Media Release

Regional, Rural and
Small Business Banking
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For release: 1 September 2008

Regional property investment remains strong

Commercial property investment in many Australian regions has surged over the past year, according to the latest ANZ Regional and Rural Quarterly released today.

A key finding of the report was that non-residential building activity remained very strong, with construction approvals up by more than 60 per cent in some areas.

ANZ Managing Director Regional, Rural and Small Business Banking, Mr Rob Goudswaard said this was a vote of confidence for regional Australia, but cautioned that ongoing drought and a slowdown in retail spending were affecting many communities.

"Water remains a key issue for many regional and rural economies and will set the agenda for the medium term," Mr Goudswaard said. "The big dry is now comparable to the Federation Drought of the 1890s, although farm production has become more resilient and there is optimism for Australia's winter crop.

"The sudden fall in the value of the Australian dollar is also a welcome relief for exporters of agricultural produce and local economies have been generally helped by the buoyant non-residential construction sector."

ANZ Regional and Rural Quarterly provides an in-depth and up-to-date assessment of Australia's regional economies and also features region-by-region statistics on population growth, employment, taxable income, farm debt and equity, building approvals and the value of rural land holdings.

Key findings of the latest report include:

- A 65% increase in non-residential building approvals in New South Wales Central West and 60% in Southern NSW over the past year

- A likely national wheat crop of 24 million tonnes, reflecting a return closer to average production years

- Base metal prices for nickel, zinc, lead and tin have fallen between 25-30% in three months, with reports of job losses at some mines.

ANZ Regional and Rural Quarterly is available free of charge at ANZ Economics

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