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For further information contact:
Centre for Population and Urban Research
P.O. Box 11A
Monash University
Clayton, Victoria, 3800
Australia.
Phone: 61 3 9905 2965
Fax: 61 3 9905 2993
peopleandplace@arts.monash.edu.au

HOW GAY IS AUSTRALIA?

■ Bob Birrell and Virginia Rapson

How many same sex couples are there in Australia? Recent press reports deriving from a study of Australia's regions indicated that the proportion of such couples to all couples was higher in Melbourne than Sydney and higher in both these cities than in San Francisco. The reverse is actually the case. The reasons for the confusion and the relevance of same-sex couples for regional planning are explored in this article.

In October 2002 the Australian Local Government Association released the annual report on the State of the Regions prepared by National Economics.¹ It generated more publicity than is normally expected from such tomes. One of the Report's central themes was that if regional areas in Australia are to do better in the knowledge economy they need to create a favourable environment for the 'creative class'. A key indicator of this environment was said to be the proportion of gay couples in a locality. The Report offered an index which measured the gay presence. This was a 'Diversity Index' which was derived from the work of Richard Florida, a Professor at the Carnegie-Mellon University in Pittsburg.² Florida's much discussed book, *The Rise of the Creative Class*, has created quite a stir in regional planning circles. National Economics conversion to Florida's perspective is just one indicator of its influence. The press were set alight on the occasion of the release of the 2002 *State of the Regions* report by the surprising information that parts of Australia were claimed to be doing even better on the diversity index than San Francisco. *The Age*, in its front page treatment of the story, indicated that:

The report, from respected researcher National Economics, has found that Melbourne has a higher proportion of same-sex couples than Sydney and San Francisco.³

This was indeed headline news. Melbourne was ahead, not just of Sydney, but of San Francisco as well! And allegedly it was good news for Melbourne's prospects in the new economy.

The problem with this story is that it is not true. Melbourne has a lower proportion of same-sex couples than Sydney, and both Melbourne and Sydney are well below San Francisco on this indicator. This assertion is based on unpublished data purchased by the Centre for Population and Urban Research from the Australian Bureau of Statistics (ABS) 2001 Census and from data published by Gay Demographics⁴ from the year 2000 United States Census data.

We first report the relevant data and try to clear up how incorrect information was generated in the first place. Then some of the interpretive issues relating to use of the 'diversity index' in regional planning are examined.

HOW MANY GAY COUPLES?

Table 1 details some indicators of the presence of same sex couples in selected locations in Australia in 2001. For the purposes of the 2001 (and 1996) Census, the ABS defined a same-sex couple as:

Two persons of the same sex who report a de facto partnership in the relationship question, and who are usually resident in the same household.

Table 1: Number of persons in same-sex couples, percentage of population and percentage of all persons in couples who are in same sex couples, Australia, 2001

Usual Residence 2001	Persons who are in same sex couples			Persons in same sex couples as per cent of total population			Persons in same sex couples as per cent of all persons in couples **
	Male	Female	Total	Male *	Female	Total	
Inner Melbourne SSD	2,082	691	2,773	0.87	0.29	1.16	3.63
Banyule/Darebin	361	623	984	0.15	0.26	0.41	0.98
Rest of Melbourne	2,252	2,196	4,448	0.08	0.08	0.15	0.35
Melbourne	4,695	3,510	8,205	0.14	0.10	0.24	0.57
Greater Geelong City Part A SSD	48	87	135	0.03	0.06	0.09	0.21
Greater Bendigo Part A SSD	25	28	53	0.03	0.04	0.07	0.17
Ballarat City SSD	24	50	74	0.03	0.06	0.09	0.23
East Central Highlands SSD	76	91	167	0.20	0.24	0.44	0.98
North Loddon SSD	27	67	94	0.06	0.14	0.20	0.44
Rest of Vic	319	398	717	0.04	0.04	0.08	0.18
Victoria	5,214	4,231	9,445	0.11	0.09	0.20	0.47
Inner Sydney SSD	4,534	1,883	6,417	1.59	0.66	2.24	6.66
Eastern Suburbs SSD	967	458	1,425	0.42	0.20	0.62	1.68
Inner Western Sydney SSD	319	337	656	0.20	0.22	0.42	1.01
Lower Northern Sydney SSD	568	277	845	0.21	0.10	0.31	0.73
Rest of Sydney	1,971	2,155	4,126	0.07	0.07	0.14	0.32
Sydney	8,359	5,110	13,469	0.21	0.13	0.34	0.81
Bathurst Orange SSD	20	35	55	0.03	0.05	0.08	0.19
Albury SSD	22	32	54	0.04	0.06	0.11	0.27
Richmond Tweed SD excl Tweed Heads SSD	150	191	341	0.09	0.12	0.21	0.51
Newcastle SSD	302	422	724	0.06	0.09	0.15	0.35
Wollongong SSD	143	203	346	0.06	0.08	0.13	0.30
Rest of NSW	503	719	1,222	0.04	0.06	0.09	0.22
NSW (excl Tweed Heads)	9,499	6,712	16,211	0.15	0.11	0.26	0.61
Brisbane SD	1,632	1,522	3,154	0.10	0.09	0.20	0.46
Sunshine Coast SSD	104	93	197	0.06	0.05	0.11	0.25
Gold Coast SSD & Tweed Heads SSD	388	274	662	0.10	0.07	0.16	0.38
Cairns City SSD	165	81	246	0.15	0.07	0.23	0.58
Rest of Qld	419	487	906	0.03	0.04	0.07	0.17
Queensland (plus Tweed Heads SSD)	2,708	2,457	5,165	0.08	0.07	0.15	0.34
Adelaide SD	932	1,068	2,000	0.09	0.10	0.19	0.43
Rest of SA	130	169	299	0.03	0.04	0.08	0.17
Perth SD	1,259	1,164	2,423	0.09	0.09	0.18	0.42
Rest of WA	166	232	398	0.03	0.05	0.08	0.19
Tasmania	272	275	547	0.06	0.06	0.12	0.27
ACT	411	570	981	0.13	0.18	0.32	0.76
Rest of Australia	120	185	305	0.06	0.10	0.16	0.45
Australia	20,711	17,063	37,774	0.11	0.09	0.20	0.47

Source: ABS, 2001 Census: persons in same-sex couples from customised table; total population from Selected Social and Housing Characteristics, Australia, 2001, Cat. No. 2015.0, 2002

Shaded areas denote localities with higher levels than the national percentage.

* This column would be used to calculate the Gay Index according to Florida's definition.

** This column would be used to calculate the Diversity Index according to National Economics' definition.

This means that a same-sex couple relationship was assumed where at least one of two persons of the same sex living in a household indicated on their Census form that they were in de facto partnership. Thus they did not have to declare that they were gay or lesbian partners. This was deduced by the ABS from the information that they were in a de facto relationship and that they were of the same sex. While this mode of enumerating gay couples does not seem to be intrusive or threatening, only 37,774 persons met the criteria. These persons constituted only 0.47 per cent of all couples in Australia and only 0.25 of the total population. Nevertheless, the numbers are double those reported in 1996, when only 19,584 persons indicated that they were living in same sex couple relationships.⁵

The distribution of same-sex couples is what might be expected. By far the highest concentrations are in the Statistical Sub-Divisions (SSD) of Inner Sydney and Inner Melbourne (which includes the inner-city areas of Melbourne, St Kilda and Prahran). Contrary to the headlines, the share of same-sex couples to all couples in the Statistical Division of Melbourne, at 0.57 per cent is only marginally above that of all Australia (0.47 per cent). Sydney is somewhat higher at 0.81 per cent — fractionally more than the ACT. Outside of the Melbourne/Sydney/Canberra triangle, none of the areas listed show any significant concentrations except the East Central Highlands SSD in Victoria. This latter area includes the Hepburn/Daylesford region, which lives up to the recent popular reputation it has gained as a centre of gay couples.

None of this is very exciting. The numbers of same-sex couples are tiny, despite advice from gay and lesbian organisations that people should note their de facto relationship on the Census form.

Nevertheless, any realistic estimate of the significance and presence of gay persons would require information on the sexual orientation of individual persons. This information was not available from Census sources in either Australia or the US.

The publicity value of data on gay couples lay in the comparisons between Melbourne, Sydney and San Francisco, allegedly the capital of the gay world. Table 2 provides comparable data for selected locations in the United States. The United States Census Bureau used a similar method to the ABS in identifying same-sex couples. As in Australia, if persons of the same sex who were living together indicated that they were partners they were recorded as gay couples.

The table shows that San Francisco is justifiably regarded as the pre-eminent gay centre of America. If the narrower jurisdiction of the city (incorporated place) is chosen, the proportion of same sex couples to all couples in 2000 reaches 6.91 per cent. In the entire San Francisco-Oakland-San Jose metropolitan statistical area the percentage of gay couples is 2.04 per cent. These figures are well above the comparable rates for Sydney (0.8 per cent) and Melbourne (0.6 per cent). The percentage of same sex couples for the whole of the United States is 0.99 per cent (double the Australian level of 0.47 per cent).

WHY THE CONFUSION ABOUT THE LEVEL OF SAME-SEX COUPLES?

Florida and his colleagues present their material on gay couples in index form in order to facilitate comparisons within the United States. Florida, working with his colleague Gary Gates, expressed their Gay Index as the fraction of the local population who were in gay (male) couples divided by the fraction of national population who were in gay couples. The

Table 2: Number of persons in same sex couples, percentage of population and percentage of all persons in couples who are in same sex couples, selected United States locations, 2000

	Persons who are in same sex couples			Persons in same sex couples as per cent of total population			Persons in same sex couples as per cent of all persons in couples
	Male	Female	Total	Male	Female	Total	
Selected Metropolitan Statistical Areas							
Atlanta, GA	13,386	10,356	23,742	0.33	0.25	0.58	1.40
Austin-San Marcos, TX	3,806	3,998	7,804	0.30	0.32	0.62	1.53
Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA	14,464	15,514	29,978	0.25	0.27	0.52	1.22
Denver-Boulder-Greeley, CO CMSA	6,838	7,404	14,242	0.26	0.29	0.55	1.28
Los Angeles-Riverside-Orange County, CA CMSA	43,820	34,598	78,418	0.27	0.21	0.48	1.29
Sacramento-Yolo, CA CMSA	4,212	5,294	9,506	0.23	0.29	0.53	1.28
San Diego, CA	8,622	6,668	15,290	0.31	0.24	0.54	1.36
San Francisco-Oakland-San Jose, CA CMSA	31,706	26,066	57,772	0.45	0.37	0.82	2.04
Seattle-Tacoma-Bremerton, WA CMSA	11,384	11,856	23,240	0.32	0.33	0.65	1.47
Washington-Baltimore, DC-MD-VA-WV CMSA	21,560	17,918	39,478	0.28	0.24	0.52	1.26
Selected Incorporated Places							
Los Angeles	14,854	9,244	24,098	0.40	0.25	0.65	1.95
San Francisco	13,098	4,706	17,804	1.69	0.61	2.29	6.91
San Diego	5,826	3,614	9,440	0.48	0.30	0.77	2.06
Long Beach	2,578	1,954	4,532	0.56	0.42	0.98	2.97
Selected San Francisco zip codes							
94114, Castro/Noe Valley, San Francisco	3,076	684	3,760	10.06	2.24	12.30	32.09
94117, Haight/Ashbury, San Francisco	1,362	290	1,652	3.52	0.75	4.26	15.15
Total United States	608,296	594,122	1,202,418	0.22	0.21	0.43	0.99

Source: Calculated from Gay Demographics (<http://www.gaydemographics.org>)

form of the index used in the National Economics report, under the label ‘Diversity Index’, was the proportion of same sex couples to all couples in a locality divided by the national average. An area with an index of one has the same ratio of same-sex couples as the nation as a whole, while one with an index of two has double the proportion of same-sex couples.

Part of the confusion flowing from the National Economics’ report stemmed from their mislabelling of the table that listed the results of their calculation of the ‘Diversity Index’. The table was labelled ‘% same-sex couples’.⁶ The

heading should have been ‘Diversity Index’ because the calculations showed the percentage for each locality divided by the Australian average.

To compound the confusion, the National Economics report did not provide figures for Melbourne or Sydney. Instead, its discussion is built around inner city areas of Melbourne and Sydney which were classified as ‘Melbourne Inner’ [the Inner Melbourne SSD plus Stonnington (C) - Malvern] and ‘Global Sydney’ [the SSDs of Lower Northern Sydney and Eastern Suburbs plus the Sydney (C), South Sydney and Botany Bay (C) parts of Inner Sydney SSD].

These areas happen to include those within these two cities where there are high same-sex couple concentrations. The findings for these inner-city areas are then contrasted with major cities or regions in the United States. The Report says,

...Despite San Francisco and Sydney being renowned for their large same sex household communities, the Diversity Index has produced some surprising results. The region with the highest score for the index is Melbourne Inner ... [and t]he score for Global Sydney is ... also higher than any region in the USA.⁷

In these circumstances, it is not surprising that *The Age* presented the figures as though they represented all of Melbourne and Sydney. If National Economics had provided figures for locations known for their high same-sex concentrations in San Francisco, it would have prompted a different story. For example, the Gay Demographics data shows that in one area of San Francisco, the postcode of Castro/Noe Valley, with a population of 30,574, there were 11,718 persons in couples, of whom 3,760 were in same-sex couples as of 2000 — or 32 per cent! (See Table 2).

The Gay Index in the United States and Australia

Table 3 shows calculations of the Gay Index for selected areas in Australia and the United States. We have used Florida's Gay Index because gay men have a different pattern of concentration to that of lesbian women. Also, it makes sense to relate the presence of gay men in same-sex couples to the entire population rather than just couples. However, the index numbers for the United States and Australia are not comparable since the Gay Index for each country reflects the proportion of each country's population who are gay men in such couples. And, as

shown in Tables 1 and 2, the US level at 0.22 per cent is much higher than that of Australia (0.11 per cent).

National Economics did not alert readers, when it used its Diversity Index to compare the United States to Australia, that the index cannot be used to compare the level of same sex couples in different nations. Nevertheless, it may be of interest to tabulate the Gay Index for both countries because it indicates the relative extent of concentration of gay men in same sex-couples by particular localities within each country.

It was not possible to replicate National Economics' comparison based on their Diversity Index (the basis of front page article in *The Age*), as it is not clear where their data for the United States came from.

DIVERSITY AND THE NEW ECONOMY

Disputes about numbers notwithstanding, does the 'Gay/Diversity Index' offer any useful insights for regional policy making? National Economics clearly think so. The authors believe that the index is closely related to the location of creative class workers and thus to levels of economic activity in the new economy. The argument is as follows:

Acceptance of the same sex household community is seen to be a signal of diversity, and indicator of low entry barriers to human capital, facilitating innovation and creativity that promotes high-tech growth.⁸

National Economics is not saying that the persons in same sex couples themselves are a significant contributor to the new economy but that they are a 'barometer' for the environment and amenities which attract the creative class. As Table 4 shows, the number of employed persons in

Table 3: Gay Index (based on persons in male same sex couples as a fraction of the total population) of selected locations in the United States 2000 and Australia 2001

United States	Gay Index	Australia	Gay Index
Metropolitan Statistical Areas		Metropolitan Statistical Divisions and ACT	
San Francisco-Oakland-San Jose, CA CMSA	2.1	Sydney	1.9
Atlanta, GA	1.5	Melbourne	1.3
Seattle-Tacoma-Bremerton, WA CMSA	1.5	ACT (Canberra)	1.2
San Diego, CA	1.4	Brisbane	0.9
Austin-San Marcos, TX	1.4	Perth	0.9
Washington-Baltimore, DC-MD-VA-WV CMSA	1.3	Adelaide	0.8
Los Angeles-Riverside-Orange County, CA CMSA	1.2		
New York-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA	1.2		
Denver-Boulder-Greeley, CO CMSA	1.2		
Boston-Worcester-Lawrence, MA-NH-ME-CT CMSA	1.1		
Sacramento-Yolo, CA CMSA	1.1		
New York sub-centres *		Selected Statistical Sub Divisions	
New York City	1.5	<i>Metropolitan</i>	
Jersey City	1.5	Inner Sydney SSD	14.4
Newark	1.0	Inner Melbourne SSD	7.9
New-Haven-Meriden	0.9	Eastern Suburbs SSD	3.8
Trenton	0.9	Lower Northern Sydney SSD	1.9
Nassau-Suffolk	0.9	Inner Western Sydney SSD	1.9
Selected Incorporated Places		<i>Non-metropolitan</i>	
San Francisco	7.8	East Central Highlands SSD Vic	1.8
Long Beach	2.6	Cairns City SSD Qld	1.4
San Diego	2.2	Gold Coast SSD & Tweed Heads SSD Qld-NSW	0.9
Los Angeles	1.9	Richmond Tweed SD ex. Tweed Heads NSW	0.8
Selected San Francisco zip codes		Newcastle SSD NSW	0.6
94114, Castro/Noe Valley, San Francisco	46.5	Sunshine Coast SSD Qld	0.5
94117, Haight/Ashbury, San Francisco	16.3		
United States	1.0	Australia	1.0
Per cent of total population in male same sex couples	0.22		0.11

Source: Australian data from ABS, Census 2001 customised matrix; New York sub-centres from Richard Florida, *Rebuilding Lower Manhattan for the Creative Age: Implications for the Greater New York Region*, prepared for the Regional Plan Association and the Civic Alliance, 2002; remainder of US data from <http://www.gaydemographics.org>

same-sex couples in Australia is very small. Nevertheless, the pattern of employment of these workers is of interest. Persons in same sex couples are more likely to be employed in new economy manufacturing and services than other workers. The most striking concentration, however, is in the culture and recreation field followed by government administration and education, health and

community services.

THE FLORIDA ARGUMENT

Since the Australian Local Government Association, along with some other policy makers in the field, now apparently endorse the Florida perspective, it is important to examine the thesis carefully. There is no doubt that regional areas are not sharing in the growth of new economy employment, defined as employment in

Table 4: Employed persons by industry groupings*: same sex couples as per cent of total employed persons, Australia 2001

Industry	Persons in same sex couple	Total employed persons	Persons in same sex couples as per cent of total employed persons
Agriculture & Mining	345	405,960	0.1
Manufacturing New Economy	709	155,200	0.5
Manufacturing Old Economy	1,341	854,979	0.2
Services New Economy	6,688	1,253,517	0.5
Utilities, Transport/Storage, Wholesale, Cleaning, Pest Control, Security	3,452	1,539,972	0.2
Retail Trade	2,990	1,211,332	0.2
Accommodation, Cafes & Restaurants	2,087	410,589	0.5
Government Administration & Defence	2,234	369,855	0.6
Education, Health & Community Services	8,028	1,401,569	0.6
Cultural & Recreation: Film, Radio,TV, Libraries, Museums, Arts	1,165	97,339	1.2
Rest of Cultural & Recreational Services	462	105,117	0.4
Personal & Other Services	1,536	300,658	0.5
Total	31,037	8,106,087	0.4

Source: ABS, 2001 census customised matrix

* Industry groupings are based on K. O'Connor and E. Healy, *The Links Between Housing Markets and Labour Markets in Melbourne*, final report prepared for Australian Housing and Urban Research Institute by Swinburne-Monash Research Institute Centre, 2001, Appendix G (available at <http://www.ahuri.edu.au>)
Shaded areas denote industries with higher levels than the total for all industries (0.4 percent).

business services (including

computing) and higher level financial services. The dominance of Sydney and Melbourne in these fields has grown over the 1990s.⁹ If the alleged association between 'diversity' and the new economy is correct, regional areas might well despair about entering the race. To judge from the data on the distribution of same-sex couples, they are way behind Sydney and Melbourne. Alternatively, the National Economics analysis might prompt a policy of creating the circumstances which would attract same-sex couples to regional centres. Would this be sensible?

National Economics rely heavily on the work of Richard Florida. Florida has staked out a challenging position. He in effect turns orthodox economics on its head. The standard position is that investment opportunities determine where new industry will be located. Investment deci-

sions come first, and then people follow to take up the resulting employment opportunities. That is why regions put so much emphasis on offering tax concessions to prospective employers. For their part, economic theorists tend to look at the circumstances encouraging investment. One of the most important is the presence of agglomerations of new economy activity. The argument is that such agglomerations offer investors the widest range of market opportunities and opportunities of benefiting from the innovations likely to arise in a highly competitive setting.

By contrast, Florida argues that 'people are the motor force behind regional growth'.¹⁰ Thus the first priority for regions looking to promote new economy expansion should be on enhancing the attractions of their area to the 'creative' class (defined to include professionals in education and research and a broad range of managerial occupations).

According to Florida, it is these people who are the key determinants of the economic dynamism of an area. Thus analysts should be paying attention to how such persons can be attracted to areas aspiring to flourish in the new economy. Florida seeks to fill this niche. As he puts it:

While economists and social scientist have paid a lot of attention to how companies decide where to locate, they have virtually ignored how people do so.¹¹

This is where the 'Gay/Diversity Index' becomes relevant. The presence of same sex couples in an area is regarded as implying that it is an area likely to attract innovative people. Florida argues that the creative class choose areas on the basis of the life style offered. Such people want a location offering diversity and 'authenticity'. In Florida's words:

...the [creative class] people I talked to desired nightlife with a wide mix of options. The most highly valued options were experiential ones — interesting music venues, neighbourhood art galleries, performance spaces and theatres. A vibrant, varied nightlife was viewed by many as another signal that a city 'gets it'.¹²

According to Florida, creative class people regard:

...diversity as among the most important factors in their choice of locations. People were drawn to places known for diversity of thought and open-mindedness. They actively seek out places known for diversity and look for signs of it when evaluating communities. These signs include people of different ethnic groups and races, different ages, different sexual orientations and alternative appearances such as significant body piercings or tattoos.¹³

This is a coherent theory, obviously attractive to some analysts. Florida claims to have empirically tested his ideas. That is a matter of opinion. The biggest prob-

lem is interpreting cause and effect. Do areas with a vibrant new economy attract the creative class (as indicated by the presence of same-sex couples) or the reverse? A review of the literature in the field by Canadian researchers found:

... a general lack of empirical evidence on the extent to which the quality of life factors actually influence location decision-making... and on social cohesion ...a diversity of views on the links between social cohesion and economic competitiveness in city regions.¹⁴

There are further questions about whether the theory can be applied in Australia. National Economics claim that the 'Diversity Index is an excellent measure of social and cultural diversity as a predictor and high-tech location. The correlations are exceedingly high and consistently positive and significant'.¹⁵

It may be that the reason why the Diversity Index correlates closely with new economy activity in Australia is that areas in the front line of such activities generate the wealth and job opportunities which attract large numbers of well paid professionals. These, in turn, generate demand for the kind of life style Florida has in mind. It is in such settings that a specialist gay culture can flourish and in the process attract more same sex couples.

There are also problems with the way National Economics have calculated the regressions referred to above. Both Inner Melbourne and Global Sydney as defined by National Economics score in the top range on the Diversity Index and on the presence of new economy industries. The assumption is that one of the reasons why these industries are flourishing is that the life style of these two inner city areas has attracted creative class residents. However, this assumption is dubious because the vast majority of people who work in new economy industries in Inner

Melbourne and Global Sydney live elsewhere in these two cities.

It would be premature to revise regional policy on the basis of Florida's thinking. Perhaps such a warning is not needed. The focus on diversity as measured by same sex couples adds an unconventional note which is likely to prompt scepticism amongst policy makers. Nevertheless, other aspects of the Florida thesis already seem to be influential. One is that in the interests of greater diversity (as well as more skills) regions should seek out business or skilled migrants. Various programs are already in place in Australia to this effect — though with little impact on migrant settlement patterns to date. Both Florida and National Economics quote the case of Silicon Valley — 'the world's leading high-tech centre' in California. There, a quarter of the businesses are said to have been started by foreign-born migrants since the 1980s.¹⁶ Those who quote such

statistics ignore the fact that many of the PhDs amongst these migrants are former foreign students who are graduates of America's top-line research universities. They make up a significant component of the celebrated Asian entrepreneurs in Silicon Valley.¹⁷ Their U.S. education, rather than their migrant status per se, is probably the main ingredient in their hi-tech business success.

Australia's regional areas face a tough time competing for new economy businesses. It does not help to lay down a set of red-herrings like those emanating from Florida. Regional Australia's potential comparative advantage derives from the community spirit and bush friendliness that is often lacking in the metropolises, to say nothing of the lower cost structure in regional locations. It would make more sense to focus on these strengths than on what may or may not be limitations associated with lack of diversity.

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- ⁵ B. Birrell and V. Rapson, *A Not so Perfect Match*, Centre for Population and Urban Research, 1998, p. 59
- ⁶ National Economics, op. cit., Table 6.11
- ⁷ *ibid.*, p. 6.13. The figures quoted do not match the US data we have compiled in Table 2. This may be partly due to the fact that some of the regions listed in the National Economics Report are not the same as those in our tables.
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