



**ECONOMIC MODELLERS GET IT WRONG**  
**25<sup>th</sup> September 2003**

Member for Flinders Liz Penfold has had Eyre Peninsula moved upwards in the growth rates table forecast by the Consulting Centre of Policy Studies (CoPS) at Monash University.

Mrs Penfold said the CoPS director, Dr Philip Adams, last year put Eyre Peninsula 56<sup>th</sup> out of 56 Australian regions, and this year the region was equal last with the Far West of New South Wales region.

"Prospective investors and businesses look at these statistics and make their decisions accordingly. They do not willingly invest where all indications point to a sluggish economy let alone one that is going downwards," she said.

Mrs Penfold attended the "City & the Bush" Conference held in Melbourne last month and hosted by the Monash University Centre of Policy Studies to listen to Dr. Adams. She discussed Eyre Peninsula's position with him with the result that the forecast was amended. Dr Glyn Wittwer, Senior Research Fellow, CoPS, advised Mrs Penfold of the change by email before she had returned from Melbourne.

Dr. Wittwer advised that Eyre Peninsula will not be at the bottom for employment growth, particularly given what has already happened between 1996 and 2002. "I have let my colleagues know of my concerns about certain anomalies in our forecasting" Dr. Wittwer wrote. "My own understanding is that earlier estimates of agricultural growth were based on the gloomy outlook that prevailed in the early 1990's when interest rates were sky high and made life impossible for investors in many sectors".

Mrs. Penfold said the region is now in the 3.0 to 5.0% growth range instead of the 1.0 to 3.0% range it was in previously.

The week after the conference an article appeared in *The Australian* 7 August 2003 which stated that Port Lincoln topped the list of 40 boom towns in Australia with an 8.6% population increase and a 22.2% job increase in the five years to 2001.

"It will be interesting to see where we are on Dr. Adams economic Ladder next year," Mrs. Penfold said.