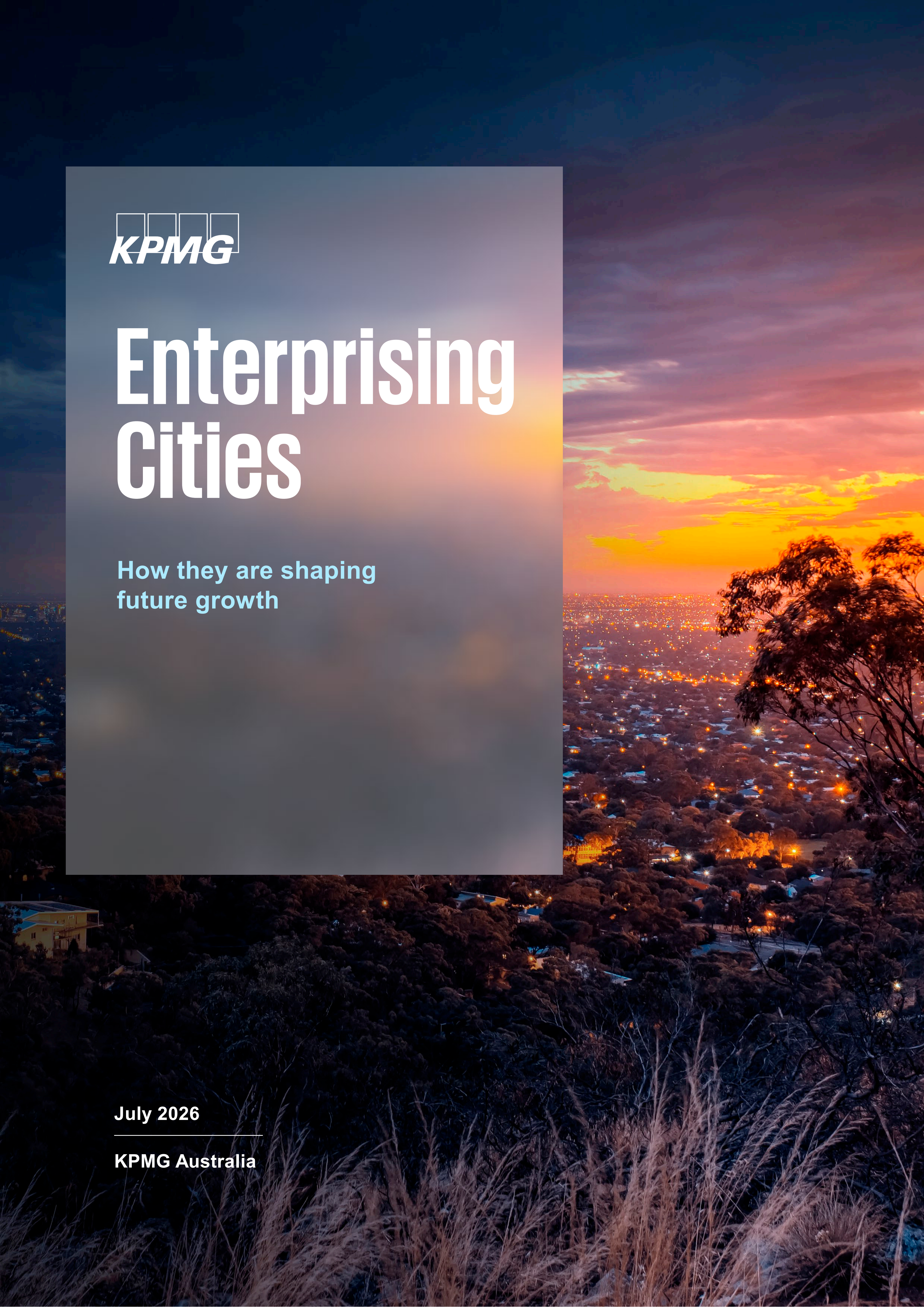

Enterprising Cities

How they are shaping future growth

July 2026

KPMG Australia

Contents

Introduction

Naomi Mitchell

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Enterprising Cities sit at the heart of Australia's economy, driving jobs growth and investment while navigating housing pressures and global cost shocks.

This year marks the third edition of KPMG's Enterprising Cities Report. The 2026 report highlights that this diverse group of cities is home to more than 10 million people, represents over a third of the national workforce, and collectively accounts for around one third of Australia's economic output.

Labour market conditions in Enterprising Cities remain robust, underpinned by low unemployment at an average of 4.2%. These cities are increasingly becoming magnets for early-career professionals, entrepreneurs, investors, and businesses, with strong population growth and workforce participation driving their momentum.

This momentum is not driven by people alone. Digital infrastructure investment is accelerating, with $12 billion invested in data centres nationally last financial year. Nearly half of Australia's data centres are now located in Enterprising Cities, creating powerful platforms for innovation, productivity, and high-value job creation. As a result, digitally enabled businesses in these regions are increasingly expanding into national and international markets.

At the same time, Australia's transition to renewable energy and the pursuit of net-zero emissions are opening new opportunities, particularly in regional areas with strong industrial and infrastructure foundations. From clean energy projects to advancements in resource management, these transitions stand to reshape local economies and pave the way for long-term growth.

However, challenges remain. Housing supply constraints are placing pressure on growth and workforce attraction. Businesses are navigating tighter profit margins driven by global energy and commodity market volatility.

Geopolitical tensions, such as ongoing conflicts overseas, exacerbate the potential for energy shocks, leading to higher production, fuel, and transport costs which disproportionately affect energy-intensive Enterprising Cities.

For mid-market enterprises, navigating these complexities requires resilience, innovation, and adaptability. From addressing inflationary pressures and the war for skilled talent to managing regulatory challenges and cybersecurity threats, businesses in these cities are evolving to capture opportunities and mitigate risks in a dynamic global landscape.

Even amid these challenges, Enterprising Cities remain hotspots for growth, investment, and progress. They are increasingly recognised as thriving destinations in their own right where people want to live, work, and invest. Business leaders in these locations are focused on moving up the value chain, turning good businesses into great ones by leveraging strong community foundations, diverse industry bases, and an influx of younger workers.

For leaders making decisions about growth, investment, workforce, and strategy, the Enterprising Cities Report provides practical insight into where Australia's next phase of economic momentum is being built.

Introduction

Terry Rawnsley

National Lead – Demographics & Urban Economics

Housing capacity and economic resilience will define the next phase of growth for Australia's Enterprising Cities.

Over the past five years, Australia's Enterprising Cities have experienced sharply different growth trajectories. The COVID-19 period delivered a pronounced boost to many, with strong population inflows and economic growth. While some locations have sustained this momentum over the past two to three years, others have seen one of their key advantages, housing affordability, eroded.

As a result, growth paths across the Enterprising Cities are now more divergent than at any point in the past five years, increasingly shaped by local economic strengths and the capacity to provide sufficient housing for their workforce.

Housing supply remains central to maintaining economic momentum. Encouragingly, building approvals across the 12 Enterprising Cities rose by over 15% in 2025, indicating additional supply in the development pipeline. However, ongoing population growth and tight labour markets mean housing availability remains a constraint, and further action will be required to ensure workers can live close to employment opportunities.

Economic outlook for Enterprising Cities

The broader economic environment has become more volatile. Following a period of modest but steady growth, with GDP growth at 2.6% in 2025, the outlook shifted sharply at the start of 2026. The conflict in Iran continues to disrupt global fertiliser and energy markets, driving oil prices higher and increasing volatility across global trade and financial conditions. For Australia, the impact is indirect but material, feeding through higher fuel, transport, and production costs that are expected to lift inflation pressures over the year ahead.

These pressures are particularly relevant for some Enterprising Cities, where local economies are more energy intensive. Diesel remains a critical input across mining, agriculture, and industrial activity, leaving certain regions more exposed to rising fuel prices. Higher fertiliser costs are also expected to weigh on agricultural productivity, placing upward pressure on food prices and household living costs.

For both businesses and households, the inflation shock and the RBA's tightening of monetary policy are expected to squeeze margins and discretionary spending through 2026. The scale and duration of these impacts will depend on how quickly global energy and fertiliser markets stabilise or settle into a new equilibrium.

Taken together, these factors point to a short term outlook defined by heightened uncertainty. For Enterprising Cities, resilience will hinge on the strength of their underlying economic foundations, the availability of housing and infrastructure, and their ability to adapt to shifting global and domestic conditions.

Resilience in this environment is driven by a focus on core business fundamentals. By strengthening cost discipline, reinforcing supply chain performance, protecting liquidity, and pursuing targeted revenue opportunities, businesses can respond more effectively to uncertainty and maintain profitability despite broader economic headwinds.

Enterprising Cities 2026 snapshot

The population of the Enterprising Cities surpassed 10 million people in 2025.

Population grew by 1.8% during 2025 compared with 1.5% for the rest of Australia.

5.3 million workers live in the Enterprising Cities, representing 36% of Australian workers.

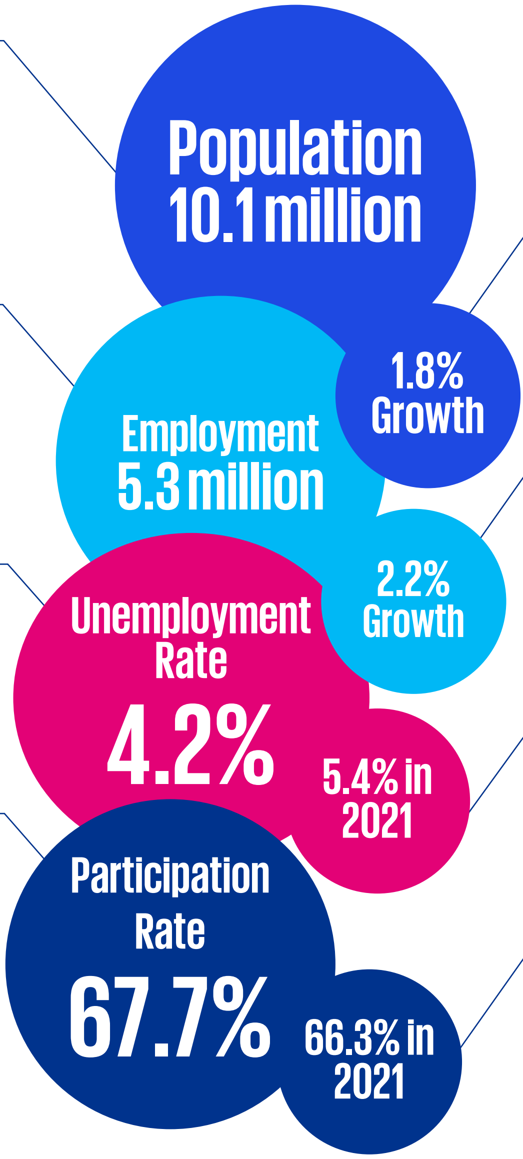
The number of workers increased by 2.2% during 2025 compared to 1.6% for the rest of Australia.

The unemployment rate averaged 4.2% in 2025.

The unemployment rate has dropped 1.2% since 2021.

The participation rate was 67.7% across the Enterprising Cities.

The participation rate has increased by 1.4% since 2021.



* The geographical boundaries for each Enterprising City is defined in the Appendix.

Enterprising Cities: overview

Enterprising Cities

Over the past few years, Enterprising Cities have been navigating a complex set of interrelated pressures. Cost-of-living pressures have remained elevated, with households continuing to feel the effects. Housing affordability has persisted as a key constraint, with high prices and limited supply continuing to exclude first-home buyers and place pressure on key-worker households. At the same time, businesses have faced ongoing skills shortages and rising input costs, weighing on operating margins.

Looking ahead, heightened global uncertainty and the ongoing impacts of the Middle East conflict are expected to place further upward pressure on energy and input costs, while higher interest rates are likely to dampen spending. Inflation, which was easing, is now returning with a vengeance. As a result, both households and businesses are expected to remain under pressure.

These themes are explored in more detail in the remainder of this section.

Housing supply

Nationally, the commercial feasibility landscape for new housing has shifted sharply since 2020. Construction costs have risen by 30 -40%, while land values have climbed 40–50%. These rapid cost escalations have heightened commercial uncertainty and contributed to widespread business failures across the construction sector. Smaller Enterprising Cities may be feeling these pressures most acutely. Unlike larger cities, where more diverse development markets and a broader mix of greenfield and infill opportunities exist, smaller cities can have fewer pathways to bring new supply to market. Fewer housing development pathways can amplify the impact of cost shocks and feasibility constraints.

In 2025, some relief emerged, with construction cost growth moderating and interest rate reductions providing support for both buyers and developers. Higher sale prices also improved feasibility for some projects. Building approvals increased in 2025, led by Canberra, which recorded a 99.5% jump from 2024. Darwin (71.4%) and Cairns (67.6%) also posted major year-on-year increases.

Western Sydney (19.4%) and Perth (8.8%) recorded solid recoveries, while Townsville (49.4%) and Wollongong (19.7%) delivered strong growth. However, not all cities experienced increases in dwelling approvals. Geelong recorded a slight decline (-1.5%), continuing its recent volatility, while the Gold Coast (-0.5%) remained flat. Hobart also showed minimal movement, recording only 1.0% growth in 2025.

Table 1 – Dwelling approvals

City	2022	2023	2024	2025	2025 Growth
Adelaide	7,330	7,240	8,020	9,880	23.2%
Cairns	1,380	1,140	1,080	1,810	67.6%
Canberra	5,570	4,500	2,180	4,350	99.5%
Darwin	400	330	280	480	71.4%
Geelong	4,410	3,530	3,230	3,180	-1.5%
Gold Coast	5,630	4,790	5,530	5,500	-0.5%
Hobart	1,520	1,090	980	990	1.0%
Newcastle	5,060	5,130	4,820	5,050	4.8%
Perth	9,150	7,450	12,360	13,450	8.8%
Townsville	860	740	830	1,240	49.4%
Wollongong	2,130	1,610	2,030	2,430	19.7%
Western Sydney	23,230	16,770	15,640	18,670	19.4%
Australia	**191,660**	**164,330**	**174,170**	**195,380**	**12.2%**

Source: KPMG analysis of ABS Building Approvals
Note: Data rounded to the nearest 10
Note: Not all dwellings results in a net addition to the housing stock.

Enterprising Cities (cont.)

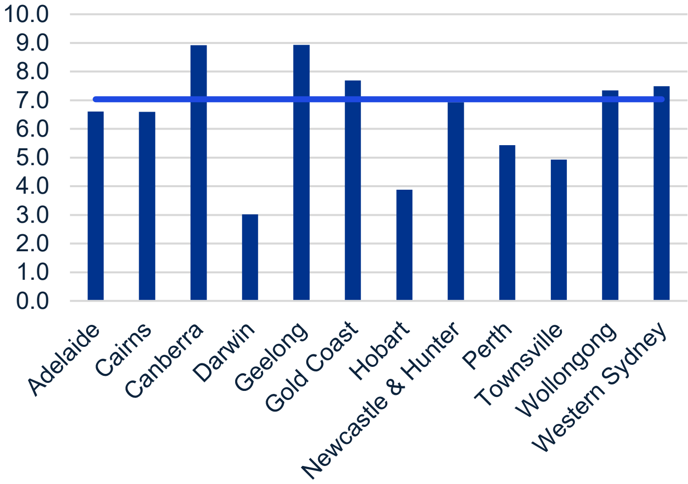
Despite the rebound observed in many cities during 2025, dwelling approval volumes in several markets remain at or below 2022 levels. In the context of ongoing population growth, this underscores the need for further action to boost affordable housing supply.

The data in Figure 1 highlights notable variations between the Enterprising Cities in terms of residential development activity.

On average, Australia recorded 7 dwelling approvals per 1,000 people, with most cities hovering near, or slightly above this national benchmark. The National Housing Accord, endorsed by National Cabinet has a target of 1.2 million dwellings over five years. This housing target suggest that this should increase to around 9 dwellings per 1,000 people over the next five years.

Canberra and Geelong lead the way, both recording the highest approval rate of 8.9 dwellings per 1,000 people, reflecting robust construction activity relative to their population sizes.

Figure 1 – Dwelling approvals per 1,000 people



Source: KPMG analysis of ABS Building Approvals
Note: Data rounded to the nearest 10
Note: Not all dwellings results in a net addition to the housing stock.

They are closely followed by the Gold Coast (7.7 per 1,000) and Western Sydney (7.5 per 1,000), which also show strong performance. Conversely, smaller cities like Darwin (3.0 per 1,000) and Hobart (3.9 per 1,000) recorded lower approval rates, indicating comparatively weaker residential growth. Overall, this demonstrates how housing supply is often uneven and can vary by city.

Addressing these challenges requires closer and more structured collaboration between all actors within the housing ecosystem:

- Councils are key facilitators in unlocking housing supply through the planning system and provision of local services. They work with other levels of government and the private sector to attract investment, develop local talent, and maintain safe, liveable communities. However, delivering these outcomes is challenging, as many economic and community objectives rely on advocacy and partnerships for major infrastructure such as transport, education, and health.
- Partnerships between developers, builders, financiers, and state and local government must be fostered to align resources and enable effective collaboration with Community Housing Providers (CHPs).
- In turn CHP's need support to build the capability and capacity required to manage growth through investments in systems, processes, talent, and culture.
- Developing innovative solutions for taxation and capital structuring for local housing projects can help drive incentives to unlock opportunity and address equity and accessibility in supply.

These strategies reflect the importance of tailoring housing supply solutions to specific city demands while fostering robust partnerships and sound governance to ensure long-term success.

Further reading

Cities of Value
Local Government
Strategies for Enabling Affordable Housing
Residential Property Outlook
Social Housing

Enterprising Cities (cont.)

Employment and job ads

In terms of the growth of employed people in each city during 2025, Adelaide leads with the highest growth rate of 3.8%, followed by Perth (2.3%), the Gold Coast (2.1%). Townsville records the lowest growth at 0.7%,followed by Canberra (0.9%) and Wollongong (1.1%).

Employment growth, combined with population growth and overall labour force participation, determines the unemployment rate. The national unemployment rate in the December quarter of 2025 was 4.2%. Among the Enterprising Cities, the Gold Coast has the lowest unemployment rate at 3.2%, followed by Darwin (3.4%), Geelong (3.6%), and Adelaide (4.0%).

Some cities with lower employment growth had higher unemployment rates, such as Townsville (4.9%), Wollongong (4.7%), and Hobart (4.3%).

Despite strong job growth, Perth's unemployment rate is slightly higher (4.3%) as rapid labour force growth may have lengthened job-search times for new arrivals.

Figure 4 presents the number of internet job ads per 1,000 workers, with Darwin leading at 22.5, followed by Canberra (17.7) and Townsville (17.5). Perth (15.3) also shows strong demand, alongside Adelaide (14.7), Cairns (14.2), and the Gold Coast (14.1). Western Sydney (11.0), Geelong (8.3) and Wollongong (8.2) have the lowest levels of job ads.

It should be noted that Western Sydney, Wollongong and Geelong have significant commuter populations travelling to Sydney and Melbourne respectively, which may reduce the number of local job ads relative to local employment.

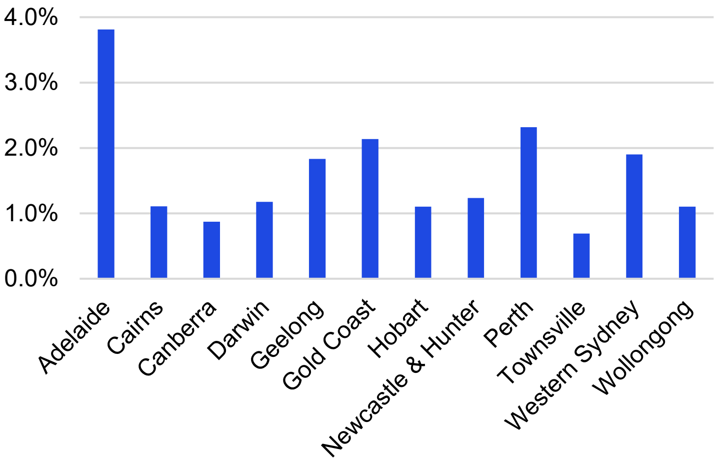
Overall, the employment market in the Enterprising Cities shows strong growth and broader business demand. However, it also highlights worker shortages, which may be impacting business operations and putting pressure on margins.

Further reading

[Labour Report](#)

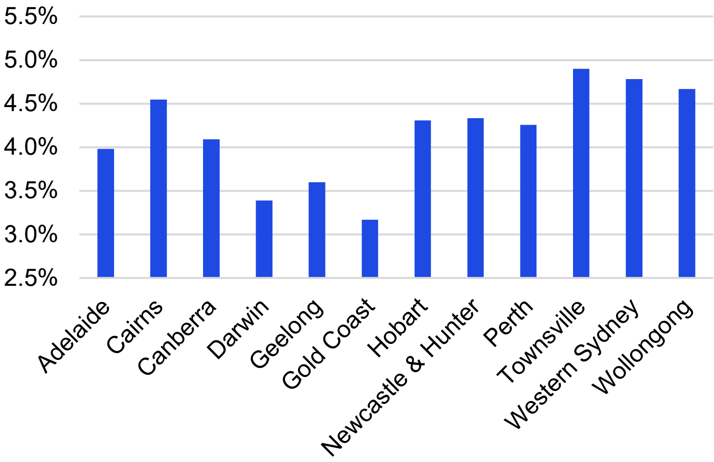
[Workforce Strategy](#)

Figure 2 – Employment growth



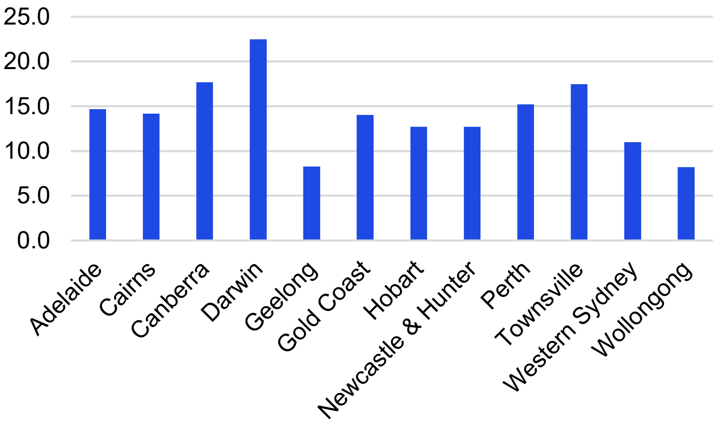
Source: KPMG analysis of ABS Labour Force

Figure 3 – Unemployment rate, December quarter 2025



Source: KPMG analysis of ABS Labour Force

Figure 4 – Job ads per 1,000 workers



Source: KPMG analysis of ABS Labour Force & Jobs & Skills Australia

Enterprising Cities (cont.)

Gross profit margins benchmarks

There has been a decline in gross profit margins nationally (excluding Mining) from 11.5% in December 2021 and March 2022 to 10.5% by the end of 2025 (see Figure 5). This trend reflects growing business pressures from rising operating costs, cost-of-living challenges and higher interest rates.

Gross profit margins differ significantly across industries. Real estate services was well above the average at 36.8%, followed by Utilities (19.8%), Transport & warehousing (18.8%), Information media (18.0%), Other services (14.4%) and Professional services (12.6%).

Industries below the 10.5% average include Manufacturing (10.3%), Financial services (9.8%), Accommodation & food services (8.7%), Administrative services (7.4%), Construction (7.3%), Wholesale (6.1%), and Retail (5.5%). While there is no city-level data for gross profit margins across Enterprising Cities, Figure 7 highlights the percentage of firms in each city with margins below the 10.5% average.

Darwin and Perth are at 51%, while Geelong and Wollongong have the lowest at 46%, suggesting more businesses in lower-margin industries.

City-level performance reflects differences in industry composition, with some cities having a higher concentration of businesses operating below average profit margins. Ongoing economic volatility is expected to place further pressure on margins through 2026.

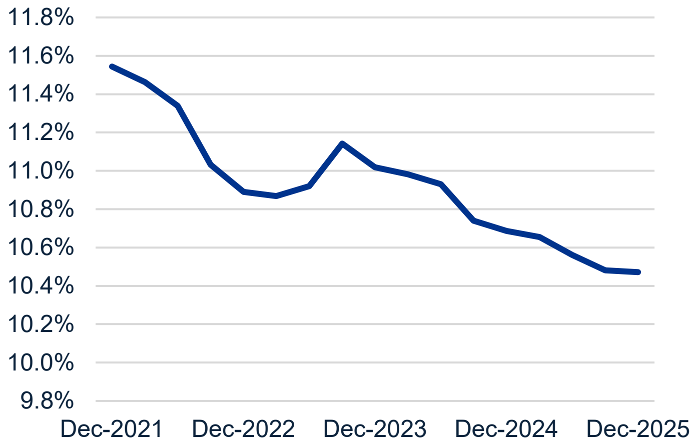
In this environment, resilience is underpinned by strong operational, financial and governance fundamentals. Businesses can prioritise disciplined cost management, supply-chain efficiency and cash-flow resilience, alongside targeted revenue actions. This includes pricing discipline, greater use of customer and product-mix analytics, and selective investment in operational efficiency.

Focusing on these controllable levers enables businesses to protect margins, adapt to uncertainty and sustain long-term profitability despite broader economic headwinds.

Further reading

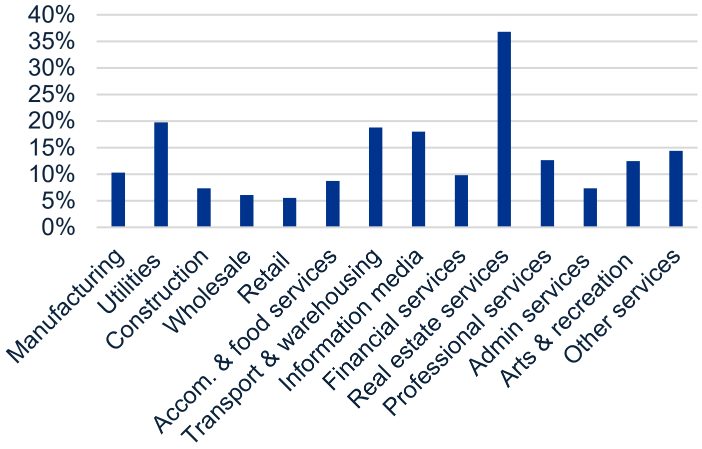
Mid Market & Private | Industry & Sector Analysis | Gelato Messina case

Figure 5 – Gross profit margin – excluding mining



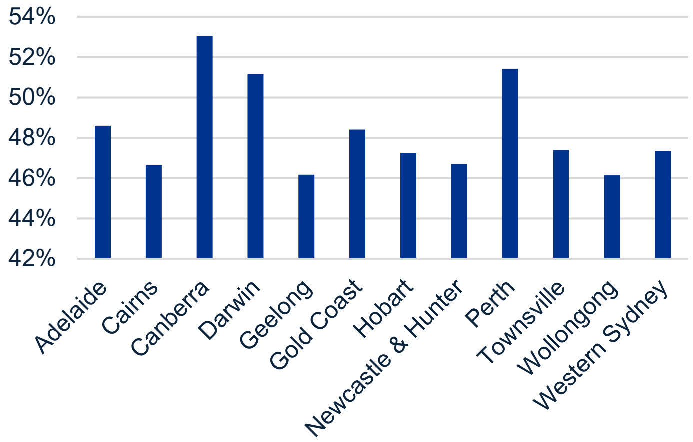
Source: KPMG analysis of ABS Business Indicators

Figure 6 – Industry gross profit margin



Source: KPMG analysis of ABS Business Indicators

Figure 7 – % of businesses with above average profit margin



Source: KPMG analysis of ABS Business Indicators & Counts of Australian Businesses

Risk assessment

Although economic, trade and energy risks are being felt nationwide, this analysis provides insight into how their impacts differ across Australia's cities. Amidst the shift to a more uncertain and volatile economic environment, the Enterprising Cities are broadly well placed to navigate key risks.

Most of the Cities can boast strong economic diversity. Canberra, as the nation's capital, is an outlier with employment concentrated in the public sector. Meanwhile, Perth's fortunes are closely tied to the performance of the mining sector, although strength in global commodity demand has proved to be a positive in recent years.

Most of the Enterprising Cities are also less trade-exposed compared to the national average (considering both industry exposure to export demand, as well as competition from imports). Of the regions which are more exposed, this is generally due to mining exports, where Australia is competitive at the international level. However, a slowdown in global demand would be more acutely felt in these areas.

Following the escalation of conflict in the Middle East, the sensitivity of the economy to energy prices has become a key focus. When considering energy intensity of economic activity, the Enterprising Cities fall into two distinct categories. Many are focused on white collar and service-based sectors, with lower reliance on energy as an input compared to the national average.

Meanwhile, mining and agriculture cities, such as Perth and Darwin) are crucial users of energy, and more vulnerable to these global oil price shocks.

Figure 8 – Risk assessment

	Economic diversity	*Trade exposure*	*Energy intensity*
Adelaide	1	1	1
Cairns	3	3	5
Canberra	5	1	1
Darwin	3	5	5
Geelong	2	1	1
Gold Coast	2	1	1
Hobart	2	1	1
Newcastle & Hunter	1	3	3
Perth	4	5	5
Townsville	3	4	5
Wollongong	2	1	1
Western Sydney	2	1	1

Relative risk, lower score is better

Lower risk		Average		Higher risk
1	2	3	4	5

Further reading

Global populism and Australian business

Economic Outlook

The scale of the risk will depend on how quickly the conflict resolves itself and how global supply chains stabilise and adjust to a 'new normal'. While the initial fuel price shock is already impacting the economy, further supply chain disruptions could place additional pressure on business costs and potentially working capital in some select industries. As a result, the outlook is uncertain, and managing emerging risks will be critical to maintaining economic resilience.

Risk	Methodology	Sources
Economic diversity	The Hachman Index is computed for each region. It measures how similar or different the area's industry employment structure is from Australia as a whole. Regions with employment concentrated in a small number of industries will be associated with a lower index value and therefore be assigned higher risk.	KPMG analysis of ABS labour force data
Trade exposure	An industry's exposure to trade is assessed by the sum of exports (including when used as an input into further production, which is later exported) and competing imports, relative to the size of Australian production. A region's trade exposure is determined by the GSP-weighted employment share of the area's industries. Regions with higher trade exposure (either through export demand, or greater competing imports) are assigned higher risk.	KPMG analysis of ABS input-output tables, state accounts, and labour force data
Energy intensity	The energy intensity of an industry is determined by the amount of energy required (e.g. gas, crude oil, diesel, electricity) as a share of all inputs. It excludes energy used in the production of other energy outputs (such as the use of coal by electricity generation). A region's trade exposure is determined by the GSP-weighted employment share of the area's industries. Regions with higher energy intensity are assigned higher risk.	KPMG analysis of ABS input-output tables, state accounts, and labour force data

AI and data centres

Further reading

AI Power Productivity

Ausgrid AI Procurement

Businesses across Australia are accelerating their adoption of artificial intelligence (AI) as a driver of productivity and competitiveness. From advanced analytics and automation through to generative AI, organisations are increasingly relying on computer-intensive digital infrastructure to support their business.

While software and algorithms are often the most talked about aspect when it comes to AI, the most tangible physical manifestation of this investment is the rapid expansion of data centre infrastructure.

In 2024–25, over $3 billion was invested in the construction of the physical shells of data centres across Australia. An additional $9 billion was spent on outfitting these buildings with the necessary hardware and internal infrastructure to make them fully operational.

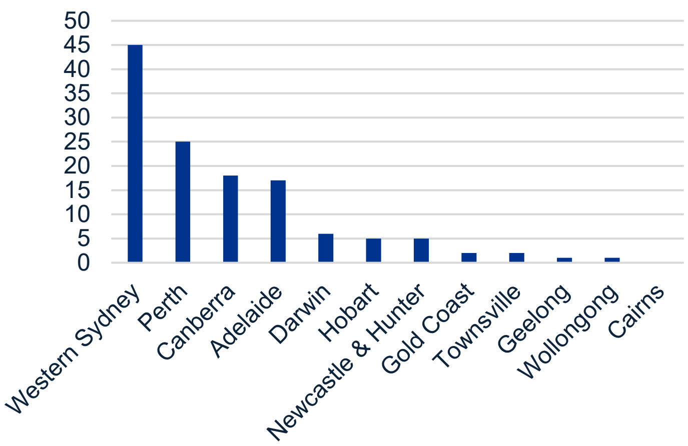
The 12 Enterprising Cities host 46% of all Australian data centres. Western Sydney has 45 data centres, reflecting its role as a national digital infrastructure hub, followed by Perth with 25 data centres, Canberra with 18, and Adelaide with 17. Darwin hosts 6 facilities, positioning it as a strategic gateway for international connectivity, while Hobart and the Newcastle & Hunter region each have 5 data centres. Smaller but emerging presences are visible in the Gold Coast (2), Townsville (2), Geelong (1), and Wollongong (1).

Taken together, this growing national footprint demonstrates how Australia's shift toward AI-led business models is translating into capital intensive physical assets. Data centres are no longer niche infrastructure, they are becoming foundational to economic development, energy planning, and land use decisions, and will increasingly shape where and how digital growth occurs across the country.

Aside from the economic activity related to investment in AI and data centres, the investment should unlock broader productivity effects. While we are yet to see a clear impact on productivity statistics, either in Australia or globally, the extent of AI's impact on productivity depends on the degree to which downstream industries adopt AI. It is also important to recognise that productivity gains may not materialise immediately, as new investments can take time to translate into higher economic growth.

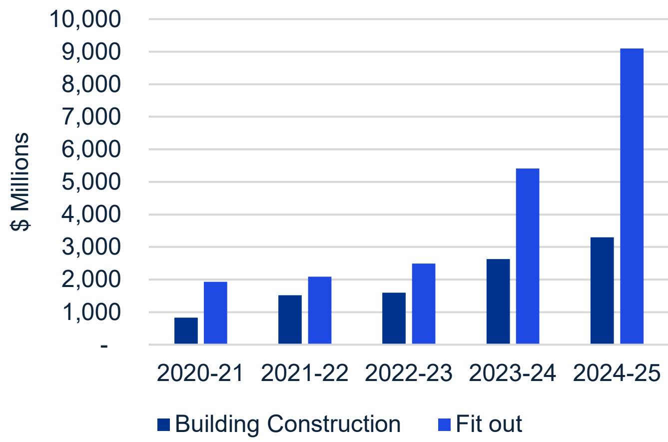
AI presents a significant opportunity to drive value, but its benefits can only be fully realised when AI is designed, deployed, and governed in a trusted and ethical manner.

Figure 9 – Count of data centres



Source: KPMG analysis of DataCenterMap data

Figure 10 – National investment in data centres



Source: KPMG analysis of ABS Data Centres in Economic Statistics

Note: Building Construction is the total of "Commercial Building not elsewhere classified" which the bulk of is related to Data Centres

Enterprising Cities: snapshots

The remainder of the report presents snapshot summaries of each of the Enterprising Cities. These snapshots are designed to provide concise insights into key findings, highlighting critical trends, challenges, and opportunities unique to each city.

Enterprising Cities: snapshots

Snapshot: Adelaide

Over the past decade, Adelaide has undergone an economic transformation, moving from a traditional manufacturing base towards a more knowledge-intensive economy, with professional services and advanced manufacturing playing a greater role.

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Population
1,499,200

Employed people
791,000

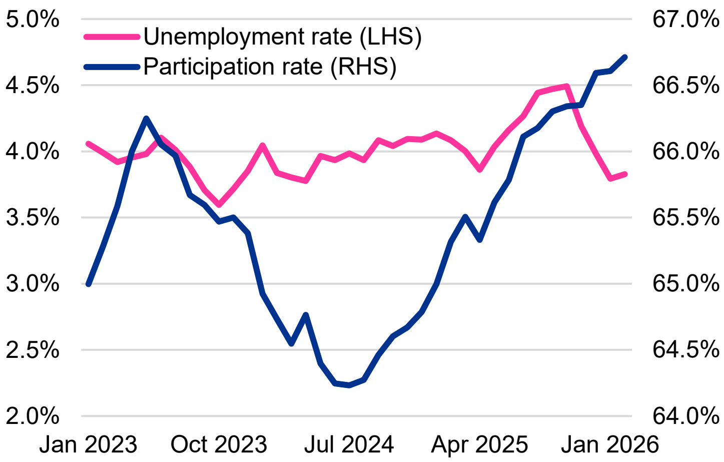
Unemployment rate
4.3%

Trade exposure
Risk: low

Economic diversity
Risk: low

Energy intensity
Risk: low

Figure 11 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Despite national and global economic challenges, Adelaide avoided the sharper rises in unemployment seen in other Enterprising Cities.

In late 2025, Adelaide's labour market strengthened as consumer spending improved, supported by lower interest rates. The unemployment rate declined in the final quarter of 2025, returning to 4.0% in December.

The participation rate rose steadily throughout 2025, increasing from 65.0% in January to 66.6% by December. These trends reflect a resilient labour market that has absorbed steady population growth.

Adelaide's strong performance can be attributed in part to its high level of economic diversity, which supports a well-balanced industry profile.

The city also performed well in the risk assessment, with lower exposure to international trade volatility and energy intensity compared with other Enterprising Cities.

Overall, this indicates that Adelaide is better positioned than its peers to manage global and energy-related uncertainties.

Population and housing

In 2025, Adelaide recorded annual population growth of 1.2%, easing from 2.0% in 2022.

This population increase reflects a strong labour market, but accommodating the influx of workers continues to be a challenge.

In a positive sign, building approvals rose by more than 20% in 2025. Consequently, Adelaide approved 8.3 dwellings per 1,000 people in 2025, above the national average of 7.0 dwellings per 1,000 people.

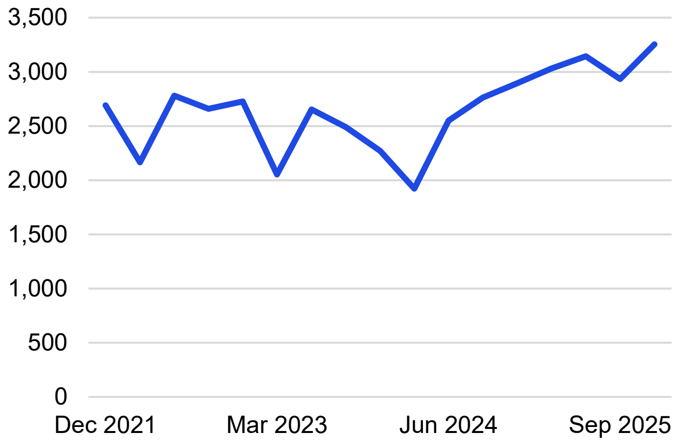
Table 2 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	3.5%	4.1%	4.4%	0.1%	3.4%
Population growth	0.8%	2.0%	1.9%	1.3%	1.2%
Dwelling approvals	12,000	10,330	9,470	10,130	12,370

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Adelaide (cont.)

Figure 12 – Quarterly building approvals



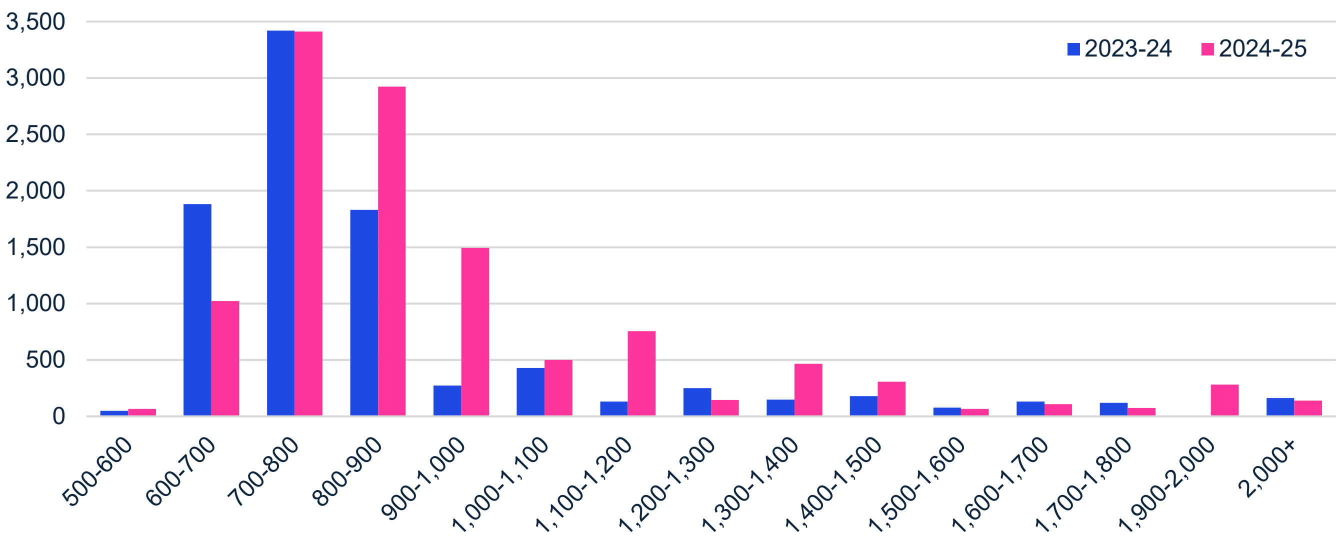
Source: ABS Building Approvals

Quarterly building approvals data clearly show an upward trend in Adelaide over the past two years, driven by rapidly rising sales prices that are encouraging developers to bring projects to market as quickly as possible. The South Australian Government has also been progressing a range of reforms and expanding the stock of social housing across Adelaide. While the number of approvals has been increasing, so too has the value of approved properties.

In 2024–25, there was an increase in properties valued between $800,000 and $900,000, along with a notable spike in approvals for dwellings valued between $900,000 and $1,000,000 (see Figure 13). This was offset by declines in the $600,000 and $700,000 price brackets.

Together, these trends highlight how rising construction costs are pushing the market toward the delivery of higher-priced housing. Housing at these price points is beyond the reach of many low-income workers, both for purchase and renting. There is typically a 12–15-month lag between dwelling approval and occupancy, and a portion of current activity relates to knock-down rebuilds, which do not add to net housing supply. As a result, housing market conditions are expected to remain tight over the medium term.

Figure 13 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

Healthcare remains the largest industry in Adelaide, reflecting its role in supporting a growing and ageing population. Employment in healthcare stood at 142,800 workers in 2023 and increased further to 152,700 in 2025. This growth has been driven by increased spending on health services, the NDIS, and aged care. Construction employment increased strongly to 74,100 workers in 2025.

Growth in construction has been supported by population growth, which drives demand for housing, as well as infrastructure projects such as the Torrens to Darlington corridor upgrade, and the new Women's and Children's Hospital. Investment in essential services infrastructure, such as SA Water's metropolitan growth program, supports new housing supply and population growth.

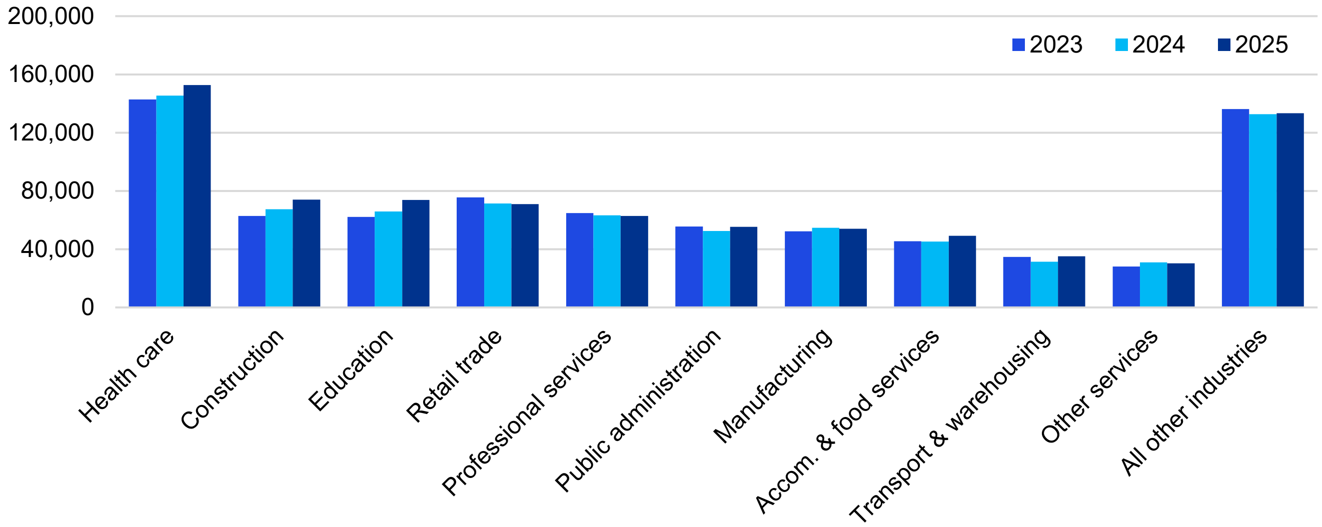
Snapshot: Adelaide (cont.)

Education is the third-highest employing industry in the state, reflecting its importance in supporting a growing population and workforce. The establishment of the new Adelaide University, following the merger of the University of Adelaide and the University of South Australia, represents a major structural reform for South Australia.

Retail trade employment declined from 75,500 workers in 2023 to 70,900 workers in 2025. This decline reflects the impact of higher interest rates, which have reduced household spending and prompted retailers to scale back staffing levels. Education employment increased from 62,300 workers in 2023 to 73,800 workers in 2025, supporting the needs of a growing population. In line with national trends, employment in professional services declined slightly, falling to 62,900 workers in 2025.

Adelaide's manufacturing industry has historically been a cornerstone of the local economy. In 2025, Manufacturing employed 54,000, however, it has undergone significant transformation in recent years. Manufacturers are increasingly pivoting toward high-technology sectors, renewable energy and defence projects.

Figure 14 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

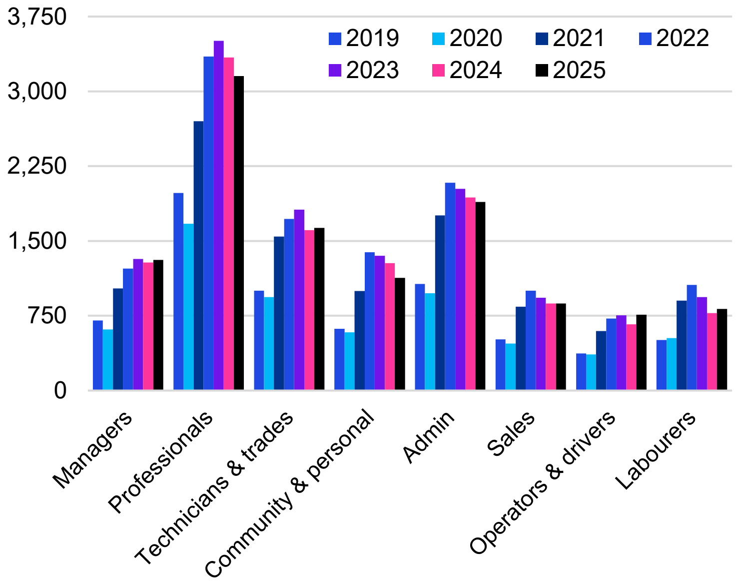
Professional occupations continue to have a significant number of internet job ads in Adelaide, reflecting the ongoing growth in professional services. Trades and machinery operators have also continued to grow, highlighting the strength of the industrial sector in Adelaide.

In 2025, job ads for all other occupations were broadly in line with their 2024 levels, highlighting the positive outlook for the jobs market at the start of 2026.

The top five occupations for job ads were:

- Carers & Aides – 590
- Sales Assistants & Salespersons – 580
- Automotive & Engineering Trades – 483
- Hospitality, Retail & Service Managers – 404
- Legal, Social & Welfare Professionals – 387

Figure 15 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

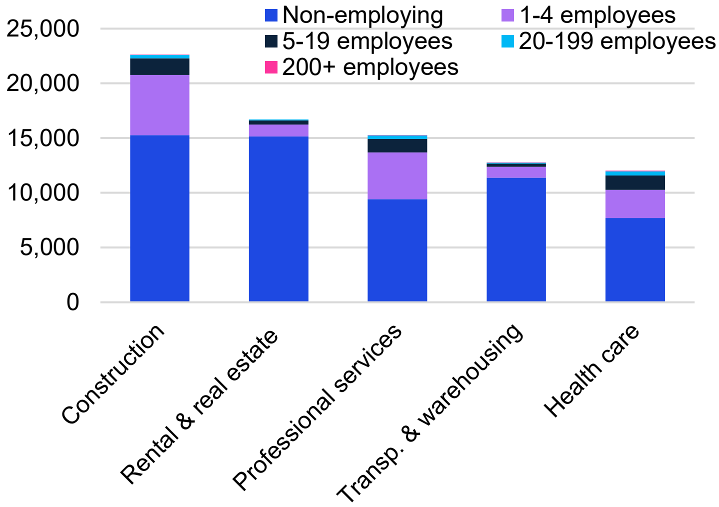
Snapshot: Adelaide (cont.)

Adelaide's economy is underpinned by its major industries, with Construction, Real estate, Professional Services, Transport, and Retail having the largest number of registered businesses.

Construction firms in Adelaide are likely to be operating on tight gross profit margins, based on the national industry benchmark of 7.3%. This reflects elevated input costs and intense competition. Real estate has the highest benchmark gross margin at 36.8%.

Professional services, a growing industry in Adelaide, operates with a national gross profit margin of 12.6%. Retail businesses continue to face thin margins of around 5.5%, reflecting strong competition and exposure to a cautious household sector.

Figure 16 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Transport & warehousing, which is essential to Adelaide's logistics network, has a relatively strong national benchmark margin of 18.8%. However, this is likely to come under pressure in 2026 due to higher fuel costs.

Table 3 shows the number of Adelaide-registered businesses between 2023 and 2025. In the $5 million to $10 million turnover range, the number of businesses shows consistent year-on-year growth. Between 2024 and 2025, the number of businesses grew to 2,104 (2.6% growth).

Similarly, businesses with a turnover of $10 million+ had steady growth. In 2023, there were 1,832 businesses that fell into this category, increasing to 1,930 in 2024 at a growth rate of about 5.3%. By 2025, this figure reached 2,130, representing a further 10.4% increase compared to 2024. This data highlights the ongoing development and strengthening of Adelaide's economy being able to support larger local businesses.

Table 3 – Number of businesses by turnover size

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	30,253	42,163	40,292	5,170	1,977	1,832
2024	31,082	43,351	42,250	5,521	2,050	1,930
2025	31,491	44,027	44,695	5,826	2,104	2,130

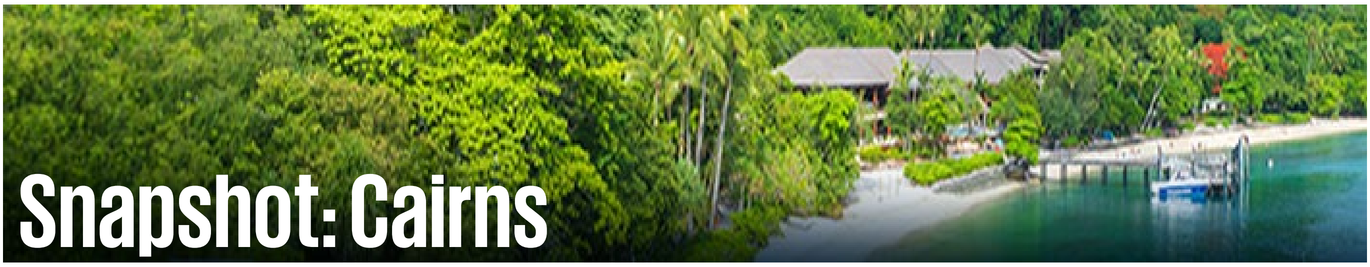
Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Despite local and global economic headwinds, 86,000 new jobs are projected in Adelaide over the next five years, with annual growth of 2.1% compared to 3.1% over the past five years and includes the major post-Covid population boom.

The city's manufacturing industry, traditionally a cornerstone of the economy, is shifting towards high-tech sectors, with a focus on renewable energy, advanced IT, and defence projects. AUKUS commitments are expanding Adelaide's defence ecosystem, strengthening shipbuilding, infrastructure, and high-skill employment across the state. Adelaide is becoming a leader in wind and solar electricity production and critical mineral exports, including the world's largest zircon mine alongside significant graphite, cobalt, and heavy rare earth resources.

South Australia is positioning itself as a jobs hub, supported by substantial government investment in infrastructure, services, and working to improve housing supply. These investment are necessary to seize opportunities and attract key talent, creating ongoing employment through direct infrastructure delivery and supporting facilities, while enhancing export capacity.



Snapshot: Cairns

Cairns and the surrounding region offer a vibrant tourism industry, drawing visitors to the Great Barrier Reef and Daintree Rainforest. The city also provides essential services, higher education, retail, and health services to Far North Queensland.

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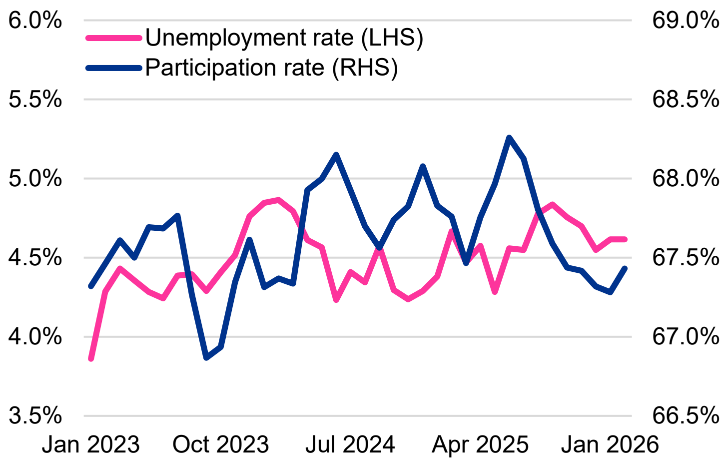
Population 272,900	**Trade exposure** Risk: average
Employed people 144,600	**Economic diversity** Risk: average
Unemployment rate 4.7%	**Energy intensity** Risk: higher

Figure 17– Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

In early 2024, the labour market in Cairns faced pressure from interest rate hikes and weaker consumer spending. Despite these headwinds, the city avoided the sharp rises in unemployment seen elsewhere in Australia, highlighting its economic resilience.

The unemployment rate remained steady at around 4.6–4.8%, while participation held near 68%. Employment growth fell from 2.3% in 2024 to 1.3% in 2025. But by late 2025, conditions began to improve as consumer spending recovered alongside broader economic easing.

The unemployment rate edged down in the final quarter of 2025, falling from 4.8% in October to 4.5% by December, likely supported by declining interest rates. Labour force participation remained stable throughout the year.

These trends suggest Cairns has not had a boom-bust cycle, but rather a relatively steady labour market that has adapted to broader economic headwinds.

Cairns is rated as high risk in terms of energy intensity. This reflects the city's vulnerability to rising energy prices, as diesel is vital to the local agricultural sector, while higher aviation fuel costs place pressure on the air transport sector that is crucial for tourism and the local economy.

Population and housing

Cairns had a major jump in dwelling approvals in 2025, up almost 70% to 1,810 dwellings. Despite this improvement, Cairns approved 6.6 dwellings per 1,000 people in 2025, below the national average of 7.0 dwellings per 1,000 people.

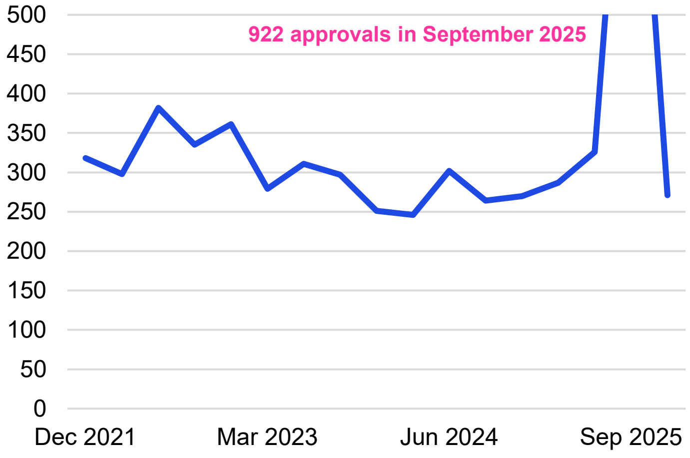
Table 4 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	4.8%	3.6%	2.4%	2.3%	1.3%
Population growth	0.6%	1.7%	1.8%	1.1%	1.1%
Dwelling approvals	1,100	1,380	1,140	1,080	1,810

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Cairns (cont.)

Figure 18 – Quarterly building approvals



Source: ABS Building Approvals

Quarterly building approvals saw a significant spike of over 900 dwellings in the September quarter 2025. This is more than double the usual quarterly 250–350 dwelling approvals.

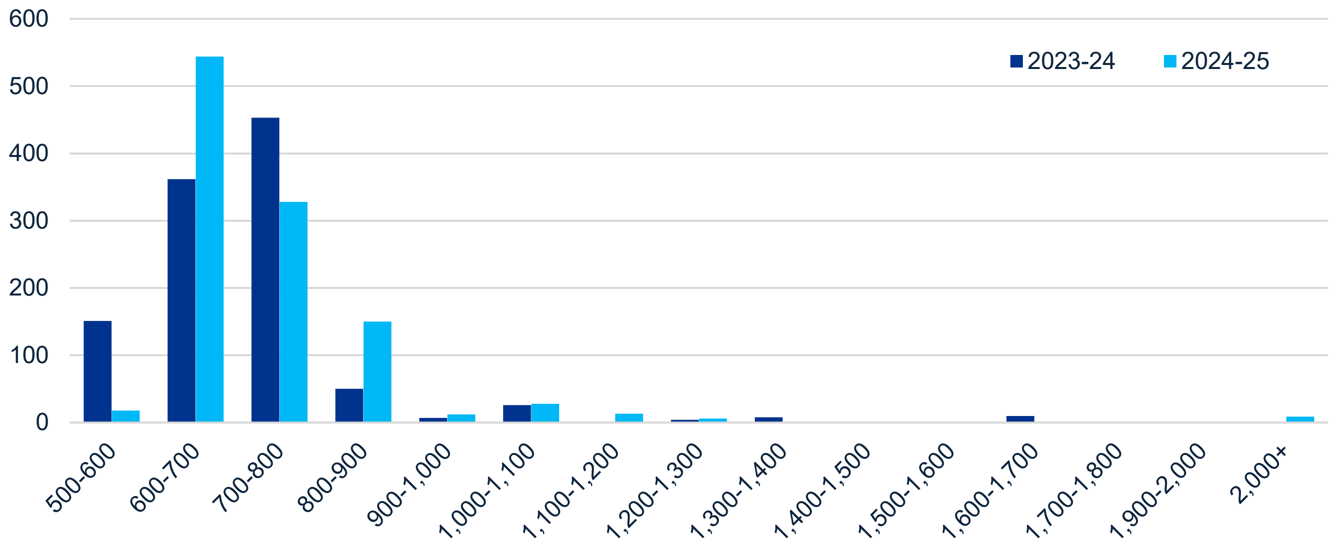
Aside from the significant spike, there has been an overall downward trend in the number of approvals in each quarter since 2021.

This decline indicates ongoing challenges within the housing sector, despite the growing demand driven by population increases.

The value of the properties approved has also been increasing in line with construction input costs.

Figure 19 shows the number of dwellings approved by price point range. In 2023–24, the $700,000–$800,000 price range recorded the highest number of approvals (450). However, by 2024–25, this category had dropped to second place with 330 approvals, overtaken by the $600,000–$700,000 range, which recorded 460 approvals. This increase in approvals for the lower price point range highlights its suitability for lower-income workers looking to rent or purchase a home. This supply of housing could also serve as an incentive to attract more workers to Cairns.

Figure 19 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

The industry employment figures are derived from a sample survey. As a result, estimates for smaller cities like Cairns can be subject to greater variability, and year-to-year changes should be treated with caution.

Healthcare experienced significant growth of 18.6% between 2023 and 2025, with employment rising from 26,750 to 31,725. This continued growth reflects demand for health and caring services driven by an ageing population. The Accommodation & food services industry also grew from 11,750 in 2023 to 12,500 in 2025, indicating a recovery and growth in tourism activities in Cairns.

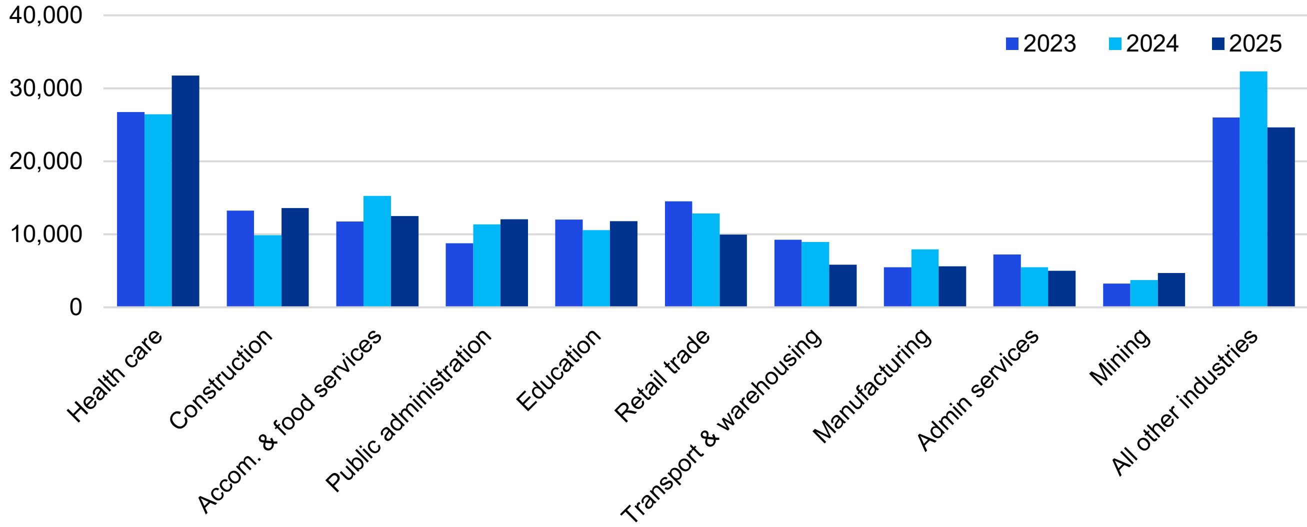
Snapshot: Cairns (cont.)

Public administration also saw growth, with employment increasing from 8,750 in 2023 to 12,075 in 2025, highlighting the expansion of government administrative services. Education is the fifth largest industry in Cairns and has remained steady with around 12,000 jobs.

In contrast, Retail trade saw a decline, dropping from 14,500 employees in 2023 to 9,950 in 2025, potentially reflecting challenges in consumer spending related to cost-of-living pressures and the shifting landscape of the retail sector. Transport & warehousing (which includes many tourism-related jobs) also declined, falling from 9,250 to 5,850.

Meanwhile, Construction employment remained steady around 13,500 in 2025, aligning with the surge in building approvals that are generating confidence in pipeline housing projects. This indicates resilience in the face of high construction costs.

Figure 20 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

Cairns's internet job ads recorded smaller falls in 2025 compared to many other Enterprising Cities and, while they remain high by historical standards, point to continued job opportunities throughout 2026.

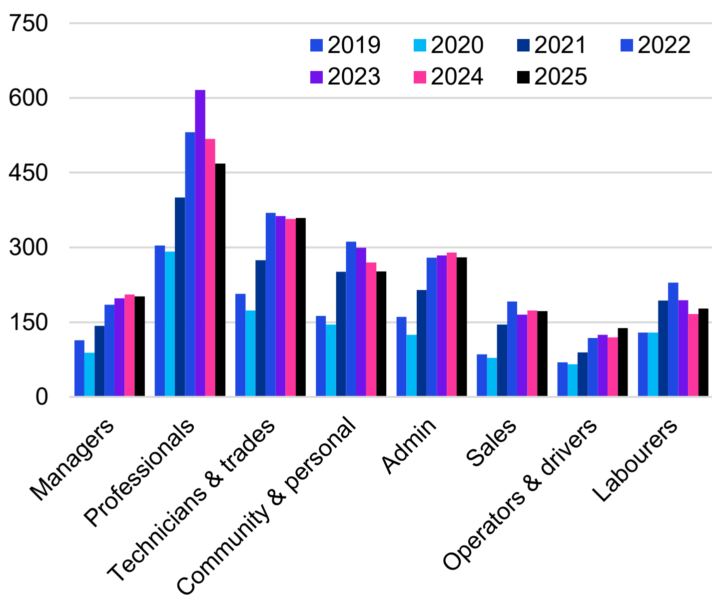
Professional occupations saw a decline, with job ads decreasing from 520 in 2024 to 470 in 2025. Community and personal service occupations also dropped, from 270 in 2024 to 250 in 2025. Other occupations remained relatively stable.

The top five occupations for job ads were:

- Clerks, Call Centre, Receptionists – 167
- Sales Assistants & Salespersons – 128
- Medical Practitioners & Nurses – 119
- Carers & Aides – 116
- Automotive & Engineering Trades – 108

The level of job ads highlights sustained labour demand in Carins and supports its employment prospects in early 2026.

Figure 21 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

Snapshot: Cairns (cont.)

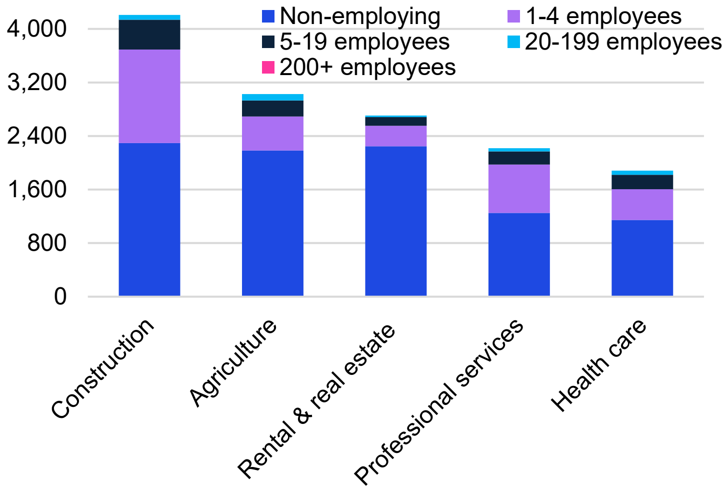
Cairns' economic growth is driven by a mix of sectors, with Construction, Agriculture, and Healthcare leading the way, supported by steady growth in Rental & real estate, and Professional services.

The high number of non-employing (e.g. sole traders) and very small businesses across Construction and Agriculture points to a strong presence of sole traders and micro-enterprises, suggesting flexibility and entrepreneurial activity, but also a degree of fragmentation.

Professional services, Real estate and Healthcare show a similar pattern, reinforcing their role as enabling and support sectors.

Medium-sized businesses (5–19 employees) are most prominent in Construction (441), Agriculture (238), and Healthcare (217).

Figure 22 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

While the region has few larger businesses (20–199 employees), Construction (76), Healthcare (62), and Professional services (45) represent an important part of the Cairns economy.

Cairns has experienced steady business growth, with total businesses rising from 23,785 in 2023 to 24,328 in 2025, a 2.3% increase. Most businesses report turnovers below $2 million, but higher turnover brackets, especially $5 million to $10 million and $10 million or more, are seeing modest growth.

Cairns is experiencing steady business growth, with the total number of businesses increasing from 23,785 in 2023 to 24,328 in 2025, a 2.3% rise over the period. Most businesses report turnovers below $2 million, but there is encouraging growth in higher turnover brackets, especially for businesses earning $5 million to $10 million and $10 million or more.

Table 5 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	5,393	7,858	8,837	1,095	347	270
2024	5,292	7,874	8,924	1,136	405	295
2025	5,298	7,940	9,259	1,133	427	330

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Cairns's economic strengths are underpinned by a diverse industry base and its strategic location in Far North Queensland. Tourism remains a key economic driver, supported by proximity to the Great Barrier Reef and tropical rainforests, while the city's international airport and seaport provide competitive access to global markets.

Growth is also being supported by major local investments, including the ongoing works on the Bruce Highway, the Cairns Hospital redevelopment, the Cairns Marine Precinct, and recent upgrades at Cairns Airport, which are strengthening health, maritime and aviation capabilities. The healthcare sector has continued to expand alongside population growth, complemented by a resilient agricultural sector, strong education providers and ongoing construction activity.

Over the next five years, approximately 12,000 new jobs are forecast to be created in the Cairns region, reflecting a moderation from the post-pandemic employment surge, when around 19,000 jobs were added. However, Cairns's reliance on fuel-intensive inputs across the agricultural, construction and tourism sectors increases economic exposure amid persistently high global energy prices, presenting a potential risk for the city in 2026.

Snapshot: Canberra

While Canberra's economy focuses on public service and defence, it is diversifying towards tourism, education, research, and services for the region. Canberra also enjoys an increasing advantage in affordable housing over other cities.

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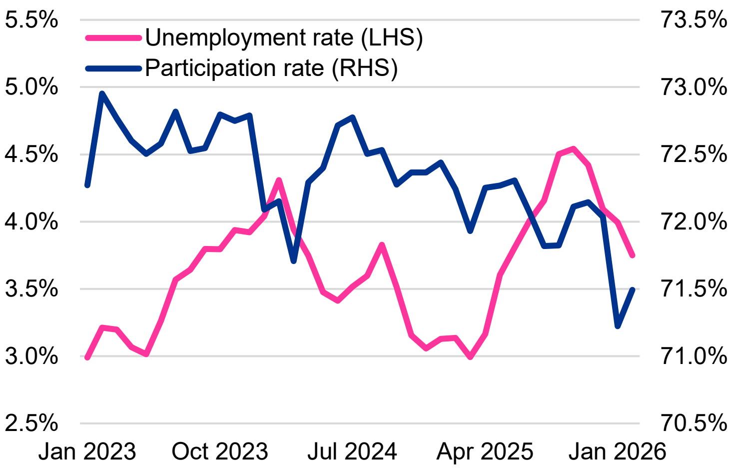
Population 487,300	**Trade exposure** Risk: lower
Employed people 273,600	**Economic diversity** Risk: higher
Unemployment rate 4.3%	**Energy intensity** Risk: lower

Figure 23 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

The unemployment rate in Canberra has been more variable than in other Enterprise Cities, fluctuating between 3.0% and 4.5% over the past three years. Over the same period, the participation rate has trended down. This may reflect the return of international migration, with more international workers available and less need for older or part-time workers to remain in the labour force.

Despite this decline, Canberra still records the second highest labour force participation rate among the Enterprising Cities.

Population growth is robust, maintaining an annual pace of 1.3% over the past two years. Employment growth has softened over this period as well, highlighting the ongoing need for Canberra to attract new residents to fill newly created jobs.

From a risk perspective, Canberra faces some exposure related to trade and economic concentration due to its large public service workforce. However, these risks are partially offset by relatively low exposure to energy shocks and international trade volatility.

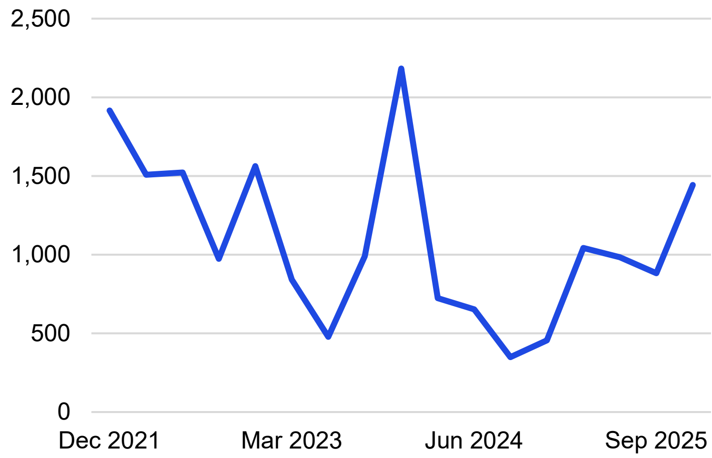
Table 6 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	0.2%	4.6%	4.4%	1.3%	1.1%
Population growth	1.9%	2.2%	1.9%	1.3%	1.3%
Dwelling approvals	5,600	5,570	4,500	2,180	4,350

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Canberra (cont.)

Figure 24 – Quarterly building approvals



Source: ABS Building Approvals

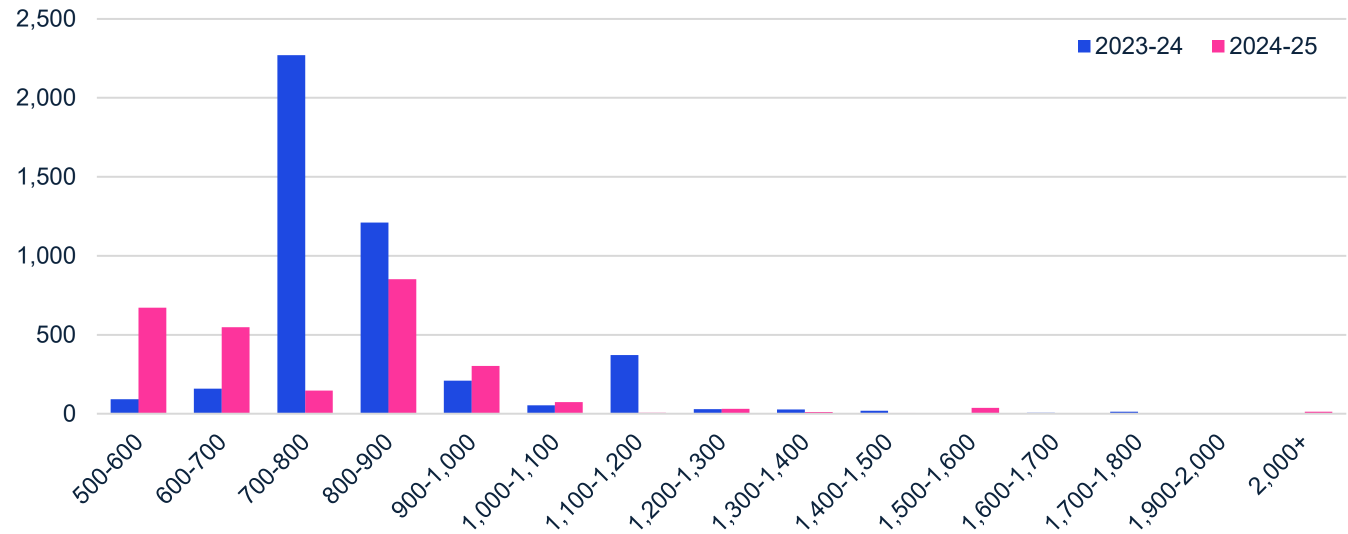
Dwelling approvals

On average, Australia recorded 7.0 dwelling approvals per 1,000 people in 2025, compared with 8.9 in Canberra. Canberra was the highest of all the Enterprising Cities, highlighting its strong performance in terms of housing approvals, likely related to land releases being more coordinated in Canberra than other cities.

However, building approvals in Canberra tend to be volatile. In 2025, approvals totalled 4,350 dwellings, up from 3,180 the previous year – this remained below the peak of around 4,500 approvals recorded in 2023. This volatility partly reflects the importance of high-density developments in Canberra's housing market, which can be large in scale but infrequent.

This pattern of volatility also helps explain recent shifts in the price-point mix of new housing supply. Canberra was the only Enterprising City to record an increase in more affordable housing stock in 2024–25 compared with the previous year. Approvals in the $500,000–$600,000 and $600,000–$700,000 price ranges rose sharply, while the $700,000–$800,000 segment declined significantly.

Figure 25 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Interestingly, there remains limited new housing supply above $1 million. This suggests that while Canberra is a high-income city, it lacks the concentration of top-end earners that would drive stronger demand for premium housing.

Industry analysis

Public administration is the largest employer in Canberra. While Figure 26 on the following page shows a drop in employment in 2025, this data is based on a sample survey, which can show year-to-year variability in smaller cities like Canberra. By contrast, more reliable data from the Australian Public Service Commission shows that Australian Public Service (APS) employment remained relatively steady in 2024 and 2025. Professional services experienced growth, with employment rising from 37,000 in 2023 to 38,350 in 2025, continuing to highlight strong demand for specialised white-collar skills in Canberra.

Snapshot: Canberra (cont.)

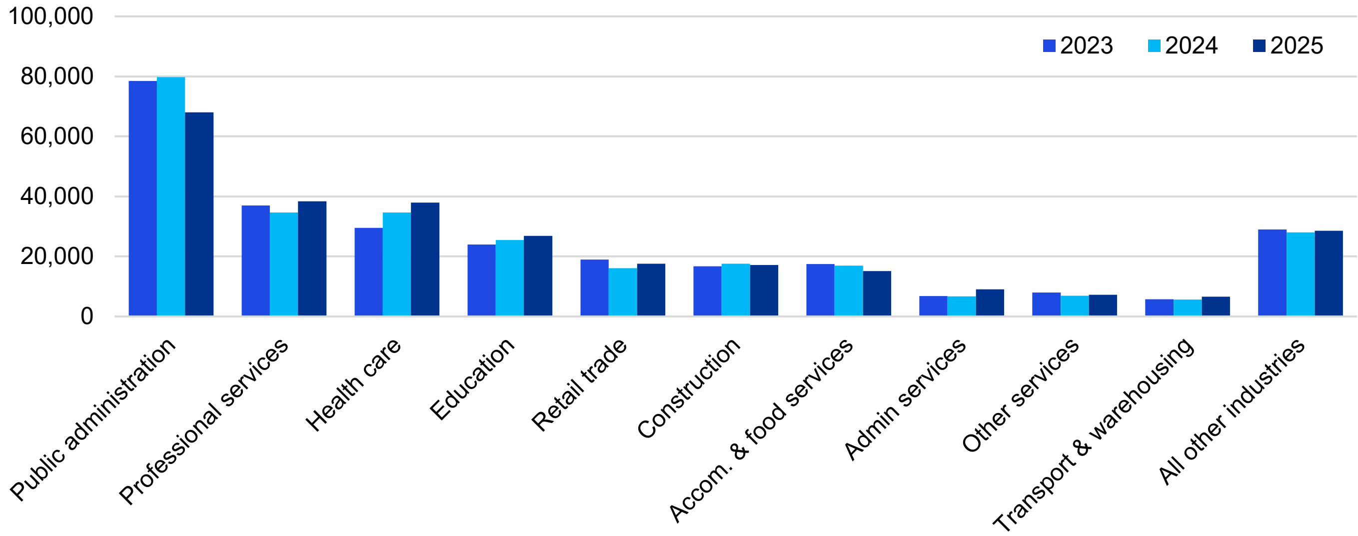
Similarly, Healthcare employment increased substantially, from 29,500 in 2023 to 37,900 in 2025, reflecting growing demand for health services, aged care and the NDIS. Education employment also grew over this period, rising from 24,000 in 2023 to 26,900 in 2025, demonstrating steady demand for Education services. These services would be provided to local Canberrans, but also residents from surrounding communities such as Queanbeyan.

Retail trade employment remained relatively steady at just below 20,000 workers, as did Construction employment. Accommodation & food services have seen a slight decline over the past few years. This highlights that these industries have been impacted by higher interest rates impacting on consumer spending and housing supply.

Internet job vacancies

The internet job ads data for Canberra showed the largest falls in 2025 of all the Enterprising Cities, which aligns with weaker employment growth and a rising unemployment rate.

Figure 26 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

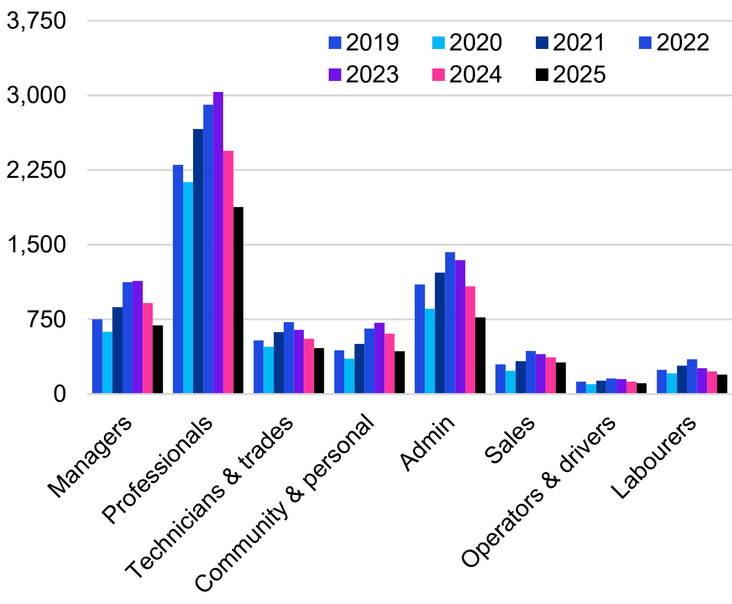
Reflecting the white-collar focus of the Canberra economy, professional job ads are by far the largest category, and they recorded a substantial decrease from 2,443 in 2024 to 1,878 in 2025 (a 23% decline). All other occupations also saw declines, ranging from the smallest decline Operators & Drivers (13%) to Community & Personal Workers (29%).

However, in terms of internet job ads per 1,000 workers, Canberra, with 15, was second only to Darwin among the Enterprising Cities, highlighting the relative strength of the local labour market.

The top five occupations for job ads were:

- ICT Professionals – 584
- Clerks, Call Centre, Receptionists – 360
- Medical Practitioners & Nurses – 237
- Corporate Managers – 230
- Legal, Social & Welfare Professionals – 229

Figure 27 – Internet job vacancies



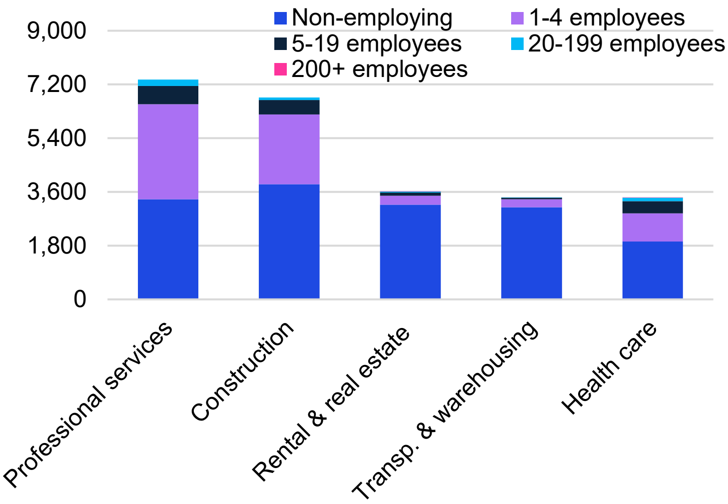
Source: KPMG Australia analysis of Jobs & Skills Australia data

Snapshot: Canberra (cont.)

The top five industries for locally registered Canberra businesses are Professional services, Construction, Rental & real estate, Transport & warehousing, and Healthcare. Where Construction and Transport & warehousing are two industries directly impacted by the current fuel price shock – a risk faced by the whole country.

Professional services has the most non-employing (e.g. sole traders) businesses (3,349) and small businesses with 1–4 employees (3,186), highlighting the knowledge-intensive nature of the local economy. While the city has fewer medium-sized businesses (5–19 employees), Rental & real estate stands out with 617 businesses. Larger businesses in the 20–199 employee range are most prominent in Rental & real estate (210), and Healthcare (117). Canberra has only a small number of industries with 200+ employees.

Figure 28 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Canberra's business sector has had steady growth, with the total number of businesses rising from 34,953 in 2023 to 36,919 in 2025, an increase of 5.6%. The majority of businesses in Canberra report turnovers below $2 million, reflecting a thriving small business ecosystem (see Table 7). However, there is slight growth in higher turnover brackets, especially in businesses generating $5 million to $10 million and $10 million or more, suggesting increased activity among mid-sized and larger enterprises.

Notably, payroll tax in 2025–26 is applied at 6.85% on wages above a $2 million threshold in the ACT, increasing to 8.75% for businesses with wages over $150 million. In contrast New South Wales applies a 5.45% payroll tax rate on wages above a $1.2 million threshold, with no large-employer surcharges. These tax rates can have implications for where national firms locate their workforce.

Table 7 – Number of businesses by turnover size ranges

	$0–$50k	$50–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	8,305	10,394	13,285	1,791	625	590
2024	8,791	10,732	13,703	1,796	654	635
2025	8,933	10,752	14,063	1,835	652	642

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Over the next five years, 24,000 new jobs (1.7% annual growth rate) are projected to be located in Canberra, which is fewer than the 28,000 new jobs (2.2%) added over the previous five years.

Canberra is well positioned to capitalise on its strengths in talent attraction, reflected in the growing working-age population and its appeal to early-career professionals. Housing availability is central to sustaining this advantage. Delivery of essential local infrastructure in locations such as Kingston, Weston Creek and Ginninderra is unlocking additional housing supply with a focus on first-home buyers. The construction of the light rail to Woden will increase construction activity over the coming years while also acting as a catalyst for broader urban renewal.

Canberra also continues to be home to a vibrant defence and national security community, making it a clear priority for ongoing strategic investment and policy focus. The diversification of Canberra's economy and industry is critical to the city's long-term prosperity. While public administration remains the largest employer, nearly two-thirds of jobs are in the private sector, underscoring the importance of setting the right policy conditions to attract and retain businesses as a key driver of economic growth and opportunity, while also meeting the service needs of Canberra.

Snapshot: Darwin

Darwin serves as a pivotal hub for Northern Australia and acts as an export gateway to global markets. The city's economic growth is concentrated in key industry sectors including energy, defence, agribusiness and tourism, while also actively diversifying into emerging sectors such as digital, data centres, and advanced manufacturing.

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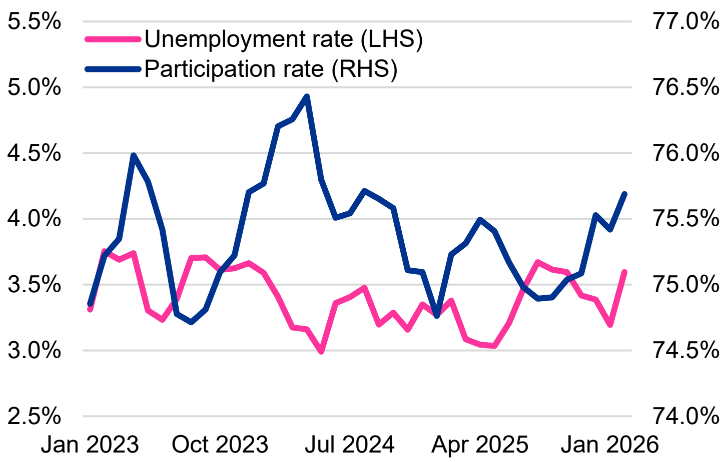
Population 160,200	**Trade exposure** Risk: higher
Employed people 90,000	**Economic diversity** Risk: average
Unemployment rate 3.5%	**Energy intensity** Risk: higher

Figure 29 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Despite rising interest rates impacting many other Enterprising Cities, Darwin has shown resilience over the past three years. The unemployment rate has generally remained between 3.0% and 3.5%, while the participation rate has stayed between 75% and 76%, the highest of any Enterprising City. Employment growth did slow in 2025 to 0.9%, while population growth remained stronger at 1.8%. These trends indicate that Darwin's labour market is relatively steady despite broader economic headwinds.

Darwin is rated as high risk in terms of energy intensity. This reflects the city's vulnerability to rising energy prices, including diesel, which is heavily used in mining, agricultural, and industrial activities. Higher aviation fuel costs also place pressure on air freight and transport, which plays a crucial role in the local economy.

Its mining and agriculture sectors also place it at greater risk from global trade trends, although the basket of commodities exported from the Northern Territory continues to be in high demand.

The diversity of the economy is broadly in line with the national profile; therefore, it is at no greater risk of being impacted by downturns in individual industries.

Population and housing

Despite slowing employment growth, population growth in Darwin remained strong at 1.5%, broadly in line with the levels recorded over the previous three years.

This suggests that, beyond employment opportunities, the city's liveability continues to attract residents. In addition, 2025 was a strong year for building approvals, which increased by more than 70% to reach 480 dwellings.

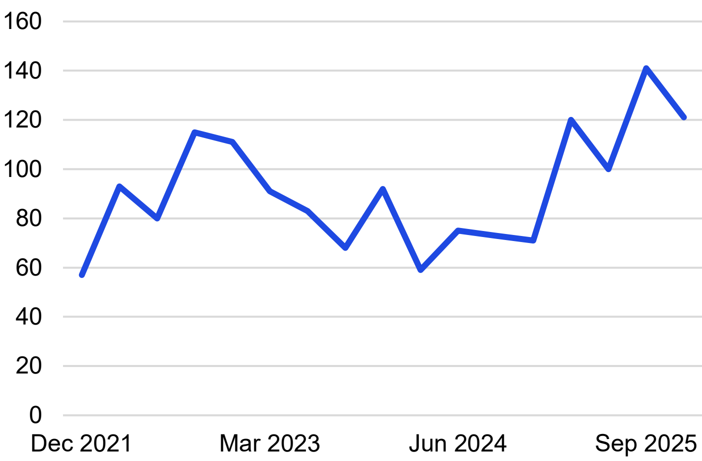
Table 8 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	1.4%	2.0%	2.9%	2.6%	0.9%
Population growth	1.1%	2.2%	1.7%	1.5%	1.5%
Dwelling approvals	280	400	330	280	480

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Darwin (cont.)

Figure 30 – Quarterly building approvals



Source: ABS Building Approvals

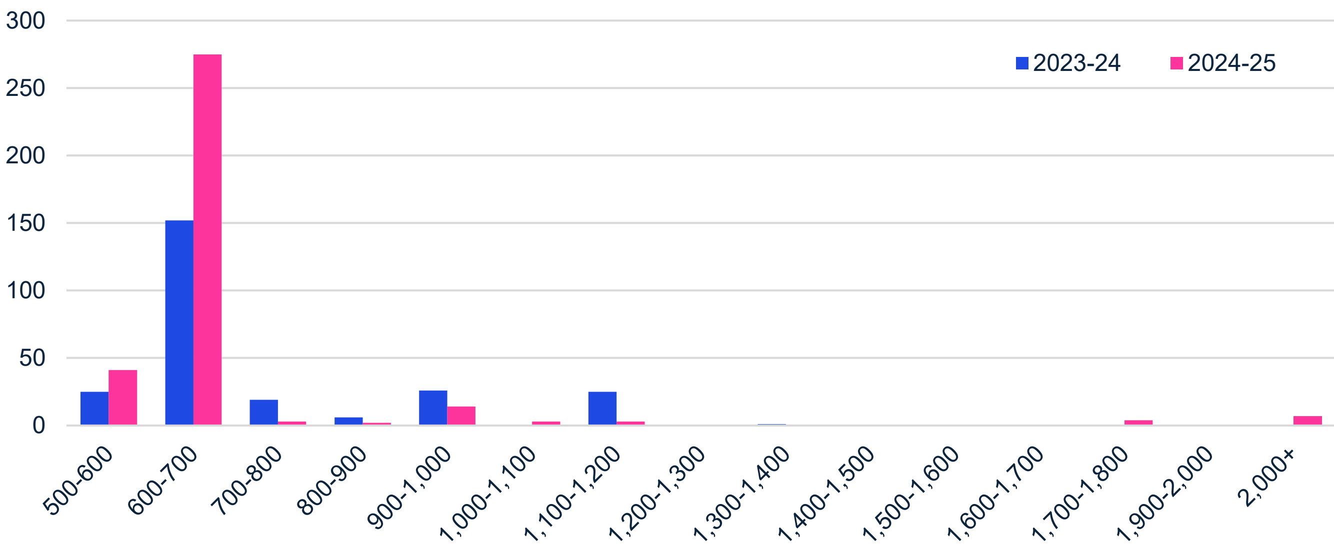
Despite some improvements, Darwin recorded just 3.0 dwellings per 1,000 residents, significantly below the national average of 7.0. However, when compared to other cities in Northern Australia, Darwin's performance was not substantially weaker. Townsville recorded 5.0 dwellings per 1,000 residents, and Cairns was 6.6.

This underlines that national factors, particularly rising construction costs, pose significant challenges in Northern Australia. These challenges are further exacerbated by stricter construction standards and higher transportation costs in the region.

Despite challenges, Darwin's housing market remains relatively affordable compared to other Enterprising Cities.

While most Enterprising Cities have faced sharp increases in the cost of newly approved housing, Darwin has successfully kept the majority of its new supply within the $600,000 to $700,000 price range (see Figure 31). This affordability is likely supported by a range of grants and programs offered by the NT government to assist homebuyers with building or purchasing a home in the Northern Territory, helping to sustain demand at this price point.

Figure 31 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

The industry employment figures are derived from a sample survey. As a result, estimates for smaller cities like Darwin can be subject to greater variability, and year-to-year changes should be treated with caution.

Employment is primarily clustered into three government-funded industries: healthcare, public administration, and education. In 2024, healthcare employed 14,500 people, highlighting growing demand for medical, aged care and NDIS services.

Public administration remains a critical industry in Darwin with almost 14,000 employees. Education is another major employer with 7,500 workers.

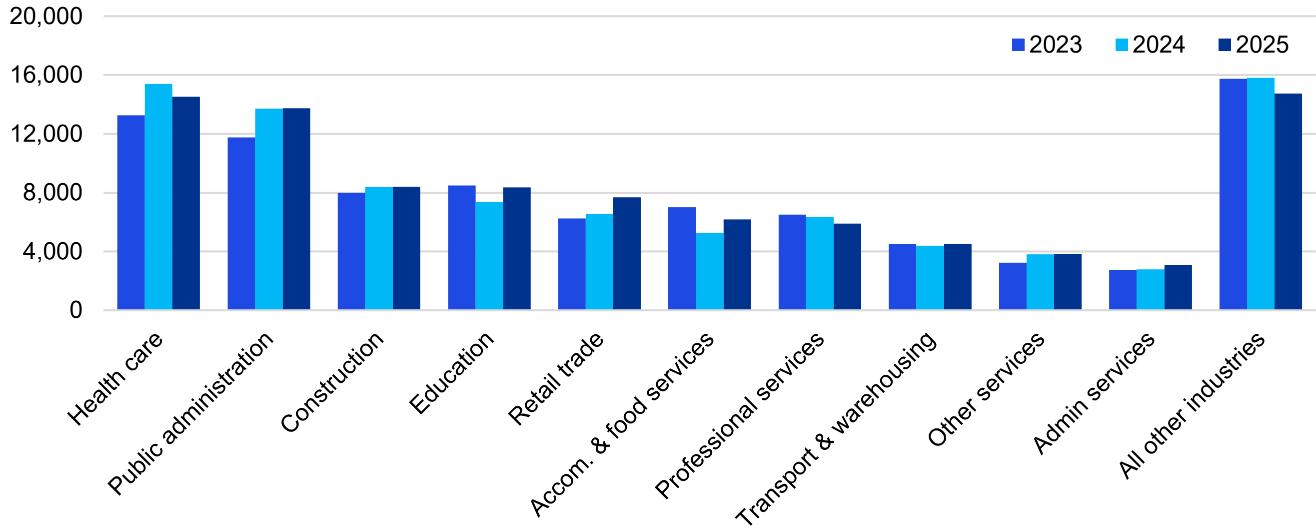
Snapshot: Darwin (cont.)

Darwin's strong reliance on government-funded industries highlights the importance of growing the economy in a sustainable way and supporting the development of other industries. This is particularly important as government debt continues to rise at both the Territory and national levels, which may place pressure on funding for these industries.

Construction also employs a significant number of people, with 8,000 workers, reflecting ongoing infrastructure developments and building projects contributing to Darwin's urban expansion and critical infrastructure needed to secure long-term socio-economic growth. The retail sector has been trending upwards for the past three years, employing 7,700 people as it provides crucial goods and services to the local population and visitors.

Professional services also have a strong presence with 6,000 workers, encompassing roles such as engineering, legal, accounting, and consultancy services that support various business operations. As with many other Enterprising Cities there has been some weakening in employment in this industry over the past three years.

Figure 32 – Industry Employment Structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

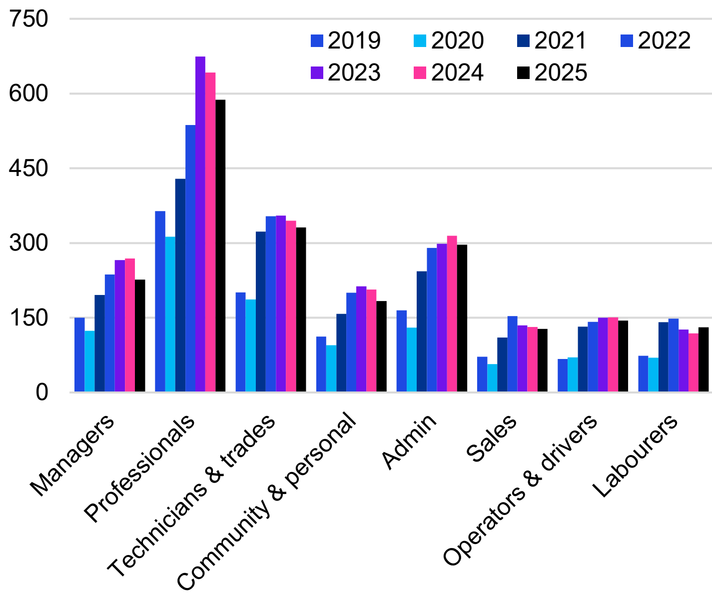
Unlike most other Enterprising Cities, Darwin has not experienced a significant drop in the number of job ads during 2025. Aside from Professional services, which has seen a slight decline in 2025, most occupation groups have remained steady at levels similar to the past 2–3 years. This highlights the ongoing demand for workers in Darwin and positions the city well for future growth.

The top five occupations for job ads were:

- Clerks, Call Centre, Receptionists – 152
- Legal, Social & Welfare Professionals – 118
- Automotive & Engineering Trades – 115
- Health Diagnostic & Therapy Professionals – 112
- Medical Practitioners & Nurses – 107

The top five occupations highlight the importance of the healthcare industry, as well as the industrial sector, which includes 115 job ads in the Automotive & engineering trades occupation.

Figure 33 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

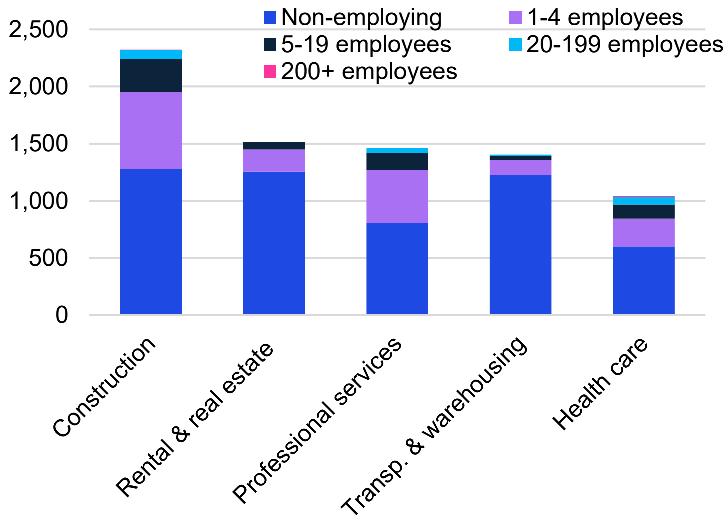
Snapshot: Darwin (cont.)

The top five industries for locally registered Darwin businesses are Construction, Real estate, Professional services, Transport & warehousing, and Healthcare.

Non-employing (e.g. sole traders) businesses dominate Construction (1,279), Transport & warehousing (1,228), and Real estate (1,256). Small businesses with 1–4 employees are common in construction (672) and Professional services (460). Medium-sized businesses with 5–19 employees are active in Construction (289) and Professional services (150).

Darwin has one of the highest percentages of firms in industries with above-average profit margins at 53%, reflecting a stronger-performing industry composition than other Enterprising Cities.

Figure 34 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

The total number of businesses in Darwin increased from 11,900 in 2023 to 12,586 in 2025, representing 5.8% growth. While businesses with turnovers below $2 million make up the majority, there is steady growth in the higher turnover brackets (see Table 9). Notably, businesses earning between $2 million and $5 million grew from 666 in 2023 to 751 in 2025, and those earning $10 million or more increased from 216 to 248. This indicates that Darwin is successfully fostering an environment that supports the growth of larger turnover local businesses.

Future outlook

Five thousand new jobs are projected to be created in Darwin over the next five years, representing annual growth of 1.1%, compared with 9,000 jobs over the previous five-year period. Increased diesel costs are expected to affect mining and agriculture, as well as the cost of transporting goods to Darwin over the medium term.

Table 9 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	2,662	3,773	4,337	666	262	216
2024	2,757	3,791	4,522	650	285	229
2025	2,885	3,702	4,748	751	293	248

Source: KPMG analysis of Counts of Australian Businesses

Darwin's strategic location will continue to underpin defence investment, with the Australian and United States Defence departments expected to invest more than AU$6 billion in the Territory in coming years. At the same time, the development of major energy projects, including the Beetaloo Basin and the Australia–Asia Power Link, presents near-term opportunities that will help shape Darwin's future economic profile.

The Middle Arm Sustainable Development Precinct is expected to support industry diversification, exports, job creation, and broader economic growth. As a key port city on Australia's northern coastline, Darwin is also well positioned to strengthen trade connections with Asian markets.

While additional supply is still required, housing conditions appear to be improving, supporting greater workforce attraction to Darwin. Continued improvements in liveability are likely to support population growth, reduce transience, and improve retention, complemented by initiatives such as the Designated Area Migration Agreement. However, workforce constraints and skills shortages remain key barriers to growth and should be prioritised to unlock Darwin's longer-term potential.

Snapshot: Geelong

Geelong's future growth will be driven by the city's ability to unlock higher-value investment through skills development, housing supply, infrastructure delivery and continued capital inflows. Geelong is well positioned to play an increasingly important role in Victoria's economic growth.

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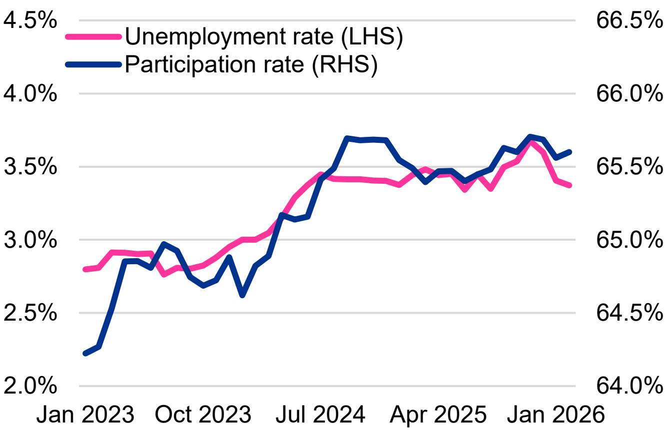
Population 358,900	**Trade exposure** Risk: lower
Employed people 184,700	**Economic diversity** Risk: below average
Unemployment rate 3.5%	**Energy intensity** Risk: lower

Figure 35 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Geelong's economy continues to demonstrate resilience and structural maturity. Over the past 18 months, labour market conditions have remained relatively tight, with participation around 65.5% and unemployment generally below 3.5%, compared with the national average of 4.1%.

This reflects a diversified, locally anchored economic base spanning Healthcare, Education, Construction, Professional services and higher-value Advanced manufacturing, rather than reliance on a single industry or external demand. The increase in unemployment from historically low levels below 2.5% to around 3.5% represents a period of normalisation following interest rate rises and cost-of-living pressures, rather than a deterioration in underlying conditions.

Geelong faces a lower risk from trade exposure and energy intensity compared with most Enterprising Cities. Only Adelaide and Newcastle & Hunter have lower risks in terms of economic diversity.

Population and housing

Population growth has remained steady at around 2% over the past four years, driven by a strong labour market, lifecycle factors, and housing affordability. However, building approvals over the past three years have been trending down.

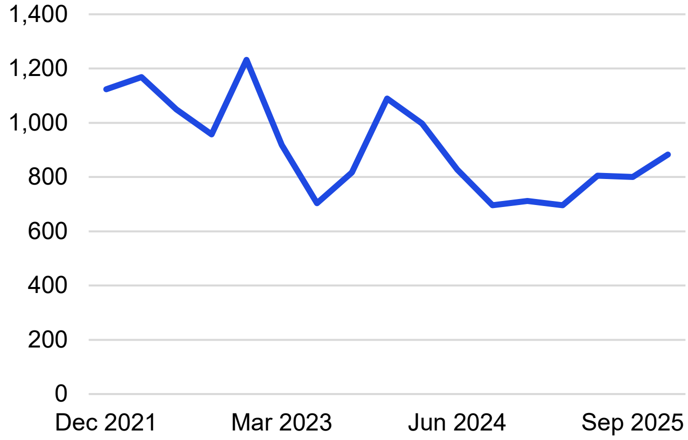
Table 10 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	4.8%	4.3%	2.7%	2.8%	1.9%
Population growth	1.9%	2.4%	2.4%	1.9%	1.9%
Dwelling approvals	5,500	4,410	3,530	3,230	3,180

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Geelong (cont.)

Figure 36 – Quarterly building approvals



Source: ABS Building Approvals

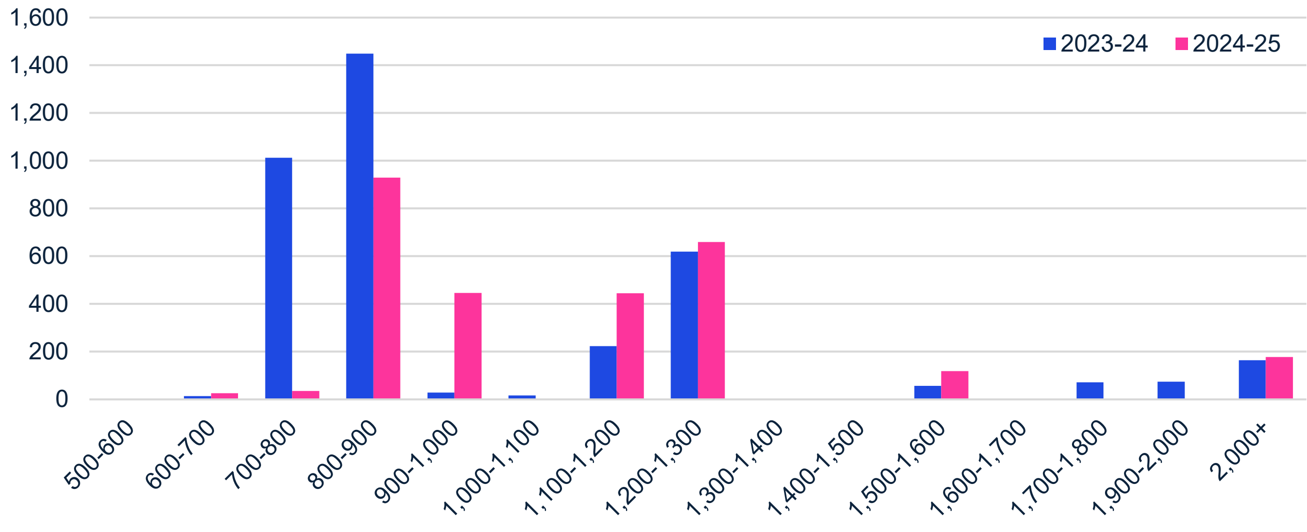
Despite falling approvals in 2025, Geelong recorded 8.9 building approvals per 1,000 residents, outperforming the national average of 7.0 dwelling approvals per 1,000 people.

The quarterly building approvals data in Figure 36 shows a gradual improvement during 2025, which is a positive for overall housing supply. However, elevated construction costs continue to constrain the market, making it difficult for developers to deliver commercially viable housing projects.

Rising interest rates, along with the potential impact of the conflict involving Iran on construction input costs, are likely to place additional pressure on the supply of new housing in Geelong. There has already been a shift in the price range of new dwellings.

In 2023–24, the most common housing price point was between $700,000 and $800,000, accounting for around one-third of the overall supply (see Figure 37). Housing within this price range was well suited to lower-income workers seeking to rent or purchase. However, by 2024–25 the number of dwellings approved within this price bracket fell to fewer than 50. Most new supply during this period shifted to the $800,000–$1.1 million range, highlighting a growing housing affordability challenge, which has long been a cornerstone of the region's liveability.

Figure 37 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

There are signs of strength at the higher end of the market with increased activity in the $1.1–1.3 million range during 2024–25. This trend suggests that the region's housing supply may increasingly cater to high-income households moving to Geelong.

Industry analysis

Industry employment data is sourced from a sample survey, meaning results for smaller cities such as Geelong can be more volatile and should be interpreted cautiously, particularly when comparing year-to-year movements. Healthcare is the largest employing industry in Geelong and has experienced a substantial increase in employment over the past three years, growing from 30,000 to 36,600 workers. This reflects the rising demand for aged care, health services, and programs such as the NDIS.

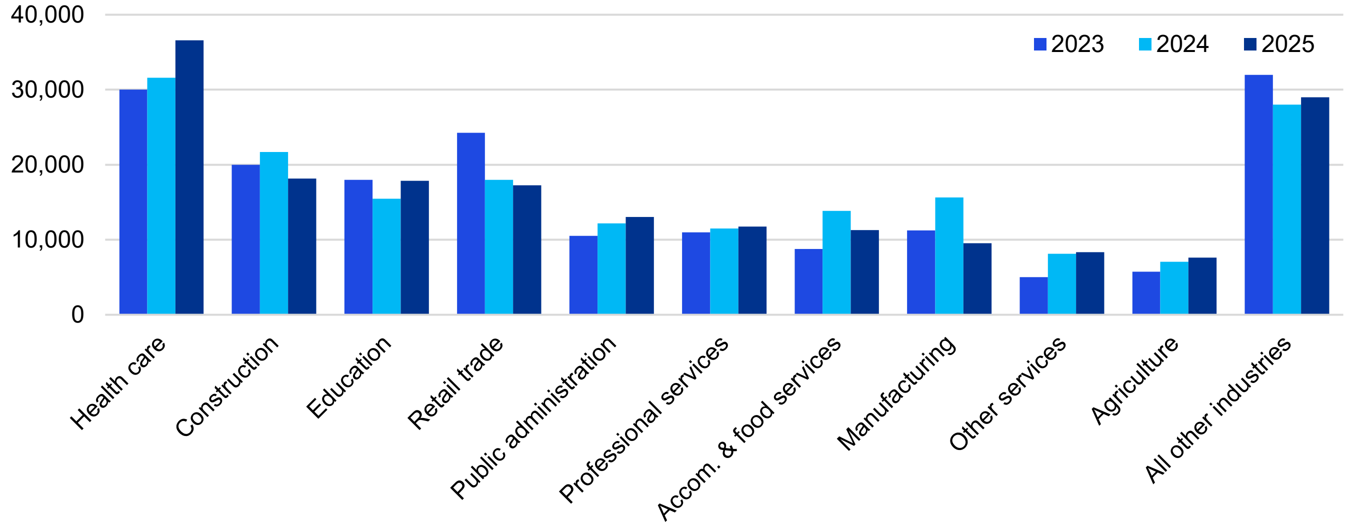
Snapshot: Geelong (cont.)

The Construction industry is the second-largest sector, with an average workforce of around 20,000 over the past three years. Education is the third largest industry for employment in 2025, providing nearly 18,000 jobs underpinned by a strong ecosystem spanning a specialised teaching hospital, TAFE, university and public and private schools.

Among population-linked industries, retail has been in decline since 2023, likely due to rising interest rates and the increased cost of living that reduced consumer spending and subsequently lowered employment levels. Manufacturing employment has remained steady, averaging around 12,000 jobs over the past three years, continuing to represent Geelong's largest contributor to economic output.

Within the sector, activity has increasingly shifted toward higher-value advanced manufacturing, including growth in defence-related industries across the region. Employment in Professional services has also remained stable, presenting an important opportunity for growth within Geelong's economy.

Figure 38 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

Geelong experienced a decline in job ads across most occupation groups in 2025. Roles for Professionals fell from 760 ads in 2023 to 410 in 2025, while Community & personal service workers declined from 380 to 213. This decline followed a boom in 2023 and 2024, during which many occupations experienced a doubling of job ads. Despite the 2025 decline, all occupations recorded more job ads in 2025 than in 2019.

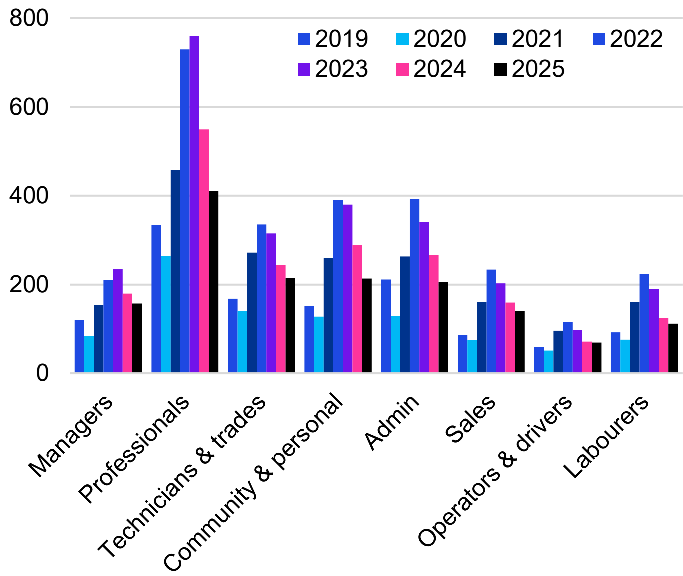
The top five occupations for job ads were:

- Carers & Aides – 125
- Clerks, Call Centre, Receptionists – 118
- Medical Practitioners & Nurses – 107
- Sales Assistants & Salespersons – 96
- Legal, Social & Welfare Professionals – 71

Local business data

Geelong's top five industries for locally registered businesses are Construction, Professional services, Transport & warehousing, Real estate, and Healthcare.

Figure 39 – Internet job vacancies



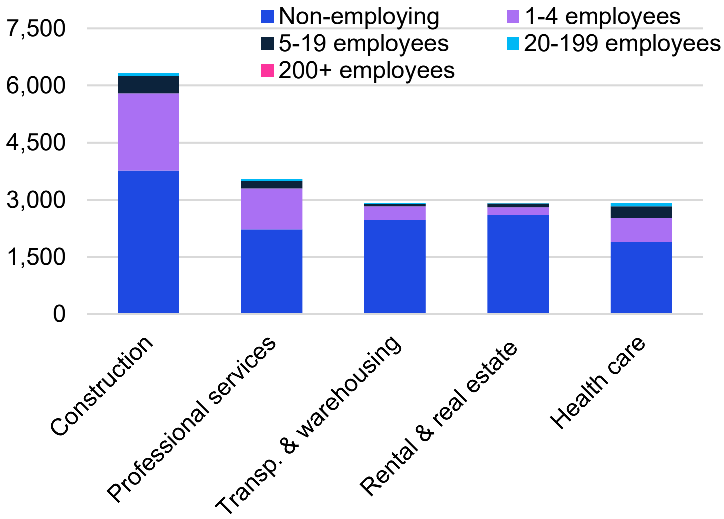
Source: KPMG Australia analysis of Jobs & Skills Australia data

Snapshot: Geelong (cont.)

Construction firms in Geelong are likely operating on tight gross profit margins, given the national industry benchmark of 7.3%. In comparison, Professional services operate with a higher gross profit margin of 12.6%, while Real estate has the highest benchmark margin (36.8%).

Transport & warehousing has a relatively strong national benchmark margin of 18.8%, though this is likely to face pressure in 2026 due to rising fuel costs. Based on Geelong's industry mix, the city could have a higher proportion of businesses with above-average gross profit margins compared to the Australian average. Geelong's is dominated by non-employing businesses (e.g. sole traders), particularly in Construction (3,773 businesses), Transport (2,477), and Real estate (2,604). Businesses employing 1–4 people are common, especially in Construction (2,021) and Professional services (1,077).

Figure 40 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

These smaller firms play a critical role in supporting service delivery and economic resilience. Geelong is experiencing steady business growth, with the total number of businesses increasing from 28,355 in 2023 to 30,030 in 2025, representing a 5.9% rise over three years. While many businesses report turnovers below $2 million, growth is evident across all revenue brackets. Notably, the number of businesses generating $5–10 million and $10 million+ has increased, signalling that Geelong is becoming increasingly capable of supporting larger businesses.

Table 11 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	6,697	9,655	10,069	1,206	394	311
2024	6,919	9,878	10,411	1,316	367	346
2025	7,149	10,238	10,595	1,276	410	367

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Geelong is emerging as one of Australia's most investable economies, combining scale, diversification and proximity to Melbourne. Recent analysis, including KPMG's Geelong Growth Horizon report, highlights the city's transition from population-led growth toward a higher-value economy capable of attracting investment and businesses from outside the region. Future performance will be shaped by Geelong's ability to support higher value industry growth through workforce availability, housing supply and continued investment.

Geelong's economic strength is underpinned by a broad industry base spanning Healthcare, Education, Construction, Professional services, and Advanced manufacturing. Manufacturing remains Geelong's largest contributor to the economy, while growth in defence-related and innovation-driven activity is lifting export capability. These sectors position Geelong not only as a regional services hub, but as a meaningful contributor to Victoria's economy. Geelong's proximity to Melbourne provides an advantage that few regional cities can replicate. Access to the western Melbourne workforce expands labour market depth, supports business scalability, and strengthens the city's attractiveness to firms seeking metropolitan connectivity without metropolitan costs. This dynamic supports Geelong's role as an alternative location for investment, headquarters functions, and growth-oriented operations.

Relative to other Enterprising Cities, Geelong benefits from low exposure to trade and energy-intensive risks and a high degree of economic diversity, providing resilience in uncertain economic conditions. 27,000 new jobs are projected to be created in Geelong over the next five years, representing an annual growth rate of 2.8%.

Snapshot: Gold Coast

The Gold Coast's economy remains focused on tourism but is increasingly diversifying. The city's appealing lifestyle and affordable housing is attracting new residents and driving employment in construction, retail, health, and education industries.

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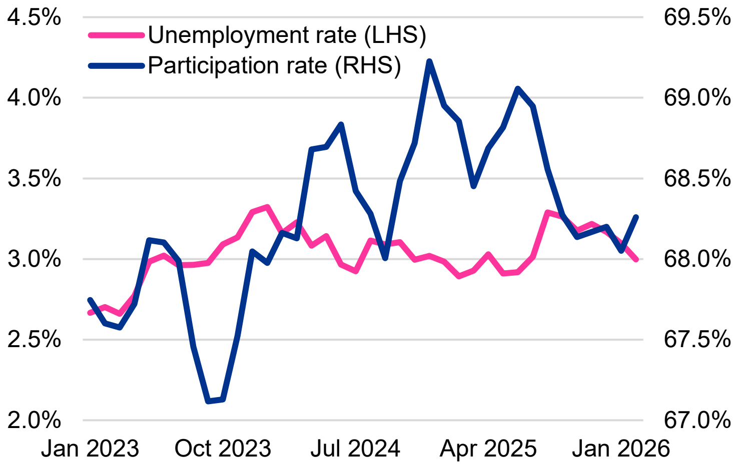
Population 714,700	**Trade exposure** Risk: lower
Employed people 394,200	**Economic diversity** Risk: below average
Unemployment rate 3.2%	**Energy intensity** Risk: lower

Figure 41 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Despite rising interest rates affecting many other Enterprising Cities, the Gold Coast has shown resilience over the past three years. The unemployment rate has generally remained around 3.0%, well below the national average of 4.1% and the lowest among the Enterprising Cities. The participation rate is also high at close to 70%. Employment growth slowed to 2.4% in 2025, following exceptionally strong growth over the previous four years.

Overall, these trends indicate that the Gold Coast labour market remains relatively steady despite broader economic headwinds, which in the past have contributed to more pronounced boom-and-bust cycles.

The Gold Coast faces lower risks from trade exposure and energy intensity than most other Enterprising Cities. Only two cities (Adelaide and Newcastle & Hunter) recorded lower risks in terms of economic diversity, positioning the Gold Coast on par with Geelong as a resilient economy able to manage current economic challenges.

Population and housing

Population grew at 1.8% as the strong labour market and attractive lifestyle have drawn people to the Gold Coast. The availability and affordability of housing have historically been a strength of the Gold Coast, but this strength has begun to erode as median house prices push close to $1.2 million in 2025.

In the past two years, the number of building approvals has been around 5,500, or 7.7 approvals per 1,000 residents, which is above the national average of 7.0.

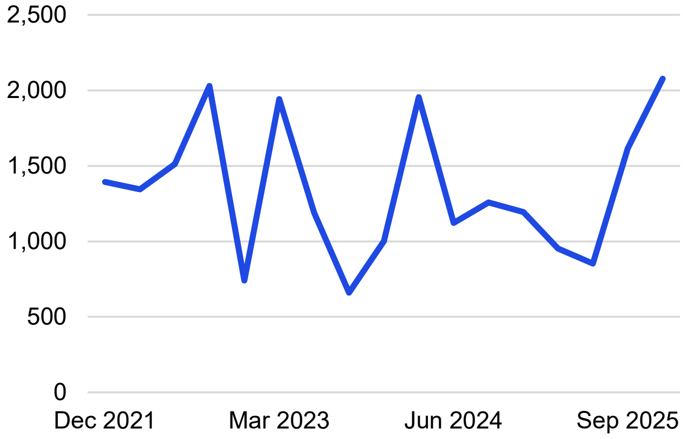
Table 12 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	6.2%	5.6%	2.9%	3.8%	2.4%
Population growth	1.4%	2.6%	2.8%	1.9%	1.8%
Dwelling approvals	5,840	5,630	4,790	5,530	5,500

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Gold Coast (cont.)

Figure 42 – Quarterly building approvals



Source: ABS Building Approvals

However, to improve housing supply and affordability, a target ratio of 9.0 would be more ideal.

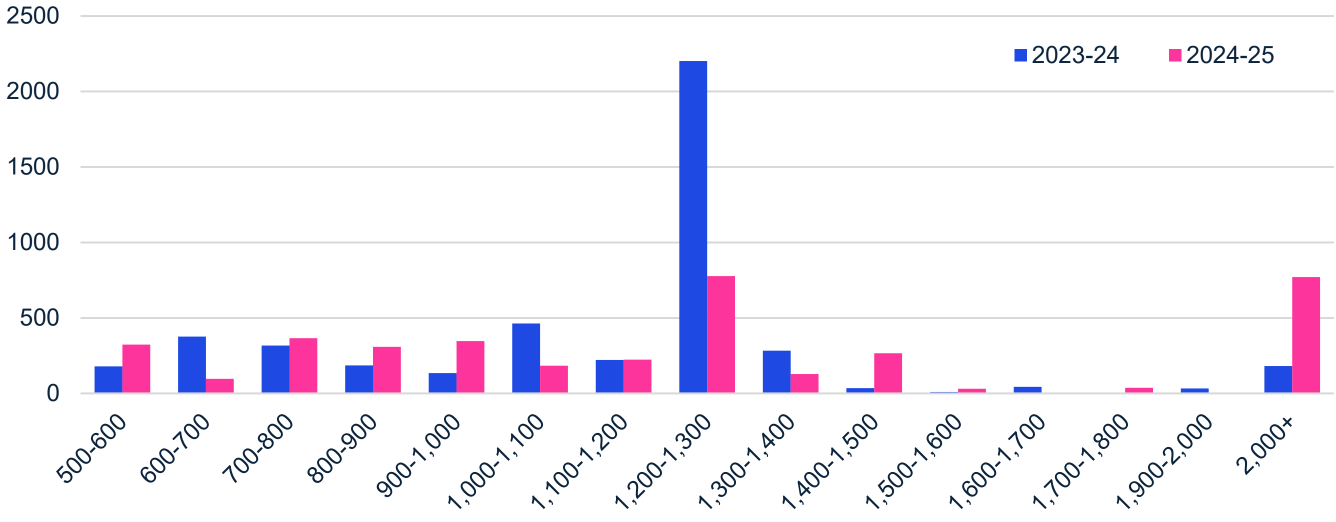
Higher-density housing is playing an increasingly critical role in addressing the Gold Coast's housing market demands. High-density projects, which contain a larger number of dwellings, are not approved as frequently, as reflected in quarterly building approvals data, where large-scale developments dominate approval cycles.

Gold Coast developers are also grappling with elevated construction costs, which continue to challenge the feasibility of delivering commercially viable housing projects at more affordable price points.

The price point analysis shows a broad range of new housing entering the market (see Figure 43). This reflects the diversity of the Gold Coast, which includes more affordable suburbs like Coomera, focused on affordable housing, and beachside suburbs like Surfers Paradise, offering high-end luxury properties.

Similar to other Enterprising Cities, rising interest rates are likely to impact the Gold Coast's new housing pipeline, affecting both overall supply and the availability of more affordable housing options.

Figure 43 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

In 2025, employment in Healthcare reached 68,000, highlighting the growing demand for medical services, NDIS, and aged care services in line with strong population growth (see Figure 44). The construction industry has also expanded significantly, employing 44,000 workers as housing and infrastructure projects such as the Stage 3 Light Rail, Coomera Connector, Coomera Hospital and Griffith University's student accommodation project continue to be delivered. The pipeline of infrastructure projects will continue, with a 12,000-seat enclosed arena at Southport for the 2032 Olympics, and improvements to the Gold Coast rail corridor to increase capacity and reduce travel times.

Professional services employed nearly 32,000 workers in 2025. Increased flexibility in work arrangements following the pandemic has created more opportunities for office workers to settle outside major capital cities, with the Gold Coast being a major beneficiary of this trend.

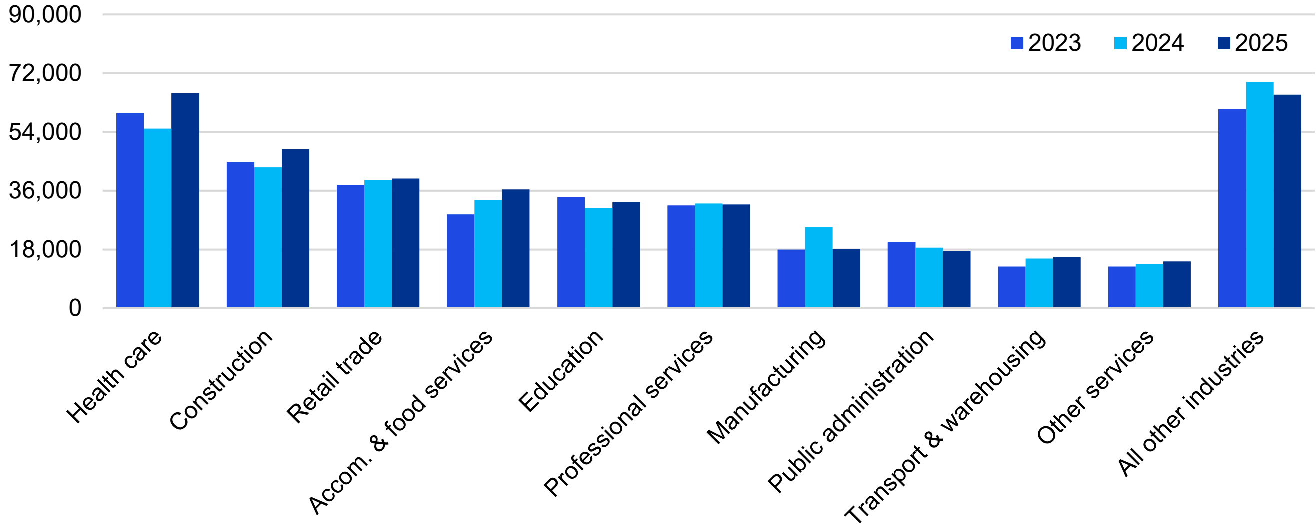
Snapshot: Gold Coast (cont.)

Tourism remains a vital component of the Gold Coast economy. In 2025, 14.4 million visitors travelled to the Gold Coast, driving the value of the visitor economy to $8.9 billion. International tourism expenditure reached record highs in 2025, with 682,000 overseas travellers spending a total of $1.5 billion (a 26% increase on the previous year).

Retail, along with Accommodation & food services, continues to rank among the largest employing industries on the Gold Coast. Transport & warehousing, which includes sectors such as air travel and other tourism-related activities, has also been trending upwards in recent years. The recent sale of a stake in Gold Coast Airport to institutional investors reflects strong confidence in the region's long-term growth, aviation demand, and role as a key tourism destination.

Other high-value-adding industries play a role on the Gold Coast. For example, the marine sector of more than 500 businesses across vessel construction, marine accessories, specialist lighting, and dock systems. The screen sector also plays a significant role, employing around 5,000 workers.

Figure 44 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

The Gold Coast experienced a 3.9% decline in job ads, which was the second-smallest decline among the 12 cities, with only Adelaide (-1.6%) performing better.

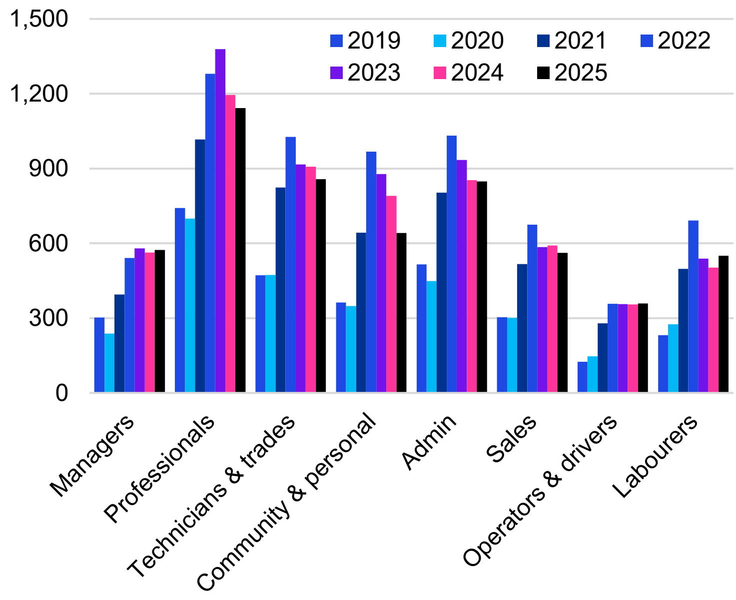
Some occupations, such as Managers (1.8%) and Labourers (9.5%), showed increases in job ads. The largest decline was seen in Community & personal service workers, which fell by almost 20%. Most other Enterprising Cities also reported a steep decline in this occupation category.

The top five occupations for job ads were:

- Clerks, Call Centre, Receptionists – 434
- Sales Assistants & Salespersons – 358
- Carers & Aides – 298
- Medical Practitioners & Nurses – 267
- Hospitality, Retail & Service Managers – 230

Overall, the job ads suggest the Gold Coast labour market will continue its momentum into early 2026.

Figure 45 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

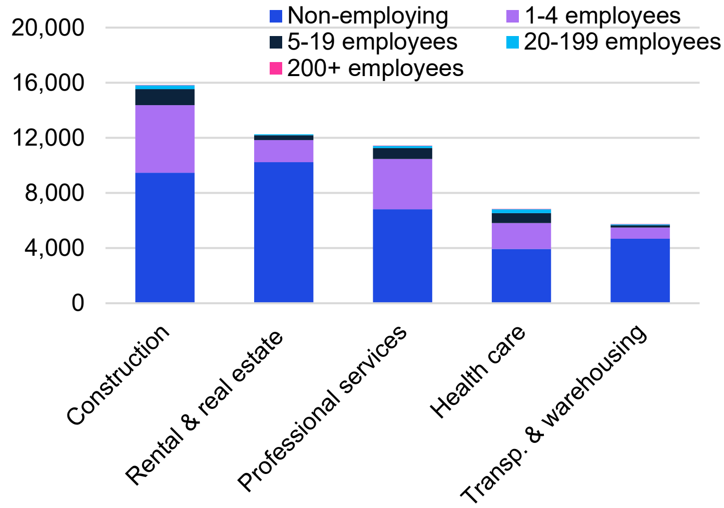
Snapshot: Gold Coast (cont.)

The Gold Coast is a hub for non-employing (e.g. sole traders) businesses. Businesses with 1–4 employees are common in Construction (4,901) and Professional services (3,651), while 5–19 employee businesses are common in Construction (1,164), Healthcare (718), and Professional services (788).

The 16,000 locally registered construction firms on the Gold Coast are likely operating on tight gross profit margins, given the national industry benchmark of 7.3%. In 2026, these margins may face further pressure due to rising construction input costs and fuel prices.

Transport & warehousing has the third-highest number of locally registered businesses and enjoys a strong national benchmark margin of 18.8%. However, this sector is also likely to face challenges in 2026 from rising fuel costs.

Figure 46 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Real estate (36.8%) and Professional services (12.6%) industries boast gross profit margins that are higher than the national average of 10.5%. This is a positive sign for the Gold Coast economy, as its overall business mix tends to generate higher than average profit margin industries.

The Gold Coast has shown consistent growth in business registrations over the years, with the total number of businesses rising from 79,848 in 2023 to 85,135 in 2025, an increase of nearly 6.5%.

The majority of businesses report turnovers below $2 million, accounting for over 90% of businesses each year. However, there is a steady rise in businesses earning higher revenues, with those in the $2 million to $5 million range growing from 3,585 to 4,237 and those earning $10 million+ increasing from 1,163 to 1,297 over the three-year period. This suggests the growing economy and population of the Gold Coast can support larger turnover firms.

Table 13 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	17,746	26,705	29,393	3,585	1,276	1,163
2024	18,047	27,068	30,895	3,945	1,375	1,243
2025	18,270	27,669	32,225	4,237	1,503	1,297

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

The Gold Coast is reaching an economic critical mass, with a growing number of businesses with turnovers above $10 million. This scale is supporting deeper corporate capability, attracting institutional capital, and reinforcing the city's transition from a tourism-focused economy to a more nationally significant business centre. Over the next five years, the Gold Coast is projected to generate around 43,000 new jobs (2.1% annual growth).

While this is slower than the exceptional 4.2% growth recorded over the past five years, it reflects a normalisation following the Covid-era boom surge rather than a weakening outlook. The economy will continue to leverage its strong tourism base while becoming increasingly diversified. Growth in Healthcare, Education, and Professional services is expected to support more stable, higher-value employment.

Major infrastructure investment, including the new Coomera Hospital, Light Rail Stage 3, heavy rail upgrades, the new Southport arena, and local projects will underpin economic activity and support population growth. However, the availability of affordable and well-located housing will remain a key challenge, with housing supply increasingly shaping labour market participation and long-term competitiveness.

Snapshot: Hobart

Hobart is entering a new phase of economic growth following the unwind of its pandemic-era boom. Major infrastructure investment is expected to sustain construction activity and support the city's next chapter of development.

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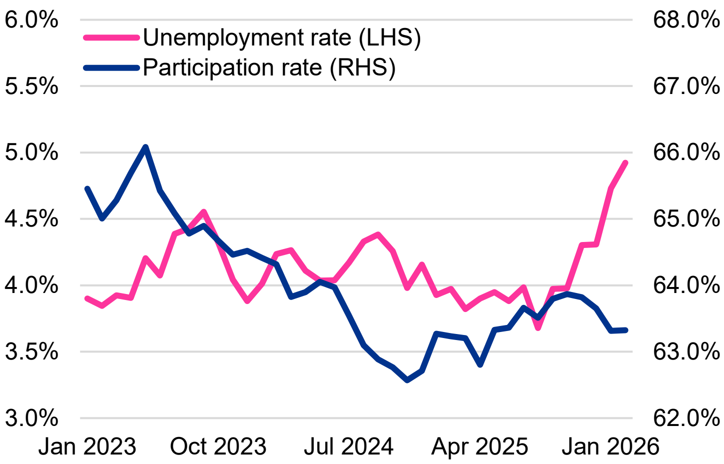
Population 255,500	**Trade exposure** Risk: average
Employed people 131,300	**Economic diversity** Risk: below average
Unemployment rate 4.0%	**Energy intensity** Risk: lower

Figure 47– Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Hobart's pandemic-era economic tailwinds, particularly interstate migration and tourism, have largely normalised over the past two years. Employment growth, which had been exceptionally strong between 2021 and 2023, fell by 1.9% in 2024. This weakening likely contributed to a rise in the unemployment rate, which increased from around 4.0% in early 2025 to almost 5.0% by late 2025.

Hobart's late-2025 uplift in the unemployment rate reflects a combination of structural and cyclical factors. Public sector employers have flagged restructures affecting research and tertiary education roles, while several large national firms have reduced back-office functions based in the city. The June 2025 completion of the Bridgewater Bridge led to the demobilisation of construction workers before the next pipeline of major projects commenced, also contributing to the increase.

Employment growth did rebound in 2025 and, if sustained, could support further improvements in the unemployment rate through 2026.

In terms of risk assessment, Hobart faces relatively lower risk from global trade shocks or over-reliance on a single industry. The city's energy intensity risk is also rated lower risk.

Population and housing

Since 2023, population growth in Hobart has slowed to 0.2%, compared to 1.3% in 2021 and 0.8% in 2022. During 2021 and 2022, Hobart experienced a surge in interstate migration, with new residents drawn by its relative affordability and liveability. This influx of new residents also generated additional demand for local businesses, contributing to employment growth.

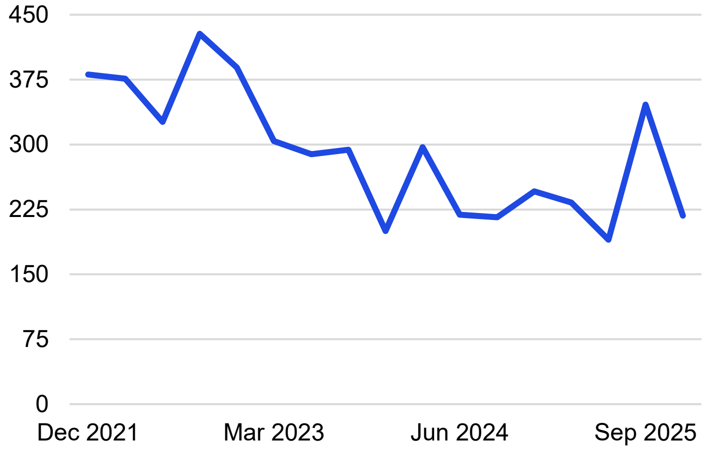
Table 14 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	4.8%	2.9%	1.5%	-1.9%	0.8%
Population growth	1.3%	0.8%	0.2%	0.2%	0.2%
Dwelling approvals	1,050	1,520	1,090	980	990

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Hobart (cont.)

Figure 48 – Quarterly building approvals



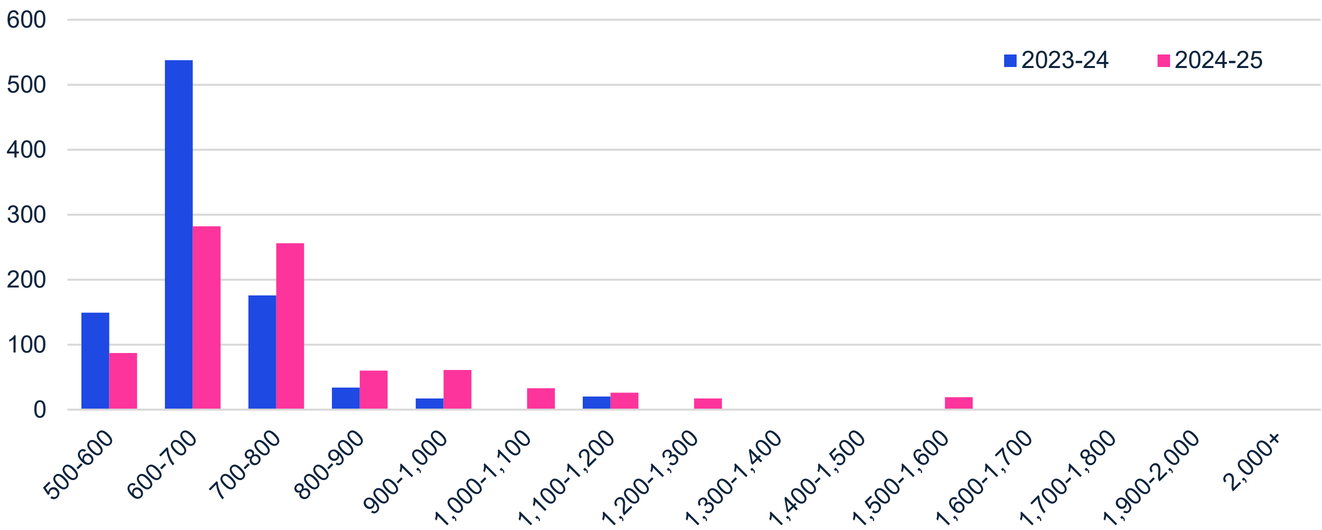
Source: ABS Building Approvals

However, the surge in new residents, combined with lower interest rates and a jump in construction costs for new housing, led to a significant increase in property prices and rents, eroding one of Hobart's key competitive advantages – more affordable housing. For instance, in 2019, Hobart's housing prices were 32% lower than those in Melbourne. By the end of 2025, this gap had narrowed to 14%.

Over the past three years, only around 1,000 dwellings were approved on average each year (see Table 14). Hobart approved just 3.9 dwellings per 1,000 residents, far below the national average of 7.0. In 2023–24, price point analysis showed over 500 dwelling approvals were in the $600,000–$700,000 range, falling to below 300 in 2024–25 (Figure 49).

The $600,000–$700,000 price range allows many low-income workers seeking affordable options to buy or rent in Hobart. Although, in 2024–25 much of the building activity shifted to higher price points, highlighting that developers are adjusting to higher construction costs and associated project risks, while also targeting the higher end of the market. Although Hobart's price point analysis shows it is building homes at a lower price point than many other cities, the city's overall low housing supply is likely linked to its lower population growth.

Figure 49 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

If new residents cannot find a suitable and affordable home to buy or rent, they are less likely to move to Hobart. However, the May 2025 extension of the Greater Hobart Urban Growth Boundary by 615 hectares, unlocking land for approximately 10,000 new homes, offers a meaningful supply-side response that, if translated into actual approvals and completions, could begin to restore Hobart's affordability advantage and support the workforce growth the city needs.

Industry analysis

The industry employment figures are derived from a sample survey. As a result, estimates for smaller cities like Hobart can be subject to greater variability, and year-to-year changes should be treated with caution. Hobart's largest industries are publicly funded sectors, with Healthcare being the largest employer, with almost 25,000 workers in 2025. This reflects the growing demand for health, aged care services and NDIS workers.

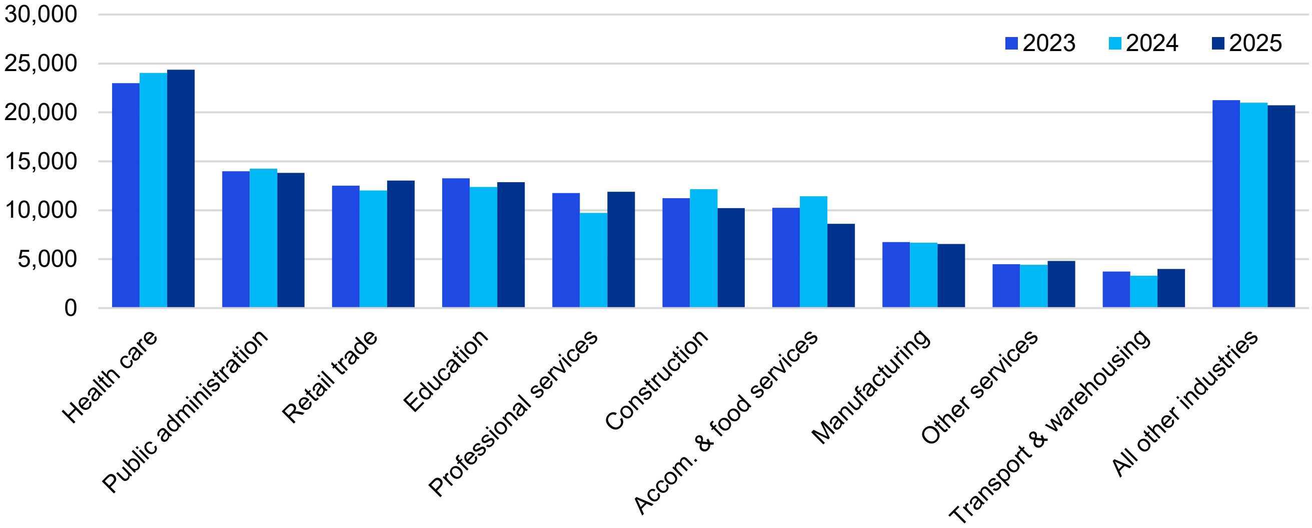
Snapshot: Hobart (cont.)

Public administration is the second-largest employing industry, with around 14,000 workers, followed by Retail trade and Education, which employ approximately 13,000 workers each. During 2025, state and federal public-sector employers have flagged restructures with some tertiary and research education roles impacted.

Professional services (which includes IT professionals, engineers, and accountants) employ around 12,000 workers, reflecting the increasing diversification of the local economy. Manufacturing is an important part of the Hobart economy, with around 6,500 workers employed in this industry. Construction employment may have been impacted by the completion of the Bridgewater Bridge in 2025 and a softening residential construction sector.

As with several other Enterprising Cities, Accommodation & food services has experienced a decline in recent years, driven by reduced local consumer spending and the return of international travel, which has shifted some domestic tourism spending to overseas destinations.

Figure 50 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

Professionals were the most advertised occupation category in Hobart, reflecting continued demand for knowledge-based and specialist roles, although advertising activity has eased from its peak in 2024.

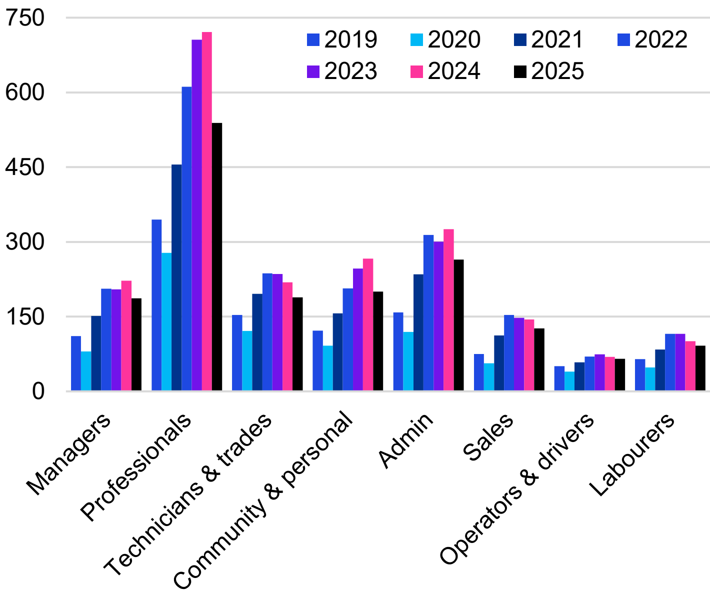
Technicians & trades (190 job ads) highlight the importance of skilled technical and trade occupations in supporting Hobart's construction and industrial activity.

Community & personal services (200 job ads) underscore the ongoing role of health, aged care, and social support services in the local labour market.

The top five occupations for job ads were:

- Clerks, Call Centre, Receptionists – 149
- Medical Practitioners & Nurses – 141
- Legal, Social & Welfare Professionals – 93
- Sales Assistants & Salespersons – 93
- Health Diagnostic & Therapy Professionals – 89

Figure 51 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

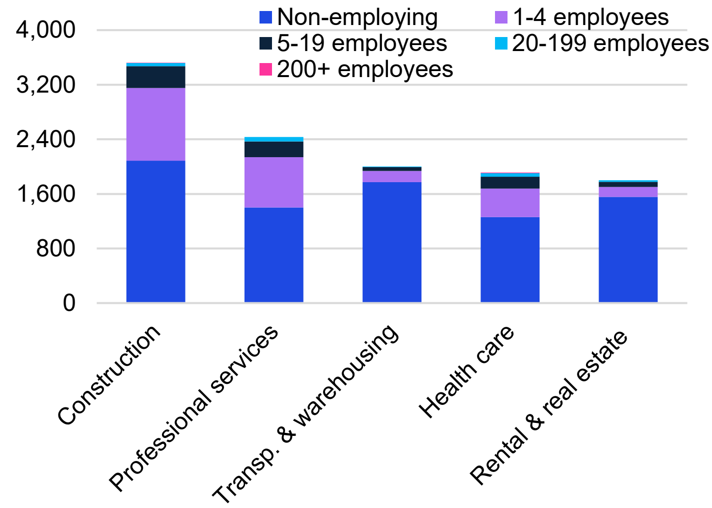
Snapshot: Hobart (cont.)

Hobart's locally registered businesses are diversified across sectors, including Construction, Professional services, Transport & warehousing, Healthcare, and Rental & real estate.

Construction firms in Hobart are likely operating on tight gross profit margins, given the national industry benchmark of 7.3%, compared to the overall average of 10.5%.

Non-employing (e.g. sole traders) businesses represent the largest share across the top five industries, particularly in Construction (2,086), Transport & warehousing (1,771), and Rental & real estate (1,554). Small businesses with 1–4 employees make a significant impact as well, especially in Construction (1,066) and Professional services (739). Businesses with 5–19 employees are also common in Construction (319) and Professional services (228).

Figure 52 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Businesses with 20–199 employees and above are less common in Hobart, meanwhile 200+ employee enterprises have a modest footprint through Healthcare (9) and Construction (3).

Hobart has experienced modest business growth, with the total number of businesses increasing from 18,868 in 2023 to 19,335 in 2025, a growth of 2.5%. While most businesses have turnovers of less than $2 million, there is slight growth across higher turnover ranges, with businesses in the $2 million to $5 million bracket increasing from 899 in 2023 to 948 in 2025.

Those business with turnovers of $10 million or more also grew slightly, from 238 to 244, indicating the Hobart economy can support and attract larger businesses.

Table 15 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	4,820	6,102	6,503	899	332	238
2024	4,773	6,165	6,721	882	327	233
2025	4,734	6,294	6,834	948	340	244

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Hobart's pandemic-era boom has run its course, with employment growth moderating and unemployment edging higher in late 2025 as the city transitions to a new phase of development. Around 7,000 new jobs are expected over the next five years, below the 10,000 jobs created in the previous five-year period, which reflected a post-Covid surge.

Looking ahead, Hobart's infrastructure pipeline remains substantial, anchored by the $1.13 billion Macquarie Point Stadium, with construction ramping up through 2026. This is complemented by the $209 million Royal Hobart Hospital Stage 2 redevelopment, the $200 million Hobart Airport terminal upgrade, and the $65 million Tasman Bridge Upgrade commencing in early 2026. Together with ongoing public transport planning and accelerated TasWater investment, this pipeline should underpin construction employment and support broader economic activity through the medium term.

While housing affordability, a tourism plateau, and slower population growth present near-term challenges, the foundations for the next chapter of growth are in place.

Snapshot: Newcastle & Hunter

The Newcastle & Hunter region is home to innovative manufacturing and the globally important Port of Newcastle. Generating more than 60% of NSW's energy needs, the region is in the process of transitioning to renewable sources.

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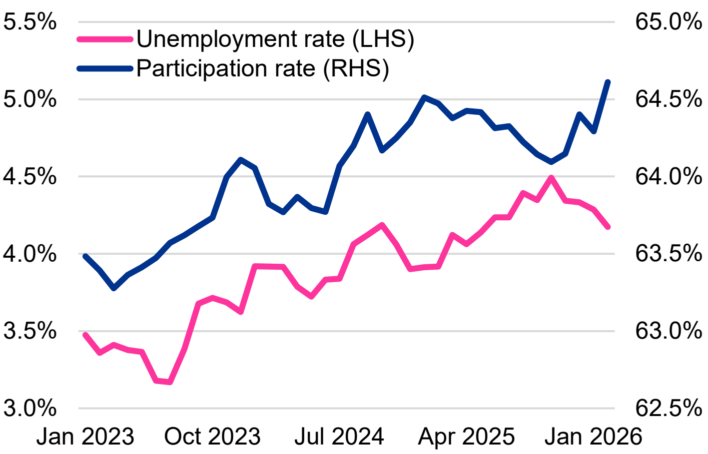
Population 732,100	**Trade exposure** Risk: average
Employed people 365,400	**Economic diversity** Risk: lower
Unemployment rate 4.4%	**Energy intensity** Risk: average

Figure 53 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

The Newcastle & Hunter region unemployment rate trended upwards through 2025 but remains historically low at 4.4% in December 2025. The participation rate has also continued to rise, suggesting the region is successfully generating jobs for a growing population.

Employment growth slowed from the post-Covid surge of more than 3.0% recorded in 2022 and 2023, returning to levels more consistent with long-term trends. In 2025, employment growth was 1.4%, reflecting a period of consolidation rather than contraction. The region is diverse, with wide variation in socio-economic conditions and workforce skills.

Compared with other Enterprising Cities, only three cities - Darwin, Townsville, and Perth – are more vulnerable to shifts in international trade. These cities are heavily concentrated in mining and agriculture, and while global commodity markets are currently strong, they remain exposed to changes in global trade conditions.

Only four other cities face greater risk than Newcastle and the Hunter due to the energy-intensive nature of their local economies. This highlights the region's vulnerability to rising fuel costs, particularly diesel, which is critical for construction and mining activities.

Higher fuel prices would also disproportionately affect people commuting long distances to farms and mining sites, with impacts likely to be more pronounced in socio-economically disadvantaged locations.

Population and housing

Population growth has eased to 1.2% annually but continues to be supported by job opportunities and lifestyle appeal.

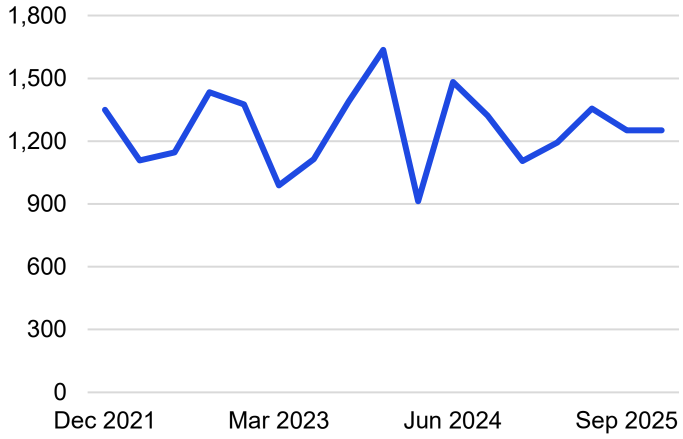
Table 16 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	2.2%	3.9%	3.2%	1.9%	1.4%
Population growth	1.4%	1.9%	1.8%	1.2%	1.2%
Dwelling approvals	5,770	5,060	5,130	4,820	5,050

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Newcastle & Hunter (cont.)

Figure 54 – Quarterly building approvals



Source: ABS Building Approvals

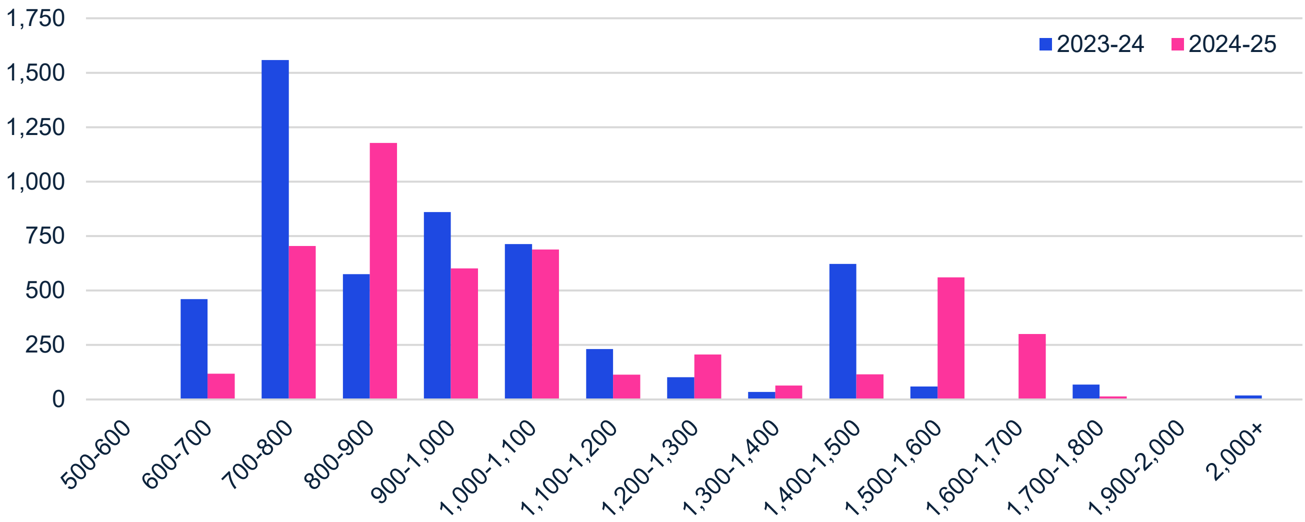
Annual dwelling approvals have remained around 5,000 since 2022, despite a growing population (Table 16 on the previous page). While Australia recorded 7.0 dwelling approvals per 1,000 people, Newcastle and Hunter was marginally lower at 6.9.

The quarterly building approvals data (Figure 54) shows Newcastle and the Hunter did not have the same upward trend as other Enterprising Cities that saw a steady increase in approvals in 2025.

This lack of growth in building approvals is linked to high construction costs, making it difficult for developers to deliver commercially viable housing projects. While overall approval numbers have not changed, there has been a noticeable shift in the price point of new dwellings.

In 2023–24, around 2,000 new dwellings were priced in the $600,000–$800,000 range, accounting for roughly 40% of all new supply (see Figure 55). Housing in this price range is well suited to lower-income workers seeking to rent or purchase, as well as older downsizers. In 2024–25, however, the number of dwellings approved within this price bracket fell to around 800. This highlights a growing challenge. Housing affordability, which has long been central to the region's liveability, has been eroded.

Figure 55 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

There is evidence of strength at the higher end of the market. In 2024–25, approvals were increasingly concentrated in the $1.4–1.5 million range, although even this has begun to shift upward into the $1.5–1.6 million range. This highlights that housing is being provided for high-income households locating in the region.

Industry analysis

As the region's largest employer, Healthcare has stabilised at around 68,000 workers following several years of strong growth, underpinned by health services, aged care and the NDIS. Retail trade has seen a slight downward trend over the past two years as higher interest rates have impacted broader consumer spending. Between 2019 and 2023, Accommodation & food services grew by 27% from 24,500 to 34,500 jobs. This growth was largely driven by the expansion of the tourism sector following the end of Covid lockdowns. However, like many other cities, Newcastle and the Hunter appears to be experiencing lower demand for regional food offerings.

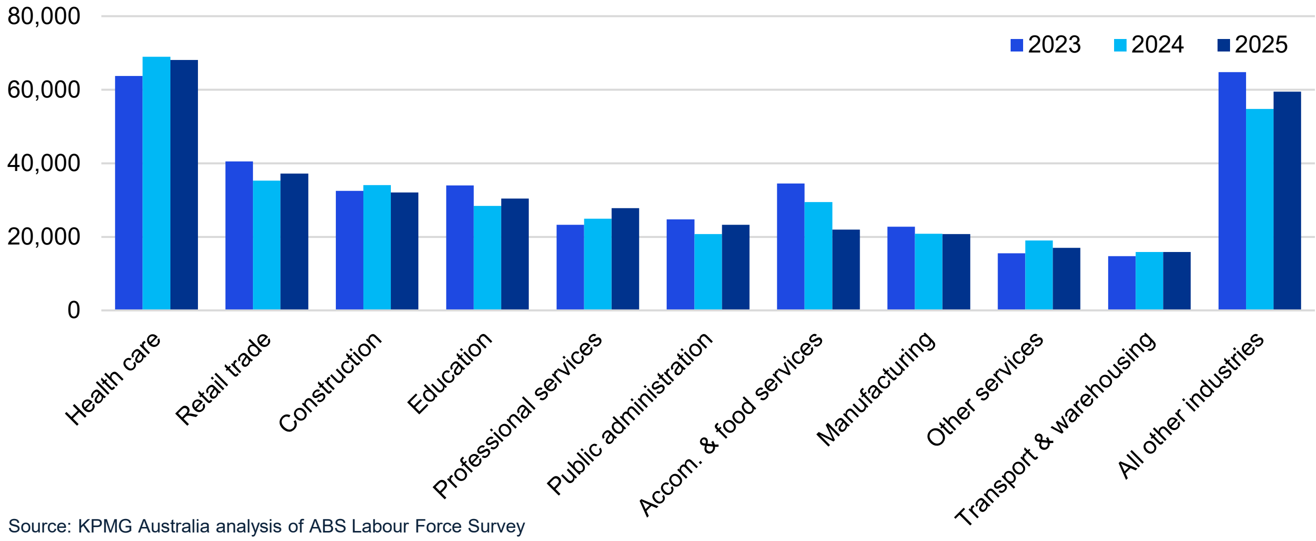
Snapshot: Newcastle & Hunter (cont.)

This decline is likely driven by a combination of reduced post-Covid demand and cost-of-living pressures, which are limiting spending on dining out and contributing to lower employment levels. Construction is the third-largest industry and has remained steady at around 32,000 workers, consistent with the flat trend observed in building approvals over the past few years. In contrast, Professional services employment has continued to grow steadily, reaching almost 28,000 jobs. This trend counters patterns seen in many other Enterprise Cities and highlights the region's increasingly white-collar employment profile.

Manufacturing employs around 20,000 people and is increasingly becoming a high-value-adding industry. However, many local manufacturers rely on nationally supplied gas, such as the Orica Ammonium Nitrate plant, exposing them to elevated energy prices. The industry also faces cost increases across the production chain due to the Iran war.

Note: industries are clustered differently across the region, making some parts of Newcastle and the Hunter more resilient than others.

Figure 56 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

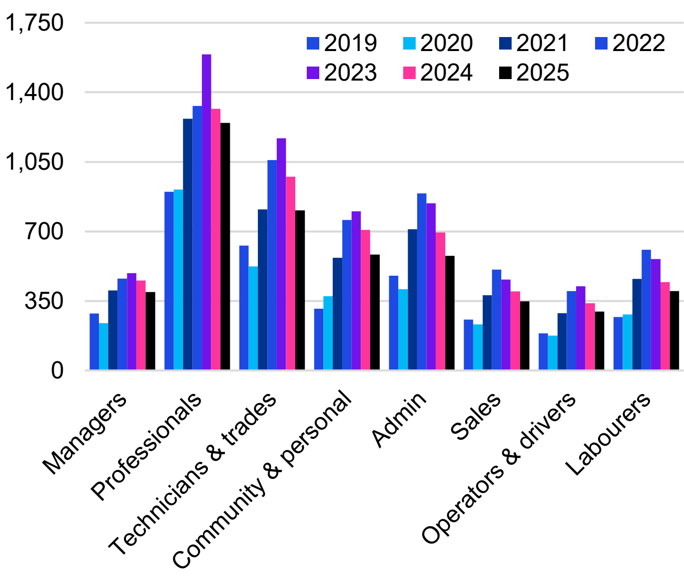
In 2025, Professionals were the most advertised occupation (1,200 job postings), reflecting strong demand for knowledge-based roles. Technicians & trades (over 800 advertisements), along with Operators & drivers (around 300), indicate continued demand in the industrial sector. Community & personal services, with nearly 600 job advertisements, highlight the ongoing importance of health and social support roles.

Over the coming years, the region is expected to experience continued workforce transition, with some workers needing to retrain and shift into new occupations as industry needs, technology, and skill requirements evolve.

The top five occupations for job ads were:

- Carers & Aides – 352
- Clerks, Call Centre, Receptionists – 325
- Medical Practitioners & Nurses – 321
- Automotive & Engineering Trades – 290
- Sales Assistants & Salespersons – 224

Figure 57 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

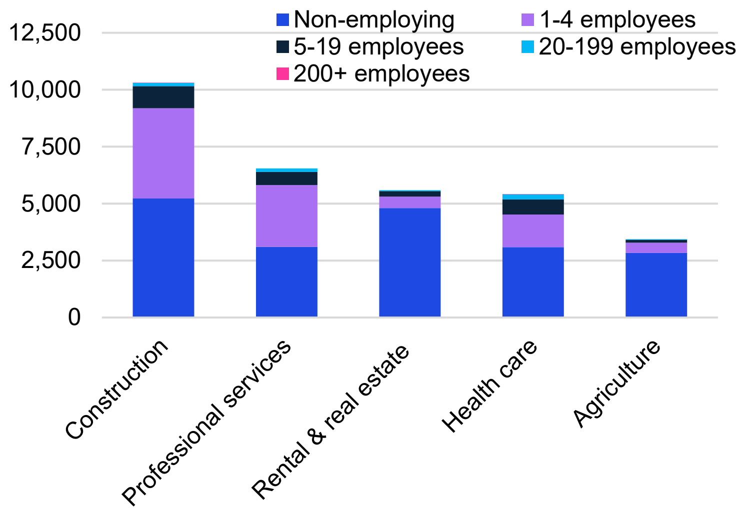
Snapshot: Newcastle & Hunter (cont.)

Non-employing (e.g. sole trader) businesses dominate in the region, particularly in Construction (5,229), Real estate (4,810), and Professional services (3,104). Businesses with 1–4 employees are prominent in the Construction (3,953) and Professional services (2,706) industries.

Construction has the largest number of locally registered business in the region. The national gross profit benchmark for construction is 7.3%, compared to the overall average of 10.5%. This low profit margin is due to high construction costs and is another challenge facing the residential building sector. After Construction, the most common industries for local businesses are in Professional services and Rental & real estate.

Medium-sized businesses with 5–19 employees are an important part of the local economy and are more concentrated in the Construction (971) and Healthcare (658) sectors.

Figure 58 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Newcastle and the Hunter has shown steady business growth, with the total number of businesses increasing by 5%, from 50,913 in 2023 to 53,631 in 2025. As shown in Table 17, many businesses still report turnovers below $2 million, but growth can be seen across all categories, particularly among those with turnovers of $2–5 million, which rose from 2,427 in 2023 to 2,662 in 2025. Larger businesses with turnovers of $10 million+ grew from 720 to 843 during the same period, reflecting the region's growing economy, which can support larger local businesses.

Future outlook

Despite the current energy shock weighing on local businesses and communities, the region is projected to add around 34,000 new jobs over the next five years, following a post-Covid boom that delivered 43,000 jobs. A strong pipeline of manufacturing, renewables, and enabling infrastructure projects will continue to support growth.

Table 17 – Number of businesses by turnover size ranges

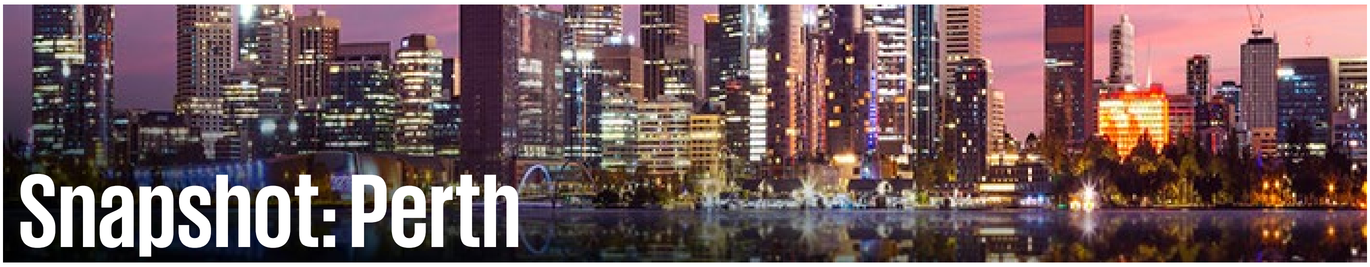
	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	11,493	16,379	19,061	2,427	887	720
2024	11,469	16,655	19,938	2,518	995	822
2025	11,763	16,891	20,516	2,662	993	843

Source: KPMG analysis of Counts of Australian Businesses

Major energy initiatives focused on battery storage, transmission infrastructure and substations, like the Renewable Energy Zone, are expected to invigorate the local economy. The planned closure of the Mount Arthur coal site in Muswellbrook by 2030 and the Macquarie coal site also present opportunities for economic transition. Master-planning for these sites will help unlock new land uses and long-term employment opportunities.

Broader nation-building investments are strengthening the region's future. The planning study for high-speed rail, with Newcastle–Sydney identified as stage 1, is the first step in a project that could result in enhanced connectivity, labour mobility, and housing outcomes for the region. The Future Made in Australia Act further positions the region for growth, with the Port of Newcastle container terminal decision and the establishment of Australia's first guided weapons production factory by Kongsberg Defence at Williamtown helping strengthen sovereign capability.

In addition to industrial activity, the redevelopment of the Newcastle Art Gallery has made it the largest gallery in New South Wales outside Sydney, highlighting the region's changing character and attractiveness to new residents. Together, these diverse projects and developments demonstrate how the Newcastle & Hunter region is evolving beyond its traditional industrial base into a more diverse economy.



Snapshot: Perth

Perth's economy is diverse and resilient, anchored by globally significant minerals and energy sectors while increasingly expanding into professional services and defence industries. As a major hub for mining, energy and industrial activity, the city is shifting to support critical minerals, renewable energy and long-term defence projects.

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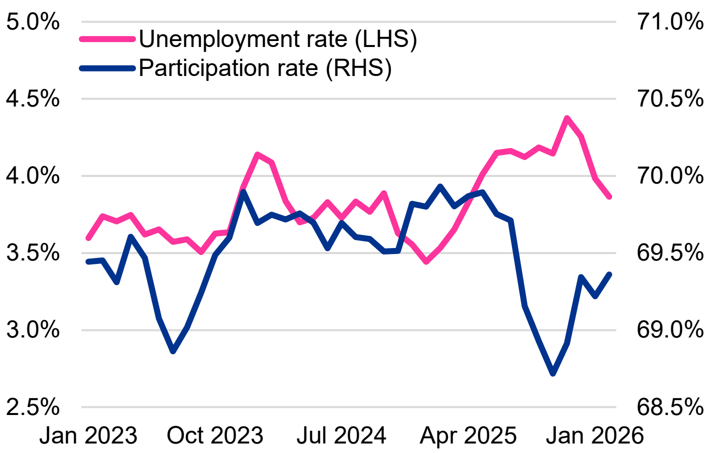
Population 2,486,800	**Trade exposure** Risk: higher
Employed people 1,343,200	**Economic diversity** Risk: above average
Unemployment rate 4.2%	**Energy intensity** Risk: higher

Figure 59 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Perth continues to grow and diversify its economy, attracting skilled labour from across Australia and the rest of the world. In 2025, the employment growth rate in Perth was 2.5%, weakening from 4.1% in the previous year. 2025 marked the first time in the past five years that employment growth was not significantly above population growth.

As a result, the unemployment rate increased to 4.3% at the end of 2025, compared with 3.6% at the end of 2024. The weakening labour market also saw the participation rate decline slightly, although it remains the highest among the Enterprising Cities.

In terms of the risk outlook, Perth faces trade and economic diversity risks due to its large mining sector. However, given the current strong demand for Western Australian commodities, this does not pose a major threat at present.

The city does, however, face elevated risk from higher energy prices, particularly for mining workers and the manufacturing supply chain. Perth's exposure to key inputs, particularly diesel and fertiliser used across the broader WA agricultural sector, adds to this vulnerability, as global prices are expected to remain elevated.

Population and housing

Population growth remained very strong at 2.7% in 2025, continuing the rapid growth seen over the past four years. Workers and their families have been drawn to Perth's strong economy, but it has created a challenge in terms of housing supply.

Building approvals saw an almost 10% increase during 2025. Consequently, Perth had 8.2 dwelling approvals per 1,000 people compared to the national average of 7.0.

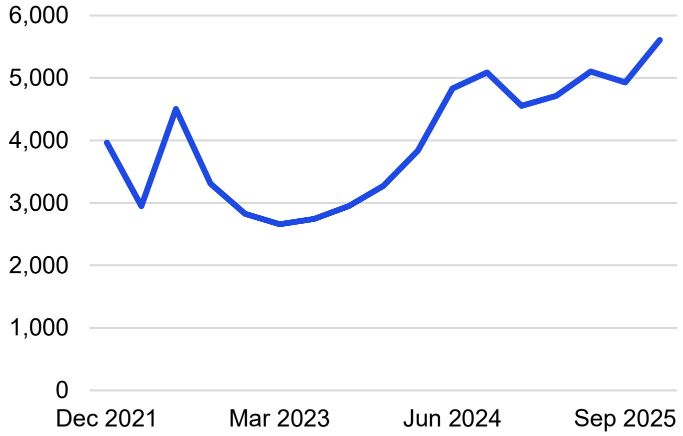
Table 18 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	4.9%	5.5%	3.8%	4.1%	2.5%
Population growth	1.4%	3.0%	3.8%	2.7%	2.7%
Dwelling approvals	21,230	13,590	11,630	18,310	20,350

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Perth (cont.)

Figure 60 – Quarterly building approvals



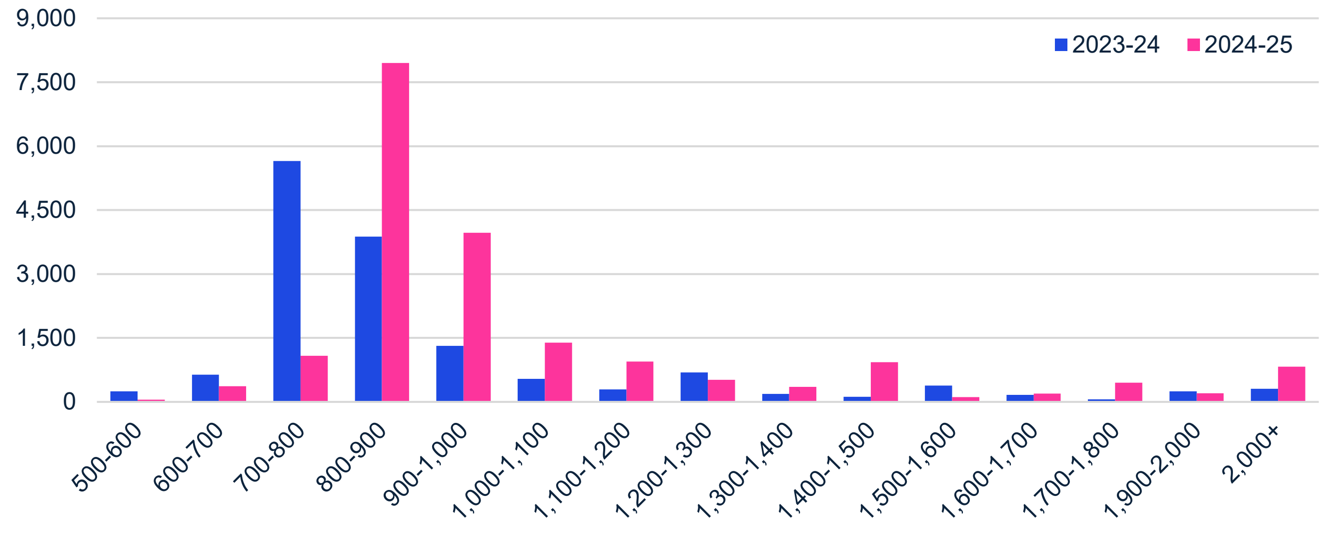
Source: ABS Building Approvals

As shown in Figure 60, quarterly building approvals have improved steadily since early 2023. However, high demand for tradespeople and labour on residential projects is likely driving up construction costs, which may be making it more difficult for developers to achieve commercial feasibility for housing projects. Rising interest rates, higher construction costs and the broader impacts of the energy shock could place additional pressure on the supply of new housing in Perth.

In addition to boosting overall supply, there is a need to ensure the supply of new housing is affordable. The impact of high construction costs over the past five years can already be seen in the data.

In 2023–24, there were over 5,600 dwellings priced in the $700,000–$800,000 range. In the following year, this figure fell sharply to fewer than 1,100 dwellings. Housing at this price point is well suited to low-income workers seeking to buy or rent, and this decline makes it more challenging for them to find housing in Perth. The $800,000–$900,000 price band contains the largest number of dwellings, with approximately 7,950 properties. There is also significantly more activity in the $1 million+ range.

Figure 61 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

These shifts highlight that developers are adjusting to higher construction costs and associated project risks, while increasingly targeting the higher end of the market. Median house prices in Perth now exceed $1 million, highlighting the broader housing affordability challenges facing the city.

Industry analysis

After several years of significant growth, employment in the Healthcare industry has stabilised at around 210,000 workers (see Figure 62 overleaf). This growth has been driven by increases in medical workers (e.g. doctors, nurses and other hospital workers), aged care, and the NDIS. Construction also continues to have strong growth, with employment increasing to almost 130,000 in 2025, linked to mining, infrastructure and housing projects. Professional services is now the third-largest employer in Perth, with around 125,000 workers. The ability to 'work from anywhere', and the overall need for more professional workers to support the Perth economy is a driver of this growth.

Snapshot: Perth (cont.)

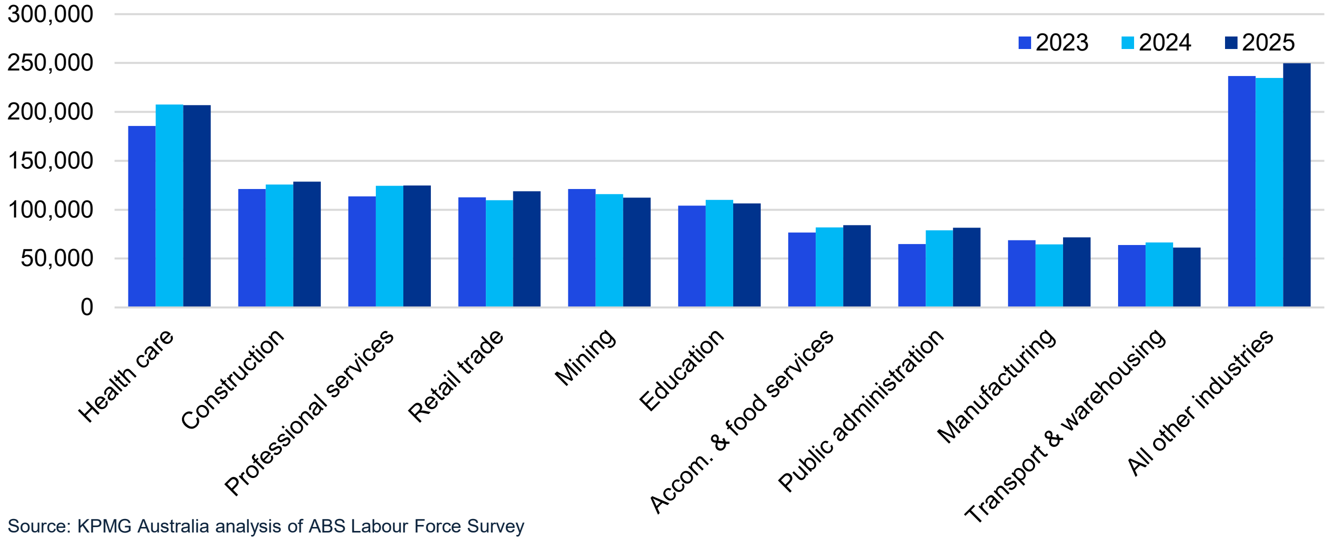
Unlike many other Enterprising Cities, Retail (118,800 jobs) and Accommodation & food services (71,700 jobs) employment in Perth has remained strong. This reflects the robust local economy and ongoing population growth. Mining employment has eased slightly over the past three years but remains one of Perth's most important industries.

Manufacturing employment is underpinned by a range of niche sectors, including a growing defence industry. Perth's defence ecosystem, centred on the Henderson Defence Precinct, is focused on strengthening shipbuilding capacity, supported by long-term funding certainty provided through AUKUS.

Internet job vacancies

Professionals accounted for the highest number of job ads, with over 5,000 postings, signifying strong demand for highly skilled and white-collar roles in the region. Managers followed as one of the main occupations, demonstrating Perth's continued need for leadership and organisational expertise.

Figure 62 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Technicians & trades (4,000 job ads) and Operators & drivers (1,650 job ads) accounted for a significant share of job ads, underlining the important role of industrial and logistics sectors.

The decline in job advertisements for sectors such as Sales and Community & personal services aligns with the slowing employment growth seen in the Healthcare industry.

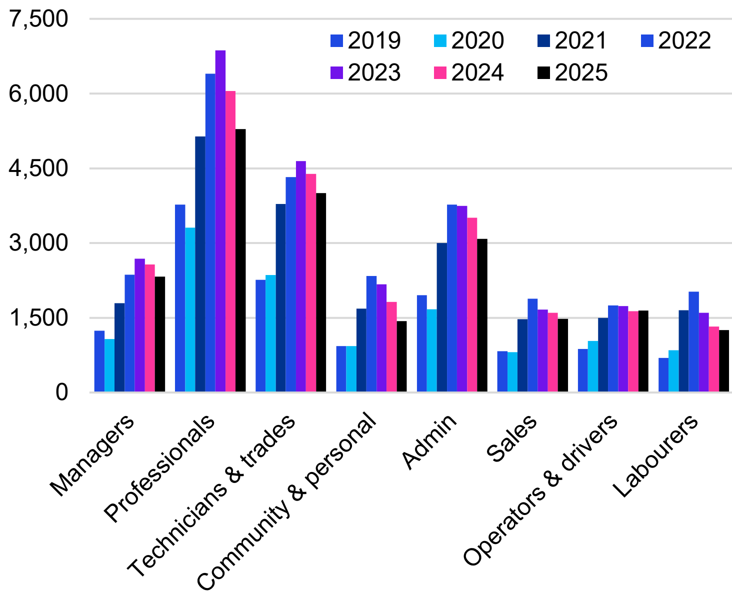
The top five occupations highlight a mix of white-collar roles, industrial jobs, and general population-serving employment.

The top five occupations for job ads were:

- Automotive & Engineering Trades – 1,500
- Clerks, Call Centre, Receptionists – 1,454
- Sales Assistants & Salespersons – 930
- Engineers – 887
- Business & Finance Professionals – 858

While there has been a decline in job ads over the past year, the current levels point to continued jobs growth in 2026.

Figure 63 – Internet job vacancies



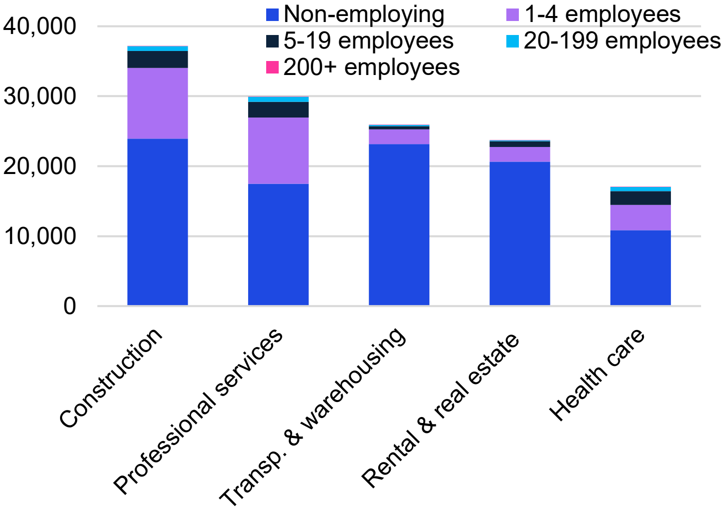
Source: KPMG Australia analysis of Jobs & Skills Australia data

Snapshot: Perth (cont.)

The top local businesses by industry are Construction, Professional services, Transport & warehousing, Rental & real estate, and Healthcare. Non-employing (e.g. sole traders) businesses are particularly common in Construction (23,943), Rental & real estate (20,643), and Transport & warehousing (23,155). Businesses with 5–19 employees are also common in Construction (2,425) and Professional services (2,253). There has been growth in businesses, with 200+ employee enterprises common in Healthcare (49) and Professional services (18).

Construction firms in Perth are likely operating on tight gross profit margins, based on the national industry benchmark of 7.3%. Transport & warehousing has a strong national benchmark margin of 18.8%, although this could come under pressure in 2026 due to higher fuel costs.

Figure 64 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Perth has experienced significant economic growth, with the total number of businesses increasing by 9%, from 196,658 in 2023 to 214,316 in 2025. While the majority of businesses have turnovers below $2 million, there has been considerable growth in larger enterprises. Businesses with turnovers of $2–5 million grew from 8,700 to 10,060, and those earning $10 million+ increased from 3,559 to 4,180 during the same period. This upward trend in high-revenue businesses shows Perth's economy is creating opportunities for larger firms to grow or relocate there.

Future outlook

Perth offers a high quality of life, with a natural coastal environment well suited to families and a diverse range of employment opportunities that continue to attract people from around the world. The city's globally significant economy is driving increased demand for housing, infrastructure and services to support a growing population.

Table 19 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	50,228	64,806	66,009	8,700	3,415	3,559
2024	51,879	66,304	69,710	9,385	3,594	3,906
2025	54,072	68,484	73,662	10,060	3,865	4,180

Source: KPMG analysis of Counts of Australian Businesses

Looking ahead, Perth is well positioned for growth, with an estimated 189,000 new jobs expected over the next five years. This is lower than the 248,000 jobs created in the previous five years, which reflected a post-Covid surge. Employment growth will be supported by white-collar roles, population-serving industries, and globally significant mining, particularly LNG, iron ore and critical minerals. Perth also maintains a strong public and private sector project pipeline, including the $1.1 billion road connections to the future Westport container terminal.

Perth's defence ecosystem is an emerging growth sector, supported by the city's strategic location and increased AUKUS-related investment. AUKUS provides multi-decade certainty for investment and long-term skills development, reinforcing Perth's role as a centre for defence capability. HMAS Stirling, Australia's primary submarine base, underpins this role, while the Henderson Defence Precinct will play a central role in constructing and sustaining larger, more complex naval vessels. This capability is being driven by a $12 billion Federal Government commitment to establish a world-class AUKUS sustainment and shipbuilding hub.

Despite these strengths, Perth faces risks. Housing affordability remains an ongoing challenge as population growth places pressure on supply. Perth's exposure to fuel inputs, particularly diesel and fertiliser across the Western Australian agricultural sector, also adds to economic vulnerability as global energy prices remain elevated.

Snapshot: Townsville

The Townsville region's pandemic-driven growth has moderated, with economic conditions normalising since 2024. Future growth is expected to be supported by major infrastructure and investment projects, improving housing supply and the provision of local services.

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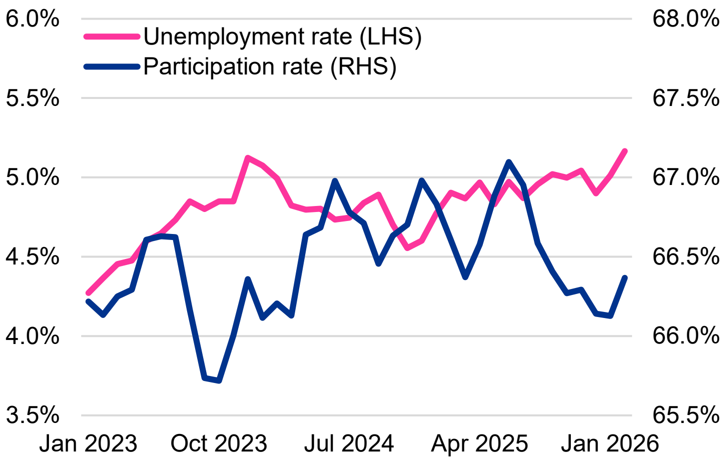
Population 250,400	**Trade exposure** Risk: average
Employed people 125,700	**Economic diversity** Risk: average
Unemployment rate 5.0%	**Energy intensity** Risk: higher

Figure 65 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

The unemployment rate in Townsville has hovered around 5% over the past year, with the participation rate steady at approximately 67%. Employment growth slowed to 1.0% in 2025, following a robust 2.2% increase in 2024.

These trends suggest that Townsville's labour market remains relatively stable despite facing wider economic challenges related to cost-of-living pressures.

Townsville is considered high risk when it comes to energy intensity, highlighting the city's susceptibility to rising diesel costs, which is essential for its mining, agricultural, and industrial sectors. Increased aviation fuel prices also put a strain on the air transport sector, an important component of the local economy.

The mining and agricultural sectors further expose Townsville to heightened risks from global trade trends compared to the national average. However, the city's overall economic diversity aligns closely with the national profile, suggesting it is not at a significantly higher risk of broader economic impacts.

Population and housing

Population growth remained steady at 1.1% in 2025. Building approvals have trended upwards since a low of 740 in 2023 to 1,240.

Townsville recorded 5.0 dwellings per 1,000 residents, well below the national average of 7.0. However, when compared to other cities in Northern Australia, it appears to be in a better position, with Darwin recording just 3.0 dwellings and 6.6 in Cairns. The lower rates of building approvals underlines how national factors, particularly rising construction costs, pose significant challenges in Northern Australia.

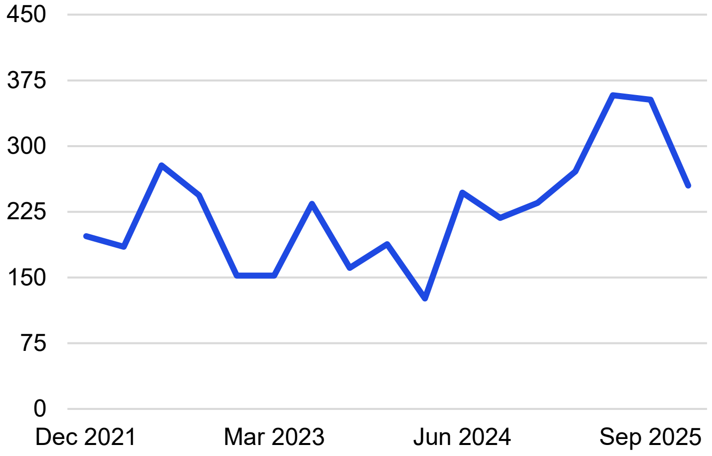
Table 20 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	4.2%	3.2%	1.4%	2.2%	1.0%
Population growth	0.5%	1.4%	1.6%	1.1%	1.1%
Dwelling approvals	1,140	860	740	830	1,240

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Townsville (cont.)

Figure 66 – Quarterly building approvals



Source: ABS Building Approvals

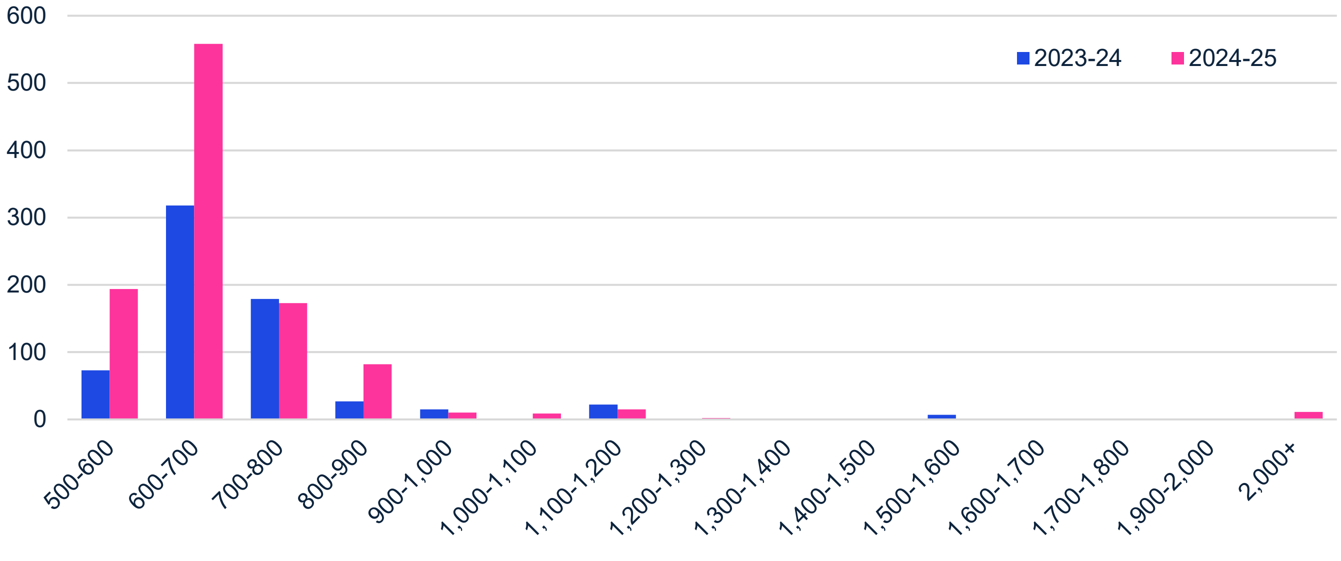
These challenges are further exacerbated by stricter construction standards and higher transportation costs. The quarterly building approvals data confirms an improving trend over the past 18 months.

The Residential Activation Fund is allocating almost $30 million to trunk infrastructure, which will help unlock more than 4,000 new homes in the Northern Beaches greenfield growth front.

James Cook University has partnered with Townsville City Council on the TropiQ Precinct to allocate 100 hectares for mixed-density residential development, with the potential to accommodate up to 10,000 residents, beginning with 250–300 dwellings in Stage One from 2025.

Figure 67 shows the price point analysis for Townsville in 2023–24 and 2024–25. While most Enterprising Cities have experienced sharp increases in the cost of newly approved housing, Townsville has successfully kept the majority of its new supply within the $600,000 to $700,000 price range. This price range allows many low-income workers seeking affordable options to buy or rent in Townsville.

Figure 67 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

This housing affordability provides Townsville with a competitive advantage over other Enterprising Cities. Although rising interest rates, higher construction costs and the broader impacts of the energy shock in 2026 could place additional pressure on new housing supply.

Industry analysis

Townsville has a diverse employment economic profile, with its labour force distributed across a broad range of industries (see Figure 68 overleaf). Industry employment figures are derived from sample survey data and, as a result, estimates for smaller cities such as Townsville can be subject to greater variability, meaning year-to-year changes should be interpreted with caution.

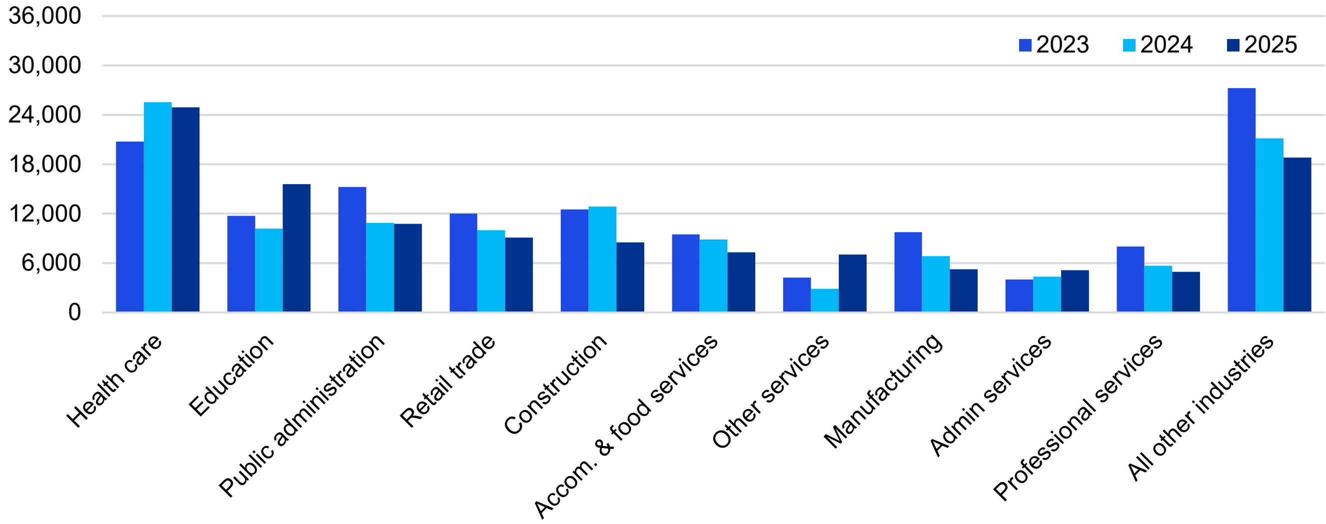
Snapshot: Townsville (cont.)

Service-based industries are prominent employers, particularly Healthcare (around 25,000 workers), Education (approximately 15,600 workers), and Retail (around 9,000–10,000 workers), reflecting Townsville's role as a regional service hub for North Queensland.

As with many other Enterprising Cities, employment in Retail and Accommodation & food services appears to have weakened over the past two years. This is likely due to a combination of cost-of-living pressures reducing local spending and a softening in domestic tourism, which spiked during the pandemic.

Townsville is designated Australia's 'Army Capital,' home to the Australian Defence Force's only lethal combat brigade and associated infrastructure. There are around 5,500 people currently serving in the Australian Defence Force (ADF) in Townsville. ADF workers are not included in the Labour Force Survey, so are additional to the numbers shown in Figure 68.

Figure 68 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Internet job vacancies

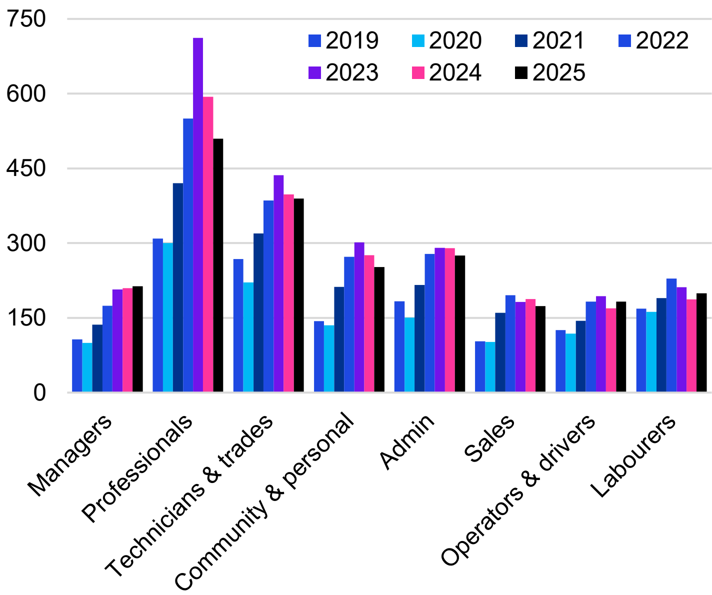
Unlike many other Enterprising Cities, Townsville has not seen a significant drop in the number of job advertisements during 2025. While the Professional occupation group experienced a decline in job ads compared to 2024, most other occupation groups remained relatively stable and in line with the past three years.

The top five occupations for job ads were:

- Clerks, Call Centre, Receptionists – 164
- Carers & Aides – 150
- Automotive & Engineering Trades – 137
- Sales Assistants & Salespersons – 123
- Legal, Social & Welfare Professionals – 104

This steady demand for workers positions Townsville as a city with strong job opportunities and a foundation for employment growth in early 2026. The stable level of job ads could also be linked to the availability of housing which is key to attracting and retaining workers.

Figure 69 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

Snapshot: Townsville (cont.)

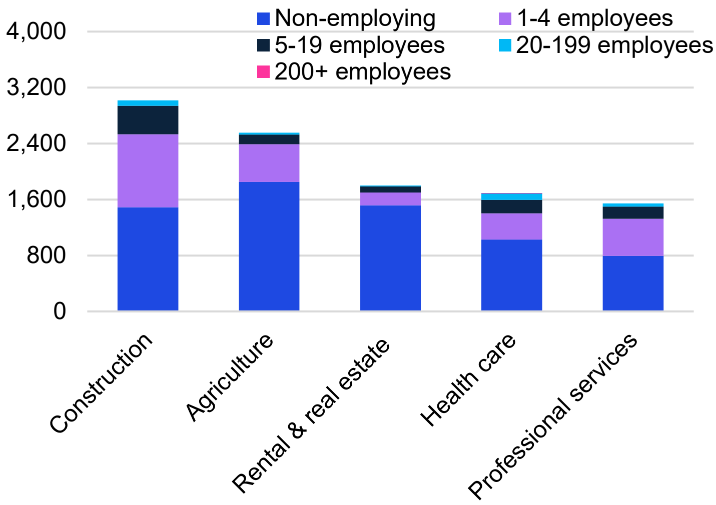
The business landscape in Townsville is diverse, with its top five industries as Construction, Agriculture, Rental & real estate, Healthcare, and Professional services.

Non-employing (e.g. sole traders) businesses dominate these sectors, particularly Agriculture (1,850) and Construction (1,490). Small businesses with 1–4 employees also play a prominent role, especially in Construction (1,041), Professional services (530), and Agriculture (541).

The region has a smaller share of medium and large employers, with only a handful of businesses employing 20–199 people and just 18 having 200+ employees across all key industries.

Townsville's economy is highly exposed to fuel-related inputs, with diesel and fertiliser affecting the agricultural sector and diesel costs impacting construction, increasing vulnerability as global energy prices remain elevated. This will present a challenge for the region in 2026.

Figure 70 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Townsville's total number of businesses has grown steadily, increasing by 2% from 17,275 in 2023 to 17,688 in 2025, signalling gradual economic development in the region.

While most Townsville businesses have turnovers below $2 million, growth in larger enterprises can also be seen. Businesses with turnovers of $2 million to $5 million increased from 932 to 1,047 over the three-year period, and those earning $10 million+ grew from 219 to 264.

This indicates a strengthening of Townsville's high-revenue enterprises and highlights the economy's ability to support larger businesses.

Table 21 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	3,596	5,134	6,937	932	331	219
2024	3,557	5,004	7,235	1,020	334	238
2025	3,594	5,070	7,395	1,047	309	264

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Townsville's pandemic-era economic tailwinds, particularly population inflows and local employment growth, plus increased tourism, have largely normalised over the past two years, with the post-pandemic boom effectively ending in 2024. Looking ahead, major investment projects such as CopperString 2032, the $700 million RAAF Base Townsville upgrade, and emerging industries including the SunHQ Hydrogen Hub are expected to underpin the city's next phase of growth, supported by continued investment in local infrastructure and services.

Housing supply appears to have turned a corner in 2025, with increased approvals and new stock coming online. Housing affordability remains a key competitive advantage for Townsville relative to other Enterprising Cities.

Over the next five years around 11,000 new jobs are projected to be created, below the roughly 14,000 jobs generated over the previous five-year period, but still a positive outlook for the city.

Although Townsville's exposure to fuel-intensive inputs across the agricultural and construction sectors heightens economic vulnerability amid sustained high global energy prices, presenting a risk for the city in 2026.

Snapshot: Western Sydney

Western Sydney's diverse economy, driven by Healthcare, Construction, Professional services, and Education, accommodates a growing population. Transport and warehousing capitalise on the region's proximity to Australia's new airport, opening in 2026 and enhancing connectivity.

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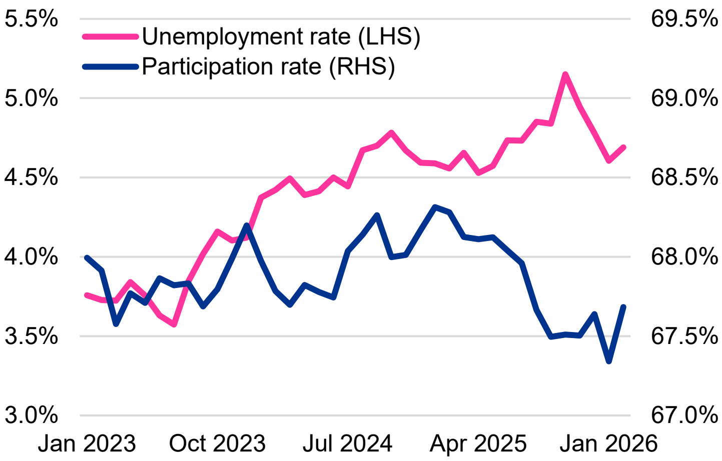
Population 2,508,800	**Trade exposure** Risk: low
Employed people 1,287,700	**Economic diversity** Risk: below average
Unemployment rate 4.8%	**Energy intensity** Risk: low

Figure 71 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

With almost 1.3 million workers, Western Sydney represents around 9% of the national workforce. This scale makes Western Sydney a critical component of the national economy.

Western Sydney's labour market came under pressure in 2023 and 2024 due to rising interest rates. Higher mortgage repayments affected households in the region more than elsewhere in the country, dampening consumer spending. As a result, the unemployment rate rose from 4.1% in December 2023 to 4.8% by late 2025, briefly peaking at 5.2% in October 2025.

There was wide variation across Western Sydney's labour market. In December 2025, unemployment rates varied widely across Western Sydney, from a low of 3.1% in the Baulkham Hills and Hawkesbury to a high of 5.2% in the southwest.

However, employment growth slowed across the region over the same period, easing from a strong 4.9% in 2023 to 2.4% in 2024 and 2.0% in 2025. Together, these trends point to a labour market adjusting to cost-of-living pressures and weaker economic conditions, while continuing to absorb strong population growth.

In terms of the risk outlook (see page 11), Western Sydney performed well in the risk assessment, with international trade and energy intensity exposure indicating low risk relative to other Enterprising Cities. The region had below-average risk related to its economic diversity.

Population and housing

Population growth remained strong at 1.9% in 2024 and 2025, contributing to upward pressure on unemployment despite ongoing job creation. Population growth also requires additional housing supply.

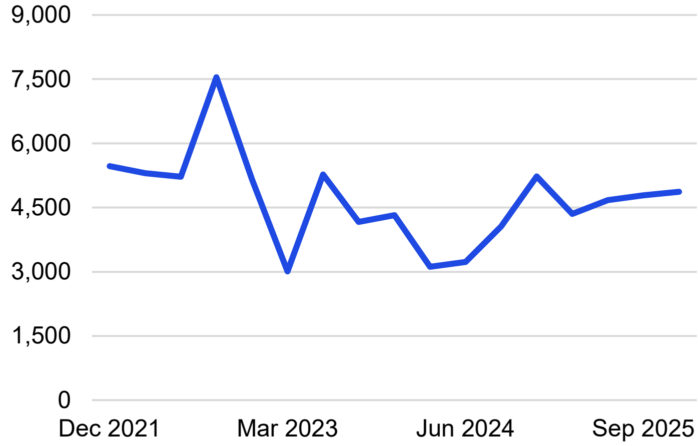
Table 22 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	1.4%	6.2%	4.9%	2.4%	2.0%
Population growth	1.1%	2.5%	2.9%	1.9%	1.9%
Dwelling approvals	27,050	23,230	16,770	15,640	18,670

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Western Sydney (cont.)

Figure 72 – Quarterly building approvals



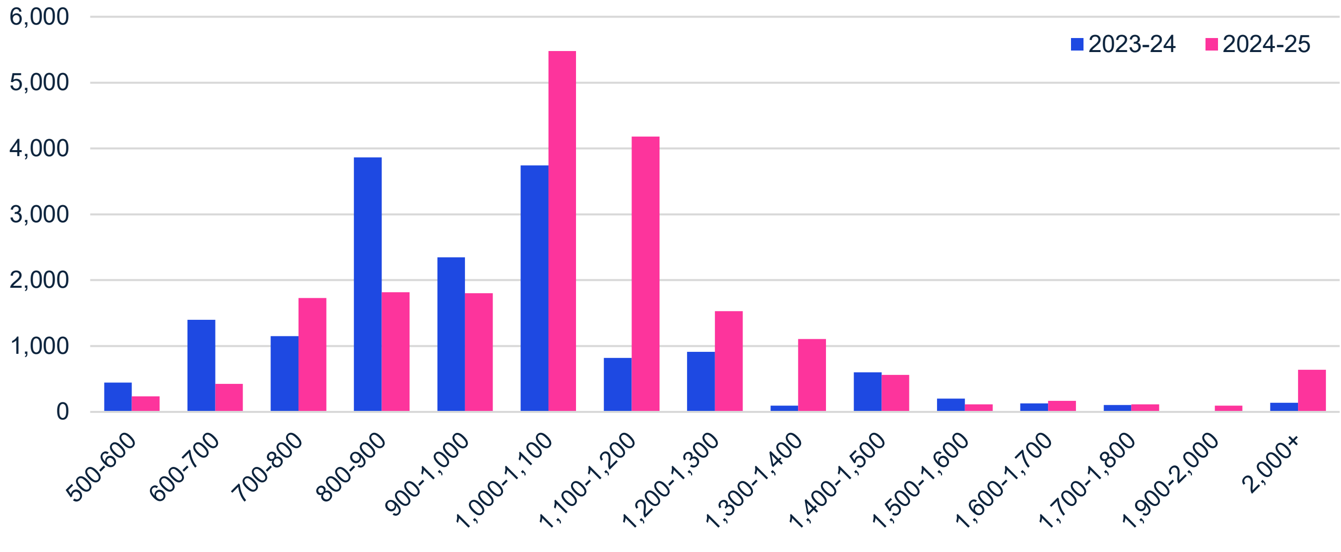
Source: ABS Building Approvals

Building approvals increased by almost 20% in 2025 to 18,670, however, this remains well below the 27,050 approvals recorded in 2021. Quarterly building approvals data shows a gradual improvement during 2025, following weakness in 2023 and 2024. In 2025, Western Sydney recorded 7.2 building approvals per 1,000 residents, slightly outperforming the national average of 7.0.

However, elevated construction costs continue to constrain the market, making it difficult for developers to deliver commercially viable housing projects. Rising interest rates and the impact of the Iran conflict on construction input costs are likely to place additional pressure on the supply of new housing in Western Sydney.

The impact of construction price increases has been evident since COVID-19. In 2023–24, price point analysis showed nearly 3,900 dwelling approvals in the $800,000–$900,000 range, which fell to 1,800 in 2024–25. Much of the activity shifted to the $1.0–1.1 million and $1.1–1.2 million bands. This highlights that developers are adjusting to higher construction costs and associated project risks, while also targeting the higher end of the market. Housing at these price points is unaffordable for many low-income workers, whether purchasing or renting.

Figure 73 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

The Westmead Health & Innovation Precinct is the largest cluster of hospital and health services in Australia, encompassing four hospitals, three research institutes, and two universities. This cluster serves as an anchor for the Healthcare industry, which has experienced substantial growth over recent years. Healthcare remained the fastest-growing industry in Western Sydney, expanding significantly from 179,500 workers in 2023 to 206,625 in 2025, an increase of over 27,000 workers.

Education has also seen strong growth, with employment rising from 93,000 in 2023 to 113,400 in 2025, a gain of 20,400 workers. This growth is supported by institutions like Western Sydney University, which continue to focus on developing local talent across key sectors such as finance, professional services, and advanced manufacturing.

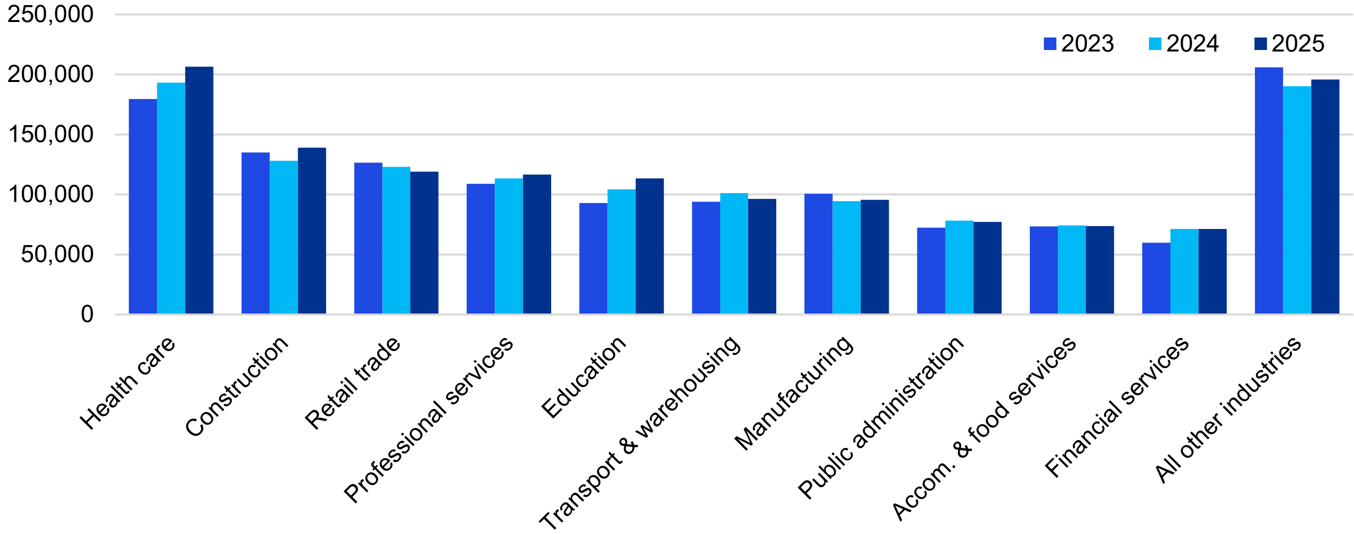
Snapshot: Western Sydney (cont.)

Employment in Professional services grew from 109,000 in 2023 to 116,650 in 2025, and Financial services saw an increase from 59,750 in 2023 to 71,275 in 2025. These patterns underscore the region's shift toward a more white-collar economy.

In population-serving industries, Retail trade saw a decline from 126,500 workers in 2023 to 119,100 in 2025, reflecting cost-of-living pressures causing households to cut back on spending. Meanwhile, Accommodation & food services employment remained stable, seeing little change between 2023 (73,500) and 2025 (73,825).

Trends were more varied in industrial and infrastructure sectors. The Construction workforce, buoyed by ongoing infrastructure projects such as the Sydney Metro West, increased from 135,000 in 2023 to 138,950 in 2025. Transport & warehousing employment decreased slightly from 94,000 in 2023 to 96,425 in 2025, while Manufacturing saw a small decline from 101,000 in 2023 to 95,500 in 2025.

Figure 74 – Industry employment structure



Source: KPMG Australia analysis of ABS Labour Force Survey

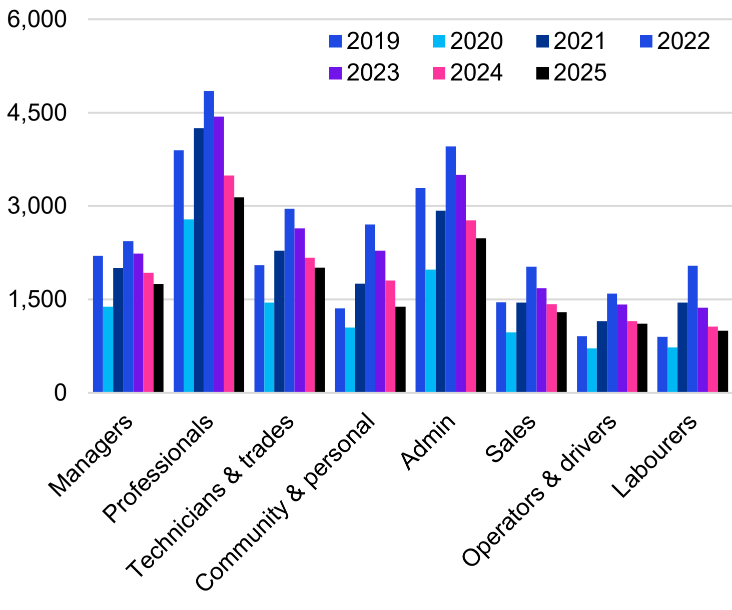
Public administration grew from 72,500 in 2023 to 77,250 in 2025, reflecting a steady demand for government services as Western Sydney's population expands and as Parramatta became a government office hub.

Internet job vacancies

In 2025, internet job ads declined across all categories in Western Sydney. Professionals, with over 3,000 job ads, represented the most common occupation, followed by administrative workers with 2,500 ads. This again highlights the increasingly white-collar nature of employment in the region.

Technicians & trades and Operators & drivers accounted for approximately 3,000 job ads combined, reflecting the industrial sector's role in Western Sydney.

Figure 75 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

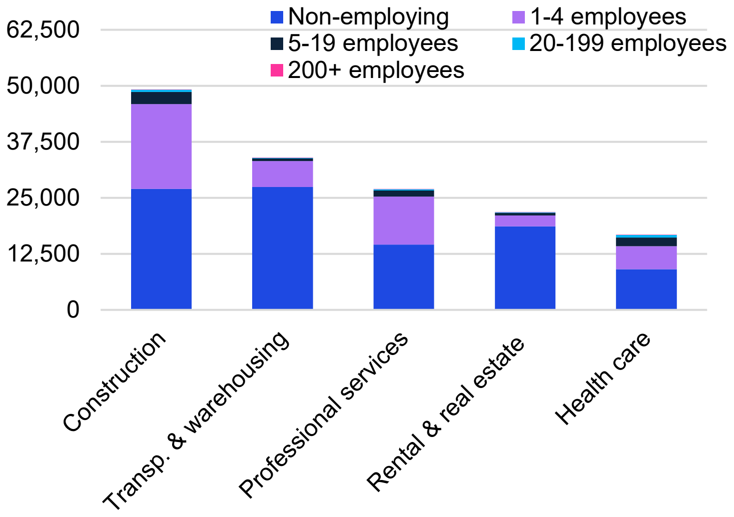
Snapshot: Western Sydney (cont.)

Western Sydney's economy is driven by key industries, with Construction, Transport & warehousing, Professional services, Real estate, and Healthcare hosting the most registered businesses.

Construction has over 27,000 non-employing businesses (which include sole traders) as well as significant activity across small and medium employers, reflecting the region's focus on housing and infrastructure projects. However, profit margins are likely to remain tight due to high costs and competition. The national gross profit margin for a construction firm is 7.3%

Transport & warehousing has 27,000 non-employing businesses and is critical to Western Sydney's logistics network. This industry may face challenges ahead, particularly from rising fuel costs.

Figure 76 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Professional services, a growing sector with over 14,000 non-employing businesses, reflects the region's transition toward white-collar work. Healthcare is also a key growth industry with over 9,000 non-employing businesses and steady demand driven by population growth.

Western Sydney's total businesses grew by 9%, from 213,647 in 2023 to 232,906 in 2025, and while the region is dominated by smaller businesses, there has also been significant growth in larger enterprises. Businesses with turnovers of $2–5 million increased from 8,619 to 10,081, while those earning $10 million+ grew from 3,417 to 3,885.

This growth highlights the ongoing development and strengthening of Western Sydney's economy as it positions itself as a second CBD of Greater Sydney.

Table 23 – Number of businesses by turnover size

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	53,717	74,692	69,778	8,619	3,275	3,417
2024	55,489	77,401	74,278	9,600	3,574	3,761
2025	57,525	79,899	77,738	10,081	3,836	3,885

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Despite a slowing national economy over the next five years, Western Sydney is expected to generate 171,000 new jobs, equating to annual employment growth of 2.5%. While still strong, this is lower than the estimated 198,000 jobs created over the past five years, when growth averaged 3.4% per year.

Population-serving industries are set to remain a key driver of growth, supported by a substantial pipeline of major projects. Developments such as the Nancy-Bird Walton Airport Terminal and adjoining business precinct, Bradfield City Centre, Parramatta Light Rail, the M12, Sydney Metro West, and the Interstate Terminal at the Moorebank Intermodal Precinct will underpin significant construction activity and generate ongoing operational employment over the coming years.

White-collar industries are also expected to continue expanding and gravitate towards Western Sydney as businesses leverage the region's increasingly skilled and growing workforce. However, constrained housing supply remains a limitation on further growth, highlighting the need to prioritise delivering affordable housing to fully realise the region's economic potential.

Snapshot: Wollongong

Wollongong's economy has evolved from being an industry-heavy city to one with a diverse blend of trades. Key sectors now include manufacturing – supported by significant investment by BlueScope Steel – along with education, healthcare, tourism, and a strategic port.

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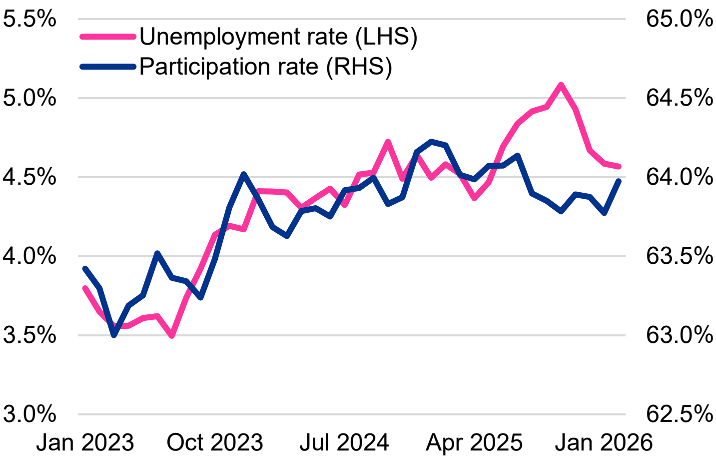
Population 331,900	**Trade exposure** Risk: lower
Employed people 166,200	**Economic diversity** Risk: below average
Unemployment rate 4.9%	**Energy intensity** Risk: lower

Figure 77 – Labour market indicators



Source: KPMG analysis of Australian Bureau of Statistics (ABS) Labour Force Survey

Overview

Wollongong ended 2025 in a solid labour market position, with an unemployment rate of 4.9%. Aside from a brief period at 5.0%, this rate has remained broadly consistent over the past two years. The city's participation rate has also been steady at around 64.0% throughout this period.

This followed an earlier phase in which Wollongong's unemployment rate was at historically low levels, generally between 3.5% and 4.5%. However, rising interest rates and cost-of-living pressures during 2022 and 2023 weighed on consumer spending and the broader economy, contributing to an increase in the unemployment rate.

Employment growth slowed to 1.2% in 2025, down from 1.6% in the previous year and well below the boom conditions experienced in 2024.

Wollongong faces relatively low risk from trade exposure and energy intensity compared with most other Enterprising Cities. Only two cities (Adelaide and Newcastle & Hunter) recorded lower levels of economic diversity risk, placing Wollongong in a relatively strong position to navigate the current economic challenges.

Population and housing

Population growth has eased to 1.0% over the past four years, though the region continues to benefit from a strong local labour market, lifecycle factors, and housing affordability relative to Sydney, which has attracted people to Wollongong.

Building approvals have been trending upwards over the past three years. In 2025 there were 7.3 approvals per 1,000 residents in Wollongong, which is above the national average of 7.0.

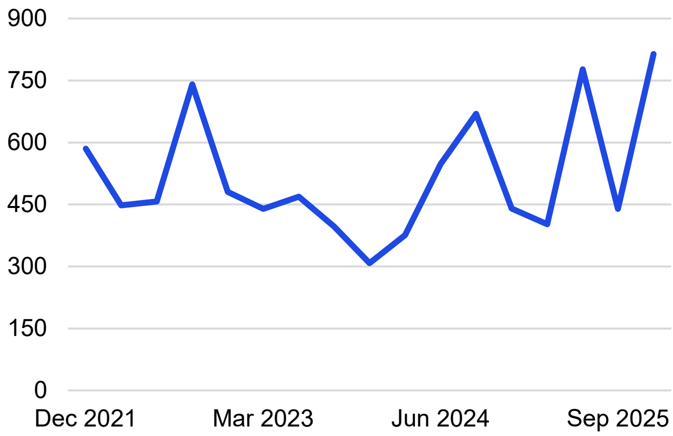
Table 24 – Summary metrics

	2021	2022	2023	2024	2025
Employment growth	1.4%	4.6%	2.8%	1.6%	1.2%
Population growth	0.7%	1.5%	1.6%	1.1%	1.0%
Dwelling approvals	2,550	2,130	1,610	2,030	2,430

Source: ABS Labour Force Survey, Building Approvals and KPMG analysis of ABS population data

Snapshot: Wollongong (cont.)

Figure 78 – Quarterly building approvals



Source: ABS Building Approvals

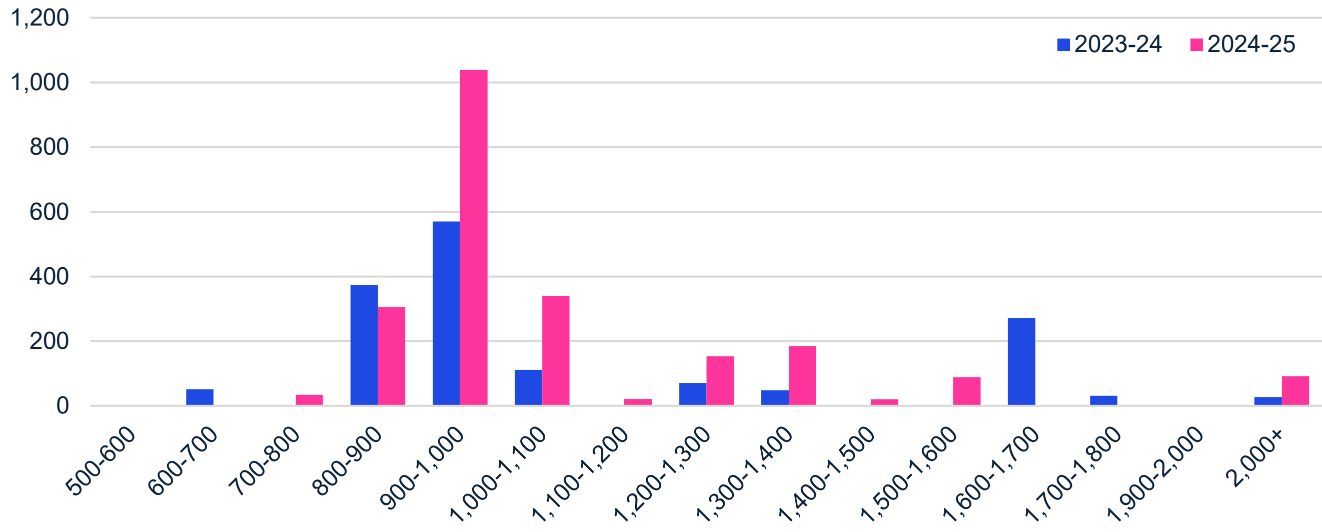
However, fluctuations driven by higher-density projects are evident, with values varying between 400 and 800 dwellings.

Between 2023–24 and 2024–25, as in most cities, rising construction costs have pushed a larger proportion of properties above the $1 million mark. The $900,000 to $1 million price range remains the most common for approvals in Wollongong, with an encouraging increase in 2024–25.

These are positive indicators for the Wollongong housing market, especially compared to other cities, but more affordable housing supply is still required.

There is very little new housing supply priced below $800,000, a more acceptable price range for many low-income workers seeking affordable options to buy or rent. Elevated construction costs continue to restrict the market, making it challenging for developers to deliver viable housing at these lower prices. Additionally, rising interest rates and the potential impact the conflict in Iran will have on input costs could place downward pressure on new housing supply in Wollongong.

Figure 79 – Building approval price point analysis



Source: KPMG analysis of ABS SA2 Building Approvals and ABS Household Balance Sheet and Residential Land data

Industry analysis

Healthcare is the largest industry in Wollongong, employing approximately 27,000 people in 2025. The growth in this industry highlights the sector's pivotal role in the regional economy, driven by growing demand for health services, aged care, and the NDIS. The sector also supports population growth by providing essential services to new residents, particularly older people seeking retirement living options along the coast. Education, Retail, and Accommodation & food services are also key service industries, further enhancing Wollongong's attractiveness to prospective residents.

The Port Kembla deep-water port supports bulk exports and import supply chains, while a defence cluster anchored by HMAS Albatross and HMAS Creswell, focusing on naval activities and defence manufacturing represent the important sovereign capabilities built and enhanced by Wollongong.

Snapshot: Wollongong (cont.)

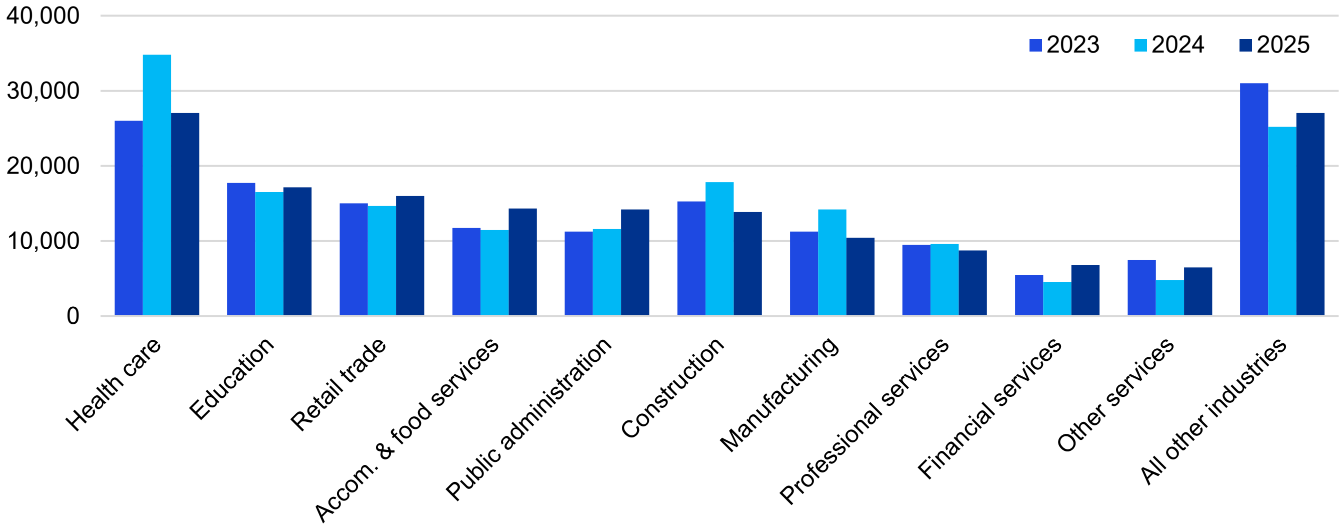
Manufacturing, with around 10,000 jobs led by BlueScope Steel, and Professional services (approximately 9,000 jobs), continue to provide important local employment opportunities and support broader economic activity.

Construction employment has averaged around 15,000 jobs over the past three years. Given the nature of construction work, the workforce is likely to be split between local projects and those commuting to Sydney projects.

Internet job vacancies

Professionals and managers were the top two occupations advertised in Wollongong job postings for 2024 and 2025. However, both saw declines over this period, with Professionals dropping from 452 to 394 (-13%) and Managers decreasing from 132 to 119 (-10%).

Figure 80 – Industry structure



Source: KPMG Australia analysis of ABS Labour Force Survey

Looking over the longer term, internet job ads for all positions in Wollongong are roughly 60% higher than 2019, highlighting continued demand for workers in the region.

The top five occupations for job ads were:

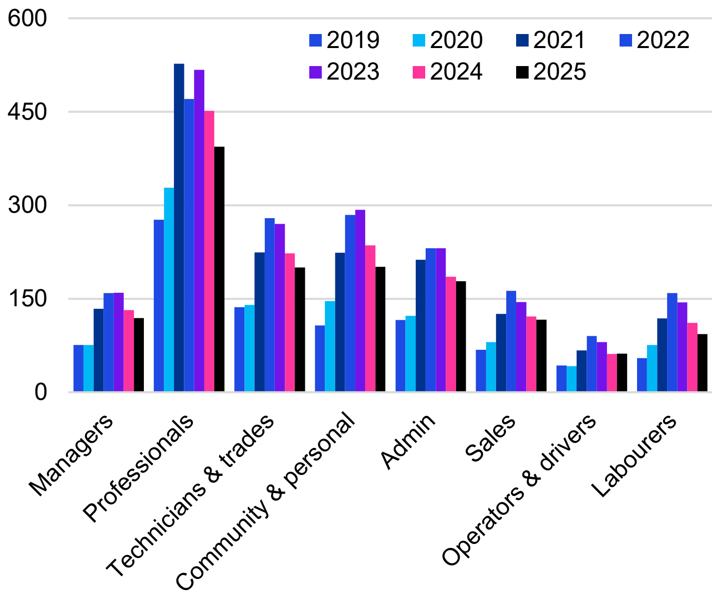
- Carers & Aides – 125
- Clerks, Call Centre, Receptionists – 104
- Legal, Social & Welfare Professionals – 98
- Medical Practitioners & Nurses – 86
- Sales Assistants & Salespersons – 81

Local business data

Wollongong's business landscape showcases its economic diversity, with sectors like Construction, Professional services, Healthcare, Real estate, and Transport & warehousing being the top five industries for local business registrations.

A significant share of businesses in these sectors are non-employing (e.g. sole traders), particularly in Construction (2,558) and Real estate (2,015).

Figure 81 – Internet job vacancies



Source: KPMG Australia analysis of Jobs & Skills Australia data

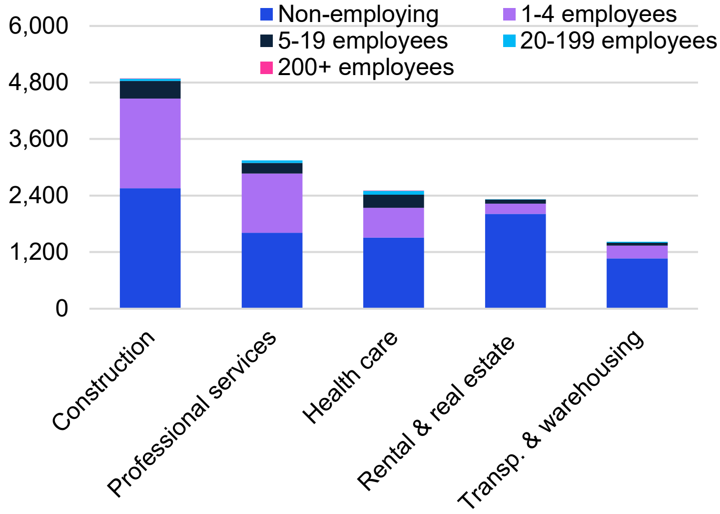
Snapshot: Wollongong (cont.)

Small businesses with 1–4 employees also play a major role, especially in Construction (1,899) and Professional services (1,253). Larger employers are less common, with only a small number of businesses having 20–199 employees.

When comparing Wollongong's industry mix with the national average gross margin data, it performs well. The largest industries, Real estate services (national average gross margin of 36.8%), Transport & warehousing (18.8%), and Professional services (12.6%) all operate above the industry-wide average margin of 10.5%. There is no data for Healthcare due to it being a heavily publicly funded industry.

Construction firms in Wollongong are likely to be operating on relatively tight margins, averaging around 7.3%, highlighting the challenges of high input costs.

Figure 82 – Business count by number of employees



Source: KPMG analysis of ABS Counts of Australian Businesses

Wollongong's total number of businesses grew by 6%, from 21,605 in 2023 to 22,907 in 2025, reflecting steady economic development in the region. While smaller businesses remain dominant, larger enterprises are showing growth. Businesses with turnovers of $2 million to $5 million rose from 937 to 1,049, and those earning $10 million+ increased from 296 to 309. This highlights the strengthening and diversification of Wollongong's economy.

Table 25 – Number of businesses by turnover size ranges

	$0–$50k	$50k–$200k	$200k–$2m	$2m–$5m	$5m–$10m	$10m+
2023	4,436	7,299	8,366	937	338	296
2024	4,487	7,429	8,736	1,045	412	297
2025	4,509	7,616	9,025	1,049	401	309

Source: KPMG analysis of Counts of Australian Businesses

Future outlook

Over the next five years, the region is well placed for steady growth, supported by industry diversification, population growth, and ongoing infrastructure investments. Wollongong is expecting 13,000 additional jobs compared to 18,000 over the past five years, which included the major post-Covid population boom.

While traditional heavy industries remain important, the region's outlook will increasingly be shaped by emerging sectors and a transition toward higher-value activities. Advanced manufacturing and clean energy present some of the strongest opportunities. Ongoing decarbonisation efforts, including green steel initiatives and renewable energy generation are expected to support investment and employment in Wollongong. These developments position the region as a key participant in the broader energy transition, with potential spillover benefits across supply chains.

BlueScope, a major landholder in the region, has plans for their landholdings in West Dapto and a master plan for 200 hectares of surplus land adjacent to its Port Kembla Steelworks, aiming to convert it into a multi-industry precinct, which will help diversify the local economy. The opening of Western Sydney Airport presents a significant opportunity for local businesses in the logistics sector of Wollongong, by improving access to international markets.

Healthcare, Education, and social assistance are also expected to be contributors to growth with continued demand for hospital, disability, and community care services, to cater for an ageing population and an influx of retirees considering migrating to Wollongong for its coastal appeal.

Appendix

City boundaries and data sources

The geographical extent of the Enterprising Cities has been defined using Australian Bureau of Statistics Area 4 (SA4) boundaries, as set out in the Australian Statistical Geography Standard (ASGS). SA4 boundaries represent labour markets – where people live and work, and the areas they travel to access services or interact socially. The SA4 used to define each Enterprising City is outlined below. It is important to note that SA4s do not always align with Local Government Area (LGA) boundaries, though they can share the same name (for example, Townsville).

City	ABS geographical boundary
Hunter	Comprises the SA4s of Hunter Valley excl. Newcastle and Newcastle & Lake Macquarie
Adelaide	Greater Adelaide
Darwin	Greater Darwin
Geelong	Geelong
Gold Coast	Gold Coast
Hobart	Greater Hobart
Perth	Greater Perth
Townsville	Townsville
Wollongong	Illawarra
Western Sydney	Comprises the SA4s of Sydney – South West, Sydney – Outer South West, Sydney – Outer West and Blue Mountains, Sydney – Baulkham Hills and Hawkesbury, Sydney – Blacktown, and Sydney – Parramatta
Canberra	Australian Capital Territory
Cairns	Cairns

Snapshot data sources

Much of this data is based on sample survey data, which contains a ‘sample error’. To mitigate any volatility, the data has been presented as a moving average or as annual data.

These metrics are based on data available in March 2026, unless otherwise specified:

- Unemployment rate, participation rate and employment growth are based on the seasonally adjusted three-month moving average of the monthly ABS Labour Force Detailed data.
- Employment industry structure and top 5 growing industries are based on annual average of quarterly ABS Labour Force Detailed data, classified by the industry division of main job.
- Internet job vacancies are based on the annual average of monthly data from the Jobs and Skills Australia Internet Vacancy Index, classified by occupational groups.[1] The index aggregates data from job advertisements lodged on SEEK, CareerOne and Workforce Australia.
- Population growth is based on the Estimated Resident Population (ERP) from the annual ABS Regional Population release.
- Private sector building approvals are based on the annual average of monthly ABS Building Approvals data. The price point analysis is supported by additional ABS data on household balance sheets and residential land values. Public sector housing is excluded.
- Business counts are based on data from the annual ABS Counts of Australian Businesses release.

Please note that in this year’s Enterprising Cities, annual jobs growth is based on the modelled labour market SA4 employment estimates, whereas in previous years it was based on the quarterly industry employment data.

[1] Internet vacancies for Western Sydney is estimated as a proportion of all advertisements in Greater Sydney, based on the share of persons who work in Western Sydney for each occupational group in the 2021 Census.

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Regional cities are driving Australia's next phase of growth, but making confident decisions in a complex economic environment requires leaders to understand local constraints as much as economic opportunity. We turn strategy into action by helping councils and mid-market organisations do exactly that.

KPMG brings together deep regional and local government experience with clear, data-led insight and practical solutions tailored to scale and community context. We help organisations see what will enable or constrain growth – from infrastructure, housing and skills to funding, governance and delivery capacity.

We help turn priorities into delivery across strategy, operations and transformation, supported by planning, funding and policy guidance to strengthen investment decisions. Our collaborative approach provides a trusted, independent perspective, helping leaders set clear priorities, manage risk and deliver sustainable, future-ready growth across regional markets.

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July 2026. 4419146058ENT.