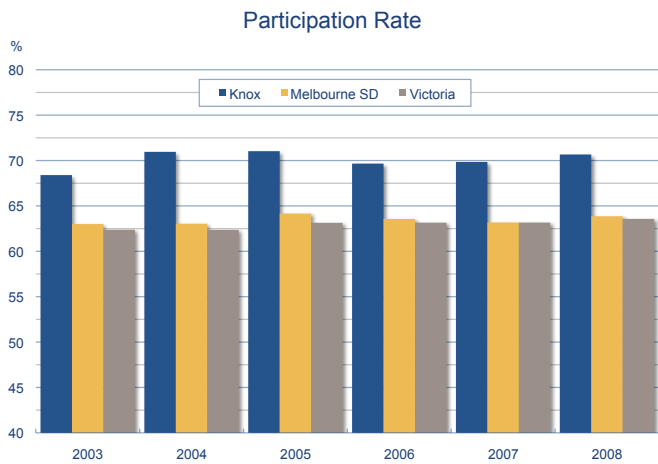


EMPLOYMENT CAPACITY

Participation Rate

The participation rate is measured by the proportion of the resident population aged 15 and over in the labour force (i.e. either employed or unemployed). The labor force participation rate is a key component in long-term economic growth, almost as important as productivity.

The participation rate in the City of Knox was estimated at 70.7% in 2008, which was 0.8 percentage points higher than the level recorded in 2007 and 2.3 percentage points higher than the average participation rate in 2003 (68.4%).



Source: ABS 3218.0, DEEWR & Lawrence Consulting

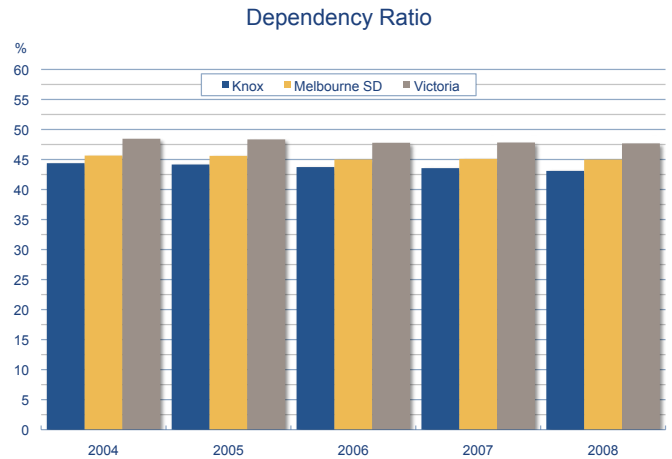
The workforce participation rate in the City of Knox in 2008 was significantly higher than the average rate for the Melbourne SD (63.9%) and Victoria (63.6%). The increase in the participation rate for the City of Knox in 2008 was also greater than the growth experienced by the Melbourne SD (up 0.7 percentage points) and Victoria (up 0.4 percentage points).

Dependency Ratio

The dependency ratio is the ratio of the economically-dependent proportion of the population (i.e. individuals under the age of 15 and over the age of 65) to the productive part (ages 15-64). This ratio is important because as it increases, there is increased strain on the productive part of the population to support the upbringing and pensions of the economically dependent.

The dependency ratio in the City of Knox was 43.1% in 2008, which represented a decrease of 0.5 percentage points from the level recorded in 2007, and a fall of 1.5 percentage points from the average in 2003 (44.6%). This indicates that there is a lessening dependency on those contributing to the economy of the City of Knox.

The City of Knox has a lower dependency ratio than the averages for the Melbourne SD (45.0%) and Victoria (47.7%). Further, the fall in the dependency ratio for the City of Knox in 2008 was greater than the decline experienced by the Melbourne SD and Victoria (both down 0.1 percentage points).



Source: ABS 3218.0, DEEWR & Lawrence Consulting

Employment Capacity

Participation Rate	Level 2008	Level 2007	Ann % chg ^(a)
City of Knox	70.7	69.8	0.8
Melbourne	63.9	63.2	0.7
Victoria	63.6	63.2	0.4
Dependency Ratio	Level 2008	Level 2007	Ann % chg ^(a)
City of Knox	43.1	43.6	-0.5
Knox (C) - North-East	44.5	44.6	-0.1
Knox (C) - North-West	41.2	41.3	-0.1
Knox (C) - South	43.0	44.5	-1.5
Melbourne	45.0	45.1	-0.1
Victoria	47.7	47.8	-0.1

Note: (a) Changes are percentage point changes.
Source: ABS 3218.0, DEEWR & Lawrence Consulting