

High-earning industries and productivity growth

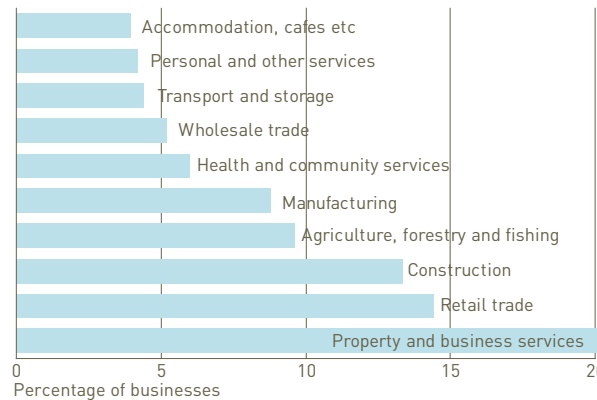
Estimated annual turnover for top ten earning sectors

Victoria's largest industries in terms of turnover are not necessarily Melbourne's biggest employment generators. Property and business services had the highest annual turnover of all Victorian single state business in 2001, followed by retail trade. Property and business services is Melbourne's third largest employing industry, while retail is second. Manufacturing is the single largest employing industry in Melbourne but has only the fifth highest turnover of Victorian single state businesses. The construction industry, responsible for approximately 4% of Melbourne's employment, accounts for 13% of estimated annual state turnover. Health and community services, with about 10% of Melbourne's work force, accounts for 6% of Victoria's estimated annual industry turnover.

These figures do not include businesses with facilities in more than one state or territory.

1 Estimated annual turnover of the 10 highest earning industries as a percentage of total estimated annual turnover of all single state business

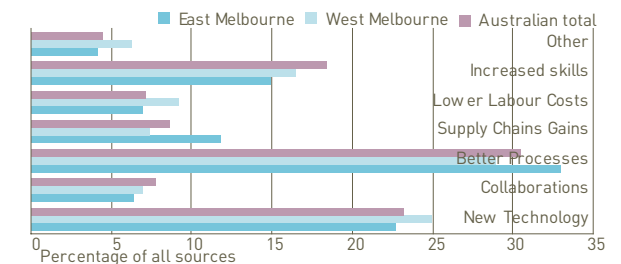
Victoria, 2001



Expected future sources of productivity growth

The three main factors forecast to increase productivity in Melbourne industries are better processes, new technologies and increased skills. The industry sectors of manufacturing (particularly automotive) and services (particularly telecommunications, IT, labour hire) are expected to experience productivity growth.

2 Expected future sources of productivity growth Melbourne Regions



Industry contributions to total factor income and production volumes

Manufacturing was the highest contributing industry to total factor income in 2002-03 for Victoria and Australia overall. It continues to be a key industry for Victoria in terms of contribution to the state's factor income.

Victoria contributes up to 50% of total factor income for Australia in growth industry sectors such as communication services, finance and insurance, and property and business services.

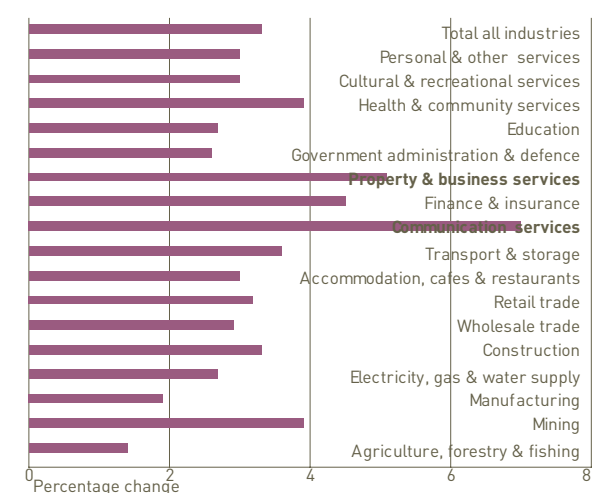
Based on recent Australian-wide growth patterns, Melbourne can expect to see strong contributions to production from communications and property and business services in the future. Property and business services is already a major contributor.

3 Industry contribution to total factor income

Victoria, 2002-03



4 Average annual change in production volumes of Australian industries, 1997-98 to 2002-03



Sources: 1 ABS, 1369.0.55.001 *Australian Business Register: Counts of Australian Business Numbers (ABNs)*, June 2001; 2 Australian Industry Group & the Commonwealth Bank, 2004, *Industry in the Regions*; 3-4 ABS, 8221.0 *Manufacturing Industry, Australia 2004*