C)	Forbes (A)
Bland (A)	Hornsby (A)
Blayney (A)	Hurstville (C)
Bourke (A)	Moree Plains (C)
Dubbo (C)	Tenterfield (A)
Waverly (A)	

Regression analysis was conducted to obtain an equation to estimate for the rest of NSW LGAs. see equation IX for details.

This was pro-rated to 95 per cent of the ABS Land Value data.

Apportioning the Total Site Value to residential, commercial and rural site valuations required the use of further regressions. Using Victorian data, the percentage of residential site value to total site value and percentage of commercial site valuation to total site value was estimated (See equations VIII, VII respectively). This was then applied to NSW.

Capital value

Similar to obtaining capital values for Queensland, NSW was then estimated through the equations listed on equations I, II, III.

Northern Territory

Number of properties

The total number of properties is known through publications of the nine LGAs. The ratio of residential, commercial and rural assessments was taken from the average ratio for SA.

Land value

Total Unimproved Value per LGA is known through publications by the different LGAs. The percentage of residential, commercial and rural to Total Site Valuation is taken from the average percentages of New South Wales.

This was then pro-rated to 95 per cent of the ABS National Land Value.

Capital value

Similar to obtaining CIV values for Queensland, NT was then estimated through the equations listed on equations I, II, III.

Australian Capital Territory

Land value for the ACT is published in the ABS National Balance Sheet.

A3.3 Equations used in estimating values

Eq: I - Ratio between Residential Capital Improved Value and Site Value

Ordinary least Squares were run on the adjusted estimates of the Victorian Grants data for residential capital improved value and residential site valuations for each LGA. Ordinary least squares procedure was used to create the estimates.

Variables:

cv = Capital Improved Value

sv = Site value

CloseLga : 1 = Shares a Border with Capital City

0 = Within Capital City or does not share a border

advd = Advantage Disadvantage Index, SIEFA, ABS.

m100 = Number of Jobs within 100 minutes driving distance of the LGA.

Equation:

$$\log(cv/sv) = \beta_1 CloseLga + \log(rent) + \log(advd) + \log(m100)$$

Results:

Call:

lm(formula = ln_diff_cv_sv$ln_cv_ass ~ closemelb + log(rent) +
log(advd) + log(m100) - 1, data = vic_cv_param)

Residuals:

Min	1Q	Median	3Q	Max
-0.59707	-0.11722	-0.04935	0.10899	0.71684

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
closemelb	-0.41465	0.07723	-5.369	9.77e-07	***
log(rent)	-0.60517	0.18263	-3.314	0.00146	**
log(advd)	0.80728	0.09914	8.143	9.96e-12	***
log(m100)	-0.14641	0.02670	-5.483	6.23e-07	***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.2332 on 70 degrees of freedom

Multiple R-Squared: 0.9262, Adjusted R-squared: 0.922

F-statistic: 219.7 on 4 and 70 DF, p-value: < 2.2e-16

Commercial

Eq II - Ratio between Commercial Capital Improved Value and Site Value

Ordinary least Squares were run on the adjusted estimates of the Victorian Grants data for commercial capital improved value and residential site valuations. Ordinary least squares procedure was used to create the estimates.

Variables:

cv = Capital Improved Value

sv = Site value

CloseLga : 1 = Shares a Border with Capital City

0 = Within Melbourne or Does not share a border

advd = Advantage Disadvantage Index, SIEFA, ABS.

Equation:

$$\log(cv/sv) = \beta_1 CloseLga + \log(rent) + \log(advd) + \log(m60)$$

Results:

```
lm(formula = ln_diff_cv_sv ~ closeMelb + log(rent) + log(advd) +
    log(m60) + log(m60) - 1, data = vic_com_param)
Residuals:
     Min       1Q   Median       3Q      Max
-0.89308 -0.22110 -0.01760  0.15788  1.01357
Coefficients:
            Estimate  Std. Error  t value Pr(>|t|)
closeMelb   -0.27781     0.09864   -2.816   0.0063 **
log(rent)   -0.63460     0.28451   -2.231   0.0289 *
log(advd)    0.74068     0.15847    4.674 1.39e-05 ***
log(m60)    -0.08534     0.03647   -2.340   0.0221 *
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 0.3185 on 70 degrees of freedom
Multiple R-Squared: 0.9158,     Adjusted R-squared: 0.911
F-statistic: 190.3 on 4 and 70 DF,  p-value: < 2.2e-16
```

Eq III - Ratio between Rural Capital Improved Value and Site Value

Ordinary least Squares were run on the adjusted estimates of the Victorian Grants data for rural capital improved value and residential site valuations. Generalized least squares method was conducted in order to create the estimates.

Variables:

advd = Advantage Disadvantage Index, SIEFA, ABS.

Equation

$$\log(sv/cv) = Cons\tan t + \log(advd)$$

Results

glm(formula = ln_rrl_diff_vic$y ~ log(advd), data = vic_rrl_param)

Deviance Residuals:

Min	1Q	Median	3Q	Max
-1.64212	-0.16258	0.01570	0.19653	3.49184

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
(Intercept)	-52.909	13.328	-3.970	0.000207	***
log(advd)	7.664	1.940	3.951	0.000220	***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

(Dispersion parameter for gaussian family taken to be 0.3811838)

Null deviance: 27.297 on 57 degrees of freedom

Residual deviance: 21.346 on 56 degrees of freedom

AIC: 112.62

Number of Fisher Scoring iterations: 2

Eq IV – Holt-Winters smoothing on Queensland Land Value totals for 2005

ABS total land value estimates were used from 1989 to 2004 to estimate for 2005 values. A Holt-Winters exponential smoothing procedure was used to get estimates.

Equation:

$$\bar{y}_t = \alpha y_t + (1-\alpha)(\bar{y}_t), \qquad 0 < \alpha < 1$$

Residential:

Coefficient:

α = .1614

Time Series:

Start = 1989

End = 2005

Frequency = 1

fit	upper	lower
17 190.9	203.3213	178.4787

Commercial:

Coefficients:

α = .0213

Time Series:

Start = 1989

End = 2005

Frequency = 1

fit	upper	lower
17 21.3	23.72419	18.87581

Rural:

Coefficients:		
α = .0162		
Time Series:		
Start = 1989		
End = 2005		
Frequency = 1		
fit	upper	lower
17 16.2	17.69963	14.70037

Eq V – Ratio, Residential CIV and Sum of Residential + Commercial CIV

A sample of 16 Western Australia LGAs were taken where the residential and the total GRV was known. Ordinary Least Squares was used to run the estimation.

Variables:

residential_cv = residential capital improved value

commercial_cv = commercial capital improved value

ADVD = Advantage Disadvantage Index, SEIFA.

WEALTH = A Your Place Indicator, which captures the total wealth of households in terms of financial assets (excluding superannuation), housing values and the value of unincorporated business assets owned by the household.

Equation:

$$\text{residential\_cv}/(\text{residential\_cv} + \text{commercial\_cv}) = \beta_1 ADVD + \beta_2 WEALTH$$

Results:

Call:

lm(formula = Ratio_res_com ~ ADVD + WEALTH - 1, data = sample_lga_coef)

Residuals:

Min	1Q	Median	3Q	Max
-0.3030443	-0.1182508	0.0008186	0.1391210	0.2371474

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
ADVD	1.145e-03	1.277e-04	8.968	6.27e-07	***
WEALTH	-1.630e-06	4.722e-07	-3.452	0.00429	**

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.1658 on 13 degrees of freedom

Multiple R-Squared: 0.9586, Adjusted R-squared: 0.9522

F-statistic: 150.4 on 2 and 13 DF, p-value: 1.028e-09

Eq VI –Ratio Residential Assessments and Residential and Commercial

Using a sample of 15 LGAs for Western Australia. The ratio between residential assessments and the sum of Residential and Commercial assessments was predicted.

Variables:

res_ass = Number of Residential Assessments

com_ass = Number of Commercial Assessments

ADVD = Advantage Disadvantage Index, SEIFA

ITR = Industry Structure for future growth. ITR is a Your Place Indicator which estimates the direction of future trends in employment that the current structure of local industry itself can generate.

Equation:

$$\text{res\_ass}/(\text{ress\_ass} + \text{com\_ass}) = \beta_1 ADVD + \beta_2 ITR$$

Results:

lm(formula = RES_ASS/TOTAL_WRITTEN_ASS ~ ADVD + ITR - 1, data = sample_lga_coef)

Residuals:

Min	1Q	Median	3Q	Max
-0.280152	-0.143676	0.002121	0.100144	0.393897

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
ADVD	5.949e-04	6.569e-05	9.056	5.61e-07	***
ITR	6.312e+00	1.775e+00	3.556	0.00352	**

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.2043 on 13 degrees of freedom

Multiple R-Squared: 0.9402, Adjusted R-squared: 0.931

F-statistic: 102.2 on 2 and 13 DF, p-value: 1.115e-08

Eq VII – Percentage of Commercial Site Value

Using Victorian Grants Commission data. An Ordinary Least Squares regression was run to determine the percentage of commercial site value compared to Total Site Value based on the percentage of commercial and rural assessments.

Variables:

per_com = Percentage of Commercial Site Valuation to Total Valuations

per_com_ass = Percentage of Commercial Assessments to Total Assessments

per_rrl_ass = Percentage of Rural Assessments to Total Assessments

Equation:

$$per\_com = \beta_1 per\_com\_ass + \beta_2 per\_rrl\_ass$$

Results:

Call:

lm(formula = per_com ~ per_com_ass + per_rrl_ass - 1, data = data1)

Residuals:

Min	1Q	Median	3Q	Max
-0.048742	-0.022714	-0.004428	0.012209	0.119417

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
per_com_ass	1.44268	0.04972	29.019	< 2e-16	***
per_rrl_ass	-0.12440	0.01753	-7.097	7.31e-10	***

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.03011 on 72 degrees of freedom

Multiple R-Squared: 0.9261, Adjusted R-squared: 0.924

F-statistic: 451.1 on 2 and 72 DF, p-value: < 2.2e-16

Eq VIII – Percentage of Residential Site Value

Using Victorian Grants Commission data. An Ordinary Least Squares regression was run to determine the percentage of residential site value compared to Total Site Value based on the percentage of commercial and rural assessments.

Variables

per_com = Percentage of Commercial Site Valuation to Total Valuations

per_com_ass = Percentage of Commercial Assessments to Total Assessments

per_rrl_ass = Percentage of Rural Assessments to Total Assessments

Equation:

$$per\_res = \beta_1 per\_com\_ass + \beta_2 per\_rrl\_ass$$

Results:

```
Call:
lm(formula = per_rrl ~ per_rrl_ass + per_com_ass - 1, data = data1)
Residuals:
Min             1Q              Median          3Q              Max
-0.38324        -0.04323        -0.01531        0.05976         0.28799
Coefficients:
                Estimate        Std. Error      t value Pr(>|t|)
per_rrl_ass     1.79875         0.06424         28.000  < 2e-16 ***
per_com_ass     0.60276         0.18221         3.308   0.00147 **
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
Residual standard error: 0.1104 on 72 degrees of freedom
Multiple R-Squared: 0.9409,     Adjusted R-squared: 0.9393
F-statistic: 573.5 on 2 and 72 DF,  p-value: < 2.2e-16
```

Eq IX – NSW Total Site Value

To calculate the NSW Total Site Value, a sample of 11 NSW LGAs was taken with known Total land value. It was regressed against, Advantage Disadvantage Index, total area and population density.

Variables

ADVD = Advantage Disadvantage Index ABS SIEFA

AREA = Total Area of the LGA.

POP_DEN = Population Density

Equation:

$$\log(Total\_land\_value) = \log(ADVD) + \log(AREA) + \log(POP\_DEN)$$

Results:

Call:

lm(formula = log(Total_land_value) ~ log(ADVD) + log(Area) + log(POP_DEN) - 1, data = sample_lga_nsw)

Coefficients:

	Estimate	Std. Error	t value	Pr(>|t|)	
log(ADVD)	1.8971	0.3174	5.977	0.00188	**
log(Area)	0.6991	0.2410	2.901	0.03375	*
log(POP_DEN)	0.9509	0.1646	5.778	0.00218	**

Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Residual standard error: 0.3364 on 5 degrees of freedom

Multiple R-Squared: 0.9998, Adjusted R-squared: 0.9997

F-statistic: 9830 on 3 and 5 DF, p-value: 7.622e-10