



Western Australia

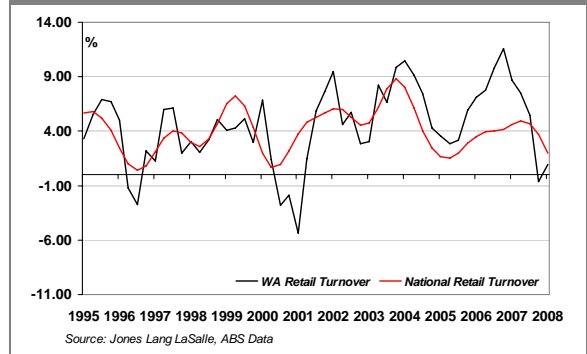
STATE OVERVIEW

As the service orientated states continue to feel the effects of the 'credit crisis' the WA economy remains in good shape. The mining and resources sector is providing the impetus for the economy to grow at rates well above the national average. State Final Demand (SFD) increased by 7.2% in the 12 months to June 2008, whilst the CPI continued its upward trend and increased by 4.5%, in line with the national average.

The recently released labour data showed further tightening in the employment market, with the unemployment rate in Perth falling to 2.8% in August. Retail sales growth was below the national average for the year to June, showing an increase of 0.9% as affordability continues to be an issue.

Whilst commodity prices have softened slightly in recent times, the value of exports continues to increase as demand from South-East Asia remains firm.

WA Retail Turnover – Yearly % (Trend)



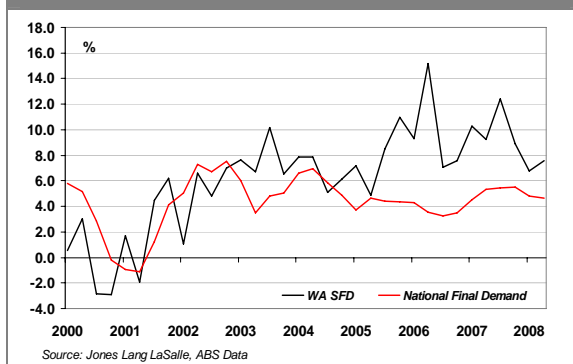
OUTLOOK

The outlook for the Western Australian economy remains positive despite the slowdown in a number of mature economies. The state continues to have its lowest unemployment rate and highest participation rate on record buoyed by the resources sector. Employment is forecast to grow by 3.75% in 2007/08, labour constraints remain a key concern within Western Australia

The economy is expected to show growth of 7.5% over 2007/08 and a further 6.25% in 2008/09, three consecutive years of growth above 6%. Export volumes are projected to increase as recent investment in the resource sector translates into output.

The prosperity of the WA economy is intrinsically linked to trading partners in South-East Asia. The International Monetary Fund (IMF) announced an upward revision to the outlook for emerging Asia in July for 2008 to 8.4% from 8.2% in April, a positive sign for the Western Australian economy.

WA State Final Demand – Yearly %



WESTERN AUSTRALIA AT A GLANCE

Indicators	Period (y-o-y %)	Western Australia	Australia
Demand Growth (SFD)	June 2008	7.2%	4.3%
Economic Growth (GSP*)	June 2008	7.1%	2.7%
CPI / Inflation (Perth)	June 2008	4.5%	4.5%
Ordinary Hourly Rate Wage Index	June 2008	5.6%	4.2%
Retail Sales (Seasonally Adjusted)	June 2008	0.9%	2.2%
Total Employment Growth	Aug 2008	4.5%	2.3%
Unemployment Rate	Aug 2008	2.8%	4.1%
Official Cash Rate	As at 12 Sep08	NA	7.00%

Source: Jones Lang LaSalle, ABS, RBA. GSP was derived from access economics figures.

For more information, please contact Dino Siswadi on +61 (02) 9220 8388 or e-mail dino.siswadi@ap.jll.com.

© Copyright 2007 Jones Lang LaSalle • The items in this publication have been compiled from the various sources acknowledged. The information is from sources we deem reliable; however, no representative or warranty is made to the accuracy thereof.