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Minerals Council of Australia

Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities

February 2013

Glossary of terms

Term	Definition
Minerals Council of Australia (MCA)	The MCA represents Australia’s mining and minerals exploration and processing industry, nationally and internationally, in its contribution to sustainable development and society.
Australian Petroleum Production and Exploration Association (APPEA)	APPEA is the peak national body representing Australia’s upstream oil and gas exploration and production industry.
SkillsDMC	SkillsDMC is the national Industry Skills Council for the resources and infrastructure industry. SkillsDMC covers the Coal Mining, Metalliferous Mining, Quarrying (Extractive), Drilling and Civil Infrastructure sectors represented by a group of senior industry leaders.
Australian Bureau of Statistics (ABS)	Australia's official statistical organisation.
Census	The Australian Bureau of Statistics Census of Population and Housing.
Local Government Area (LGA)	LGAs are a geographical unit and an administrative geography that a local government / council is responsible for.
Resident population	The resident population includes those people who normally live in a region. It may or may not be the place where the person was counted on Census night. This Report and all figures throughout this Report focus (unless otherwise specified) on the demographic profile of the resident population of nine defined Mining Regions only and excludes people who commute to work in the defined regions on a LDC or FIFO basis. For example, persons who usually live in Perth and commute to the Pilbara for work are excluded from this Report.
Non-resident worker population	The non-resident worker population includes people who work but do not live in a particular region. For example, a person who lives in Perth and commutes to the Pilbara for work would be classified as a non-resident worker. Non-resident workers have not formed part of the analysis for this Report (however will in a subsequent Report commissioned by the MCA).
Long distance commuter (LDC)	LDC workers are defined as those people who travel significant distances between where they usually live and work (i.e. 100km or more). LDC workers are often referred to as fly-in / fly-out workers and this refers to workers who travel from their usual place of residence and remain there for a period of time, returning home between rosters. It includes those people who fly-in / fly-out, drive-in / drive-out, bus-in / bus-out, ship-in / ship-out or other transport combinations.

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Glossary of terms

Term	Definition
Fly-in / fly-out (FIFO) workers	FIFO refers to workers who commute to their workplace via air (i.e. aeroplane and helicopter) and are usually provided with food and accommodation during their stay at the work-site. Workers travel from their usual place of residence and remain there for a period of time, returning home between rosters. This term primarily refers to workers employed in the resources and resources related industries. FIFO is often used as a general term to define people who undertake LDC work practices (e.g. people who fly-in / fly-out, drive-in / drive-out, bus-in / bus-out, ship-in / ship-out or other transport combinations).
Mining industry	Throughout this Report the Mining industry is defined based on the ABS Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006. The Mining industry includes units that mainly extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The Mining industry classification includes units engaged in Coal Mining, Oil and Gas Extraction, Metal Ore Mining, Non-Metallic Mineral Mining and Quarrying, Exploration and Other Mining Support Services (i.e. Mineral Exploration).
Mining Australia	Throughout this Report, ‘Mining Australia’ refers to the collection of the nine sampled ‘Mining Regions’ identified as the focus for this study (i.e. North-West QLD, Galilee Basin, Bowen Basin, Surat Basin, Hunter Valley, Central South Australia, Kalgoorlie-Boulder, Central West, Pilbara. The nine Mining Regions identified in this Report were selected as they have significant mining activity (either current or planned).
Regional Australia	Throughout this Report, ‘Regional Australia’ is defined as the area outside of Australia’s capital cities and major regional centres.

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Disclaimer

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Inherent Limitations

- This Report has been prepared as outlined in the engagement contract dated 30 August 2012. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.
- No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the Minerals Council of Australia consulted as part of the process.
- KPMG have indicated within this Report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the Report.
- KPMG is under no obligation in any circumstance to update this Report, in either oral or written form, for events occurring after the Report has been issued in final form.
- The findings in this Report have been formed on the above basis.

Third Party Reliance

- This Report is solely for the purpose set out in the Scope Section of the engagement contract dated 30 August 2012 and for the Minerals Council of Australia's information and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.
- This Report has been prepared at the request of the Minerals Council of Australia in accordance with the terms of KPMG's engagement contract dated 30 August 2012. Other than our responsibility to the Minerals Council of Australia, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this Report. Any reliance placed is that party's sole responsibility.
- We understand that this Report will be made available on the Minerals Council of Australia website. Any third party who accesses this Report is not a party to our engagement contract with the Minerals Council of Australia and, accordingly, it may not place reliance on this Report.
- Any third party acknowledges that it is not a party to the engagement contract dated 30 August 2012 whereby KPMG has been engaged by the Minerals Council of Australia to undertake an *Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities* and to Report its findings to the Minerals Council of Australia. Our engagement was neither planned nor conducted in contemplation of the purposes for which any third party have requested the *Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities*.
- Accordingly, any third party acknowledges that it may not place reliance on the results and findings contained in the *Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities*. KPMG shall not be liable for any losses, claims, expenses, actions, demands, damages, liabilities or any other proceedings arising out of any reliance by any third party on *Analysis of the Changing Resident Demographic Profile of Australia's Mining Communities*.

Reliance on Projections

- The projections that have been used in this study are based on assumptions about circumstances and events that have not yet transpired and are therefore subject to variations that may arise as a result of future occurrences. As a result, we cannot provide any assurance that these projections will be achieved.
- Any such projections should not be regarded as a representation or warranty by or on behalf of KPMG or any other person that such projections or their underlying assumptions will be met. Opinions offered constitute our judgement and are subject to change without notice, as are statements about market trends, which are based on market conditions.

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Executive Summary

Executive Summary

The Australian mining and resources sector has experienced unprecedented growth over the last decade. While the sector has seen a recent slowdown in growth, the long-term demand for Australian mineral resources will continue.

For the purposes of this Report, the ‘Mining’ industry is defined according to the ABS ANZSIC Classification (2006) and includes units mainly engaged in Coal Mining, Oil and Gas Extraction, Metal Ore Mining, Non-Metallic Mineral Mining and Quarrying, Exploration and Other Mining Support Services (i.e. Mineral Exploration). At points in the Report, it has been possible to extract the Oil and Gas subset to obtain a picture of the Oil and Gas industry as a discrete entity.

There are mining projects in every state of Australia and a variety of minerals and resources are extracted from sites across the continent. The nine Mining Regions sampled in this Report cover a large geographic area of Australia and stretch from the remote interior communities of Moranbah in central Queensland’s Bowen Basin and Kalgoorlie-Boulder in Western Australia, to the coastal mining, oil and gas communities of Karratha and Port Hedland. The nine regions considered in this Report contain approximately half a million permanent residents which translates to less than 2.5% of the total population of Australia. The whole of the Pilbara currently contains far fewer permanent residents than the city of Ballarat in Victoria. Yet much of the future prosperity of the nation and these regions depend on mining development.

This Report on the demographic profile of the resident population (excluding non-resident workers) in nine selected Mining Regions shows that, on the whole, mining resident populations are growing and diversifying. There were a total of 37,840 residents added to the combined Mining Regions in Australia over the five years to June 2011, translating to an average annual growth rate of 1.5% (in line with national growth trends). Of the nine regions sampled in this study, all but one experienced population growth. Six experienced population growth at or above Regional Australia growth rates between the 2006 and 2011 Censuses. The fastest growing Mining Regions are located in Western Australia.

This Report shows that the residential communities already ensconced in remote regions are generally reflective of a broader average non-metropolitan demographic profile. There are families and there are workers living in these communities.

Increased mining, oil and gas activity is creating employment opportunities in remote Australia. The relatively recent phenomenon of a large-scale FIFO workforce servicing the mines is only part of the solution to the challenge of getting workers to remote workplaces. The other part of the solution involves a commitment to developing sustainable local communities.

Employment opportunities in Mining Australia are stimulating the resident population growth crucial to sustainable communities. According to the 2011 Census, 41,177 residents were employed within the Mining industry in the combined nine regions. In the five years to 2011, the number of residents employed in the Mining industry increased by 13,809 or 50%. Associated with growth in the Mining industry, Construction is now the second largest industry of employment across Australia’s Mining Regions. Growth in Mining and Construction combined contributed towards two-thirds of total employment growth for the Mining Regions between 2006 and 2011.

This has translated into incomes and educational attainment higher than the Regional Australian average and unemployment rates lower than the Regional Australian average in most of the Mining Regions examined.

Part of the story in developing sustainable communities includes developing a strong economic base. For many of the regions investigated in this study, mining has provided this economic base.

Increased mining activity is contributing towards the demographic shift that is leading to higher levels of residential population growth in the Mining Regions. This change in the demographic landscape fits neatly within the context of the overall development of northern and western Australia as the nation cements closer ties with Asian neighbours.

This Report defines the demographic and industry workforce profile of the residents in nine sampled Mining Regions. While it is acknowledged that rapid growth has been accompanied by some social externalities, understanding this baseline socio-economic data is the first step required in working towards developing sustainable mining communities that are ‘punching above their weight’ and significantly contributing towards national economic prosperity.

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Background

Background

The purpose of this Report is to provide insight into the demographic characteristics of the resident population living within Mining Regions across Australia. The objective of this analysis is to inform the development of effective government policy and industry decision-making that supports the development of sustainable mining communities.

This Report was commissioned by the Minerals Council of Australia (MCA), Australia's peak mining body, with input from the Australian Petroleum Production and Exploration Association (APPEA), representing the oil and gas sector, and SkillsDMC the Industry Skills Council for the drilling, mining, quarrying and civil infrastructure sectors.

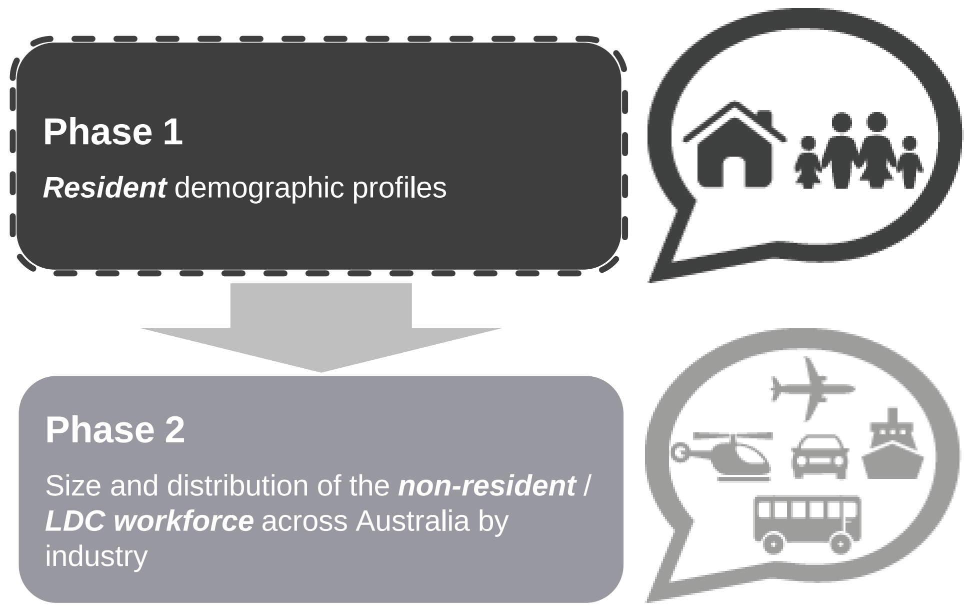
The resources industry has experienced unprecedented growth over the last five years and the impact this growth is having on local communities needs to be considered and managed. Understanding the size and composition of the residents in these mining, oil and gas regions is important as it provides insight into the socio-economic fabric of communities in order to assist government and industry with policy responses that are meaningful and evidence based. This Report will provide robust and comprehensive baseline demographic data and the timing of this analysis brings maximum value for a number of reasons, including:

1. The Mining industry (including Oil and Gas) has grown at unprecedented rates and it is important to take-stock and measure how these communities are changing.
2. There is no better time to measure than immediately after the release of census data. The Australian Bureau of Statistics released the first tranche results of the 2011 Census in June 2012.
3. There is currently a House of Representatives inquiry into FIFO work practices (primarily associated with mining, oil and gas) with the findings due for release in February 2013. Analysing residential data will provide context to the inquiry findings.

Understanding the resident demographic profile of Australia's mining communities is just one part of the story however. **While this Report identifies the demographic characteristics of the resident population within nine selected Mining Regions, it does not consider the Long Distance Commuter (LDC) workers.**

Acknowledging this, the MCA have commissioned a subsequent study (Phase 2) to quantify the size and distribution of the LDC workforce across Australia in order to provide an evidence base to inform debate and policy to ensure these Mining Regions and the people living and working within them are supported by the required level of services and infrastructure. As such, this Report will effectively deliver the first part of a two-phased project. Phase 1 considers the residential demographic landscape of nine sampled Mining Regions benchmarked with Regional Australian and Australian averages. Phase 2 provides the facts behind the structural change in labour mobility in Australia over time through an analysis of LDC work practices.

The Phase 2 LDC dataset, combined with an understanding of the residential communities will paint a clearer picture of who is both living and working in these mining communities and therefore help direct policy to support these regions and the people in them that are so important to the economic prosperity of Australia.



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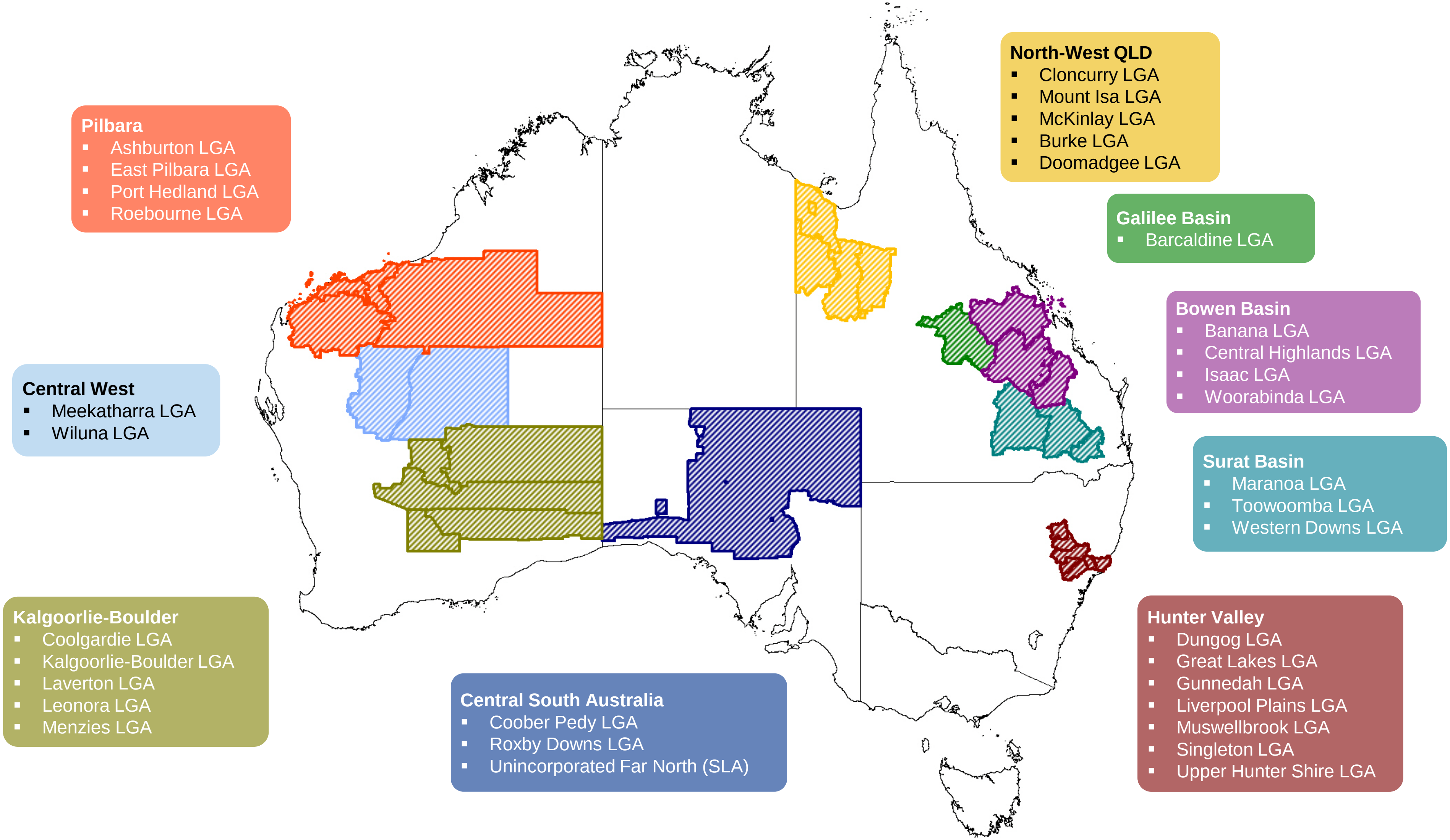
Study Focus

Geography of Australia's Sampled Mining Regions

Australia’s nine sampled Mining Regions



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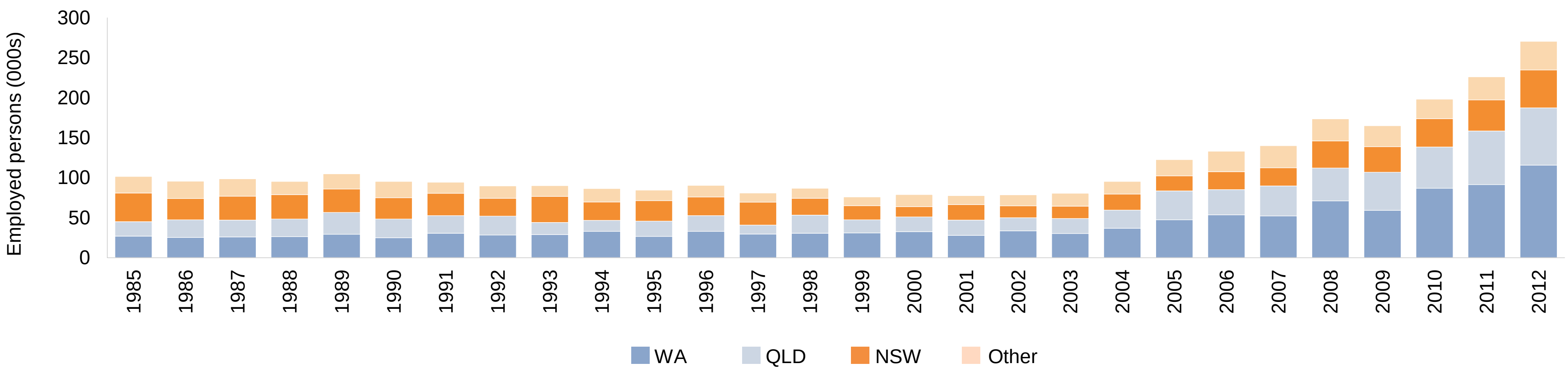
Growth of mining in Australia

According to the ABS *Labour Force Survey*, the size of the Australian Mining employment workforce has increased by 245% over the 10 years to August 2012. This compares with a 12% reduction in the size of the Mining workforce in the previous decade from 1992 to 2002. Over the last five years the size of the Mining workforce has doubled to a total of 270,608 persons. Companies put hiring on hold early in 2009 following the Global Financial Crisis (GFC) in 2008. However, since late-2009 there has been significant growth in the mining sector and employment numbers increased by 20% over the 12 months to August 2012. A significant proportion of this employment growth is occurring in remote parts of Australia.

A mine undergoes a number of phases within its lifecycle (e.g. exploration, construction, operation and decommissioning). It is during the construction phase of a mine's lifecycle that demand for labour is at its highest. The point at which individual mines and Mining Regions as a whole are situated in this lifecycle impacts the demand for labour. It is this strong demand for labour that drives growth in both the resident population and the non-resident LDC worker population to support this development across Australia's Mining Regions.

There are resource projects in every state of Australia and various minerals and resources are extracted from sites across the continent. The Mining industry is bringing economic prosperity to Australia and its positive employment impact is far reaching. For the purposes of this Report, nine Mining Regions were selected for analysis because there was either an existing high level of workers employed in the Mining industry or mining activity was forecast to significantly increase. Some of the Mining Regions are well recognised, such as the Pilbara for its iron ore and Liquefied Natural Gas (LNG), Kalgoorlie-Boulder for its gold and the Bowen Basin for coal and coal seam gas. The nine regions include a total of 34 municipalities. The objective of this Report is to analyse the resident demographic profile of remote mining communities where there is a high concentration of mining workers. It is in these regions where the significant growth in mining employment is impacting on the demographic landscape.

Employment in the Mining industry by state, 1984 to 2012



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics, *Labour Force Survey*

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Major Findings

Cross Regional Analysis

Australia's sampled Mining Regions

Resident population change

Total resident population						
State	Region	2006	2011	2006 - 2011		
		No.	No.	No.	%	% p.a.
QLD	Bowen Basin	65,859	68,588	2,729	4%	0.8%
QLD	Galilee Basin	3,462	3,286	-176	-5%	-1.0%
QLD	Surat Basin	194,547	200,750	6,203	3%	0.6%
QLD	North-West QLD	27,136	28,724	1,588	6%	1.1%
WA	Pilbara	44,089	62,736	18,647	42%	**7.3%**
WA	Kalgoorlie-Boulder	36,906	40,694	3,788	10%	2.0%
WA	Central West	1,968	2,717	749	38%	6.7%
NSW	Hunter Valley	114,941	118,416	3,475	3%	0.6%
SA	Central South Australia	7,898	8,735	837	11%	2.0%
	Total Mining Regions*	***496,806***	***534,646***	***37,840***	***8%***	***1.5%***
	Regional Australia^	***5,248,847***	***5,469,867***	***221,020***	***4%***	***0.8%***
	AUSTRALIA	**20,697,880**	**22,323,933**	**1,626,053**	**8%**	**1.5%**

** Mining Regions are defined as the aggregation of the nine sampled Mining Regions analysed in this Report*
^ Regional Australia is defined as the area outside of Australia's capital cities and major regional centres

Combined, the nine Mining Regions identified as the focus of this study had a resident population of 534,646 as at June 2011. There were a total of 37,840 residents added to these Mining Regions over the five-years to June 2011, translating to an average annual growth rate of 1.5% (in line with national growth trends but greater than Regional Australian growth).

Of the nine Mining Regions identified in this study, all bar one (Galilee Basin) experienced population growth between the 2006 and 2011 Censuses. Six experienced population growth at or above Regional Australia growth rates between the 2006 and 2011 Censuses. The fastest growing Mining Regions are located in Western Australia.

In particular, it is the remote Mining Regions of Australia that have experienced the strongest growth in their resident population. For example, the Pilbara experienced average annual growth of 7.3% per annum between 2006 and 2011, which is almost five times the national average growth rate (1.5%).

There was one region that experienced a net loss in its resident population between 2006 and 2011. The Galilee Basin lost 176 persons or 5% of its resident population over this period. It is important to note that the Galilee Basin is not yet an established and mature Mining Region.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

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Australia's sampled Mining Regions
Resident demographic landscape

One of the more significant differences between Mining and Regional Australia is the considerable growth in high income earners. In 2006, the level of high income earners (defined as $2,000 or more per week) was recorded at 5% in Australia's Mining Regions, by 2011 this had increased to 13% (compared to 5% across Regional Australia). Strong growth in income within Australia's Mining Regions is reflective of the significant mining investment and the strong demand for labour in these regions.

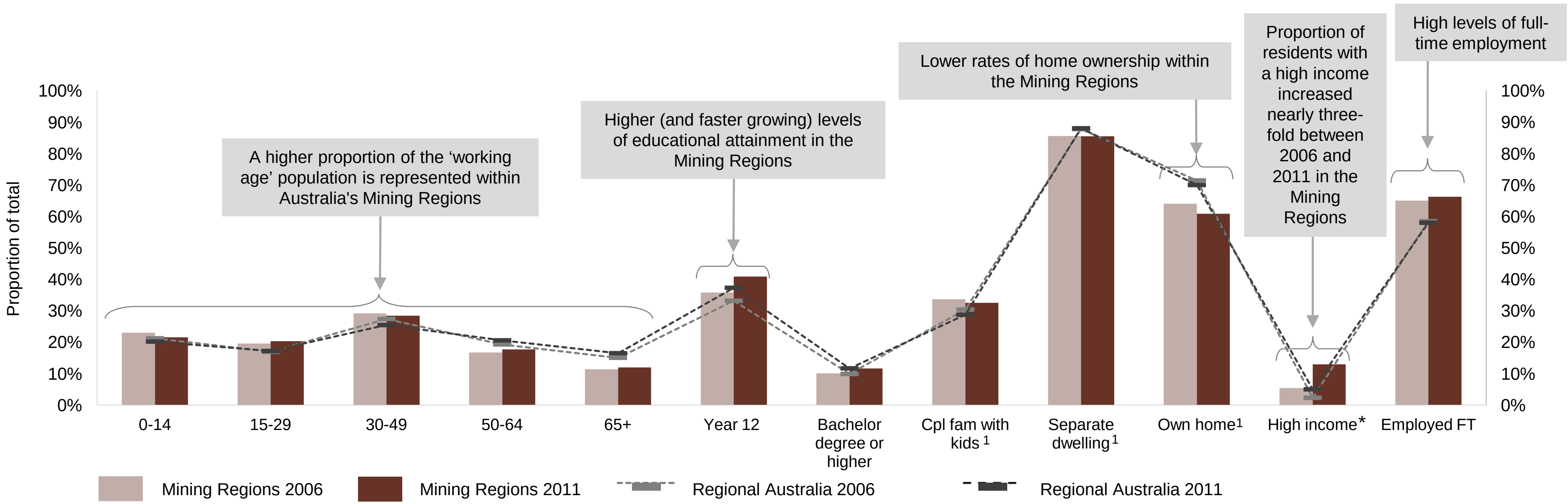
Strong demand for labour is also reflected in the high rates of full-time employment within Australia's Mining Regions (66% in 2011 compared to 58% across Regional Australia).

Positive impacts associated with increased mining activity also include higher rates of year 12 completion within Australia's Mining Regions (41% in 2011 compared with the Regional Australian average of 37%).

Despite growth in the rate of high income earners across the Mining Regions, levels of home ownership among the Mining Regions resident population have fallen from 64% in 2006 to 61% in 2011. This decline is more pronounced than the one percentage point decline in home ownership across Regional Australia (70% in 2011).

The age profile of Australia's Mining Regions tends to have a greater skew toward the working age population than the Regional Australian average. The Mining Regions have a slightly higher proportion of the population aged 15-49 years and a lower proportion of the population aged 50+ years.

Resident demographic profile of Australia's sampled Mining Regions benchmarked against Regional Australia, 2006 and 2011



[1] *Occupied private dwellings*

* *High income: Individual income of $2,000 or more per week*

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

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Australia's sampled Mining Regions

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining *- Oil & Gas*	27,368 *612*	41,177 *1,722*	13,809 *1,110*	50% *181%*
Construction	16,424	21,669	5,245	32%
Health Care & Social Assistance	18,681	21,464	2,783	15%
Retail Trade	21,326	21,103	-223	-1%
Agriculture, Forestry & Fishing	20,625	18,778	-1,847	-9%
Education & Training	16,119	17,502	1,383	9%
Manufacturing	16,501	15,753	-748	-5%
Accommodation & Food Services	12,664	14,735	2,071	16%
Public Administration & Safety	12,717	13,126	409	3%
Transport, Postal & Warehousing	9,329	10,985	1,656	18%
Other Services	8,038	9,454	1,416	18%
Professional, Scientific & Technical Services	6,499	8,104	1,605	25%
Wholesale Trade	6,503	6,763	260	4%
Administrative & Support Services	4,955	6,350	1,395	28%
Financial & Insurance Services	3,668	3,656	-12	0%
Electricity, Gas, Water & Waste Services	2,953	3,551	598	20%
Rental, Hiring & Real Estate Services	3,220	3,492	272	8%
Arts & Recreation Services	1,547	1,689	142	9%
Information Media & Telecommunications	1,583	1,425	-158	-10%
Inadequately described/not stated	*5,574*	*5,852*	*278*	*5%*
Total Industries	**216,294**	**246,628**	**30,334**	**14%**

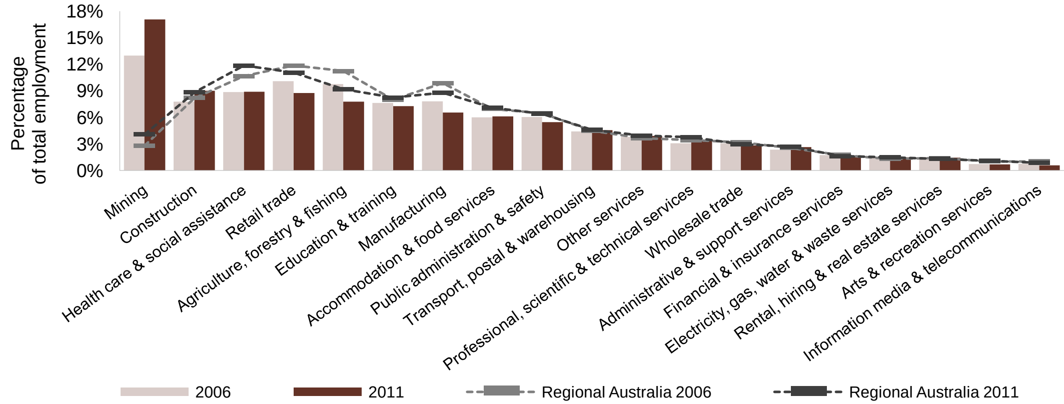
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Unsurprisingly, across Australia's sampled Mining Regions, Mining is the dominant industry of employment, (17% employment share compared to 2% nationally). According to the 2011 Census, 41,177 residents were employed within the Mining industry (1,722 in the Oil & Gas sub-industry) across the sampled regions. In the five-years to 2011, the number of people employed within the Mining industry across the sampled regions grew by 13,809 or 50%. This compares to total employment growth of 14% across all industries.

The rapid growth in resident employment within the Mining industry is reflective of the investment in mining activity across Australia. It is important to note however, that these figures differ (are lower) than those produced in the ABS publication, *Labour Force, Australia.* The variance is attributed to a number of factors, including the Census being a survey of the entire Australian nation while the Labour Force publication is based on a sample of private dwellings (approximately 29,000 houses, flats etc.) and non-private dwellings.

Associated with growth in the Mining industry, Construction is now the second largest industry of employment across Australia's Mining Regions. In 2011, Construction represented 9% of the total workforce within Mining Australia (up from 8% in 2006). In the five years to 2011, employment within Construction increased by 5,245 or 32% to 21,669 in the sampled Mining Regions. In 2006, Retail Trade was the second largest industry of employment in Australia's Mining Regions, with an estimated 21,326 or 10% of the workforce employed in this industry. However, the number of residents employed in Retail Trade has decreased by 223 or 1% in the five-years to 2011.

Industry of employment of residents in Australia's Mining Regions, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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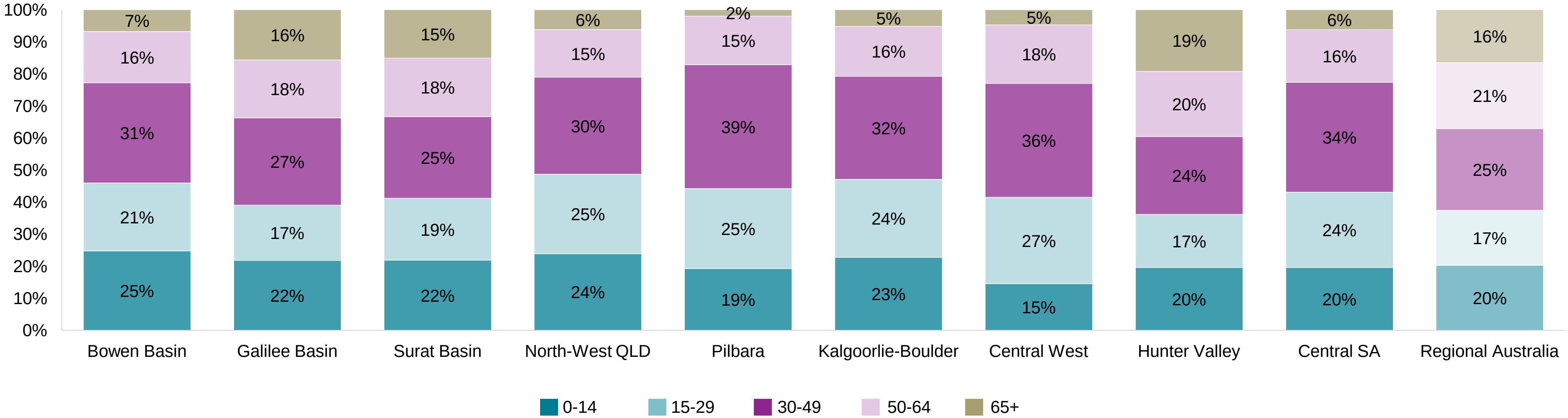
Australia's sampled Mining Regions

Age distribution profile

Age distribution profile of Australia's sampled Mining Regions benchmarked against Regional Australia, 2011



Australia's Mining Regions tend to have a greater representation of the working age (15-64 year) resident population than the Regional Australian average. This may be attributed to the strong demand for labour within Australia's Mining Regions and therefore the attractiveness of these regions among the working age population. Additionally the type of work required for the construction, operation and/or maintenance of a mine tends to lend itself towards a younger demographic.

The skew towards a younger working age demographic is particularly dominant within those regions more heavily dominated by mining activity (compared to those with a broader economic base). For example, 81% of the resident population of the Central West were aged 15-64 years in 2011. This compared to 63% across Regional Australia.

Diversity in the age structure tends to come with reaching a critical mass in the population. For example, the larger regions (in terms of total population) including the Surat Basin and the Hunter Valley have an age distribution more closely in line with the Regional Australian average.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

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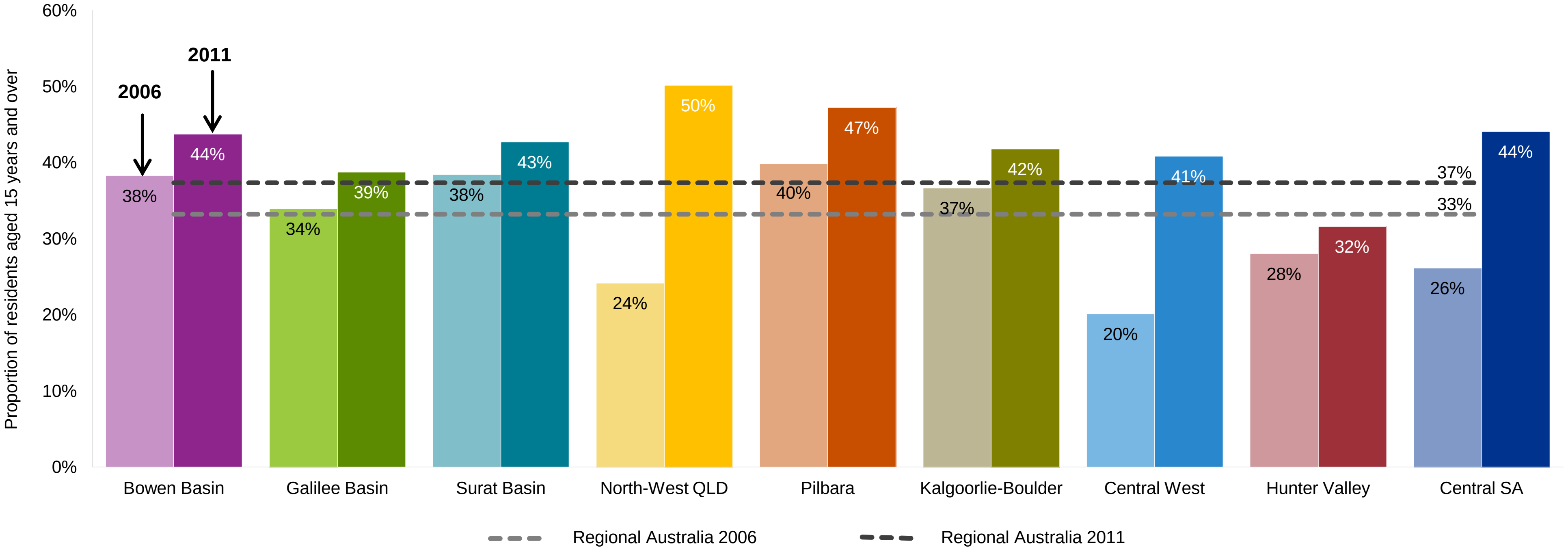
Australia's sampled Mining Regions

Educational attainment

Proportion of residents (aged 15 years and over) that have completed year 12 by Mining Region benchmarked against Regional Australia, 2006 and 2011



As at the 2011 Census, rates of year 12 completion were higher than the Regional average within all but one of the Mining Regions identified in this study (Hunter Valley). In terms of changes in the rate of year 12 completion, each of the nine identified Mining Regions experienced significant growth in completion rates between the 2006 and 2011 Censuses.

North-West QLD experienced the largest percentage point increase in year 12 completion, increasing 26 percentage points from 24% in 2006 to 50% in 2011. Year 12 completion rates among the residents of North-West QLD are now the highest among the nine Mining Regions and sits well above the Regional Australian average of 37%.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Note: Year 12 attainment is measured as a proportion of residents aged 15 years and over who have completed year 12

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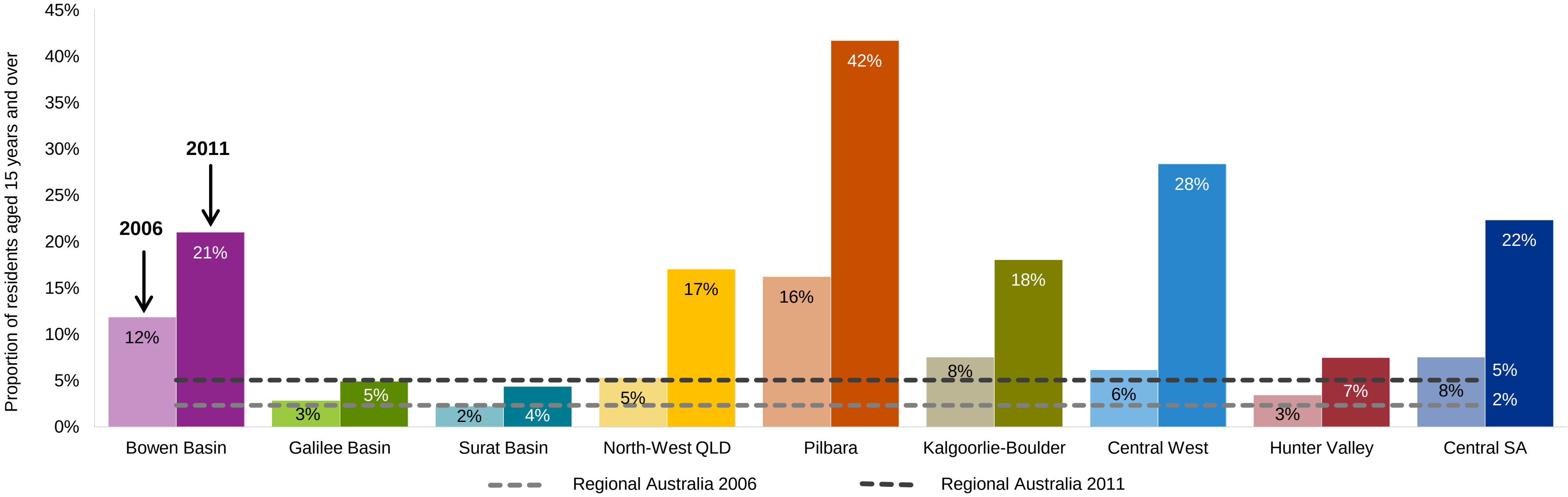
Australia's sampled Mining Regions

High income earners

Proportion of residents who are high income earners ($2,000 or more per week) by Mining Region benchmarked against Regional Australia, 2006 and 2011



Rates of high income earners are closely correlated with the level of mining employment within the regions. Between 2006 and 2011, the wealth of residents living within Australia's Mining Regions increased substantially, particularly when benchmarked against the Regional and national average. Of the nine selected Mining Regions, the Pilbara had the highest proportion of residents earning a 'high income' (42% in 2011). This compares to a Regional Australian average of 5% in 2011.

The rate at which the proportion of high income earners has grown within the majority of the Mining Regions is also significant. The Pilbara for example experienced a 26 percentage point increase in the proportion of high income earners between the 2006 and 2001 Censuses. This compares to a three percentage point increase across Regional Australia.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Note: High income is defined as the proportion of residents aged 15 years and over earning $2,000 or more per week (excluding negative/nil and not stated incomes)

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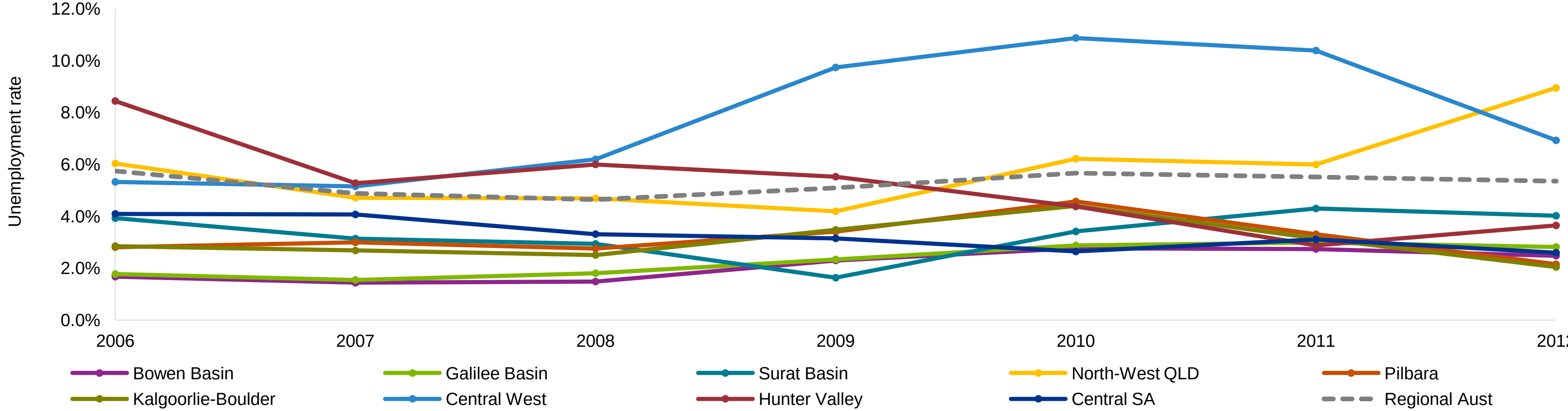
Australia's sampled Mining Regions
Unemployment rates

Unemployment rates by sampled Mining Region benchmarked against Regional Australia, 2006 to 2012



Mining often brings prosperity and employment opportunities to regions across Australia where it is prevalent. It creates jobs, especially during the construction phase, which is labour-intensive and requires a large workforce. Employment opportunities for residents means that the unemployment rate decreases and for the most part is often below the Regional Australian average and sometimes even below the national unemployment rate. However, as mining activity is cyclical and sensitive to the condition of the global economy, unemployment rates shift as evidenced by the fluctuation of unemployment rates across the Mining Regions of Australia between 2006 and 2012.

The Hunter Valley has experienced the largest decline in unemployment rates between 2006 and 2012. As at June 2012, the Hunter Valley's unemployment rates were recorded at 3.6%, which represents a five percentage point decline from June 2006. Furthermore, the Hunter Valley recorded a substantially lower unemployment rate than Regional Australia (5.4%) and Australia (5.2%).

Of the nine sampled Mining Regions, the lowest unemployment rates in 2012 were found in Kalgoorlie-Boulder, the Bowen Basin, Central South Australia and the Galilee Basin, all recording under 3.0% unemployment.

On the contrary, some regions in Australia are experiencing heightened unemployment over and above Regional Australia and national trends. North-West QLD and the Central West Mining Regions both recorded the highest unemployment rates of the Mining Regions in 2012 (9.0% and 6.9% respectively). However, the unemployment rate in the Central West has substantially reduced over the last 12 months and is trending downwards from its 2010 high of 10.9%. The above average rate of unemployment in the North West QLD may be attributed the high unemployment rates among the substantial Indigenous population.

Source: KPMG Demographics; Based on data from the Department of Education, Employment and Workplace Relations

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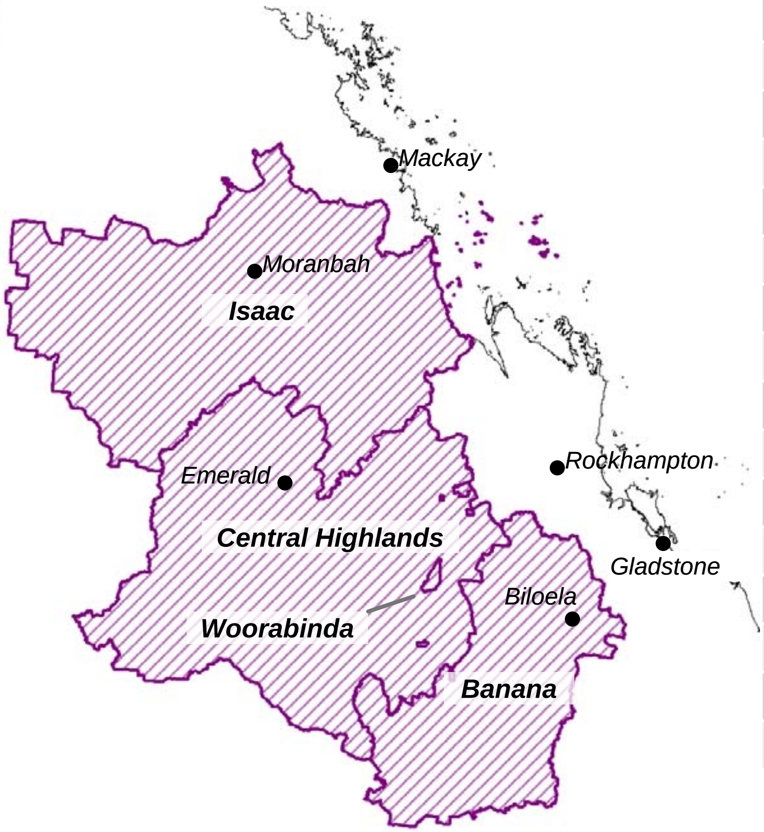
Regional Analysis

Bowen Basin

Bowen Basin

Overview

The Bowen Basin in central Queensland contains the largest coal reserves in Australia. It stretches approximately 550km north to south and incorporates the townships of Moranbah, Emerald and Biloela. Whilst the foundation of the economic base is mining, agriculture also contributes to the economic diversity of the region.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	68,588	4.1%[2]
Total occupied private dwellings[3]	20,956	3.1%[2]
Working age population (15-64)	68%	0.1
Male	54%	0.0
Indigenous	5%	0.5
Australian born	89%	- 2.7
Average household size[3]	2.78	0.04[4]
Year 12	44%	5.5
High income	21%	9.2
Couple family with children[3]	40%	0.1
Separate dwelling[3]	88%	- 0.7
Own their home[3]	50%	- 5.2
Bachelor degree or higher	10%	1.5
Unemployment Rate[5]	2.5%	0.8
Participation Rate	72%	0.4
Same address five years ago	39%	0.3
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

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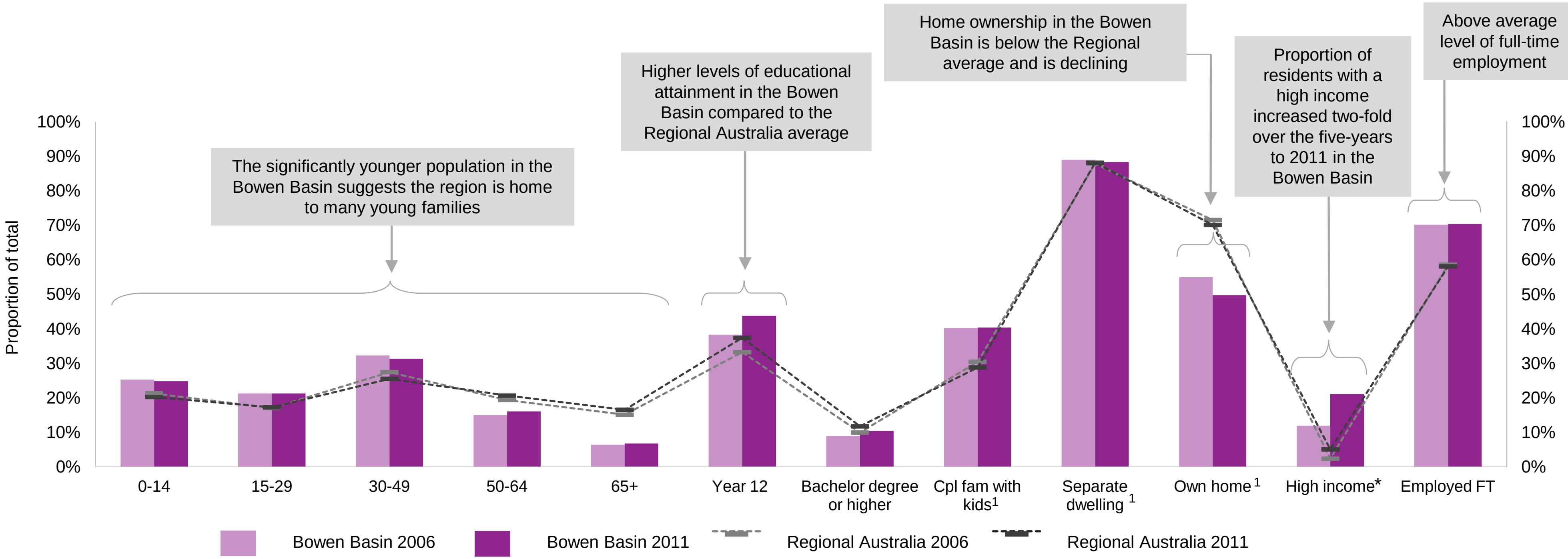
Bowen Basin
Resident demographic landscape

At the time of the 2011 Census there were a higher level of residents aged 30-49 years in the Bowen Basin when compared with Regional Australia. The region was also home to a higher than average proportion of occupied private dwellings comprising couple families with children.

In 2011, the level of high income earners (defined as $2,000 or more per week) was recorded at 21% in the Bowen Basin and this compared with 5% across Regional Australia. The chart below also shows a high proportion of full-time employment (70% in 2011) and above average levels of year 12 attainment.

Resident demographic profile of the Bowen Basin benchmarked against Regional Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

[1] Occupied private dwellings
** High income: Individual income of $2,000 or more per week*

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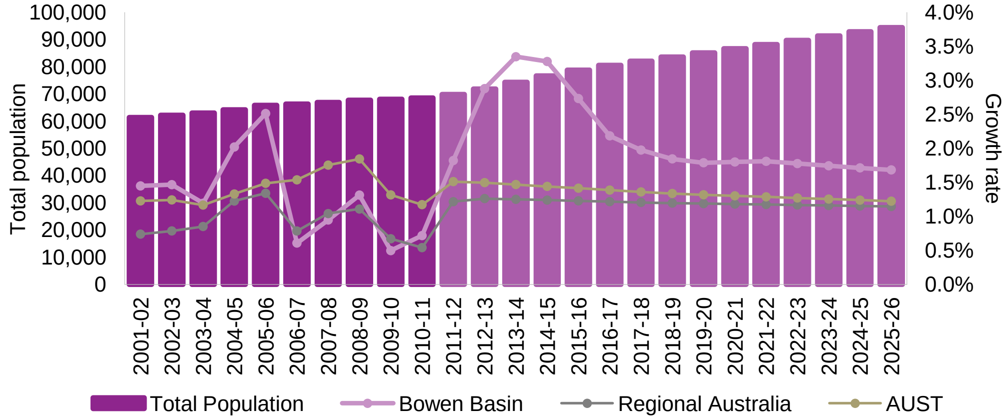
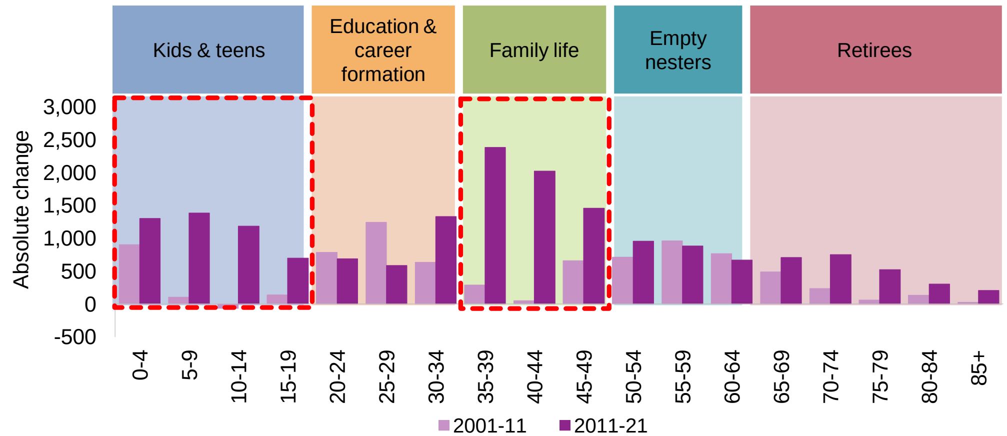
Bowen Basin
Population growth and projections

Historic and projected population growth in the Bowen Basin benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Bowen Basin population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



As at June 2011, there were 68,588 residents in the Bowen Basin – the residential population had grown 4% since 2006. The population growth rate in the Bowen Basin has loosely followed similar trends to the regional and national average, growing at an average annual rate of 0.8% between 2006 and 2011, which was similar to that of Regional Australia (0.8%). However the projected growth anticipated for the Bowen Basin is projected to ramp up significantly from 2012 onwards.

The Bowen Basin's heightened rate of growth between 2012 and 2017 is largely due to significant mining investment and a large number of planned mines that are scheduled to be constructed. As with most mines, the construction phase of the mine attracts a substantial workforce and therefore may be a key reason why the Bowen Basin is projected to experience heightened population growth rates in the next five-years or so.

It is important to note however, that due to the population of the Bowen Basin being strongly tied to the Mining industry, any such change in the economic climate of mining will have a direct impact on the population projections for the region. Therefore long-term projections should be viewed with caution.

The changing age profile in the Bowen Basin will pose different opportunities and challenges for the region. The most significant opportunities for the Bowen Basin may be the growing number of persons aged 35-49 years as these age cohorts tend to represent a typical 'family life' aged population. This is further evident in the strong population growth in the 0-19 year age cohort.

Between 2011 and 2021, the number of people aged 35-49 years in the Bowen Basin is projected to increase by an estimated 6,819 persons. This represents growth of 17% over and above the 1,711 persons added to this age group between 2001 and 2011.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and the Office of Economic and Statistical Research, Queensland Treasury

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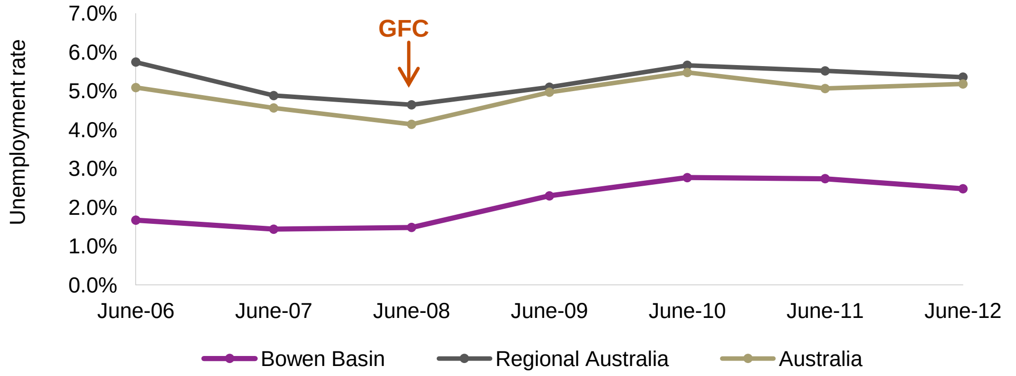
Bowen Basin
Unemployment rate

Unemployment rate in the Bowen Basin benchmarked against Regional and total Australia, 2006 to 2012



As at June 2012, the Department of Education, Employment and Workplace Relations (DEEWR) recorded an unemployment rate of 2.5% for the Bowen Basin. This compares to 5.2% and 5.4% for Australia and Regional Australia respectively.

The unemployment rate in the Bowen Basin has typically been substantially lower than Australia and Regional Australia, never reaching over 2.8% in the six years to June 2012. Whilst the trends have been similar over the last six years, with the Bowen Basin also feeling the effects of the GFC and recording a slight increase in unemployment rates during June 2010, unemployment rates still remain substantially lower than the Australian and Regional Australian averages.

Source: KPMG Demographics; Based on data from the Department of Education, Employment and Workplace Relations

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Bowen Basin

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining	8,230	10,007	1,777	22%
- Oil & Gas	*42*	*95*	*53*	*126%*
Agriculture, Forestry & Fishing	4,727	4,066	-661	-14%
Retail Trade	2,596	2,382	-214	-8%
Construction	2,352	2,340	-12	-1%
Education & Training	1,969	2,161	192	10%
Accommodation & Food Services	1,898	2,122	224	12%
Health Care & Social Assistance	1,561	1,685	124	8%
Manufacturing	1,294	1,461	167	13%
Public Administration & Safety	1,392	1,349	-43	-3%
Transport, Postal & Warehousing	1,279	1,315	36	3%
Other Services	1,101	1,220	119	11%
Administrative & Support Services	719	917	198	28%
Professional, Scientific & Technical Services	682	794	112	16%
Wholesale Trade	801	792	-9	-1%
Electricity, Gas, Water & Waste Services	405	529	124	31%
Rental, Hiring & Real Estate Services	397	512	115	29%
Financial & Insurance Services	326	325	-1	0%
Arts & Recreation Services	91	128	37	41%
Information Media & Telecommunications	122	120	-2	-2%
Inadequately described/not stated	*833*	*833*	*0*	*0%*
Total	**32,775**	**35,058**	**2,283**	**7%**

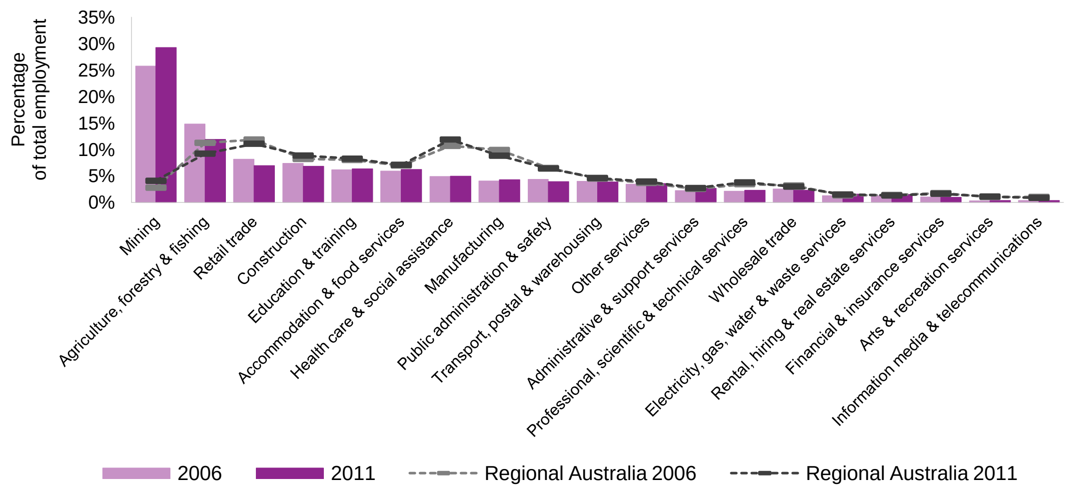
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

In both 2006 and 2011, Mining was the largest industry of employment in the Bowen Basin. In 2006 there were 8,230 persons or 26% of the resident working population employed in the Mining industry and by 2011 this had increased to 10,007 persons or 29% compared to the national average of 2%. The Mining industry experienced the largest absolute growth of any industry in this time period, growing by an estimated 1,777 persons or 22%. Construction is strongly represented in the region (7% of the resident working population in both 2006 and 2011) and is closely linked to the Mining industry. Together, these two industries represented just over one-third of the total employment in the Bowen Basin in 2011.

Whilst Mining is the largest industry of employment in the region, Agriculture, Forestry & Fishing is also substantial, representing 12% of total employment in 2011. Primarily cattle grazing and grain/crop production, this industry significantly contributes to the Bowen Basin's economic base. However, although Agriculture, Forestry & Fishing remains the second-largest industry of employment, by 2011 its residential working population had decreased by 14%. The second-largest absolute growth between 2006 and 2011 was experienced in the Education & Training, Accommodation & Food Services and Administrative & Support Services industries, increasing by 192 (10%), 224 (12%) and 198 (28%) respectively.

Retail Trade experienced the second largest decline in workers between 2006 and 2011 decreasing by an estimated 214 persons or 8%. However, Retail Trade still represents the third-largest industry of employment in the region (2,382 persons or 7%).

Industry of employment of residents in the Bowen Basin, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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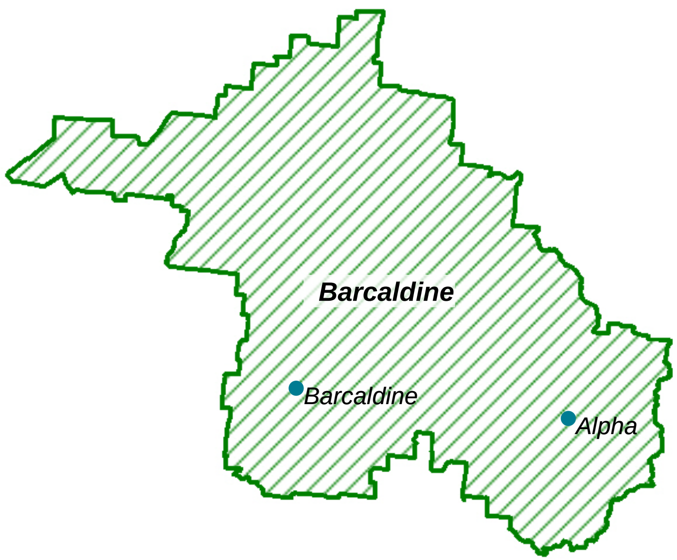
Regional Analysis
Galilee Basin

The Galilee Basin is located west of the Bowen Basin in central Queensland. It has a fairly small population base and mining activity in the region is in its early stages. Townships within the Galilee Basin include Alpha and Barcaldine. Agriculture is the main economic base in this region.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	3,286	- 5.1%[2]
Total occupied private dwellings[3]	1,192	-1.3%[2]
Working age population (15-64)	63%	-1.3
Male	50%	-1.0
Indigenous	6%	0.3
Australian born	94%	-1.2
Average household size[3]	2.39	-0.01[4]
Year 12	39%	4.8
High income	5%	2.1
Couple family with children[3]	31%	-0.5
Separate dwelling[3]	94%	1.9
Own their home[3]	66%	- 0.3
Bachelor degree or higher	9%	1.4
Unemployment Rate[5]	2.8%	1.0
Participation Rate	67%	0.8
Same address five years ago	55%	2.8
Largest industry of employment	Agriculture, Forestry & Fishing	Agriculture, Forestry & Fishing

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

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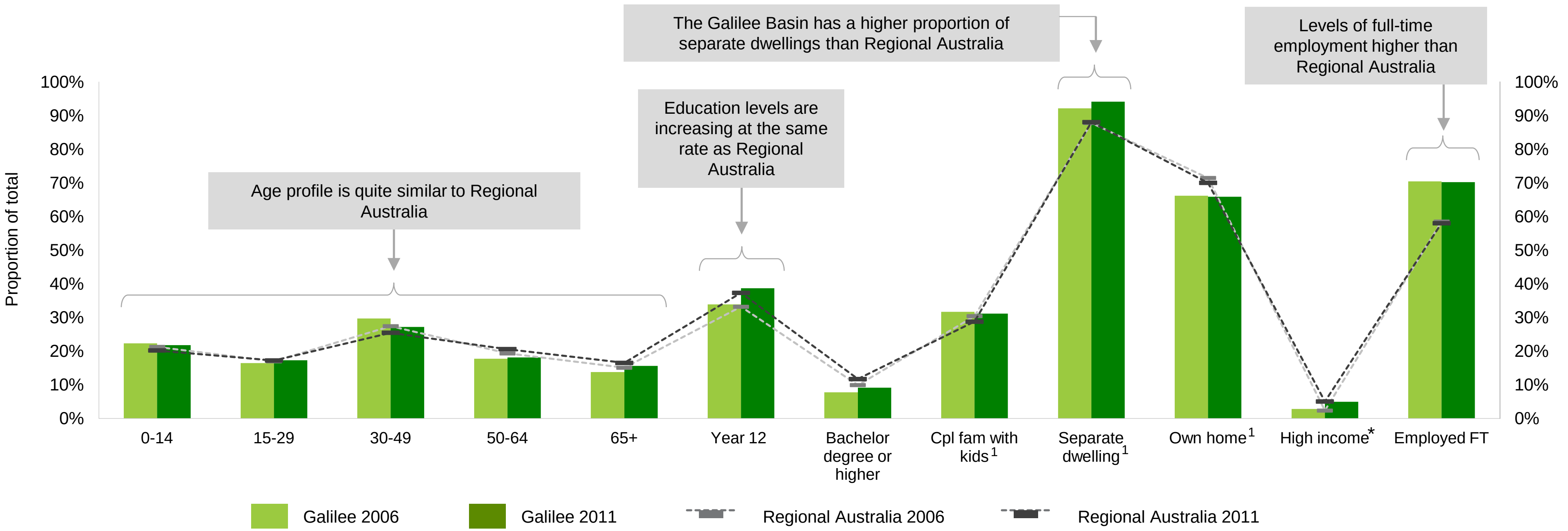
Galilee Basin
Resident demographic landscape

Overall the demographic landscape of the Galilee Basin is not dissimilar to Regional Australia. Furthermore, the change experienced between 2006 and 2011 is also at levels similar to the Regional Australian average. As the Galilee Basin is a fairly new region in terms of mining activity, the region has not yet experienced the typical demographic characteristics associated more generally with Mining Regions.

There is currently minimal mining activity in the region, however this is projected to change with an estimated five mines scheduled to start-up between 2014-2016. Therefore, as the level of mining activity increases over the next two to four years, the demographic landscape is likely to change accordingly.

Resident demographic profile of the Galilee Basin benchmarked against Regional Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

1 Occupied private dwellings

** High income: Individual income of $2,000 or more per week*

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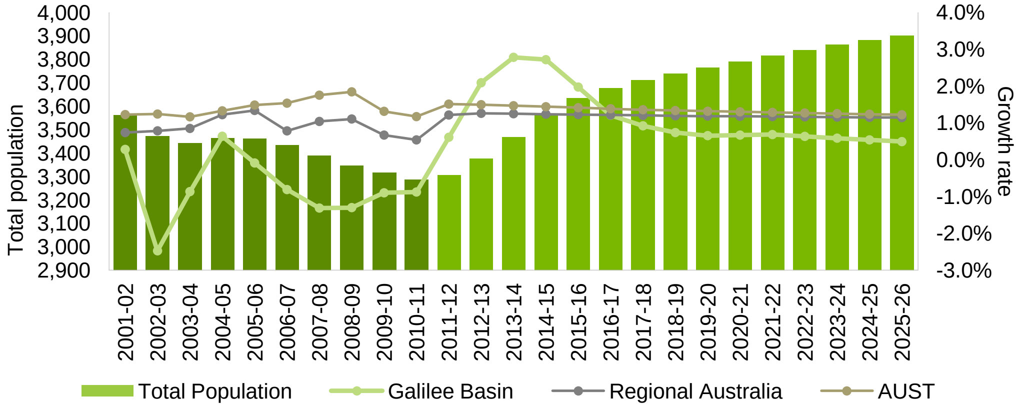
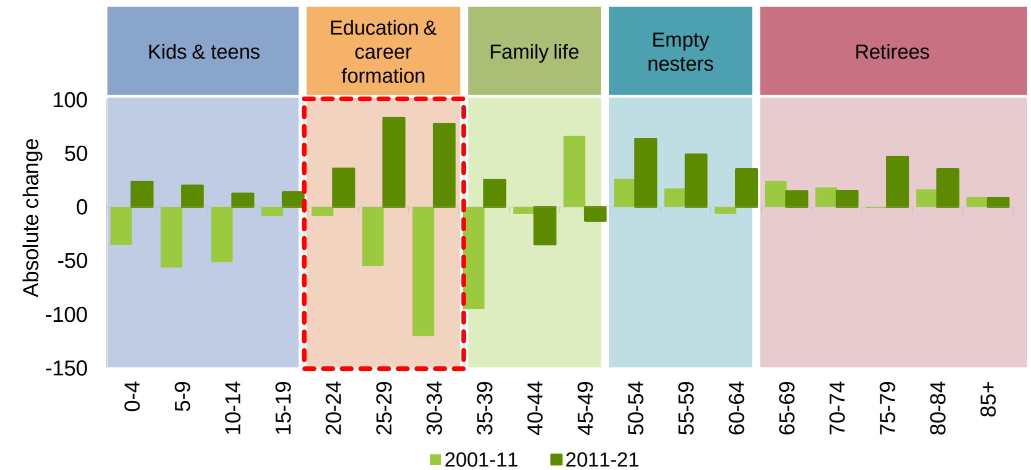
Historic and projected population growth in the Galilee Basin benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Galilee Basin population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and the Office of Economic and Statistical Research, Queensland Treasury

Over the five-years to 2011, the resident population of the Galilee Basin decreased by an estimated 176 persons or 5% to 3,286 persons. However the population for this region is projected to start increasing at rates above the Regional Australia and Australia average between 2012 and 2017. This rise in the population growth rate may be attributed to the planned mining activity in the region set to commence over the next few years. The opening of mines involves a construction phase which requires a large number of workers, which in turn could attract further population to the region.

While over the last decade the Galilee Basin experienced population loss (-265 persons), the next decade is projected to bring population gain (509 persons) to the region. The largest gain is projected to occur in the 'education & career formation' population sub-group which typically represents the 20-34 year olds. Again, this is most likely due to the opening of the mines attracting a large construction workforce to the region. The 'education & career formation' group tend to be more flexible in sourcing employment and more likely to move to remote locations such as Mining Regions to source work.

Between 2011 and 2021 the number of people in the 'education & career formation' group in the Galilee Basin is projected to increase by an estimated 192 persons. This cohort will represent 38% of total growth for the region in the next decade. In fact, by contrast, this group experienced population loss over the last decade.

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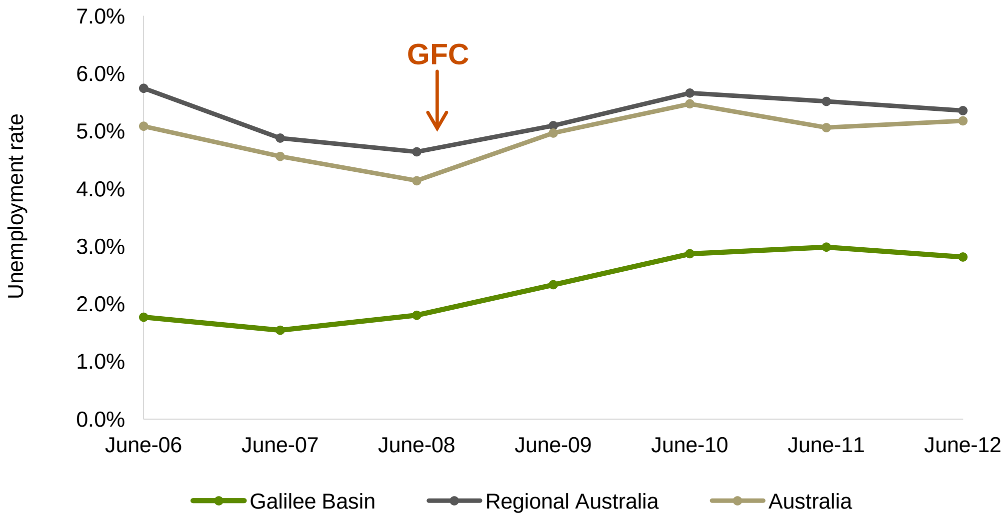
Unemployment rate in the Galilee Basin benchmarked against Regional and total Australia, 2006 to 2012



DEEWR recorded an unemployment rate of 2.8% in 2012 for the Galilee Basin, down from a 3.0% high experienced in 2011. This compares to 5.2% and 5.4% in Australia and Regional Australia respectively in 2012.

Although population growth rates have been below the regional and national average, unemployment rates in the Galilee Basin have consistently remained below these averages over the six years to 2012. However, the unemployment trend has been similar to Regional Australia and Australia with unemployment peaking after the GFC.

Source: KPMG Demographics; Based on data from Department of Education, Employment and Workplace Relations

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Galilee Basin
Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Agriculture, Forestry & Fishing	547	524	-23	-4%
Public Administration & Safety	192	172	-20	-10%
Construction	102	171	69	68%
Health Care & Social Assistance	141	145	4	3%
Retail Trade	110	106	-4	-4%
Education & Training	114	95	-19	-17%
Transport, Postal & Warehousing	91	89	-2	-2%
Accommodation & Food Services	63	61	-2	-3%
Manufacturing	40	46	6	15%
Professional, Scientific & Technical Services	36	41	5	14%
Other Services	39	35	-4	-10%
Mining	12	30	18	150%
- Oil & Gas	*0*	*0*	*0*	-
Electricity, Gas, Water & Waste Services	24	21	-3	-13%
Wholesale Trade	36	21	-15	-42%
Administrative & Support Services	6	11	5	83%
Rental, Hiring & Real Estate Services	9	9	0	0%
Arts & Recreation Services	15	7	-8	-53%
Information Media & Telecommunications	6	5	-1	-17%
Financial & Insurance Services	3	3	0	0%
Inadequately described/not stated	*49*	*58*	*9*	*18%*
Total	**1,635**	**1,650**	**15**	**1%**

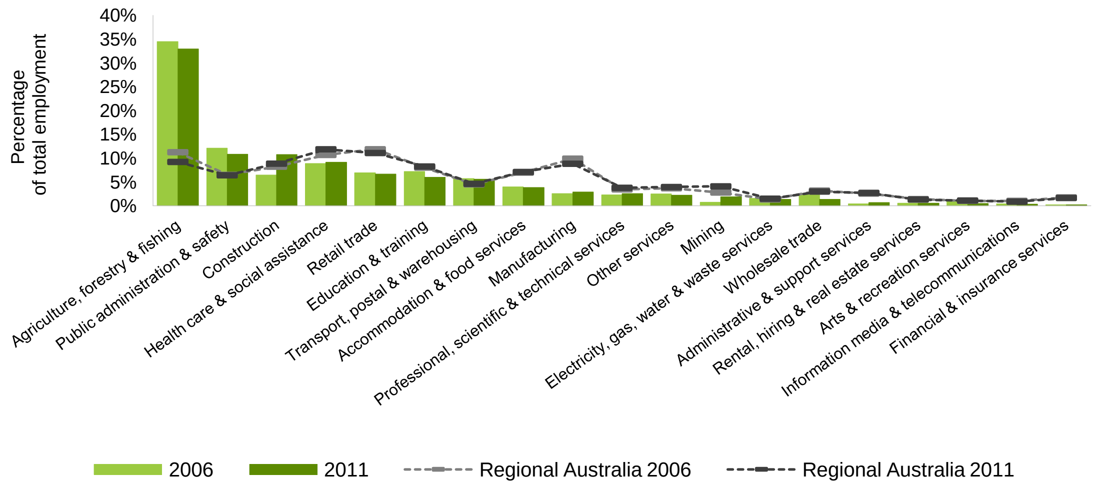
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The largest industry of employment in the Galilee Basin as at the 2011 Census was Agriculture, Forestry & Fishing. This industry represented 33% of total employment in the region in 2011 (down 4% from 2006).

In 2011, Mining in the Galilee Basin represented only 2% of total employment, which was in line with the national average. Mining and Construction together however represented 13% of total employment. It is likely that construction activity and employment in the region is linked to the Mining industry. The Mining and Construction industries both had the highest percentage growth between 2006 and 2011, increasing by 150% and 68% respectively. However, this only translates to an additional 87 employed persons. Although it is not currently a large Mining Region, the Galilee Basin is projected to have a number of mines open over the short-term. The true growth in this region in terms of mining will therefore be better captured in the 2016 Census.

The largest absolute decline between 2006 and 2011 was experienced in the Agriculture, Forestry & Fishing industry losing an estimated 23 employed persons. However the largest percentage decrease occurred in the Arts & Recreation industry, dropping by 53% over the time period.

Industry of employment of residents in the Galilee Basin, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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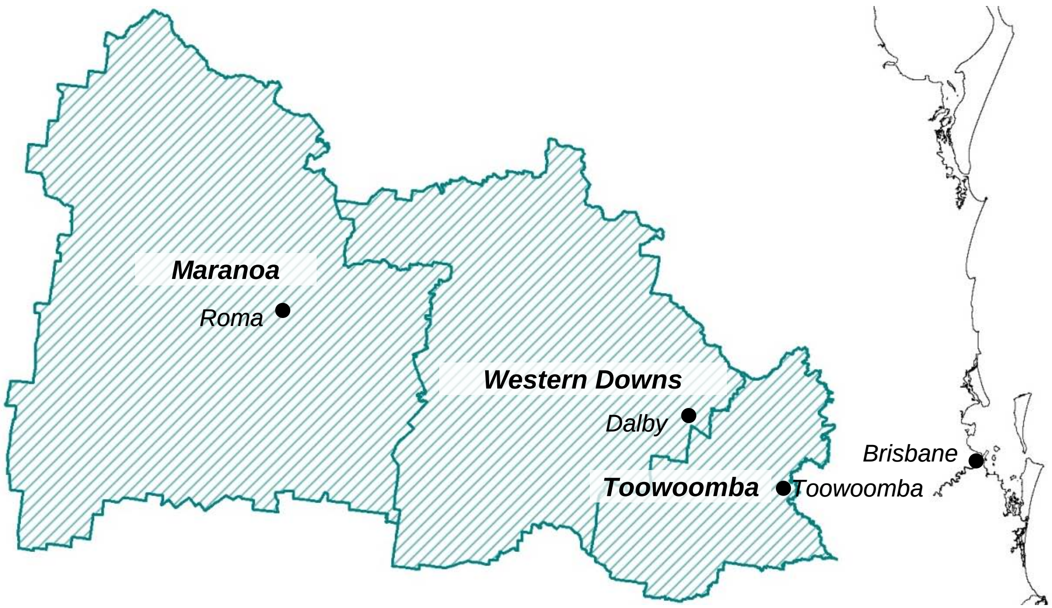
Regional Analysis

Surat Basin

Surat Basin

Overview

The Surat Basin stretches just under 500km east to west and is located south of the Bowen Basin. The major township of Toowoomba is located approximately 100km west of Brisbane. The economic base in the Surat Basin is quite diverse and includes a growing coal seam gas sector.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	200,750	3.2%[2]
Total occupied private dwellings[3]	70,495	8.0%[2]
Working age population (15-64)	63%	- 0.9
Male	49%	0.1
Indigenous	4%	0.5
Australian born	90%	- 1.5
Average household size[3]	2.52	-0.04[4]
Year 12	43%	4.3
High income	4%	2.1
Couple family with children[3]	31%	- 1.4
Separate dwelling[3]	87%	0.4
Own their home[3]	67%	- 1.9
Bachelor degree or higher	14%	2.0
Unemployment Rate[5]	4.0%	0.1
Participation Rate	62%	- 0.2
Same address five years ago	46%	3.3
Largest industry of employment	Health Care & Social Assistance	Retail Trade

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings [4]Absolute change [5]2012 unemployment rate

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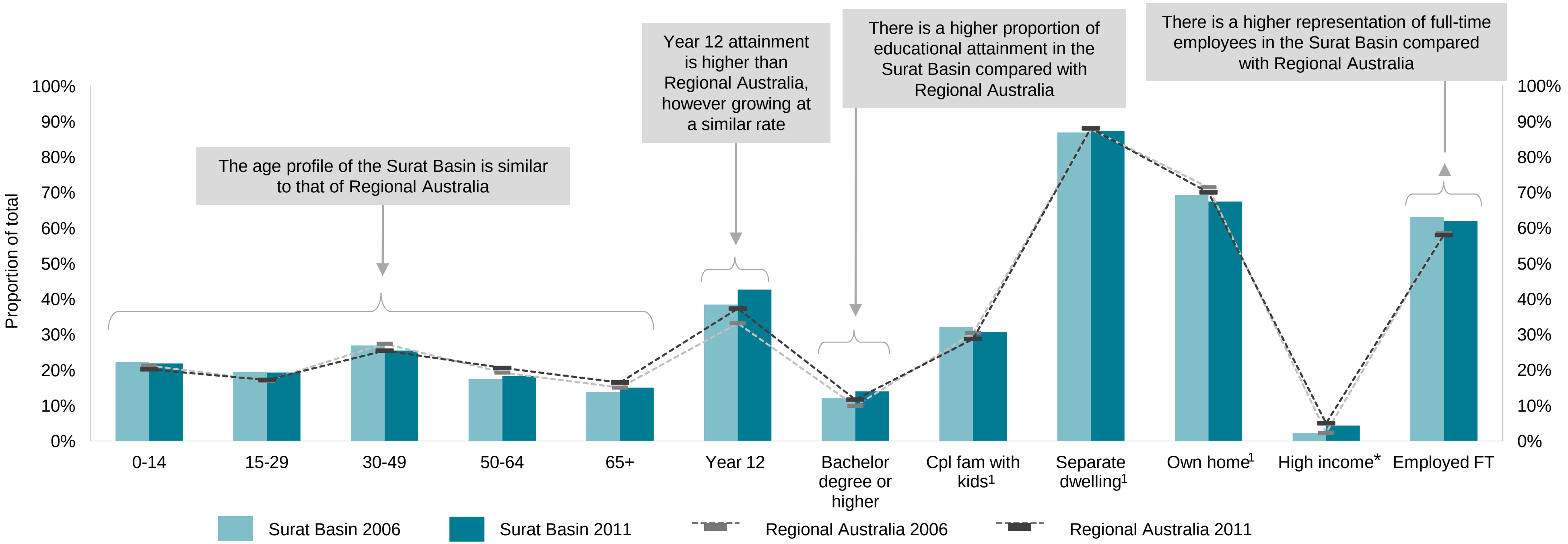
As the Surat Basin is not dominated by mining, the age profile does not represent that of a typical Mining Region and is more reflective of Regional Australian averages. In the Surat Basin the level of year 12 attainment was higher than Regional Australia in both 2006 and 2011. Rates of educational attainment have increased by 5 percentage points in the five years to 2011 with the rate of year 12 attainment sitting at 43% in 2011 and this compared with the Regional Australian average of 37%.

Furthermore, with the presence of a large township such as Toowoomba in the region, there are greater education and employment opportunities for residents. The University of Southern Queensland has a campus in Toowoomba which provides higher education options. The region also has a higher full-time employment rate than Regional Australia, 62% compared to 58% in 2011.

Resident demographic profile of the Surat Basin benchmarked against Regional Australia, 2006 and 2011



[1] Occupied private dwellings

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

** High income: Individual income of $2,000 or more per week*

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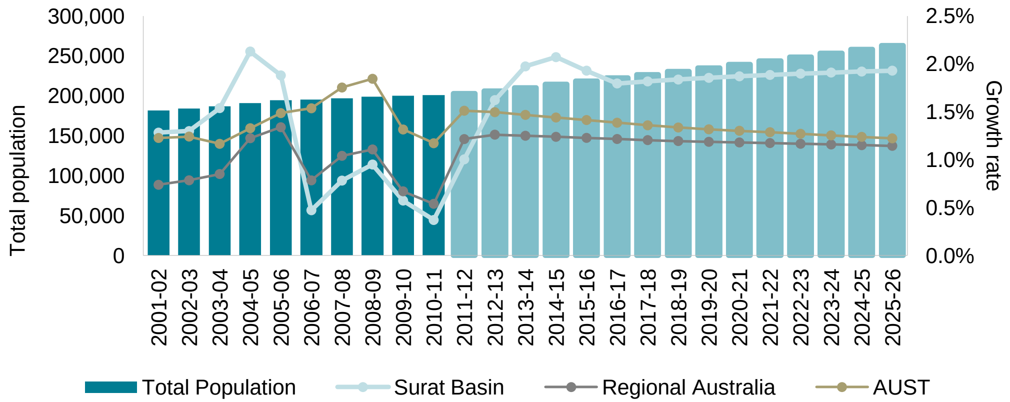
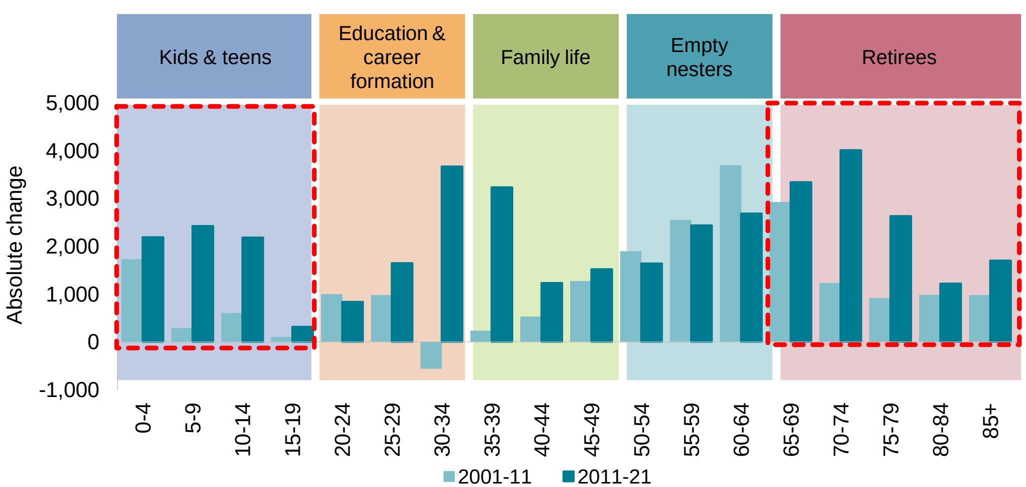
Surat Basin

Population growth and projections

Historic and projected population growth in the Surat Basin benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Surat Basin population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and the Office of Economic and Statistical Research, Queensland Treasury

The resident population of the Surat Basin was estimated to be 200,750 in 2011, a 6,203 or 3% increase from 2006. This compared with a 4% growth in Regional Australia or 0.8% per annum growth rate. While the population growth rate in the Surat Basin has typically been lower than Regional Australia and Australia since 2007, it is projected to change and become higher from 2012 onwards and remain this way till 2026.

This may be partially due to an increase in mining activity projected for the region over the next five-years, which will see an increase in the level of construction activity.

The age profile of the Surat Basin highlights a large increase projected in the 'retirees' group, the 65+ age cohort. Between 2001 and 2011 this age cohort increased by 7,016 persons. In the next decade however, this group is projected to grow by 12,901 persons. This is in line with the national trend of an ageing population.

Other groups projected to experience a considerable increase in absolute growth between the comparison decades are the 'kids & teens' and the 'education & career formation' groups, typically the 0-19 and 20-34 year olds. Between 2011 and 2021 the number of 'kids & teens' in the Surat Basin is projected to increase by an estimated 7,107 persons. This represents growth of 6% over and above the 2,697 persons added to this group between 2001 and 2011. The 'education & career formation' group is expected to grow by 6,152 persons in the next decade which is 9% over the 1,411 person increase in the last decade.

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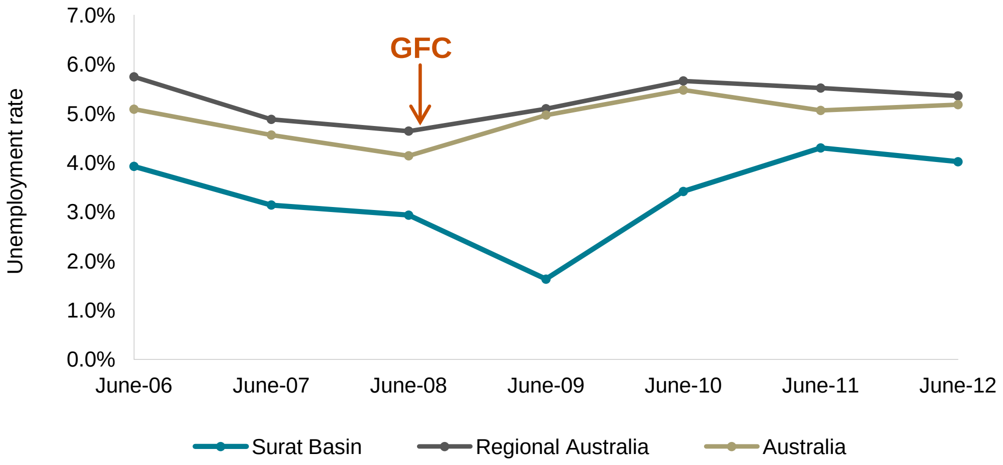
Surat Basin
Unemployment rate

Unemployment rate in the Surat Basin benchmarked against Regional and total Australia, 2006 to 2012



In the Surat Basin the unemployment rate has not exceeded the Regional Australia or Australia rate over the six years to 2012. Post GFC the unemployment rate started to rise in the Surat Basin, peaking at 4.3% in 2011.

However, over the 12 months to June 2012 the unemployment rate decreased again and has been recorded at 4.0% compared to 5.2% and 5.4% in Australia and Regional Australia respectively.

Source: KPMG Demographics; Based on data from Department of Education, Employment and Workplace Relations

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Surat Basin

Industry of employment (residents)

Industry of employment	2006 No.	2011 No.	2006 - 11 No.	2006 - 11 %
Health Care & Social Assistance	9,305	11,180	1,875	20%
Retail Trade	9,577	9,544	-33	0%
Agriculture, Forestry & Fishing	9,016	8,341	-675	-7%
Education & Training	7,555	8,278	723	10%
Manufacturing	8,966	7,652	-1,314	-15%
Construction	6,204	7,455	1,251	20%
Public Administration & Safety	5,788	5,861	73	1%
Accommodation & Food Services	4,402	5,098	696	16%
Transport, Postal & Warehousing	3,695	4,169	474	13%
Professional, Scientific & Technical Services	2,926	3,601	675	23%
Other Services	3,212	3,446	234	7%
Wholesale Trade	3,131	3,107	-24	-1%
Mining	920	2,486	1,566	170%
- Oil & Gas	*205*	*764*	*559*	*273%*
Financial & Insurance Services	2,203	2,228	25	1%
Administrative & Support Services	1,494	1,861	367	25%
Electricity, Gas, Water & Waste Services	895	1,229	334	37%
Rental, Hiring & Real Estate Services	1,084	1,095	11	1%
Information Media & Telecommunications	823	765	-58	-7%
Arts & Recreation Services	646	711	65	10%
Inadequately described/not stated	*1,842*	*2,001*	*159*	*9%*
Total Industries	**83,684**	**90,108**	**6,424**	**8%**

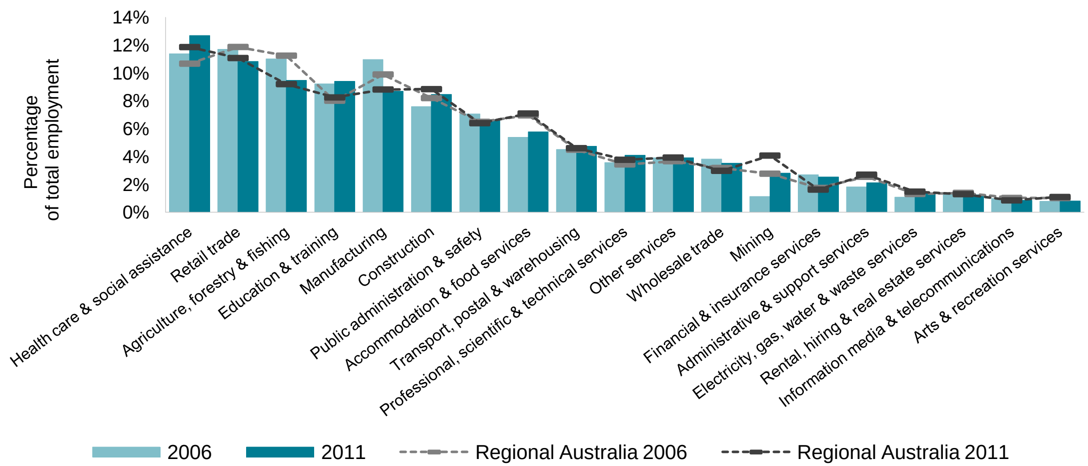
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The economic base in the Surat Basin is quite diverse, with the Mining industry representing only 1% of the residential working population in 2006 and 3% in 2011. The largest industry of employment in 2011 was Health Care & Social Assistance with 11,180 employed persons (13%), followed by Retail Trade with 9,544 employed persons (11%).

The largest absolute increase was in the Health Care & Social Assistance industry adding an estimated 1,875 persons between 2006 and 2011. This was followed closely by the Mining industry which added 1,566 persons. The Mining industry also experienced the largest percentage growth (170%). Close to one-third of those employed in the Mining industry were employed in the Oil & Gas subsector. The Electricity, Gas, Water & Waste Services industry also reported a high percentage growth between 2006 and 2011 increasing by 37%, however the industry itself represents only 1% of total industry employment in the Surat Basin.

Similarly to Australia, the industry with the largest absolute and percentage decline between 2006 and 2011 was Manufacturing, losing an estimated 1,314 persons or 15% of its workforce. The economic base of the Surat Basin is similar to Australia, due to the presence of Toowoomba which is a regional city having similar characteristics to larger Regional Australian cities. The presence of Toowoomba and the proximity to Brisbane make it less remote than many other Mining Regions across Australia. The Surat Basin experienced growth in total employment between 2006 and 2011 at a rate lower than the national average (10%), only increasing by 8% during that time period.

Industry of employment of residents in the Surat Basin, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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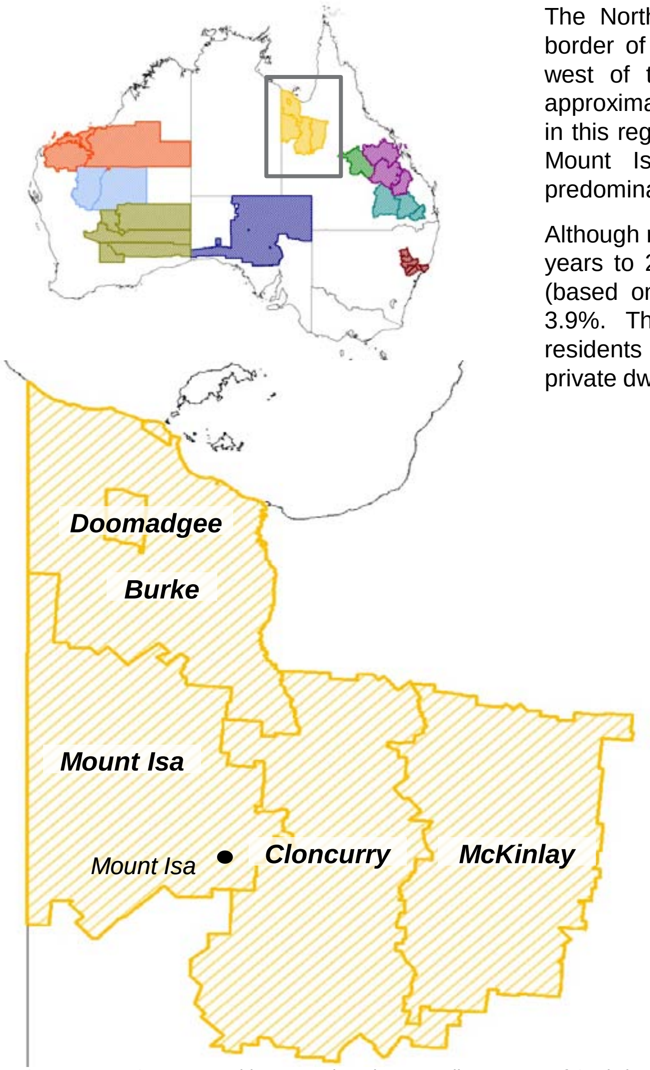
Regional Analysis

North-West QLD

North-West QLD
Overview



The North-West QLD Mining Region is located on the border of Queensland and the Northern Territory, north-west of the Galilee and Bowen Basins. It stretches approximately 450km east to west. The largest township in this region is Mount Isa located in the south east of the Mount Isa local government area. Mining is the predominant industry of employment in this region.

Although resident population has grown by 5.9% in the five years to 2011, the number of occupied private dwellings (based on place of usual residence) has decreased by 3.9%. This is explained by the growing number of residents living in staff quarters and other types of non-private dwellings (33% growth between 2006 and 2011).

Fast Facts

Demographic indicator	2011	Percentage point change from 2006
Total population (ERP[1])	28,724	5.9%[2]
Total occupied private dwellings[3]	7,280	- 3.9%[2]
Working age population (15-64)	70%	2.0
Male	54%	1.0
Indigenous	16%	- 4.4
Australian born	84%	- 4.3
Average household size[3]	2.74	- 0.09[4]
Year 12	50%	26.0
High income	17%	11.7
Couple family with children[3]	34%	- 1.0
Separate dwelling[3]	77%	0.5
Own their home[3]	51%	- 3.3
Bachelor degree or higher	11%	1.7
Unemployment Rate[5]	9.0%	2.9
Participation Rate	67%	0.1
Same address five years ago	38%	2.2
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

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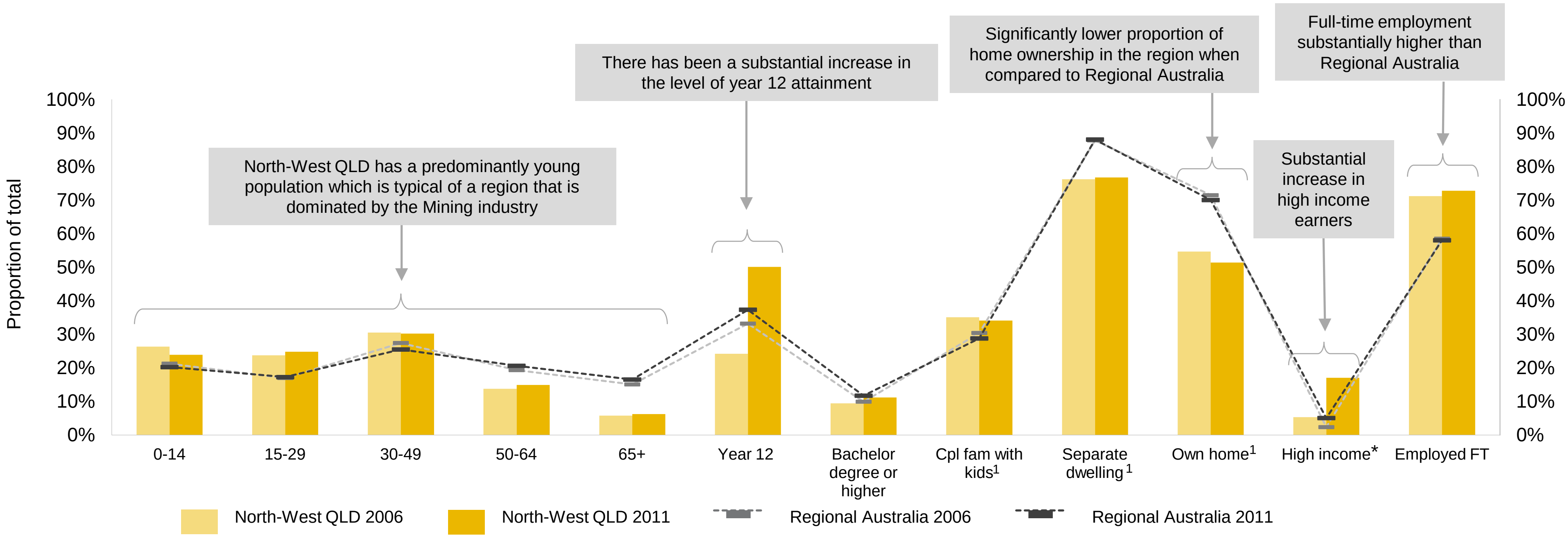
The demographic landscape of North-West QLD is typical for a Mining Region in Australia. The resident population is younger with a higher proportion of couple families with children and the 50+ year age group is substantially lower than Regional Australia.

North West QLD has experienced a significant growth in year 12 completion rates, increasing by 26 percentage points between 2006 and 2011.

The rate of home ownership in North-West QLD is significantly below Regional Australia and furthermore it decreased three percentage points between 2006 and 2011.

Resident demographic profile of North-West QLD benchmarked against Regional Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

[1] Occupied private dwellings

* High income: Individual income of $2,000 or more per week

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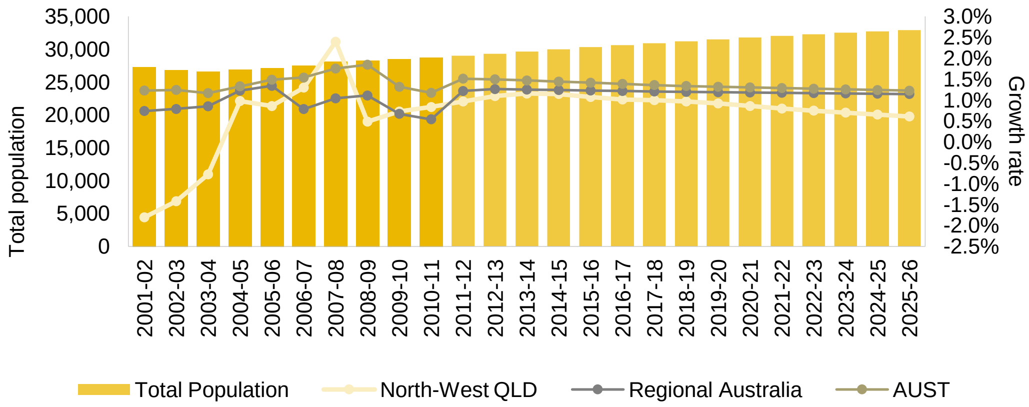
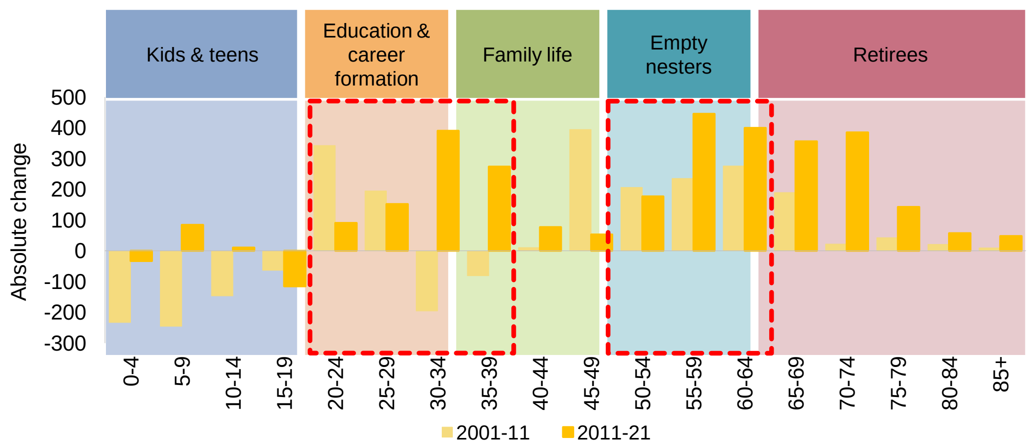
North-West QLD

Population growth and projections

Historic and projected population growth in North-West QLD benchmarked against Regional and total Australia, 2002 to 2026



Net change in North-West QLD population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



North-West QLD had an estimated 28,724 residents in 2011. This was an increase of 1,588 persons or 6% from 2006. Over the last five-years the population of North-West QLD has increased at 1.1% per annum which is greater than the annual average growth rate of Regional Australia (0.8%) but lower than total Australia (1.5%).

The resident population of North-West QLD is projected to reach 32,913 persons by 2026 at a growth rate lower than Regional Australia and Australia. However this growth rate is estimated to remain reasonably stable and provide steady population growth for the region. Although the projected growth rate is estimated to be lower than Regional Australia it is important to note that the region has emerged from negative population growth in 2002 and that the population recovery has coincided with the growth in mining.

North-West QLD is also home to a LDC workforce. Some mines in the region have built entire communities with streets and houses on their mining leases. This substantial group is not counted when making an assessment of resident population growth rates. This group will be estimated in a subsequent study.

Between 2001 and 2011, North-West QLD added approximately 981 residents to the region. This growth is expected to triple to an additional 2,997 residents added between 2011 and 2021.

There will be significant growth over the next decade in the 'education & career formation' group, typically the 20-34 year olds. This cohort will add an estimated 634 persons between 2011 and 2021, translating to a 21% increase.

Further growth will be in the 'empty nesters' and 'retirees' groups, which represent the 50-64 and 65+ year olds and will add an estimated 845 and 990 persons respectively. The 'retirees' cohort is projected to add approximately one-third of the total population growth for the region. This ageing of the population is in line with national trends.

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and the Office of Economic and Statistical Research, Queensland Treasury

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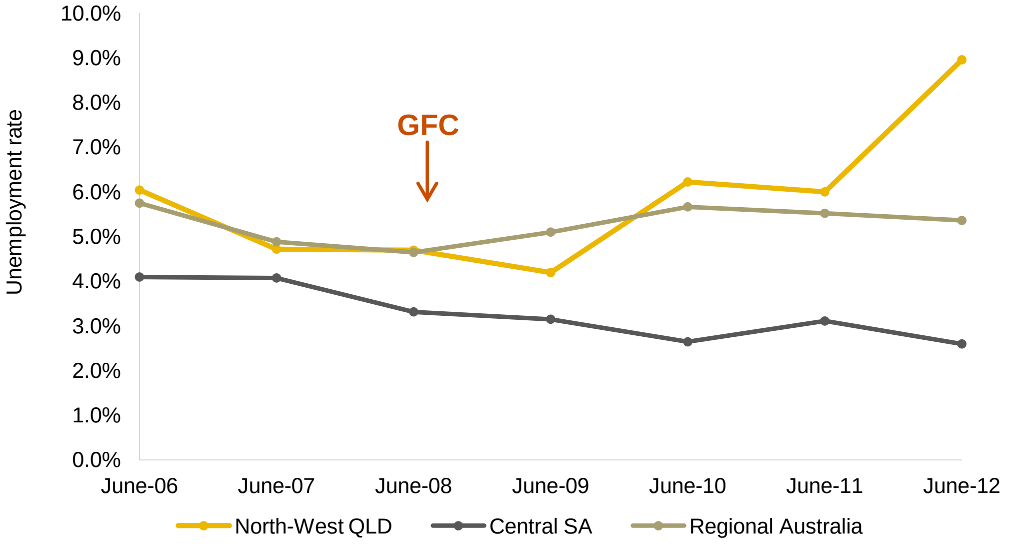
Unemployment rate in North-West QLD benchmarked against Regional and total Australia, 2006 to 2012



As at June 2012 the unemployment rate in North-West QLD was 9.0%. This is substantially higher than Regional Australia and Australia which recorded unemployment rates of 5.2% and 5.4% respectively. Over the last six years to 2012, the unemployment rate has typically followed Regional Australia and Australia's trend.

Source: KPMG Demographics; Based on the Department of Education, Employment and Workplace Relations

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North-West QLD

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining	2,835	3,787	952	34%
- Oil & Gas	*0*	*4*	*4*	-
Health Care & Social Assistance	977	1,104	127	13%
Retail Trade	996	987	-9	-1%
Public Administration & Safety	861	899	38	4%
Education & Training	901	867	-34	-4%
Construction	732	816	84	11%
Agriculture, Forestry & Fishing	728	669	-59	-8%
Accommodation & Food Services	674	650	-24	-4%
Transport, Postal & Warehousing	593	650	57	10%
Manufacturing	628	581	-47	-7%
Other Services	343	468	125	36%
Administrative & Support Services	288	359	71	25%
Wholesale Trade	341	301	-40	-12%
Professional, Scientific & Technical Services	159	260	101	64%
Rental, Hiring & Real Estate Services	158	165	7	4%
Electricity, Gas, Water & Waste Services	133	145	12	9%
Financial & Insurance Services	107	105	-2	-2%
Information Media & Telecommunications	88	71	-17	-19%
Arts & Recreation Services	61	36	-25	-41%
Inadequately described/not stated	*375*	*341*	*-34*	*-9%*
Total Industries	**11,978**	**13,261**	**1,283**	**11%**

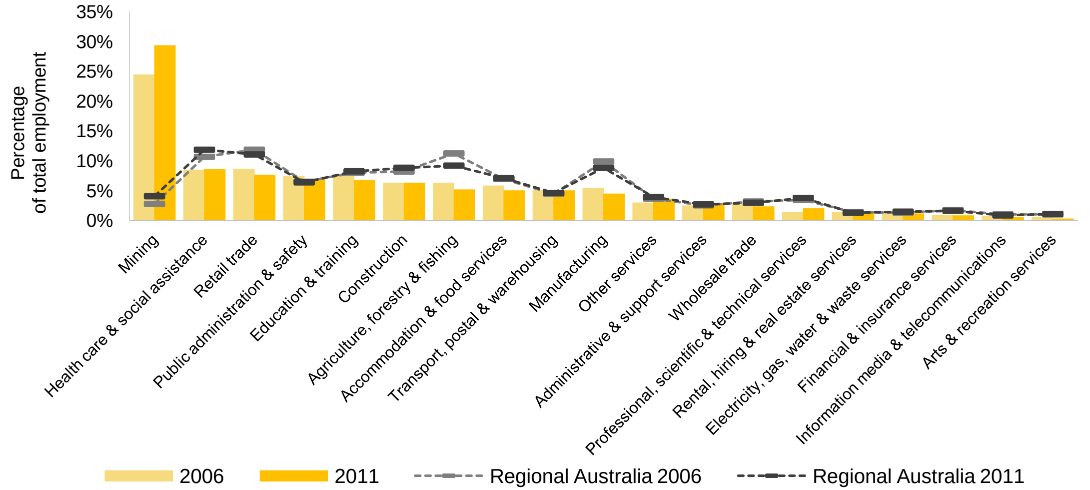
North-West QLD has an economic base which is largely dominated by the Mining industry. Construction in the region is also prominent and together these two industries represent just under a third of the total workforce in the region.

The Mining industry employed some 3,787 workers in 2011. This was a 952 person or 34% increase from 2006. It was the largest absolute growth experienced in any industry during this time period. However, the largest percentage increase was in the Professional, Scientific & Technical Services industry, increasing by an estimated 64% over the same time period.

Similar to the national trend, the Agriculture, Forestry & Fishing industry experienced the largest absolute decline between 2006 and 2011 decreasing by an estimated 59 workers or 8%.

The total growth in employment in North-West QLD was slightly above the national average (10%), an increase of 11%.

Industry of employment of residents in North-West QLD, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Note: Chart excludes inadequately described/not stated

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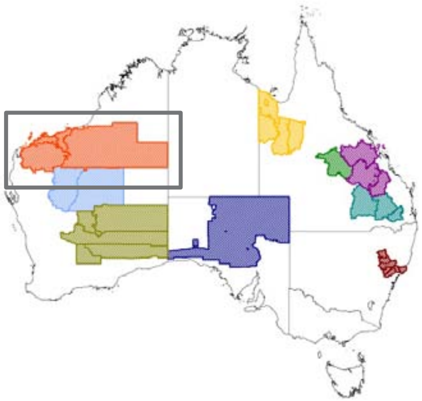
Regional Analysis

Pilbara

Pilbara
Overview



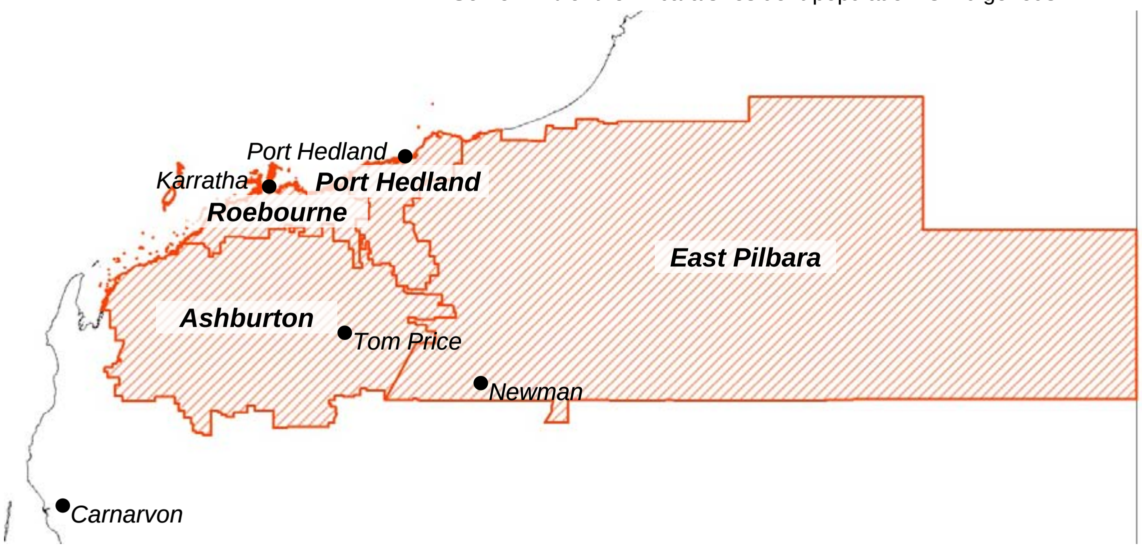
The Pilbara includes the townships of Karratha, Tom Price, Newman and Port Hedland. Karratha is located 920km north of Geraldton. The Pilbara economy is dominated by iron ore mining and petroleum, oil and gas production. The largest export commodity in Australia is iron ore and approximately 95% of this is produced in the Pilbara (Pilbara Development Commission, 2012).

The Pilbara region has experienced significant resident population growth over the five-years to 2011 at an average annual rate of 7% (compared to the Regional Australia average of 0.8%). Over the same five-years the size of Pilbara resident workforce has increased at an average annual rate of 11%.

Resident population growth has outpaced growth in private dwellings which may be attributable to a substantial increase in the number of residents living in non-private dwellings, such as, staff quarters.

The level of home ownership declined by 10.8 percentage points over the five years to 2011.

Some 12% of the Pilbara's resident population is Indigenous.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	62,736	42.3%[2]
Total occupied private dwellings[3]	12,563	13.7%[2]
Working age population (15-64)	79%	6.8
Male	62%	6.7
Indigenous	12%	- 1.7
Australian born	76%	- 5.9
Average household size[3]	2.94	0.03[4]
Year 12	47%	7.4
High income	42%	25.5
Couple family with children[3]	42%	- 0.5
Separate dwelling[3]	77%	- 1.2
Own their home[3]	23%	- 10.8
Bachelor degree or higher	11%	1.0
Unemployment Rate[5]	2.1%	- 0.7
Participation Rate	69%	2.5
Same address five years ago	21%	- 3.9
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings [4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

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Pilbara

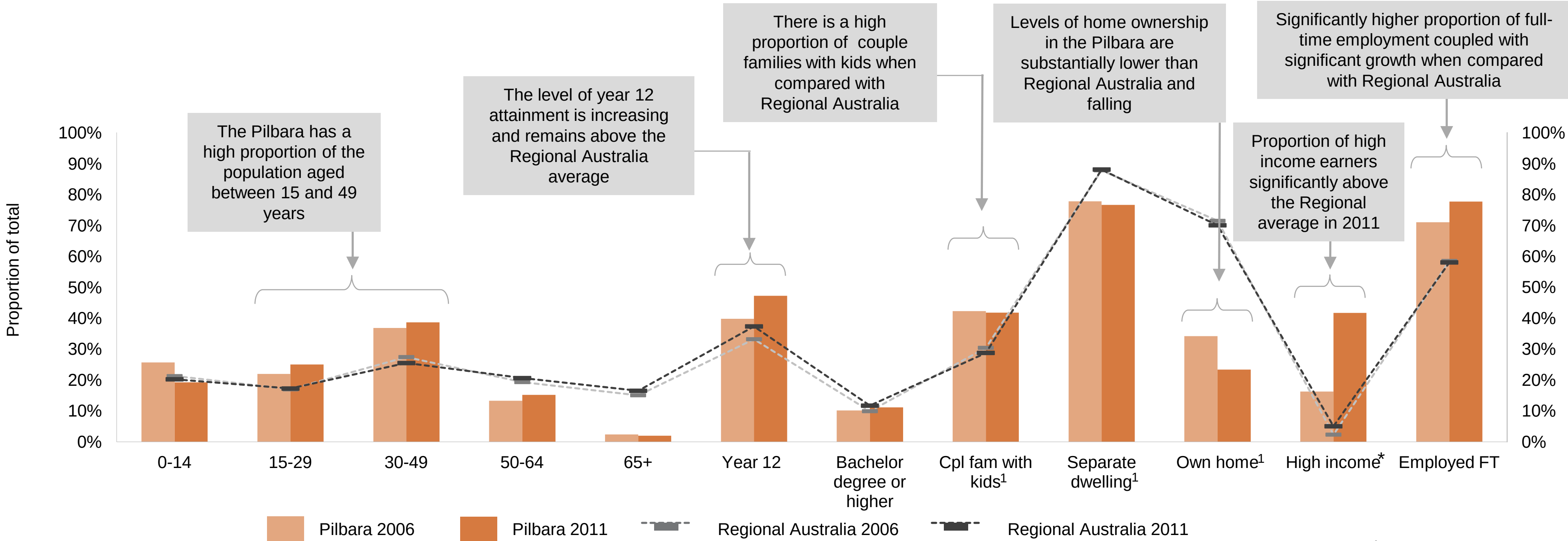
Resident demographic landscape

The Pilbara has a high proportion of occupied private dwelling households comprising couples with children. The level of education in the region is improving with a seven percentage point increase in year 12 attainment over the five-years to 2011.

Residents are attracted to the Pilbara largely because of the employment opportunities. At the time of the 2011 Census, four out of every five residents were of working age and 42% of residents aged 15 years and over were recording high levels of income. In 2011, more than 70% of workers were employed full-time, compared to 58% across Regional Australia.

Related to strong employment opportunities in the Pilbara, the proportion of residents classified as high income earners has increased significantly between 2006 and 2011 (16% and 42% respectively) and remains considerably higher than the Regional Australian average (5% in 2011). Despite growth in the number of high income earners across the Pilbara, levels of home ownership have fallen from 34% in 2006 to 23% in 2011.

Resident demographic profile of the Pilbara benchmarked against Regional Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

[1] Occupied private dwellings

** High income: Individual income of $2,000 or more per week*

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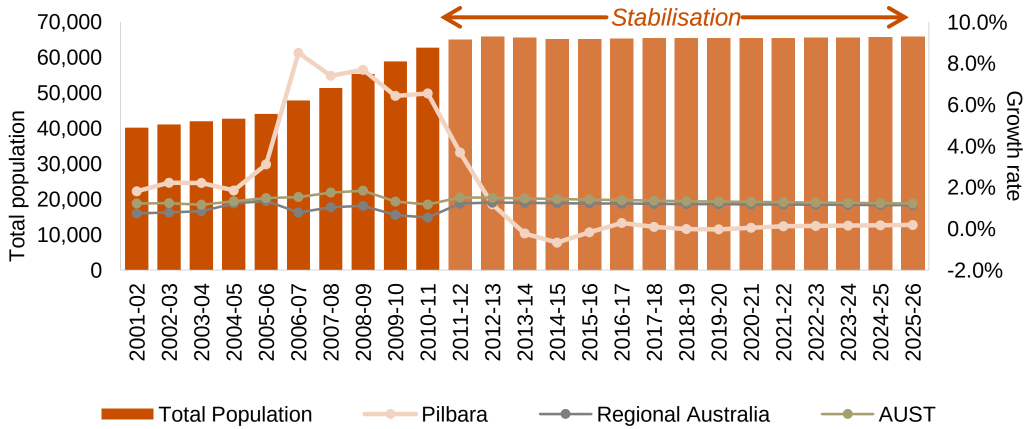
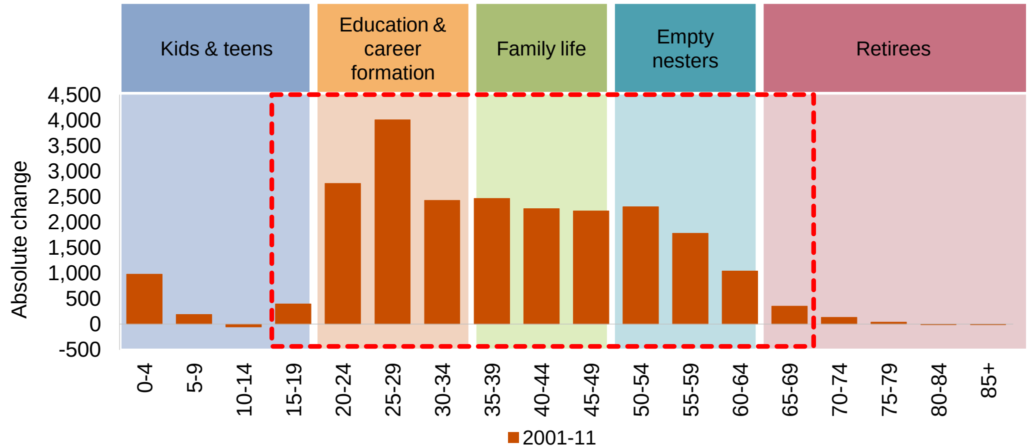
Pilbara
Population growth and projections

Historic and projected population growth in the Pilbara benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Pilbara population by five-year age cohort over the ten-years to 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and Planning Western Australia

In 2011 there were an estimated 62,736 residents in the Pilbara. Over the five years to 2011, the resident population in the Pilbara has increased at an average annual rate of 7.3%. The Pilbara resident population surged during the 12 months to June 2007 and has continued to increase at rates well above the Regional Australia average.

The Pilbara resident population is projected to increase and reach 65,818 in 2012. Population growth comprises natural increase (births minus deaths) and migration. In the Pilbara, changes in the level of mining activity directly impact on the level of migration and thereby changes in the resident population. The lifecycle stage of mining activity is also important as the size of the workforce required during the construction phase of a mine for example is significantly larger than what is required during the operation phase.

The WA State Government established the Pilbara Development Commission (Pilbara Cities) with the objective of growing and diversifying the economic base of the region. The Pilbara Development Commission has set an aspirational resident population target of 140,000 by 2036. This translates to an average annual population growth rate of 3.3% between 2011 and 2036. On this basis the Pilbara Development Commission resident population target is estimated at 103,610 by 2026. To reach the population targets of Pilbara Cities, the region will need the support and investment of Government to facilitate a step change in terms of community amenity and infrastructure.

It is important to note that the data in these charts refers to resident population and therefore does not include the significant LDC workforce. The Pilbara is a major destination for LDC workers and the size and distribution of this workforce will be highlighted in a subsequent study.

There was a total of 23,275 residents added to the Pilbara region between 2001 and 2011. Most age groups experienced population growth over the decade with the 20-34 year age group increasing significantly and accounting for 40% of total resident population growth. The Pilbara provides job opportunities for young adults establishing their careers.

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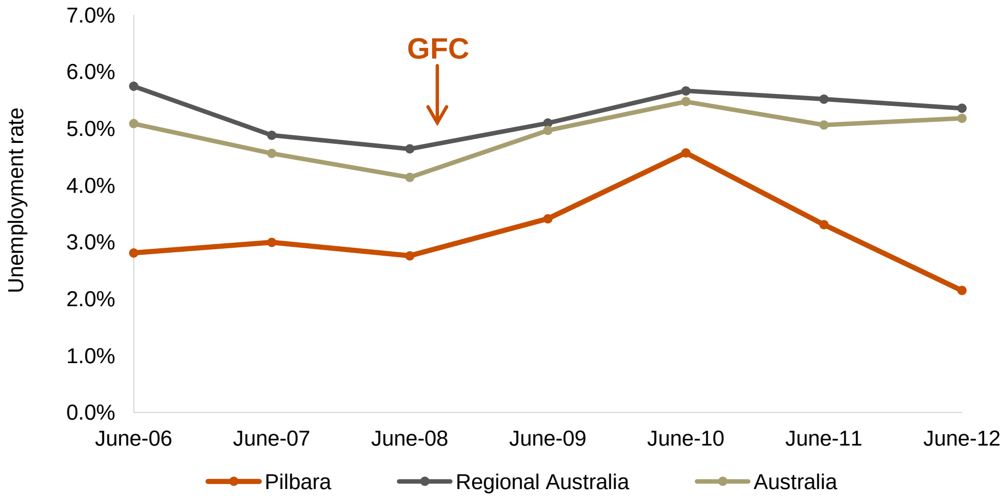
Unemployment rate in the Pilbara benchmarked against Regional and total Australia, 2006 to 2012



The unemployment rate in the Pilbara was recorded at 2.1% as at June 2012. The low unemployment rate for the Pilbara compares with 5.4% for Regional Australia and 5.2% for Australia. Many residents are attracted to the region because of the employment opportunities.

Following the GFC, the unemployment rate in the Pilbara gradually increased and reached a five-year high of 4.6% in June 2010. However, even at a five-year high, the unemployment rate for the Pilbara has remained significantly below the unemployment rate for Regional and total Australia.

Source: KPMG Demographics; Based on data from Department of Education, Employment and Workplace Relations

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Pilbara

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining *- Oil & Gas*	5,741 *341*	11,433 *761*	5,692 *420*	99% *123%*
Construction	2,087	5,302	3,215	154%
Transport, Postal & Warehousing	916	1,695	779	85%
Accommodation & Food Services	990	1,640	650	66%
Education & Training	1,361	1,544	183	13%
Retail Trade	1,414	1,439	25	2%
Health Care & Social Assistance	1,296	1,355	59	5%
Public Administration & Safety	1,121	1,299	178	16%
Manufacturing	830	1,113	283	34%
Administrative & Support Services	721	1,057	336	47%
Other Services	566	937	371	66%
Professional, Scientific & Technical Services	412	913	501	122%
Rental, Hiring & Real Estate Services	418	591	173	41%
Wholesale Trade	394	515	121	31%
Electricity, Gas, Water & Waste Services	210	348	138	66%
Agriculture, Forestry & Fishing	168	159	-9	-5%
Financial & Insurance Services	137	150	13	9%
Arts & Recreation Services	75	111	36	48%
Information Media & Telecommunications	77	84	7	9%
Inadequately described/not stated	*593*	*688*	*95*	*16%*
Total Industries	**19,527**	**32,373**	**12,846**	**66%**

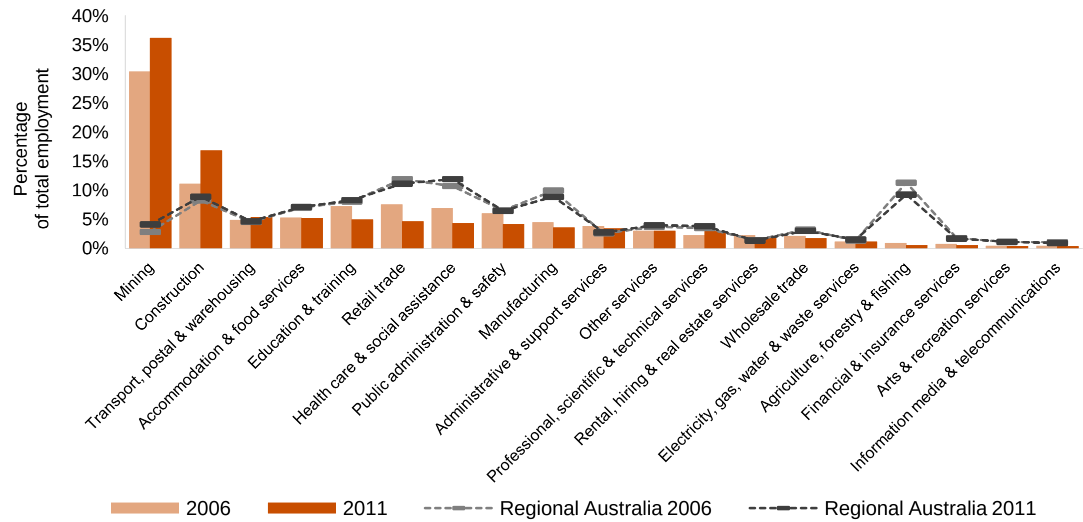
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

In the Pilbara, the size of the residential Mining workforce doubled over the five-years to 2011. The Mining industry is the region's biggest employer of residents but infrastructure investment and development has seen high levels of employment in the Construction industry at rates above the growth being achieved in Mining. The Construction industry employed just over 2,087 residents in 2006 and this number increased to 5,302 in 2011 which translates to an increase of more than 150%. In 2011, for every two residents employed in Mining there was one employed in Construction.

The total size of the resident workforce in the Pilbara increased by 66% between 2006 and 2011 and this compares with 10% for total Australia. These growth rates are fuelled by the strong level of mining development currently occurring in the Pilbara and the associated requirement for labour to support this development (particularly during the development phase of a project, which requires a larger workforce).

The chart below shows the change in the distribution of the Pilbara workforce by industry between 2006 and 2011. In the Pilbara, more than one-third of the workforce was employed in the Mining industry in 2011. The other significant industries of employment include Construction, Transport, Postal & Warehousing and Accommodation & Food Services.

Industry of employment of residents in the Pilbara, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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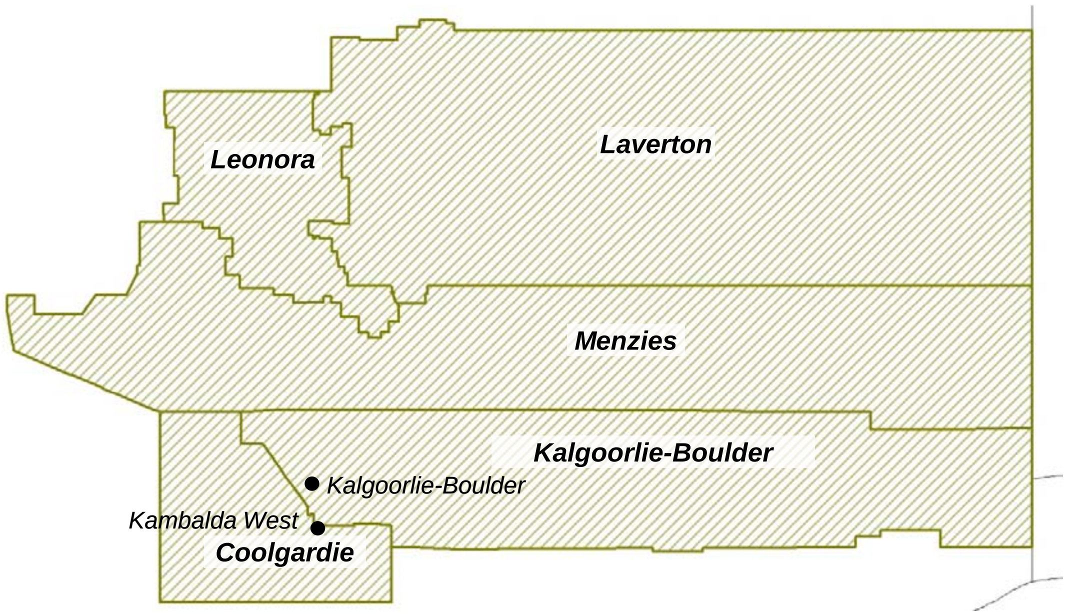
Regional Analysis

Kalgoorlie-Boulder

Kalgoorlie-Boulder

Overview

Kalgoorlie-Boulder is Australia's largest gold Mining Region and also produces nickel and other metals. The region comprised a total resident population of 40,694 in 2011. The resident population increased by 10% over the five-years to 2011 and this translates to an average increase of 2.0% per annum. The township of Kalgoorlie-Boulder comprised an estimated resident population of 30,840 at the time of the 2011 Census. On this basis, 76% of the Kalgoorlie-Boulder regions resident population is located in the town. Kalgoorlie- Boulder is located almost 600km north-east of Perth.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	40,694	10.3%[2]
Total occupied private dwellings[3]	11,763	7.5%[2]
Working age population (15-64)	72%	1.9
Male	54%	1.1
Indigenous	9%	- 0.2
Australian born	75%	- 6.4
Average household size[3]	2.68	0.00[4]
Year 12	42%	5.1
High income	18%	10.5
Couple family with children[3]	36%	- 0.9
Separate dwelling[3]	82%	- 0.4
Own their home[3]	58%	- 4.2
Bachelor degree or higher	11%	1.1
Unemployment Rate[5]	2.0%	- 0.8
Participation Rate	68%	0.0
Same address five years ago	33%	1.6
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

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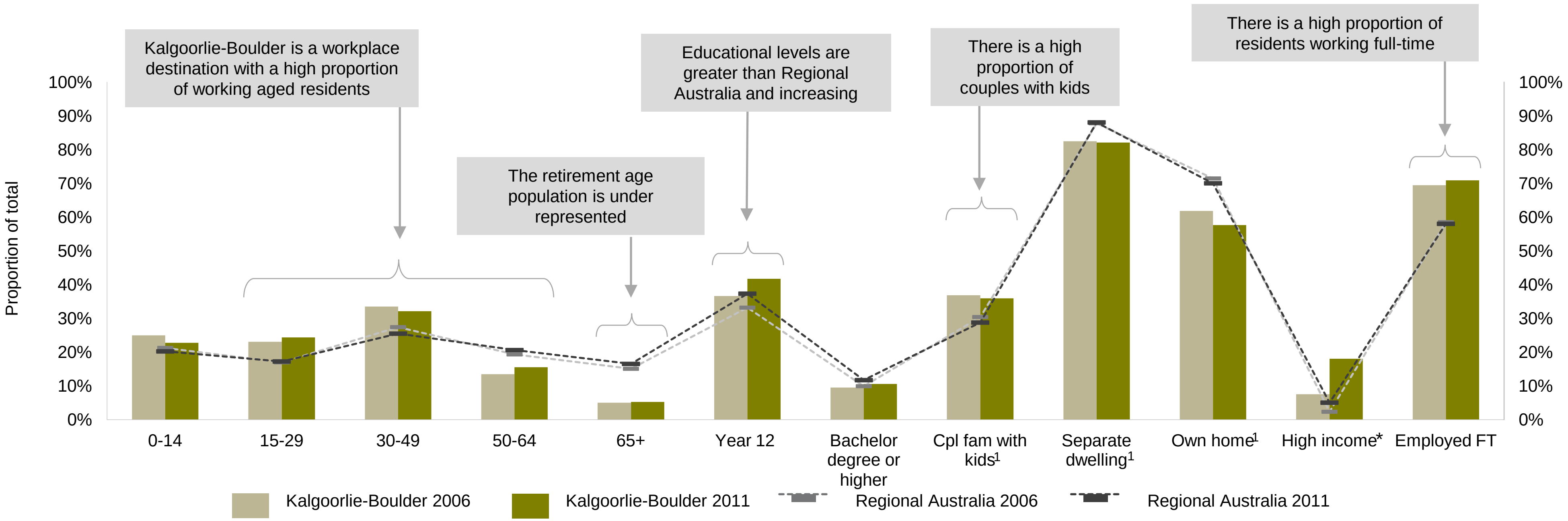
As at the time of the 2011 Census, the Kalgoorlie-Boulder regions age profile was young and dominated by persons aged 30-49 years. Some 36% of occupied private dwelling households comprised couple families with children and this compared with 29% for Regional Australia. The chart below is based on the results from the 2006 and 2011 Census and indicates that retirees are not compelled to stay in the region but rather leave to take up residence in locations that offer the retirement lifestyle.

There is a high proportion of residents employed full-time in the Kalgoorlie-Boulder region. In 2011 an estimated 71% of the workforce were employed full-time and close to 20% of the workforce were defined as high income earners. The combination of high income earners and low levels of home ownership is a characteristic typically displayed in remote Mining Regions, such as Kalgoorlie-Boulder, the Pilbara and the Bowen Basin.

Resident demographic profile of the Kalgoorlie-Boulder region benchmarked against Regional Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

[1] Occupied private dwellings
** High income: Individual income of $2,000 or more per week*

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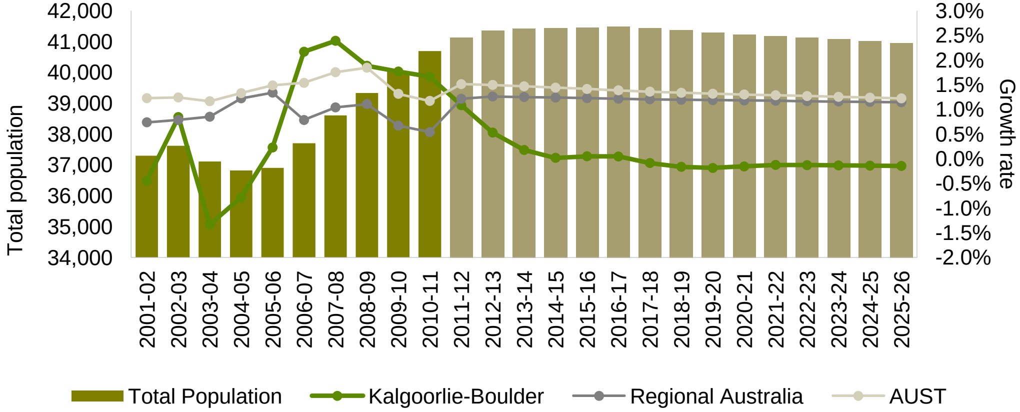
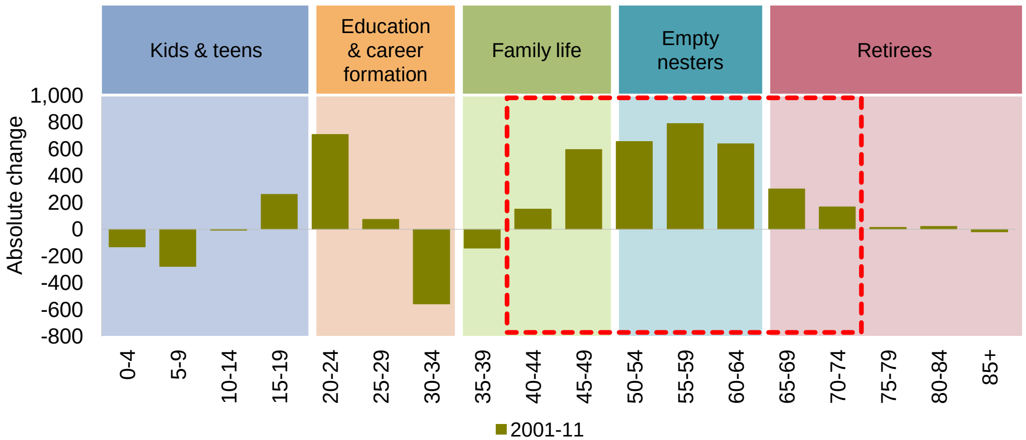
Kalgoorlie-Boulder
Population growth and projections

Historic and projected population growth in the Kalgoorlie-Boulder region benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Kalgoorlie-Boulder region population by five-year age cohort over the ten-years to 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; and Planning Western Australia

Kalgoorlie-Boulder is an historic town where resident employment opportunities are closely tied to mining activity.

In 2011 there were an estimated 40,694 residents in the Kalgoorlie-Boulder region. Over the last five-years the resident population in Kalgoorlie-Boulder has increased at an average annual rate of 2.0% which compares with 0.8% for Regional Australia.

The region experienced resident population loss between 2003 and 2005 before recovering in 2006 and recording annual rates of growth of 2.0% in 2007 and 2008. The WA Department of Planning has projected a population loss of 487 or 1.2% between 2018 and 2026 for the region.

The township of Kalgoorlie-Boulder itself comprised a resident population of 30,840 at the 2011 Census.

Over the ten-years to 2011 the fastest growing age cohort has been the ‘empty nester’ or 55-64 year age cohort. Mature residents are starting to make up a larger proportion of the total population and the age profile of the region is becoming more diverse.

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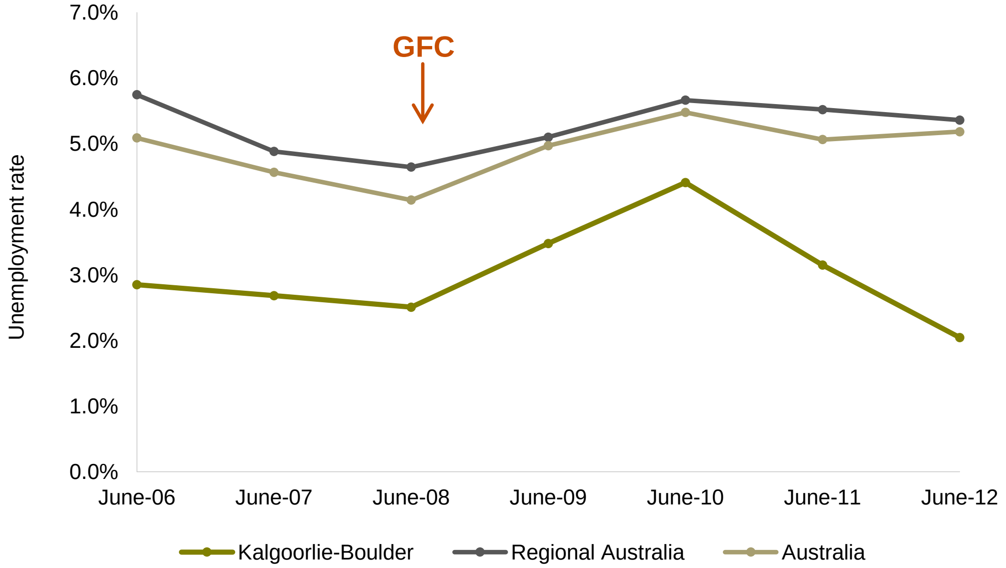
Unemployment rate in the Kalgoorlie-Boulder region benchmarked against Regional and total Australia, 2006 to 2012



The unemployment rate in the Kalgoorlie-Boulder region was recorded at 2.0% as at June 2012. The low unemployment rate for the Kalgoorlie-Boulder region compares with 5.4% for Regional Australia and 5.2% for Australia. Residents are attracted to the region because of the employment opportunities.

Following the GFC, the unemployment rate in the Kalgoorlie-Boulder region gradually increased and reached a five-year high of 4.4% in June 2010. However, even at a five-year high, the unemployment rate for the Kalgoorlie-Boulder region has remained significantly below the unemployment rate for Regional and total Australia.

Source: KPMG Demographics; Based on data from Department of Education, Employment and Workplace Relations

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Kalgoorlie-Boulder

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining *- Oil & Gas*	4,188 *0*	5,208 *5*	1,020 *5*	24% *-*
Construction	1,151	1,551	400	35%
Retail Trade	1,541	1,550	9	1%
Manufacturing	1,208	1,415	207	17%
Health Care & Social Assistance	1,306	1,264	-42	-3%
Education & Training	1,105	1,237	132	12%
Other Services	798	1,090	292	37%
Accommodation & Food Services	898	1,067	169	19%
Transport, Postal & Warehousing	864	1,022	158	18%
Public Administration & Safety	873	1,010	137	16%
Professional, Scientific & Technical Services	502	658	156	31%
Wholesale Trade	532	559	27	5%
Administrative & Support Services	462	501	39	8%
Rental, Hiring & Real Estate Services	332	339	7	2%
Financial & Insurance Services	212	201	-11	-5%
Electricity, Gas, Water & Waste Services	153	160	7	5%
Arts & Recreation Services	148	155	7	5%
Information Media & Telecommunications	128	115	-13	-10%
Agriculture, Forestry & Fishing	94	76	-18	-19%
Inadequately described/not stated	*508*	*536*	*28*	*6%*
Total Industries	**17,003**	**19,714**	**2,711**	**16%**

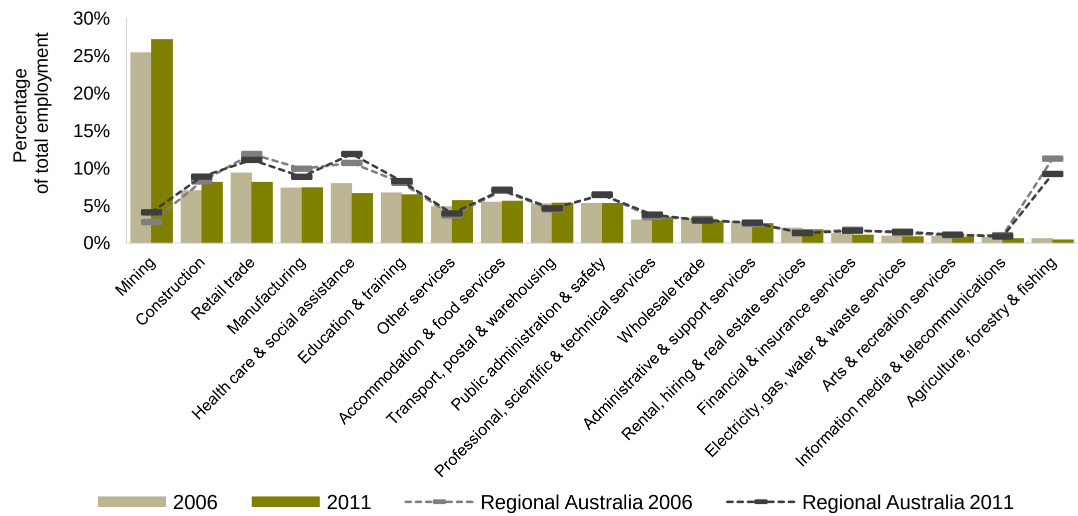
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

In 2011 just over 25% of the Kalgoorlie-Boulder region workforce was employed in the Mining industry. The Mining industry is the region's biggest employer of residents, however infrastructure investment and development has seen levels of employment in Construction grow at rates above the growth being achieved in Mining.

Retail Trade remains a significant employer in the region, although its industry share is decreasing. The total size of the resident workforce in the Pilbara increased by 16% between 2006 and 2011 and this compares with 1% for Retail Trade. Health Care & Social Assistance is also losing industry share and this could create challenges for the community and its level of health provision. Changes like this require further investigation because obviously the trigger for the change is multifaceted and may be driven by changes in technology and workforce productivity.

In the Kalgoorlie-Boulder region, the distribution of workers by industry has not changed significantly between 2006 and 2011. The region is an established gold Mining Region and it has not experienced the same level of mining employment growth when compared with regions such as the Pilbara.

Industry of employment of residents in the Kalgoorlie-Boulder, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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Regional Analysis

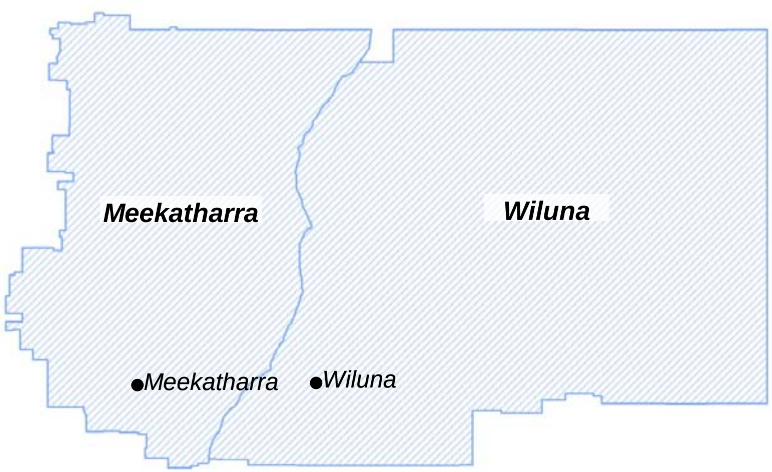
Central West

Central West
Overview

The Central West region is located in central Western Australia bordered by the Pilbara to the north and Kalgoorlie-Boulder to the south.

The region is home to a strong Indigenous population, albeit a relatively small resident population base. However, the resident population base of the region has grown rapidly in the five-years to 2011 at an average annual rate of 6.7% (compared to a Regional Australia average of 0.8%).

Occupied private dwelling growth however, has not been as rapid as resident population and this may be due to the growing proportion of residents living in non-private dwellings, such as, staff quarters.



Fast Facts

Demographic indicator	2011	Percentage point change from 2006
Total population (ERP[1])	2,717	38.1%[2]
Total occupied private dwellings[3]	391	5.7%[2]
Working age population (15-64)	81%	8.6
Male	65%	6.8
Indigenous	29%	- 10.2
Australian born	79%	- 7.1
Average household size[3]	2.93	- 0.29[4]
Year 12	41%	20.7
High income	28%	22.2
Couple family with children[3]	24%	- 3.0
Separate dwelling[3]	82%	- 6.0
Own their home[3]	28%	- 1.9
Bachelor degree or higher	11%	1.3
Unemployment Rate[5]	6.9%	1.6
Participation Rate	66%	4.0
Same address five years ago	29%	- 3.1
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; and the Department of Education, Employment and Workplace Relations

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Central West
Demographic landscape

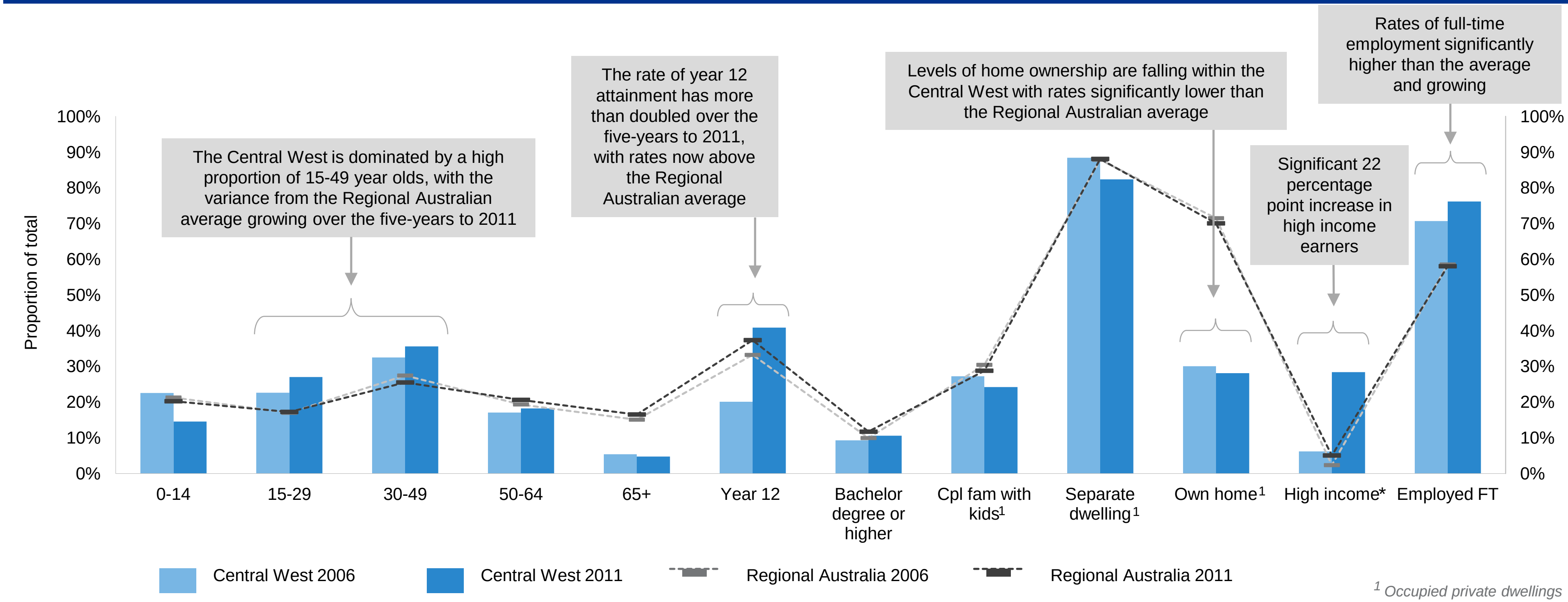
The Central West region is home to an above average and growing proportion of 15-49 year olds. However, the household structure in the region does not reflect the traditional nuclear family structure (i.e. mum, dad and the kids) typical of a population dominated by this age cohort. This may be attributed to the high proportion of one parent families in and lone person households in the Central West compared to Regional Australia.

Residents are attracted to the Central West because of the employment opportunities and this is reflected in the above average rates of full-time employment compared to Regional Australia (76% and 58% respectively as at 2011).

Associated with strong growth in employment within the Mining industry (121% increase between 2006 and 2011), income levels have risen significantly in the region with the proportion of high income earners (individuals earning $2,000 or more per week) rising from 6% in 2006 to 28% in 2011, compared to 5% across Regional Australia as at the 2011 Census.

Rates of educational attainment have also risen significantly in the five-years to 2011 with the rate of year 12 attainment now sitting above the Regional Australian average of 37% in 2011, rising from 20% to 41% between 2006 and 2011.

Resident demographic profile of Central West benchmarked against Regional Australia, 2006 and 2011



[1] Occupied private dwellings

* High income: Individual income of $2,000 or more per week

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

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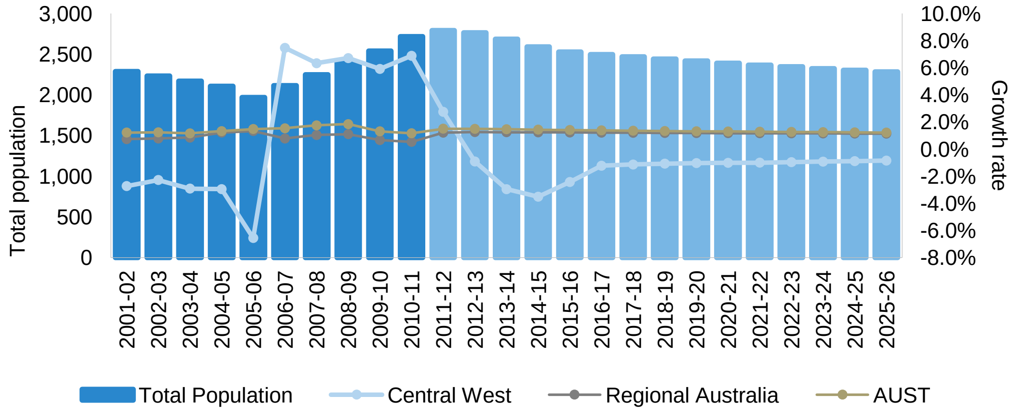
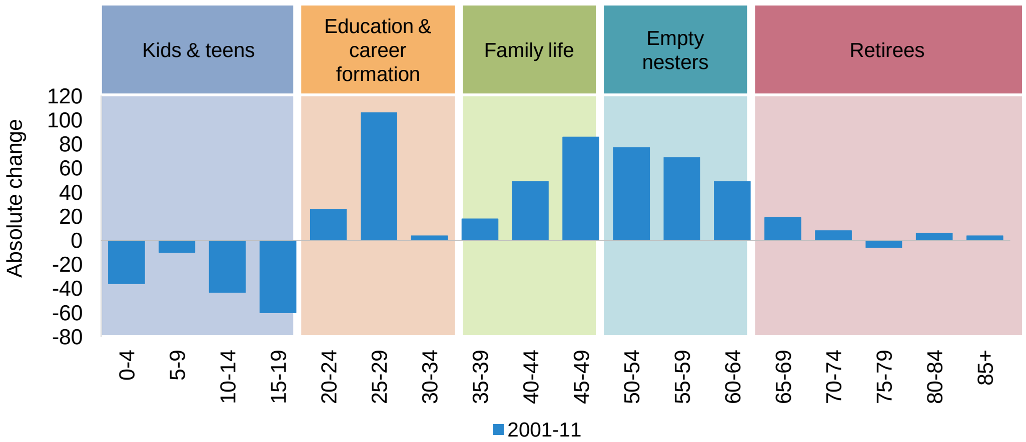
Central West

Population growth and projections

Historic and projected population growth in the Central West benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Central West population by five-year age cohort over the ten-years to 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; Planning Western Australia

The Central West region had an estimated resident population of 2,717 in 2011. In the decade to 2011, the population of the Central West has experienced a period of population decline of 383 between 2001-2006 and population growth of 749 between 2006-2011.

Population growth was significantly higher than the Regional Australian average in the five-years to 2011 (6.7% p.a. and 0.8% p.a. respectively), most likely attributed to increased mining activity in the region.

In the remote Central West, changes in the level of mining activity directly impact on the level of migration and therefore the resident population. The level of mining activity in the Central West is driven by commodity prices, the availability of labour, technology and the international demand for resources, among other things. Growth in mining activity is lumpy and difficult to project and therefore resident population projections are problematic. The WA Department of Planning has projected a decline in the resident population between 2013 and 2026.

It is also important to note that the data in these charts refers to resident population and therefore does not include the significant LDC workforce. The Central West is a significant destination for LDC workers and the size and distribution of this workforce will be highlighted in a subsequent study.

Between 2001 and 2011 the Central West grew by an estimated 366 persons. The 'empty nesters' or 50-64 year olds experienced the greatest growth between 2001 and 2011. This group added 195 persons during this time period and represented 53% of total population growth.

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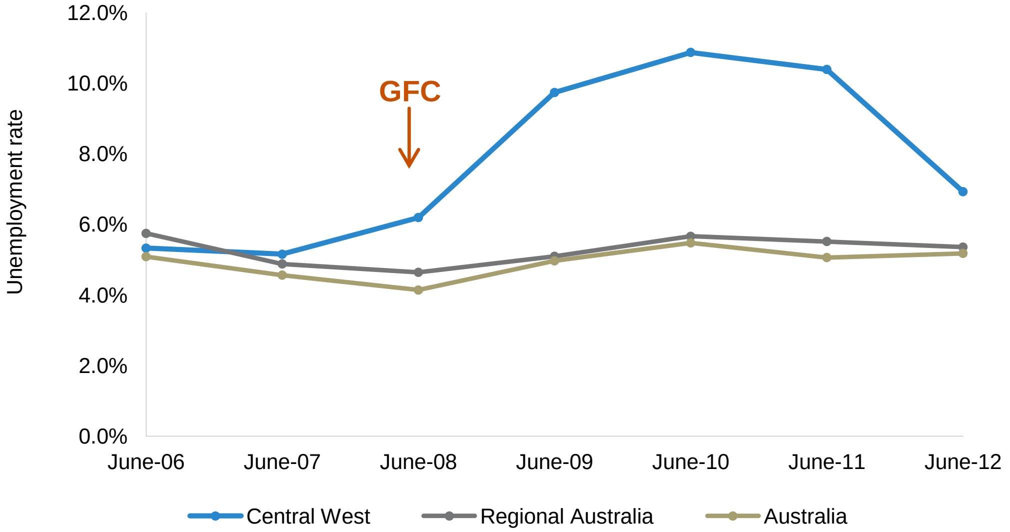
Central West
Unemployment rate

Unemployment rate in the Central West benchmarked against Regional and total Australia, 2006 to 2012



The unemployment rate in the Central West was recorded at 6.9% as at June 2012. The unemployment rate for the Central West compares to a regional and Australian average of 5.4% and 5.2% respectively.

Following the GFC, the unemployment rate hit a five-year high of 10.9% in June 2010, however the rate of unemployment has since fallen closer in line with the Regional Australian average.

The significant Indigenous population in the region may go some way to explaining the high unemployment rate, as the Indigenous population of Australia tends to have higher rates of unemployment than the non-Indigenous population. Requirements to ensure a minimum number of Indigenous persons are employed in the mines as part of land use agreements, as well as proactive Indigenous employment policies on the part of miners, may explain in part the recent decline in the unemployment rate as at June 2012.

Source: KPMG Demographics; Based on the Department of Education, Employment and Workplace Relations

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Central West

Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining *- Oil & Gas*	228 *0*	503 *0*	275 *0*	121% -
Manufacturing	39	190	151	387%
Construction	28	93	65	232%
Education & Training	80	89	9	11%
Public Administration & Safety	75	88	13	17%
Health Care & Social Assistance	52	72	20	38%
Agriculture, Forestry & Fishing	81	61	-20	-25%
Accommodation & Food Services	45	61	16	36%
Administrative & Support Services	19	48	29	153%
Transport, Postal & Warehousing	20	34	14	70%
Other Services	48	30	-18	-38%
Professional, Scientific & Technical Services	12	20	8	67%
Retail Trade	28	19	-9	-32%
Wholesale Trade	9	9	0	0%
Financial & Insurance Services	7	6	-1	-14%
Rental, Hiring & Real Estate Services	0	3	3	-
Electricity, Gas, Water & Waste Services	3	0	-3	-100%
Information Media & Telecommunications	3	0	-3	-100%
Arts & Recreation Services	0	0	0	-
Inadequately described/not stated	*48*	*42*	*-6*	*-13%*
Total Industries	**825**	**1,368**	**543**	**66%**

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

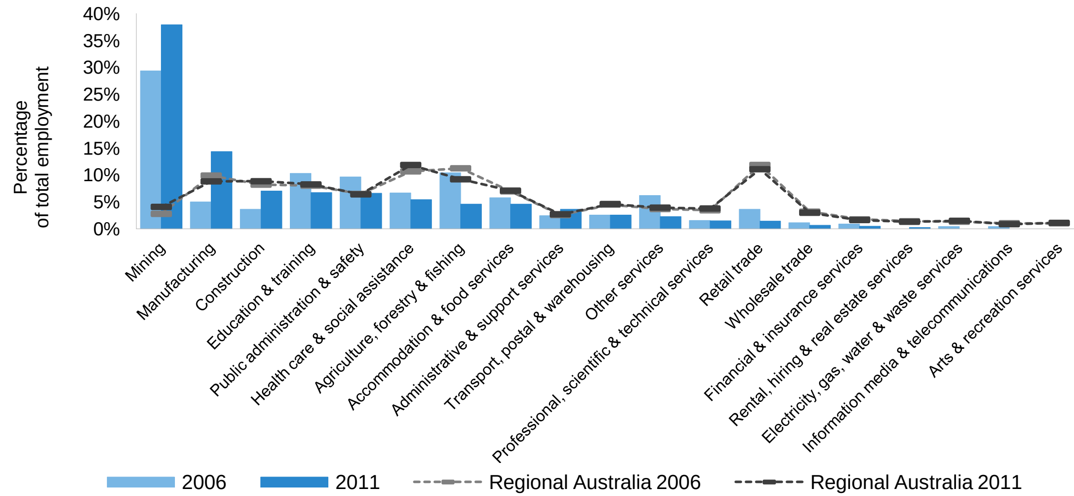
The largest industry of employment in the Central West is Mining with 38% of the total workforce employed in the Mining industry as at the 2011 Census. The number of people employed in the Mining industry has more than doubled in the five-years to 2011, growing from 228 in 2006 to 503 in 2011, representing growth of 121%.

The total size of the resident workforce in the Central West is relatively small but has experienced strong growth of 543 or 66% between 2006 and 2011. It is important to remember that these figures do not take into account the significant number of LDCs who travel to the Central West to work in the mines, the subject of which will be considered in a subsequent study.

In relative terms, the Manufacturing and Construction industries have experienced the greatest percentage growth in employment in the five-years to 2011, growing by 387% and 232% respectively, albeit off a small base.

While some industries of employment have grown significantly over the last five years, others have experienced decline. In 2006, Agriculture, Forestry & Fishing was the third largest industry of employment within the Central West (10% of the total workforce, compared to 5% in 2011). The 25% decline in the number of people employed within the industry in the five-years to 2011 reflects the declining agricultural focus in the region.

Industry of employment of residents in the Central West, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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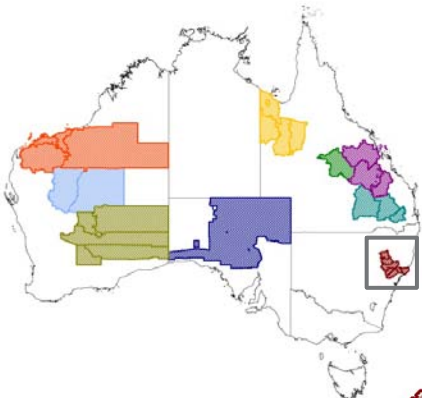
Regional Analysis

Hunter Valley

Hunter Valley
Overview



The Hunter Valley is a region of New South Wales that extends some 120km to 310km north of Sydney. The major townships include Gunnedah and Singleton. The economic base of the Hunter Valley is relatively diverse with increased mining and tourism activity overtaking the region's traditional agricultural employment base.

Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	118,416	3.0%[2]
Total occupied private dwellings[3]	43,340	5.3%[2]
Working age population (15-64)	61%	- 0.5
Male	50%	0.1
Indigenous	5%	0.9
Australian born	92%	- 0.8
Average household size[3]	2.43	- 0.05[4]
Year 12	32%	3.6
High income	7%	4.0
Couple family with children[3]	28%	- 1.7
Separate dwelling[3]	86%	- 0.4
Own their home[3]	70%	- 1.5
Bachelor degree or higher	9%	1.3
Unemployment Rate[5]	3.6%	- 4.8
Participation Rate	56%	0.5
Same address five years ago	54%	2.7
Largest industry of employment	Mining	Agriculture, Fishing & Forestry

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings [4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; the Department of Education, Employment and Workplace Relations

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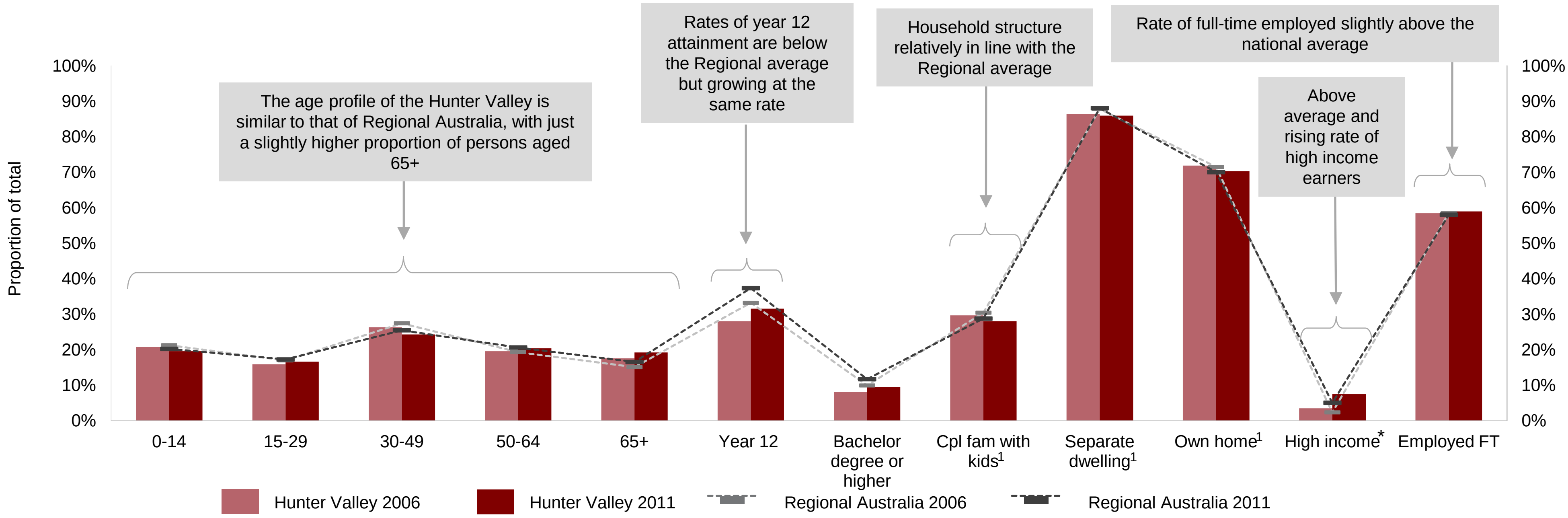
The diverse economic base in the Hunter Valley is matched by an age profile similar to that of Regional Australia. The slightly higher proportion of persons aged 65+ (19% compared to 16% across Regional Australia in 2011) may be attributed to the lifestyle attractiveness of the region in drawing retirees from Sydney, for example.

Reflective of the slightly older demographic and lower skill base of employment in the region, the Hunter Valley's rate of year 12 attainment was five percentage points below the Regional Australian average as at the 2011 Census.

The strong growth in employment within the Mining industry between 2006 and 2011 (51%), may explain the above average increase in high income earners in the Hunter Valley between 2006 and 2011 (3% and 7% respectively).

In 2011, some 28% of occupied private dwelling households in the Hunter Valley comprised couple family with kids which is similar to the Regional Australian average of 29%.

Resident demographic profile of the Hunter Valley benchmarked against Regional Australia, 2006 and 2011



[1] *Occupied private dwellings*

* *High income: Individual income of $2,000 or more per week*

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

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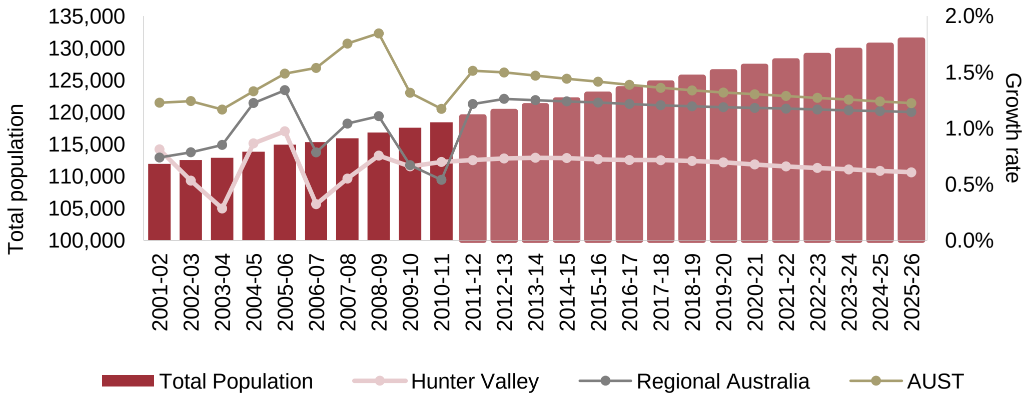
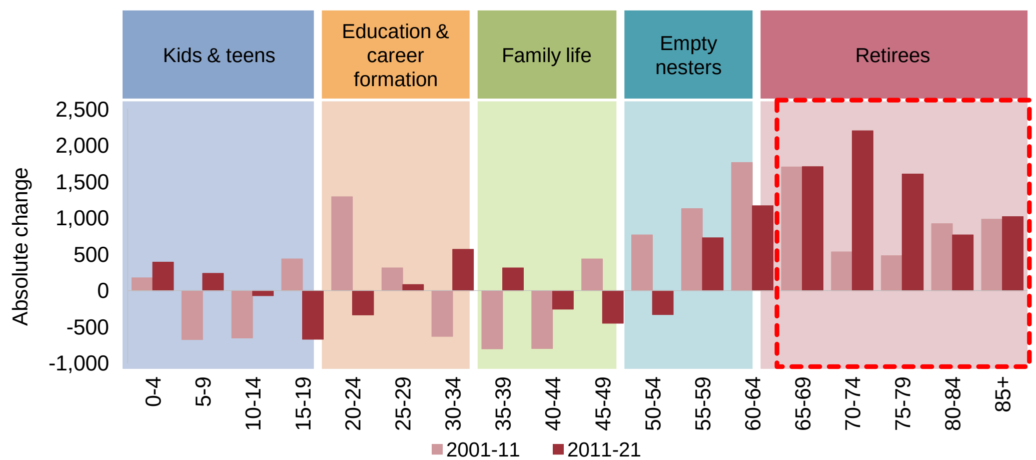
Historic and projected population growth in the Hunter Valley benchmarked against Regional and total Australia, 2002 to 2026



Net change in the Hunter Valley population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; Planning & Infrastructure NSW

In 2011, the estimated resident population of the Hunter Valley was 118,416. In the decade to 2011, the Hunter Valley experienced sustained population growth of 7,375. Between 2006 and 2011 the rate of growth in the Hunter Valley has broadly followed the regional and national trend, albeit at a lower average annual rate of 0.6% compared to a Regional average of 0.8%.

By 2026, the resident population of the Hunter Valley is projected to reach 131,231. This represents growth of 12,815 persons or an average annual growth rate of 0.7% compared to 1.2% across Regional Australia between 2011 and 2026.

The relatively stable rate of population growth projected for the region is reflective of the Hunter Valley's diverse economic base, strong employment opportunities and lifestyle attractiveness.

The ageing of the strong farming/agriculture population, as well as the attractiveness of the Hunter Valley as a retiree destination is reflected in the projected growth of the 65+ year age cohort in the decade to 2021.

In the decade to 2011, the 'retirees' (65+ population cohort) grew by 4,620 persons. In the decade to 2021, this cohort is projected to grow by 7,304 persons. Growth in the 'retirees' group is projected to represent 84% of total growth in the Hunter Valley between 2011 and 2021, compared to 63% in the previous decade.

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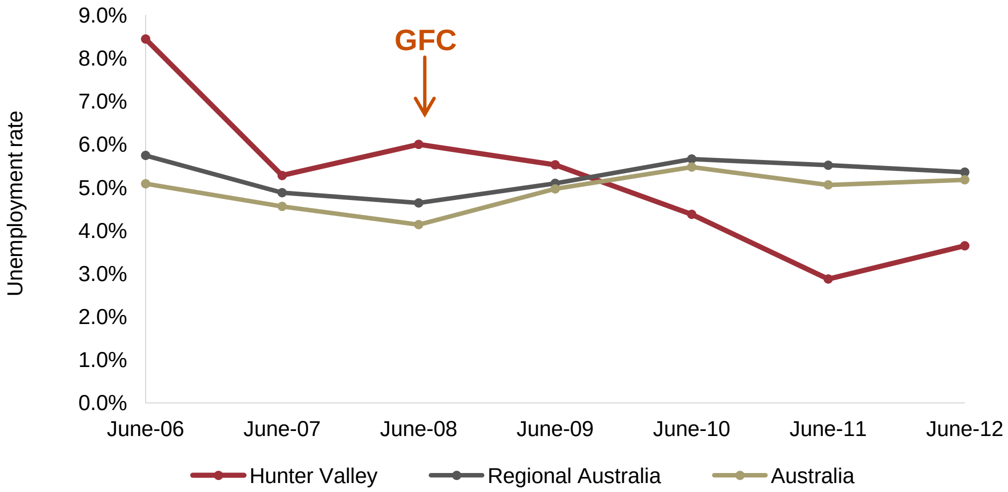
Unemployment rate in the Hunter Valley benchmarked against Regional and total Australia, 2006 to 2012



The rate of unemployment in the Hunter Valley has fallen significantly between June 2006 to June 2012 from 8.4% to 3.6% respectively. A severe drought gripped much of regional New South Wales between 2001 and 2008. During this time, the agricultural industry was hit hard and regions including the Hunter Valley that have traditionally been strong areas of agricultural employment particularly suffered. This drought may go some way to explaining the high unemployment rate during this period which was significantly above the Regional average (8.4% and 5.7% respectively in June 2006).

Following the breaking of the drought in 2008 and despite the GFC, the Hunter Valley's level of unemployment fell and has remained below the regional and national average since then. Increased mining activity in the region may have contributed to the declining rate of unemployment in the Hunter Valley with unemployment sitting at 3.6% as at June 2012 compared to the Regional Australian average of 5.4%.

Source: KPMG Demographics; Based on data from Department of Education, Employment and Workplace Relations

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Hunter Valley
Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining	3,881	5,878	1,997	51%
- Oil & Gas	*6*	*12*	*6*	*100%*
Retail Trade	4,807	4,834	27	1%
Agriculture, Forestry & Fishing	5,078	4,709	-369	-7%
Health Care & Social Assistance	3,827	4,452	625	16%
Accommodation & Food Services	3,354	3,639	285	8%
Construction	3,488	3,549	61	2%
Manufacturing	3,318	3,117	-201	-6%
Education & Training	2,846	3,038	192	7%
Public Administration & Safety	2,280	2,291	11	0%
Other Services	1,839	2,126	287	16%
Transport, Postal & Warehousing	1,807	1,903	96	5%
Professional, Scientific & Technical Services	1,710	1,728	18	1%
Administrative & Support Services	1,060	1,375	315	30%
Wholesale Trade	1,190	1,346	156	13%
Electricity, Gas, Water & Waste Services	1,109	1,082	-27	-2%
Rental, Hiring & Real Estate Services	780	733	-47	-6%
Financial & Insurance Services	640	613	-27	-4%
Arts & Recreation Services	487	517	30	6%
Information Media & Telecommunications	314	253	-61	-19%
Inadequately described/not stated	*1,203*	*1,242*	*39*	*3%*
Total Industries	**45,018**	**48,425**	**3,407**	**8%**

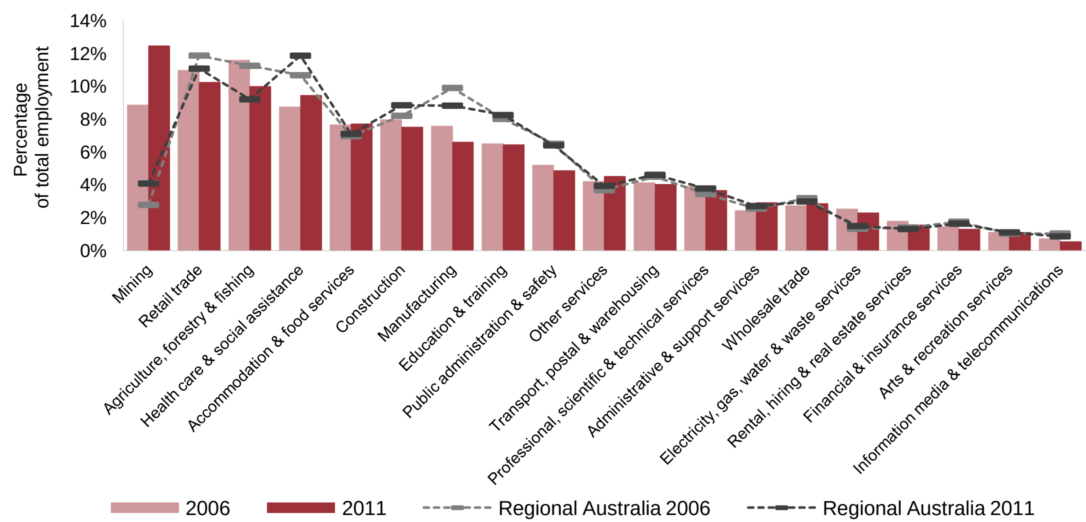
Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

The economic base in the Hunter Valley is relatively diverse. The largest and fastest growing industry of employment (in absolute and relative terms) is Mining with a total of 5,878 persons employed in 2011, representing 12% of the total workforce (compared to 9% in 2006). Between 2006 and 2011 the size of the Mining industry in the Hunter Valley increased from 3,881 persons to 5,878 persons, representing growth of 1,997 or 51%.

Other significant industries of employment in the Hunter Valley include Retail Trade and Agriculture, Forestry & Fishing, both representing 10% of the total workforce in 2011. While employment in the Retail Trade industry has remained relatively stable in the five-years to 2011 (increasing by 1%), residents employed in Agriculture, Forestry & Fishing industry have declined by 369 or 7%. Decline in employment within Agriculture, Forestry & Fishing may be attributed to a number of factors including extreme weather conditions (i.e. droughts/floods) making life on the land increasingly difficult, the ageing and therefore retirement of the population employed within the industry (and a general lack of willingness for younger generations to enter the industry).

Employment in the resident population of the Hunter Valley increased by 8% in the five-years to 2011. Other industries to experience significant relative growth in employment over this period include Administration & Support Services (30%), Health Care & Social Assistance (16%) and Other Services (16%). Growth in employment within these industries may be attributed to the increase in tourism and requirement for travel/tour agencies (Admin & Support Services), the ageing of the population (Health Care & Social Assistance) and the provision of automotive repair and maintenance services in association with the Mining industry (Other Services).

Industry of employment of residents in the Hunter Valley, 2006 and 2011



Note: Chart excludes inadequately described/not stated

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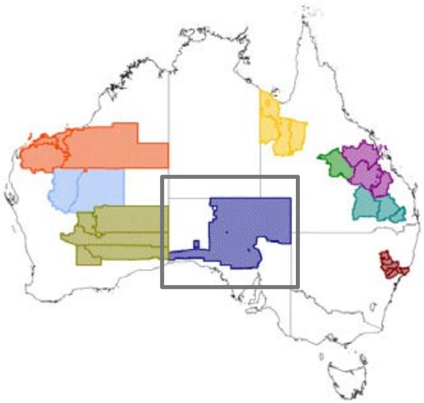
Regional Analysis

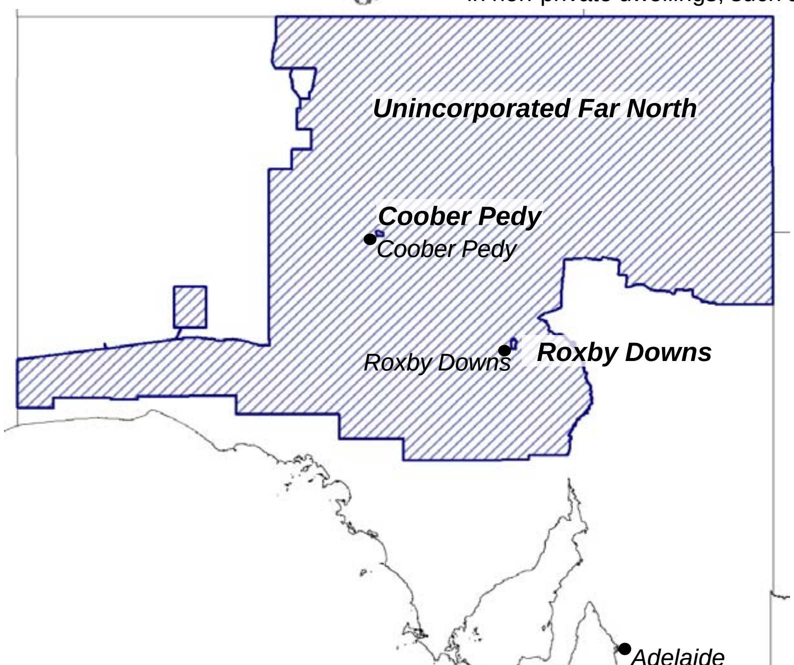
Central South Australia

Central South Australia
Overview



Central South Australia is a relatively large geographic region with its major population centres co-located next to mines in the towns of Roxby Downs and Coober Pedy. Central South Australia is a Mining Region with 40% of the workforce employed in the Mining industry as at the 2011 Census. The town of Roxby Downs was purpose-built to service the Olympic Dam mine which produces copper, uranium, silver and gold. Coober Pedy is surrounded by significant opal mines and has since become a popular tourist destination.

Central South Australia has experienced significant population growth (10.6%) between 2006 and 2011. Occupied private dwelling growth increased at a substantially less rate of 0.8%. This may be explained by the growing number of residents living in non-private dwellings, such as, staff quarters.



Fast Facts		
Demographic indicator	**2011**	**Percentage point change from 2006**
Total population (ERP[1])	8,735	10.6%[2]
Total occupied private dwellings[3]	2,518	0.8%[2]
Working age population (15-64)	74%	2.9
Male	60%	3.1
Indigenous	7%	0.4
Australian born	82%	- 0.7
Average household size[3]	2.49	- 0.03[4]
Year 12	44%	17.9
High income	22%	14.8
Couple family with children[3]	33%	- 0.2
Separate dwelling[3]	88%	2.8
Own their home[3]	42%	- 6.5
Bachelor degree or higher	11%	0.9
Unemployment Rate[5]	2.6%	- 1.5
Participation Rate	71%	1.8
Same address five years ago	31%	- 3.3
Largest industry of employment	Mining	Mining

[1]Estimated Resident Population [2]Percentage change [3]Occupied private dwellings
[4]Absolute change [5]2012 unemployment rate

Source: KPMG Demographics; Based on the Australian Bureau of Statistics; the Department of Education, Employment and Workplace Relations

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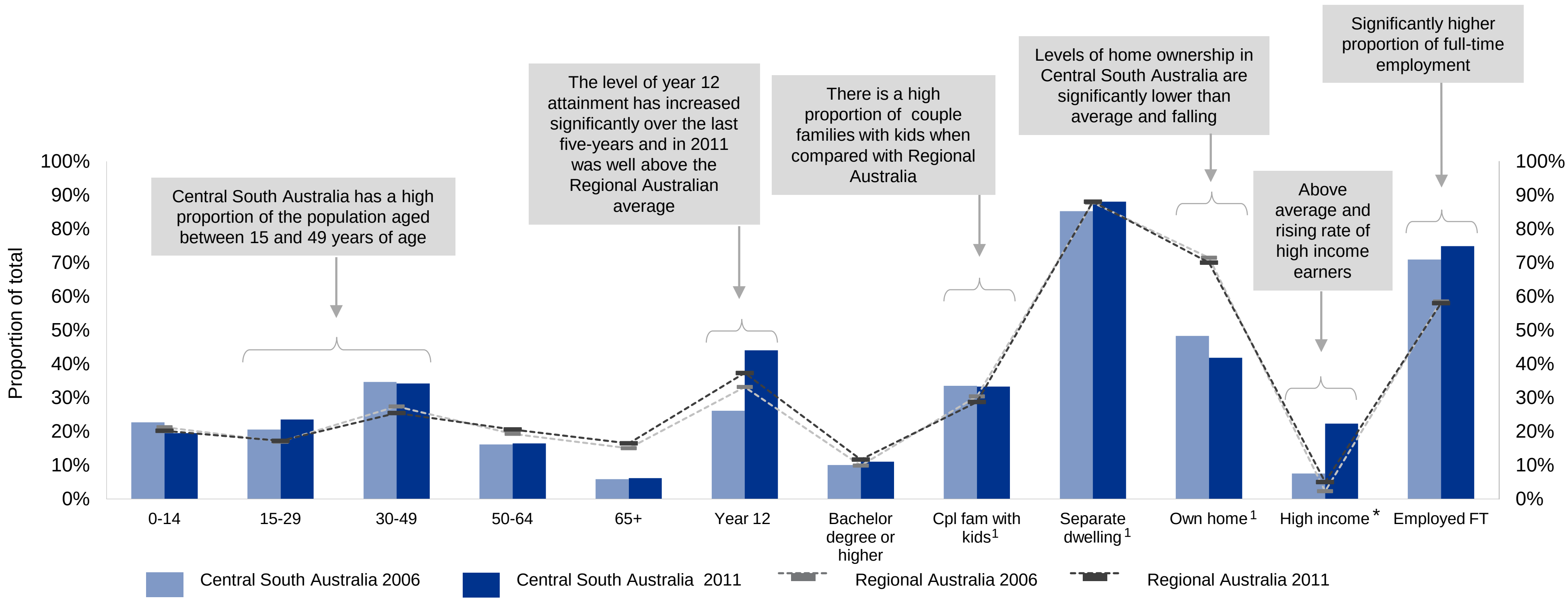
In 2011, 33% of occupied private dwelling households comprised couples with children in Central South Australia and this was 4 percentage points above the Regional average. The level of education in the region is improving and now sits above the Regional Australian and national average, with an 18 percentage point increase in year 12 attainment over the five-years to 2011.

Residents are attracted to Central South Australia largely because of the employment opportunities. At the time of the 2011 Census, three-quarters of employed residents were working full-time and close to one-quarter (22%) of residents aged 15 years and over were recording high income levels (compared to the Regional Australian average of 5%).

Resident demographic profile of Central South Australia benchmarked against Regional Australia, 2006 and 2011



[1] *Occupied private dwellings*

Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

* *High income: Individual income of $2,000 or more per week*

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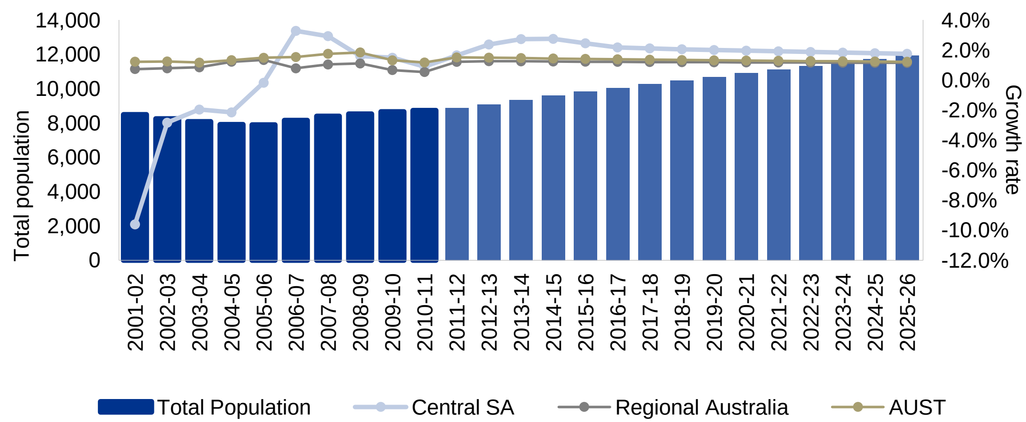
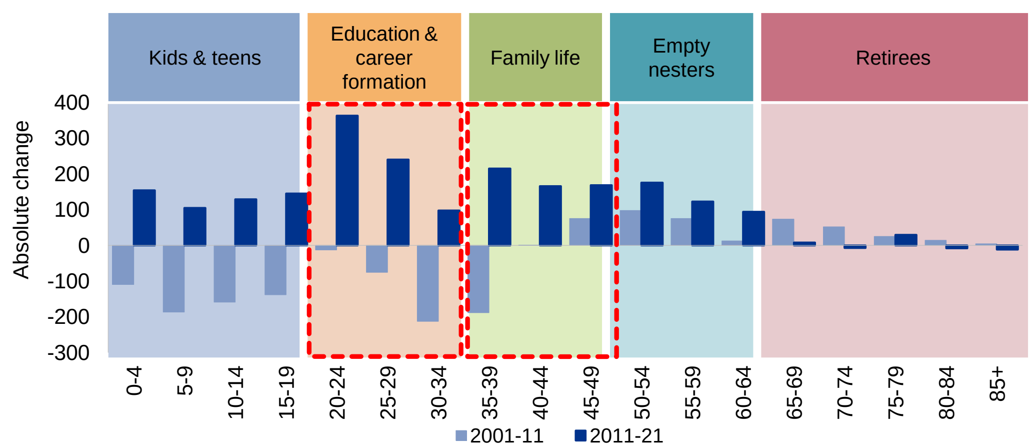
Central South Australia

Population growth and projections

Historic and projected population growth in Central South Australia benchmarked against Regional and total Australia, 2002 to 2026



Net change in Central South Australia population by five-year age cohort over the ten-years to 2011 and ten-years to 2021



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics; the Government of South Australia

The population of Central South Australia is very closely tied with mining activity, particularly the BHP Olympic Dam mine in Roxby Downs and the opal mines in Coober Pedy.

In 2011, Central South Australia contained an estimated resident population of 8,735. The region experienced a period of population decline between 2001 and 2006 losing a resident population base of 1,494. Since 2007, the region has experienced sustained population growth in association with increased mining activity.

Between 2011 and 2026, Central South Australia is projected to add an additional 3,186 residents which represents growth of 36% at an average annual rate of 2.1% compared to the Regional Australian average of 1.2%. By 2026, the population of Central South Australia is projected to reach 11,921.

Although over the decade to 2011, Central South Australia experienced population loss (657 persons), the region is projected to experience population growth (2,181) in the decade to 2021. The largest gains are projected to occur within the 'family life' and 'education & career formation' age cohorts which typically represent the 20-49 year olds.

Between 2011 and 2021 the number of people in the 'education & career formation' group in Central South Australia is projected to increase by 700 persons. This compares to a net population loss of 302 people in the previous decade. This 'education & career formation' age cohort will represent 32% of total growth for the region in the next decade.

It is the population within the 'family life' stage that is projected to experience the greatest population growth in the decade to 2021. Between 2011 and 2021 this cohort is projected to experience population growth of 724 persons. This compares to a net population loss of 16 people in the previous decade. The 'family life' cohort will represent one-third (33%) of the total population growth projected for Central South Australia in the decade to 2021. Attributed to strong growth in this cohort is an increase in the number of 'kids & teens' (aged 0-19) who will contribute 24% of the region's total population growth over this period.

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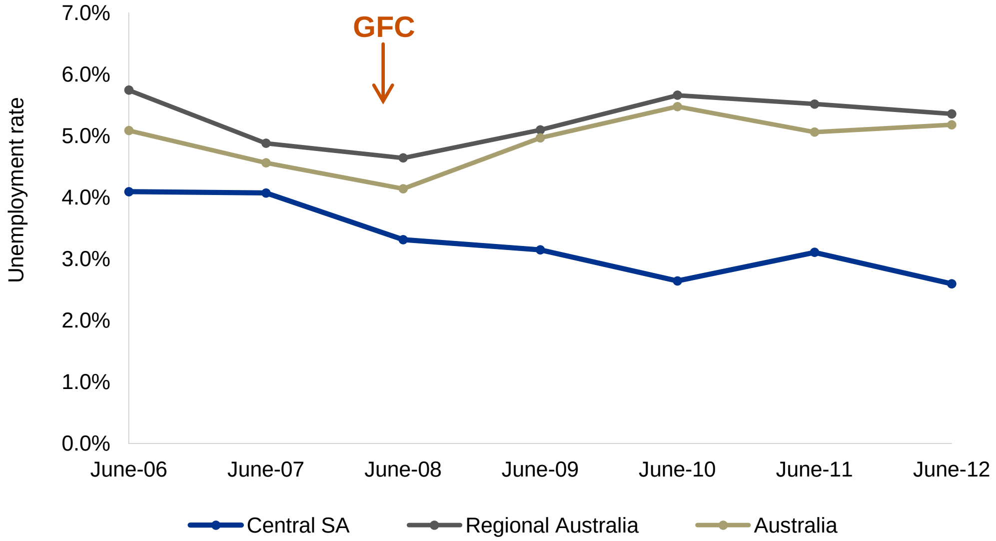
Central South Australia
Unemployment rate

Unemployment rate in Central South Australia benchmarked against Regional and total Australia, 2006 to 2012



The unemployment rate in Central South Australia was recorded at 2.6% as at June 2012. The low rate of unemployment in Central South Australia compares with 5.4% for Regional Australia and 5.2% for Australia.

Residents are attracted to the region because of the significant employment opportunities which are mainly associated with mining and mining-related activities.

Source: KPMG Demographics; Based on data from the Department of Education, Employment and Workplace Relations

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Central South Australia
Industry of employment (residents)

Industry of employment	2006	2011	2006 - 11	
	No.	No.	No.	%
Mining *- Oil & Gas*	1,333 *18*	1,845 *81*	512 *63*	38% *350%*
Accommodation & Food Services	340	397	57	17%
Construction	280	392	112	40%
Retail Trade	257	242	-15	-6%
Administrative & Support Services	186	221	35	19%
Health Care & Social Assistance	216	207	-9	-4%
Education & Training	188	193	5	3%
Manufacturing	178	178	0	0%
Agriculture, Forestry & Fishing	186	173	-13	-7%
Public Administration & Safety	135	157	22	16%
Wholesale Trade	69	113	44	64%
Transport, Postal & Warehousing	64	108	44	69%
Other Services	92	102	10	11%
Professional, Scientific & Technical Services	60	89	29	48%
Rental, Hiring & Real Estate Services	42	45	3	7%
Electricity, Gas, Water & Waste Services	21	37	16	76%
Financial & Insurance Services	33	25	-8	-24%
Arts & Recreation Services	24	24	0	0%
Information Media & Telecommunications	22	12	-10	-45%
Inadequately described/not stated	*123*	*111*	*-12*	*-10%*
Total Industries	**3,849**	**4,671**	**822**	**21%**

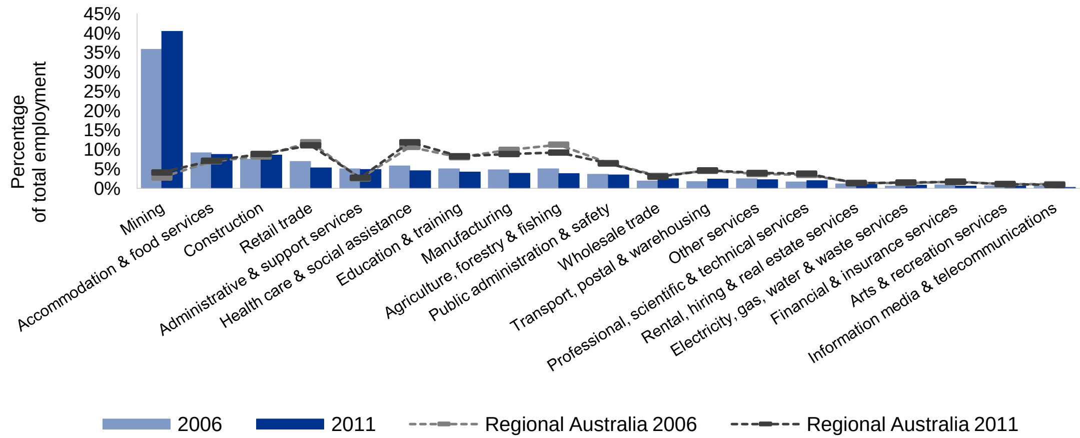
As population centres that have primarily been developed to support mining activity, employment in Central South Australia is dominated by the Mining industry. In 2011, some 40% of the total resident workforce was employed in the Mining industry, up from 36% in 2006. The number of residents employed in the Mining industry subset of Oil & Gas has increased by 350% over this period (albeit off a small base of 18 employed residents in 2006).

The number of people employed in the Mining industry has increased by 38% in the five-years to 2011 to reach 1,845. It is important to remember that these figures do not include the significant non-resident population who utilise LDC work practices to access employment in the remote Central South Australia region , the subject of which will be investigated in a subsequent study.

The Mining industry is the region's biggest employer of residents, however employment related to serving the Mining industry, including Accommodation & Food Services and Construction comprise the second and third largest industries of employment in Central South Australia (both 9% respectively in 2011).

The growing demand for services to transport the materials being mined in the region has seen high levels of Transport employment at rates above the growth being achieved in mining. The Transport, Postal & Warehousing industry employed just 64 residents in 2006 and this number has increased off this small base to 108 in 2011 which translates to an increase of 69%.

Industry of employment of residents in Central South Australia, 2006 and 2011



Source: KPMG Demographics; Based on data from the Australian Bureau of Statistics

Note: Chart excludes inadequately described/not stated

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