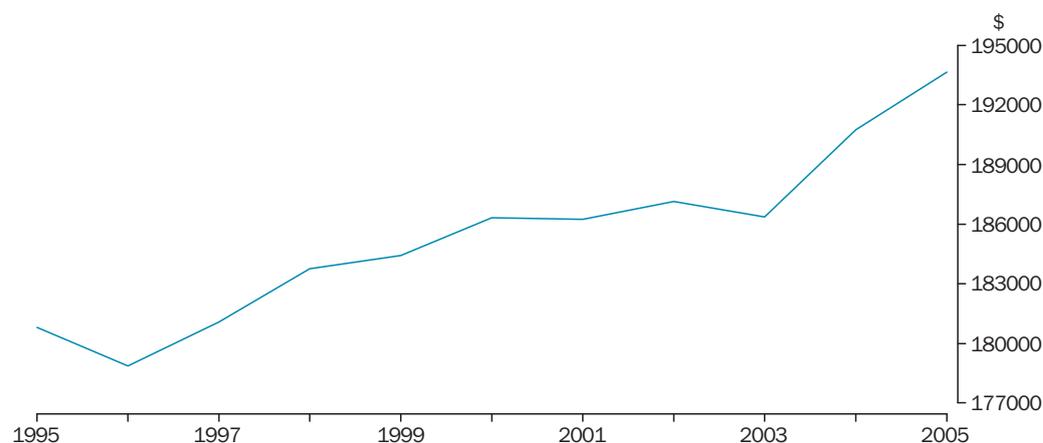


National wealth: key points

Real national net worth(a) per capita



(a) Chain volume measure; reference year 2003–04.
Source: Australian System of National Accounts.¹

Between June 1995 and June 2005, Australia's real national net worth per capita rose at an average annual rate of 0.9%. Australia's real assets per capita grew by 1.9% per year, but this was largely offset by the 6.6% annual growth in real per capita liabilities to the rest of the world. Real produced assets per capita grew by around 2.0% per year. Of the produced assets, dwellings (up by 2.2% per year), machinery and equipment (up 3.5% per year) and software (up 11.5% per year) grew most strongly, although even by 2005 software still accounted for a small proportion of total assets (in part due to falling prices).

The relationship of national wealth to progress

National wealth and national income are very closely related. Along with the skills of the work force, a nation's wealth has a major effect on its capacity to generate income. Produced assets (such as machinery and equipment) are used in income-generating economic activity. Income, in turn, provides for saving that enables the accumulation of new wealth.

About the headline indicator and its limitations: Real national net worth per capita

Real national net worth per capita – exhibits features that make it an informative indicator of national progress. It is a net measure – it shows the amount by which Australia's assets exceed its liabilities to the rest of the world. It is a per capita measure – total wealth could rise if the population grew, even though there may have been no improvement in Australians' average wealth. And it is a real measure – it is adjusted to remove the effects of price change.

But it does not take account of everything that might be regarded as valuable. For example, it excludes: consumer durables (such as refrigerators) and motor vehicles that households use to produce services for themselves; native forests and other natural assets not used for economic production; valuables held as stores of wealth, such as precious metals and stones, antiques and works of art; human capital (e.g. knowledge and skills) and social capital (e.g. social networks and trust).

National wealth: Other indicators

Real national assets and liabilities per capita; Real net capital stock per capita; Real gross fixed capital formation per capita; Economically demonstrated resources (minerals and energy) per capita; Real net foreign debt; Average household net worth.

Some differences within Australia

Wealth statistics dissected by geography are not available but household wealth statistics (which include consumer durables and motor vehicles) dissected by age groups show, not surprisingly, that wealth increases as people age, although wealth also appears to be run down to some degree after retirement.

Links to other dimensions

The buildings and infrastructure used to deliver education, health and other services are important components of wealth, as are natural assets such as land and minerals. See also the commentaries *National income*, *Economic hardship*, *Housing* and *The natural landscape*.

National wealth

Progress and the headline indicator

National wealth and national income are very closely related.

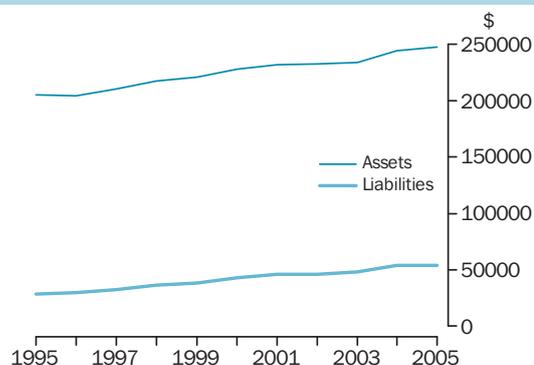
Along with the skills of the work force, a nation's wealth has a major effect on its capacity to generate income. Produced assets (such as machinery and equipment) are used in income-generating economic activity. Some natural assets (such as minerals and native timber) generate income at the time of their extraction or harvest. Holdings of financial assets with the rest of the world (such as foreign shares, deposits and loans) return income flows to Australia. Other assets, such as owner-occupied dwellings, provide consumption services direct to their owners.

Income that is saved rather than spent on current consumption allows the accumulation of wealth that will generate income and support higher levels of consumption in the future.

There are many different indicators of wealth. The headline measure – real national net worth per capita – exhibits features that make it an informative indicator of national progress.

- ◆ It is a net measure – it shows the amount by which Australia's assets exceed its liabilities to the rest of the world.
- ◆ It is a per capita measure – total wealth could rise if the population grew, even though there may have been no improvement in Australians' average wealth.
- ◆ It is a real measure – it is adjusted to remove the effects of price change. Nominal (or current price) wealth could rise during periods of asset-price inflation, even though there may have been no increase in the volume of tangible assets or no increase in capacity to generate future real income.

Real national assets and liabilities(a) per capita



(a) Chain volume measures; reference year 2003–04.
Source: Australian System of National Accounts.¹

Estimating wealth

Estimates of assets and liabilities are shown in the national balance sheet which forms part of the *Australian System of National Accounts*. For an asset to appear in the balance sheet, some person or institution must be able to enforce ownership rights over it; also, it must be possible for the owner of the asset to derive economic benefit from holding or using it. Assets include:

- ◆ Dwellings, other buildings, machinery, inventories, plantation forests and so on ('produced non-financial assets').
- ◆ Land, native forests and minerals that are used for economic purposes ('non-produced non-financial assets').
- ◆ Currency, shares, loans and other securities ('financial assets').

Australia's liabilities to the rest of the world include borrowings from overseas and foreign holdings of Australian currency, shares and other securities.

In principle, all assets and liabilities appear in the balance sheet at market value; in practice, owing to data limitations, a variety of approximations and estimating procedures must be used.

The headline indicator includes a wide range of items, but it does not take account of everything that might be regarded as valuable. For example, it excludes:

- ◆ Consumer durables (such as refrigerators) and motor vehicles that households use to produce services for themselves.
- ◆ Native forests and other natural assets not used for economic production.
- ◆ Valuables held as stores of wealth, such as precious metals and stones, antiques and works of art.
- ◆ Human capital, such as the stock of knowledge and skills embodied in the Australian population.
- ◆ Social capital, which refers to the networks, shared norms, values and understandings which facilitate cooperation within and among groups.

Although these items are not built into the headline wealth measure, other commentaries (such as those for the *Biodiversity*, *Oceans and estuaries* and *Education and training* dimensions of progress) provide information about some of them.

In this commentary, the terms net worth and wealth are used interchangeably.

Real national assets and liabilities per capita

Changes in Australia's net worth are the net result of changes in assets and liabilities. Between June 1995 and June 2005, Australia's real net worth per capita rose at an average annual rate of 0.9%. Australia's real assets per capita grew by 1.9% per year, but this was largely offset by the 6.6% annual growth in real per capita liabilities to the rest of the world. Nevertheless, in June 2005 the value of assets was around five times that of liabilities.¹

Between 1995 and 2005, real produced assets per capita grew by around 2.0% per year. Of the produced assets, dwellings showed fairly strong

What assets do Australians own?

The composition of Australia's total assets has been fairly stable during the past decade. There has been a modest decline in the relative importance of produced assets, and increases in the importance of non-produced and financial assets.

At 30 June 2005, significant assets included:

- ◆ land (32% of the total, down from 39% in 1995) and subsoil assets (6%, up marginally from 1995)
- ◆ dwellings (20%, up marginally from 1995) and non-dwelling construction (19%, down from 21%)
- ◆ machinery and equipment (8%), up marginally from 1995
- ◆ financial assets with the rest of the world (12%, up from 6%).

growth (up by more than 2% per year). Computer software grew by 11.5% a year, although even by 2005 software still accounted for a small proportion of total assets (in part due to falling prices).

Non-produced assets (such as land, mineral resources and native forests) are largely the result of natural endowment, although exploration and development have increased the economic value of these assets. Real non-produced assets per capita fell slightly (0.4% a year) between 1995 and 2005.

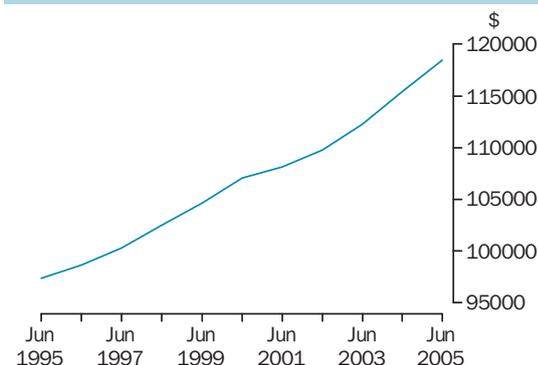
Australia's financial assets with the rest of the world more than doubled in real per capita terms between 1995 and 2005 (up by 9.4% per year). Shares and other equity showed particularly strong growth. Australia's per capita liabilities to the rest of the world rose by 6.6% per year between 1995 and 2005. Again, shares and other equity showed strong growth.

Major assets and liabilities(a) per capita

	At 30 June 1995	At 30 June 2005	Average annual growth rate
	\$	\$	%
Produced assets	101 269	123 647	2.0
Non-produced assets	98 159	94 641	-0.4
Total non-financial assets	196 517	218 288	1.1
Financial assets with ROW(b)	12 013	29 617	9.4
Total assets	205 160	247 899	1.9
Total liabilities to ROW(b)	28 625	54 240	6.6
Net worth	180 807	193 665	0.7

(a) In real/volume terms; reference year 2003–2004. Components may not sum to totals. (b) ROW = rest of the world. Source: Australian System of National Accounts.¹

Real net capital stock(a) per capita



(a) Volume measure; reference year 2003–2004. Source: Australian System of National Accounts.¹

Assets used in production – produced capital

Machinery, buildings and some other fixed assets are inputs to the production of goods and services, and are an important repository of national wealth. Australia's stock of these assets has been growing for many years, although in recent times this growth has been slower than the other components of assets. Real net capital stock, that is the net present values of the future capital services to be provided by these assets, grew on average by 2.0% per year on a per capita basis between June 1995 and June 2005. In both June 2005 and 1995, fixed assets accounted for 47% of the total value of Australia's assets.¹

The increase in capital stock has in turn led to an increase in capital services used per unit of labour input (a process known as 'capital deepening'). During the past decade, Australia's capital-labour ratio rose by 34% (or just under 3% per year). This has contributed to an increase in labour productivity.

The growth of a nation's net capital stock depends on the relative pace of two offsetting factors – investments (or 'capital formation') which increase

Real net capital stock(a) per capita

	30 June 1995	30 June 2005	Average annual growth rate
	\$	\$	%
Dwellings	39 254	48 828	2.2
Other buildings and structures	42 816	47 080	1.0
Machinery and equipment	13 444	19 040	3.5
Software	585	1 746	11.5
Other assets	2 029	1 768	-1.4
All assets	97 415	118 462	2.0

(a) Volume measures; reference year 2003–04. Components may not sum to totals. Source: Australian System of National Accounts.¹

Measuring Australia's capital stock

Broadly, economic statisticians have adopted two approaches to measuring a nation's stock of capital – direct measurement and the perpetual inventory method (PIM). Direct measurement involves surveying the owners of capital to ascertain the values of their machines, buildings and so on. Australian estimates are based on the PIM, which involves compiling a 'rolling inventory' of the capital stock based on historical data about investment flows. In a given year, investments in capital assets are added to the stock, and retirements of assets are deducted from the stock.

Several different measures of capital stock can be derived using the PIM. 'Net capital stock' is the most appropriate measure when one is analysing the nation's wealth. It has been adjusted downwards using estimates of depreciation as well as retirements. 'Productive capital stock' is the most appropriate measure when analysing production and productivity.

Real net capital stock(a), by industry

	30 June 1995	30 June 2005	Average growth rate p.a.
	\$million	\$million	%
Agriculture, forestry and fishing	62 451	69 135	1.0
Mining	106 252	159 356	4.1
Manufacturing	92 308	121 054	2.7
Electricity, gas and water supply	110 163	134 027	2.0
Construction	23 943	29 906	2.2
Wholesale trade	37 670	46 280	2.1
Retail trade	33 771	50 555	4.1
Accommodation, cafes and restaurants	32 848	49 359	4.2
Transport and storage	148 692	184 599	2.2
Communication services	41 614	69 618	5.3
Finance and insurance	69 273	87 664	2.4
Property and business services	79 639	140 462	5.8
Government admin and defence	61 579	67 745	1.0
Education	72 121	88 248	2.0
Health and community services	51 697	69 103	2.9
Cultural and recreational services	12 254	25 405	7.6
Personal and other services	14 168	22 887	4.9
Ownership of dwellings	709 390	992 494	3.4
All industries	1 538 027	1 937 187	2.3

(a) Volume measures; reference year 2003–04. Components may not sum to totals.

Source: Australian System of National Accounts.¹

the stock, and retirements and depreciation which reduce it. Investments significantly outstripped retirements and depreciation during the 1990s.

Diverse trends may underlie the aggregate growth pattern, such as shifts in the composition of economic activity toward industries that are more or less capital intensive, or more or less rapid capital deepening in individual industries. Technological changes – for example, the recent rapidly increasing importance of computer and communications hardware and software – have been a major driver of such trends.

Between 1995 and 2005, the types of capital showing the most rapid growth were dwellings (up 2.2% per year), machinery and equipment (up 3.5% per year) and software (up 11.5% per year).

Between 1995 and 2005, the industries showing the most rapid growth in net capital stock were Cultural and recreational services (up 7.6% per year), Property and business services (up 5.8% per year) and Communication services (up 5.3% per year).

Capital formation

Capital formation (commonly termed 'investment') is the process of creating produced assets – such as machinery and buildings – that can be used for the production of goods and services. Capital formation is a key influence on Australia's capacity to generate income in the future.

Gross fixed capital formation is the value of acquisitions less disposals of new or existing fixed assets. The measure is 'gross' because it has not been adjusted for depreciation (the consumption of fixed assets during the production process). (See box.)

Australia experienced a recession in the late 1980s and early 1990s. During this period capital formation fell. However, it recovered in 1992–93 and continued to increase through the remainder of the decade. Between 1994–95 and 2004–05 gross fixed capital formation per capita rose by 4.5% per year on average.

Capital formation is undertaken by all domestic sectors: general government, public corporations and the private sector, which comprises private corporations and the household sector. The private

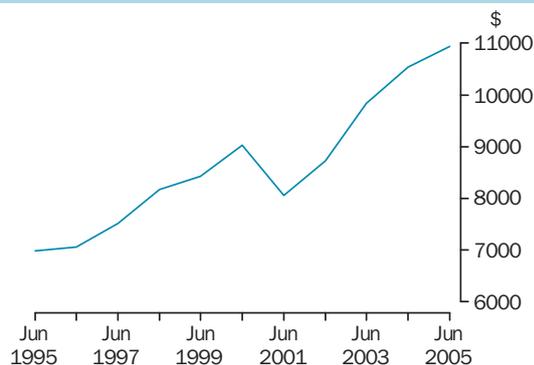
Gross versus net capital formation

The indicator here is a gross measure of capital formation, before deduction of depreciation (called 'consumption of fixed capital' in the Australian System of National Accounts). Net capital formation is derived by deducting depreciation from the gross measure.

During the years 1994–95 to 2004–05 depreciation was equivalent to around 59%–71% of gross capital formation.

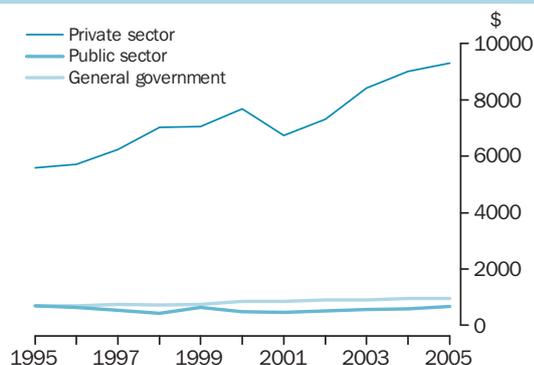
A gross measure is most suitable when one is analysing investment as a component of aggregate expenditure; a net measure is most suitable when one is analysing increases in the total stock of capital.

Real gross fixed capital formation(a) per capita



(a) Volume measure; reference year 2003–04. Source: Australian System of National Accounts.¹

Real gross fixed capital formation(a) per capita by sector



(a) Volume measures; reference year 2003–04. Source: Australian System of National Accounts.¹

sector consistently contributed most to overall capital formation during the past decade.

After an initial decrease in the early 1990s, private sector investment recovered and grew by 67% from 1994–95 to 2004–05. The private sector's contribution to overall gross fixed capital formation rose from around 80% in 1994–95 to just over 85% in 2004–05. Government and public corporations made a smaller contribution to total real gross fixed capital formation per capita. Government investment accounted for about 9% of the total investment figure in 2004–05, while public corporations accounted for about 6%.

Within private gross fixed capital formation, there was strong growth during the decade in investment in dwellings (up 24% in real per capita terms between 1994–95 and 2004–05). Investment in machinery and equipment also grew appreciably. By 2004–05, machinery and equipment accounted for about 35% of total private capital formation, compared to 26% a decade earlier. Purchases of information technology (including computer hardware and software) are among the fastest growing components, although this category still

Private real gross fixed capital formation per capita(a) by type of asset

	1994–95		2004–05		Average annual change
	\$		\$		%
Dwellings	2 249	2 790			2.2
Non-dwelling construction	1 074	1 919			6.0
Machinery & equipment	1 470	3 234			8.2
Livestock	134	133			-0.1
Intangible fixed assets	241	569			9.0
Ownership transfer costs	666	667			0.0
Total	5 580	9 312			5.3

(a) Volume measures; reference year 2003–04. Components may not sum to totals. Source: Australian System of National Accounts.¹

accounts for only a small proportion of total capital formation, in part due to falling prices.

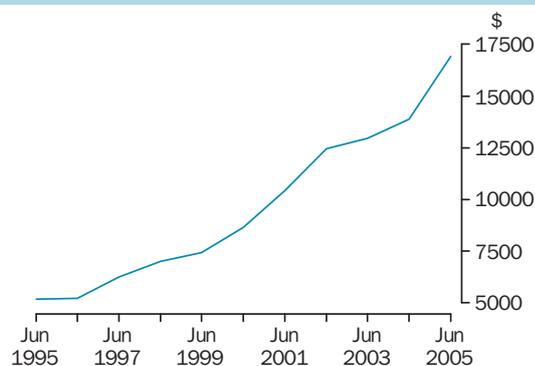
Non-produced assets – mineral and energy resources

Australia has many types of natural assets. Air, water, soil, and biodiversity resources are discussed in other commentaries. Subsoil assets, discussed below, are of major economic significance.

In recent years, there has been continued growth in Australia's known mineral resources, or economically demonstrated resources (EDR) (see box). The net present value of Australia's EDR per capita grew on average by around 12.5% a year between June 1995 and June 2005. After adjusting for the effects of price change, the real per capita value of Australia's subsoil assets grew by 9.8% per year on average over the same period.

The growth of a nation's stock of subsoil assets broadly depends on the relative pace of two offsetting influences – discoveries which increase

Economically demonstrated resources(a) per capita



(a) Minerals and energy, net present value of economically demonstrated resources. Source: Australian System of National Accounts.¹

Measuring Australia's mineral and energy resources

Estimating a nation's subsoil assets (such as coal, iron ore and so on) is a complex task. The size and value of such assets can be affected by technological change (which impinges on both exploration and extraction activities), by changes in prices (which can affect whether extraction is economically worthwhile) and by other influences.

The ABS uses the Bureau of Resource Sciences' term 'economically demonstrated resources' (EDR) to embody these concepts. EDR refers to subsoil assets 'with a very high degree of geological assurance and for which extraction is expected to be profitable over the life of the mine'.

Estimating the value of EDR requires a complex calculation of the present value of the income stream likely to flow from the asset. That income stream in turn depends on information about such factors as the value of annual output, production costs, and the expected life of the mine. Changes in EDR must be interpreted with care. For some resources, mining companies search for and 'prove' (confirm the physical extent and value of) just enough mineral deposit to support a certain number of years of future extraction.

the stock, and extractions which reduce it. The former significantly outstripped the latter during the 1990s, as was the case for most of the 20th century. But because the value of subsoil assets is defined in terms of EDR (see box), other influences come into play. There might, for example, be a marked rise in the world price for a mineral or a technological innovation that makes it economic to extract a known deposit that was hitherto uneconomic.

In 2005 Australia's economically demonstrated resources of zinc, lead, nickel, mineral sands (rutile and zircon), tantalum and uranium remain the world's largest, while bauxite, black coal, brown coal, copper, gold, iron ore, ilmenite, lithium, manganese ore, niobium, silver and industrial diamond rank in the top six worldwide.⁴

Among the minerals showing strongest annual growth in net present value of EDR in current price terms between 1995 and 2005 were naturally occurring LPG (up 19.3%), black coal (up 19.1%) and iron ore (up 16.6%).

External liabilities – foreign debt

In recent years, Australia's debt to the rest of the world has increased. Real net foreign debt grew on average by 6.4% per year between June 1995 and June 2005.²

The growth in a country's foreign debt can reflect several related influences. The value of its imports and other current payments to foreigners may outstrip the value of its exports and other current receipts from foreigners – if so, the nation experiences a deficit on its current account which must be funded.

An alternative view is that the saving of a country's residents may be outstripped by its needs for investment – i.e. the country experiences a shortfall in saving. Current account deficits and

Economically demonstrated resources(a) per capita by mineral

	30 June 1995	30 June 2005	Average annual growth rate
	\$	\$	%
Bauxite	195	234	1.9
Black coal	710	4 086	19.1
Copper	285	1 313	16.5
Iron ore	290	1 345	16.6
Magnesite	59	58	-0.2
Mineral sands	76	297	14.7
Nickel	140	1 117	23.1
Petroleum – crude oil	949	1 719	6.1
Petroleum – natural gas	1 736	4 070	8.9
Petroleum – condensate	239	928	14.5
LPG naturally occurring	95	554	19.3
Uranium	85	162	6.7
Zinc	121	268	8.3
Other minerals	205	700	13.1
All minerals	5 185	16 851	12.5

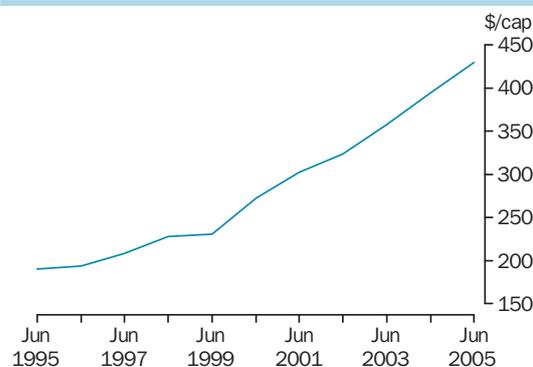
(a) Minerals and energy, net present value of economically demonstrated resources.

Source: Australian System of National Accounts.¹

saving shortfalls are conceptually the same phenomenon; they may be financed by, say, selling equity in enterprises to residents of other countries, or by borrowing from residents of other countries, or by running down financial assets held abroad.

Foreign holdings of Australian equity and debt were both rising through much of the 20th century.² Australia must pay income (profits or dividends and interest) on both forms of liability to foreign residents. However, if by incurring those

Real net foreign debt(a)



(a) To convert net foreign debt to real terms, the current-price figure has been divided by the implicit price deflator for domestic final demand. Reference year is 2003–04.

Source: Balance of Payments and International Investment Position.²

Real net foreign debt(a) by sector

	30 June 1995	30 June 2005	Average annual growth rate
	\$b	\$b	%
General government	32.8	22.1	-3.9
Other public sector	50.0	-15.0	. .
Private financial corporations	83.8	327.5	14.6
Private non-financial corporations	59.5	86.0	3.8
Australia	226.1	420.7	6.4

(a) To convert net foreign debt to real terms, the current-price figure has been divided by the implicit price deflator for domestic final demand. Reference year is 2003–04.

Source: *Balance of Payments and International Investment Position*.²

liabilities Australia has been able to acquire capital or other assets that enhance its productive capacity and income-generating potential, then the increased liabilities may not, on balance, have a deleterious impact on progress.

The public sector and private sector components of foreign debt showed markedly different trends during the past decade.

The real net foreign debt of the public sector fell from \$82.8b in June 1995 to a low of \$5.1b in June 2004. As at June 2005 it was slightly higher at \$7.2b.

The real net foreign debt of the private sector has risen continually throughout the last ten years to reach \$413.5b in June 2005.

Some differences within Australia

In 2003–04 the 20% of households with the least wealth accounted for only 1% of total household

Australia's net foreign debt

Australia's net foreign debt is the net outcome of:

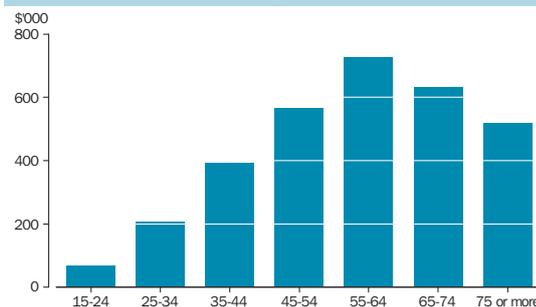
- ◆ Australian liabilities to overseas (\$709b in current-price terms at 30 June 2005).
- ◆ Foreign liabilities to Australia (\$279b in current-price terms at 30 June 2005).

Debt liabilities can be held by the public sector (for example, Commonwealth, state and local government, the Reserve Bank and other public sector corporations) and the private sector (for example, private financial and non-financial corporations).

Australia's capacity to service its foreign debt

Australia must pay interest on its foreign debt. The debt servicing ratio is a commonly used measure of a country's capacity to pay the costs associated with debt. It is calculated by dividing export earnings (goods and services credits) into the net interest payments (income accrued and payable on net foreign debt). During the past decade, Australia's debt servicing ratio has improved from 12.3% in 1994–95 to 9.4% in 2004–05.

Mean household net worth by age of household reference person – 2003–04



Source: ABS Survey of Income and Housing, 2003–04.

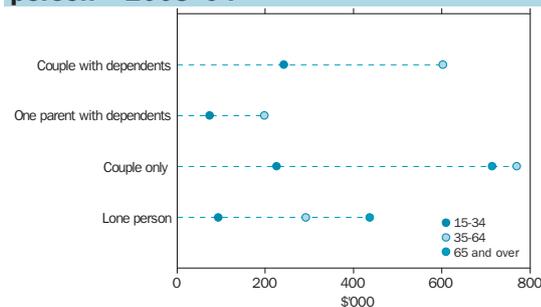
net worth or wealth, with an average net worth of \$23,000 per household. The share of net worth of the wealthiest 20% of households in Australia accounted for 59% of total household net worth, with average net worth of a little under \$1.4 million per household.

The distribution of wealth between households is closely associated with age, reflecting the common pattern of people gradually accumulating wealth throughout their working life and then drawing upon this wealth in retirement. In 2003–04, average household net worth peaked in the 55–64 age group, at \$728,000. This was four times the average net worth of households in the under 35 age group.

The distribution of wealth also varies across household types. The graph shows that lone persons and one parent households with dependents have substantially lower average wealth than couple households with a reference person in the corresponding age groups.

There are large differences in average household wealth between the states and territories. In 2003–04, New South Wales had an average net worth of \$563,000 per household, compared to \$325,000 per household in Tasmania and an Australian average of \$468,000.

Mean household net worth, selected household type by age of reference person – 2003–04



Source: ABS Survey of Income and Housing, 2003–04.

Mean value of selected household assets and liabilities by age

Assets and liabilities type	Age of household reference person (years)			Total
	Less than 35	35–64	65 or more	
	\$'000	\$'000	\$'000	\$'000
Value of accounts held with financial institutions	6.7	18.9	43.6	21.1
Superannuation	23.3	85.7	44.4	63.5
Other financial assets	10.3	60.1	75.3	51.9
Total financial assets	40.3	164.7	163.3	136.5
Estimated sale price of dwelling	133.6	281.4	285.5	249.0
Value of other property	35.9	86.1	65.8	70.8
Value of contents of own dwelling	36.4	52.2	45.9	47.4
Other non-financial assets	21.2	39.6	29.1	33.4
Total non-financial assets	227.1	459.3	426.2	400.6
Total assets	267.4	624.1	589.6	537.1
Principal outstanding on loans for own dwelling	59.8	45.6	1.5	40.0
Other liabilities	28.3	37.4	7.6	29.4
Total liabilities	88.1	83.1	9.0	69.4
Net worth of household	179.3	541.0	580.5	467.6

Source: ABS Survey of Income and Housing, 2003–04

In 2003–04 ownership of one's own home and value of other property were the most significant household assets in Australia, representing 53% and 15% respectively of total wealth held by households; superannuation and the value of contents of the dwelling followed in importance with 14% and 10% respectively.

As discussed above, the level of average household wealth is strongly related to the age of the household. The age of household members is also reflected in the composition of household wealth. For older households, the value of shares and trusts had relatively greater importance in

household net worth. Older households (those with a reference person aged 65 or over) also showed a large decrease in their superannuation funds and an increase in the value of their accounts held in financial institutions. This can be the result of retirees receiving a lump sum payment from their superannuation funds by the age of 65 and then transferring it to their bank accounts or other financial institutions. Total liabilities tend to be lower in older households as they have paid off most debts, especially those relating to mortgages.

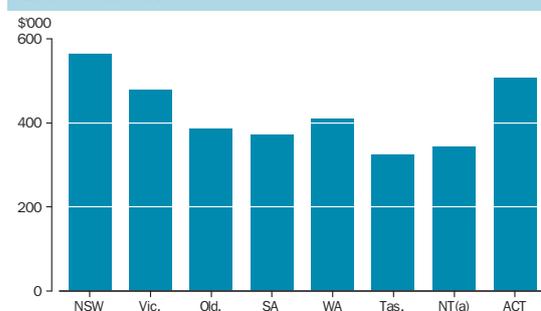
Factors influencing change

The growth in a nation's wealth is the outcome of a wide variety of influences. Broadly, changes in real wealth reflect both accumulations of past saving or dissaving and changes in the prices of assets and liabilities.

The economic cycle has a significant impact on the investment activity of a nation, which in turn, can affect its population's ability to accumulate wealth. The Australian economy's strong growth following the recession in the early part of the 1990s underpinned the increase in gross fixed capital formation in the 1990s and early 2000s.

Changes in technology, especially in information technology, have also influenced the increase in investment activity. For example, the computerisation of many manufacturing systems and processes may have driven increases in investment in machinery and equipment.

Mean net worth of households by states and territories



(a) Households in collection districts defined as very remote or Indigenous communities were excluded, accounting for about 23% of the population of the Northern Territory.

Source: ABS Survey of Income and Housing, 2003–04

Links to other dimensions of progress

The connections between wealth and income are discussed above and in the income commentary, and the link between wealth and economic hardship is discussed in that commentary.

The buildings and infrastructure used to deliver education, health and other services are important components of wealth, as are natural assets such as land and minerals.

See also the commentaries *National income*, *Productivity*, *Economic hardship* and *The natural landscape*.

Endnotes

- 1 Unless otherwise indicated, all data in this commentary are derived from Australian Bureau of Statistics, 2005, *Australian System of National Accounts 2004–05*, cat. no. 5204.0, ABS, Canberra.
- 2 All data in this segment is derived from Australian Bureau of Statistics 2005, *Balance of Payments and International Investment Position, Australia*, cat. no. 5302.0, ABS, Canberra.
- 3 Working papers in Econometrics and Applied Statistics, Australian Bureau of Statistics September 2002, *Experimental Estimates of the Distribution of Household Wealth, Australia, 1994–2000*, cat. no. 1351.0, ABS, Canberra.
- 4 Geoscience Australia 2005, *Australia's Identified Mineral Resources 2005*
<http://www.ga.gov.au/minerals/exploration/resources_advice/AIMR2005.jsp> last viewed 21 April 2006.