

# STATE OF THE REGIONS

***A report to the Australian Local Government Association  
1998 Regional Cooperation and Development Forum***



**NIEIR**

**National Institute of Economic and Industry Research  
National Economics**

**Website: <http://www.nieir.com.au>**

**Melbourne:**

416 Queens Parade  
Clifton Hill, VIC, 3068  
Telephone: (03) 9488 8444  
Facsimile: (03) 9482 3262  
Email: [nieir@iaccess.com.au](mailto:nieir@iaccess.com.au)

**Sydney:**

Suite G02/Bay 9  
Locomotive Workshop  
Australian Technology Park  
Eveleigh, NSW, 1430  
Telephone: (02) 9209 4053  
Facsimile: (02) 9209 4055  
Email: [nieirsyd@iaccess.com.au](mailto:nieirsyd@iaccess.com.au)

**Canberra:**

5 Swinden Street  
Downer  
Canberra, ACT, 2602  
Telephone: (02) 6241 2302  
Facsimile: (02) 6253 8662  
Email: [geddem@ozemail.com.au](mailto:geddem@ozemail.com.au)

**Perth:**

16 Peel Road  
Coogee, WA, 6166  
Telephone: (08) 9437 3781  
Facsimile: (08) 9437 3782  
Email: [nieirwa@iaccess.com.au](mailto:nieirwa@iaccess.com.au)

## **Preface**

*This is the second edition of the **State of the Regions** report. The report is the outcome of a partnership between the Australian Local Government Association and National Economics (NIEIR). The preliminary report was prepared for delegates at the **Regional Cooperation and Development Forum – Sustaining Futures for Our Regions**, held in Canberra on 8 November 1998. This conference was held in conjunction with the ALGA National General Assembly.*

*National Economics has divided Australia into 55 regions taking into account location and core economic functions of different areas. Analysis highlights the broad socio-economic trends and prospects for regional Australia. The boundaries are constructed on local government area boundaries and can easily be re-configured into other regions.*

*The report shows growing divergence in the prospects and performance of Australia's regions. For each region, data has been assembled on population, employment, unemployment, tertiary qualifications and income distribution. The NIEIR Regional Model is used to forecast regional employment growth and income change to 2004. Most of the measures can be examined at a local government level and in some cases down to postcode level. Household and population trends and forecasts can be provided at collector district level (around 200 to 300 households).*

*Four elements of innovative regional economic development strategies are examined. They are strengthening networks and clusters, building the regional foundations for growth, community economic development and collaborative frameworks for government to become an important participant in regional economic development.*

*The group runs a regular series of regional forums in each state, where local and regional data, projections and strategies are explored in more detail.*

***While the National Institute endeavours to provide reliable forecasts and believes the material contained in this report is accurate it will not be liable for any claim by any party acting on such information.***

---

# Contents

---

	<b>Page no.</b>
<b>1. Introduction</b>	<b>1</b>
<b>2. Regional context</b>	<b>3</b>
2.1 Globalisation processes	3
2.2 Digital revolution	4
2.3 Smaller government	5
2.4 Networked production systems	5
2.5 National economic environment	6
<b>3. A typology of regional Australia</b>	<b>9</b>
3.1 Core metro	9
3.2 Dispersed metro	11
3.3 Production regions	11
3.4 Rural based regions	12
3.5 Resource based regions	13
3.6 Lifestyle based regions	14
<b>4. Regional economic performance and prospects</b>	<b>15</b>
4.1 Population	15
4.2 Employment and unemployment	19
4.3 Household income and distribution	20
4.4 Education attainment	28
<b>5. Towards a regional economic policy agenda</b>	<b>31</b>
5.1 Strengthening business networks and clusters	33
5.2 Building the regional foundations for growth	34
5.3 Innovative approaches to community economic development	37
5.4 Strategic government involvement	38
<b>Appendix 1: Regional definitions</b>	<b>41</b>
<b>Appendix 2: Shifts in income distribution in regional Australia 1986 to 1996</b>	<b>45</b>
<b>Appendix 3: Key indicators for regional Australia</b>	<b>52</b>
<b>Appendix 4: Media statement</b>	<b>59</b>

---

# 1. Introduction

---

Local and regional Australia confronts the millenium with a great deal of uncertainty and trepidation regarding economic and employment growth. This is due in part to the all-pervasive concern regarding the fragility of the global economy and the increased possibility of global recession. It is also due to the widening divergence in employment, income and labour markets in many regions. The report shows quite dramatic divergences in regional indicators of economic well-being over the past decade. Despite sustained national economic recovery since 1992, many regions have not shared in the benefits of higher economic growth.

Growth has accelerated in some regions over the past decade. Some regions have experienced significant population and employment growth, particularly in the Queensland "Sunshine Belt", lifestyle regions, and metropolitan centres linked into the global economy. Perth and Brisbane and surrounding regions are experiencing high rates of population growth. Outlying regions of the large metropolitan regions, such as Westernport, South Western Sydney and the Central Coast of New South Wales, are also growing strongly.

Some regions are experiencing long term structural difficulties. The South Australian and Tasmanian economies are confronted with declining population growth associated with slower economic growth. Much of rural Australia remains depressed. Many rural regions are facing a downward spiral associated with declining commodity prices and intensified international competition. Population is declining, business closing and small towns are finding it difficult to remain viable. The severity and longevity of the recent drought has proved fatal for many smaller centres. Provincial centres – such as Wagga, Rockhampton, Townsville, Bendigo and Dubbo, continue to grow as a result of regional consolidation.

Many regions of Australia continue to experience high unemployment – particularly those associated with low value added primary commodities, low skills and traditional manufacturing industries. A number of urban areas are experiencing long term problems with high unemployment. The causes of high unemployment include: structural problems associated with loss of international competitiveness in manufacturing, a skills mismatch between employment and resident workers, and labour force growth outstripping employment growth. Examples of regions with some or all of these characteristics include Western Melbourne, Northern Adelaide, South Western Sydney and the New South Wales Central Coast.

This report is concerned with current performance and prospects of regional Australia up to 2004. Historic trends examine change over the period 1986-1996. Australia is divided into 55 regions, ranging from small inland rural areas to metropolitan regions such as Sydney (Appendix 1). The regions include urban and non-urban regions. Some degree of subjectivity is required in defining regions. Regional Australia in our view is not only concerned with problems in the "bush", serious though they are. Regional Australia is defined as economic and geographical units covering metropolitan and non-metropolitan regions. The report highlights the need to examine the national economy on a regional basis, taking account of geographical and statistical boundaries, as well as seeking to identify commonalities in areas that provide a basis grouping them into regions.

The report builds on a number of recent papers prepared by National Economics (NIEIR) covering Regional Australia and the impacts of the Asian economic crisis on the national economy, states and industries. The **State of the Regions** report extends this analysis to examine the impacts of the crisis on Australia's regions over the next five years.

The report is a call for a new regional economic policy agenda to address high levels of unemployment and widening income and educational differentials in regional Australia. It suggests that regional economic policy should be a major national priority over the next five years. This is for two reasons. Firstly, the high and increasing unemployment levels and declining living standards, as well as widening unemployment and income differentials requires urgent policy intervention. Secondly, many outstanding recent successes in economic development emanate from innovative policies implemented at the local and regional level.

The report is divided into a number of sections. Section 2 analyses the forces that are shaping economic and employment prospects in regional Australia. In Section 3, Australia is divided into 55 regions and a typology for analysing these regions is outlined. A detailed definition of the local government areas in each region and their characteristics is set out in Appendix 1. In Section 4, the report examines and quantifies key indicators of change over the inter-censal period 1986-1996. The key indicators are changes in population, employed residents, unemployment, and real incomes and skills formation. The section utilises National Economics regional modelling system and small area databases to project changes in gross regional product, employment, and population to 2004. This section estimates the regional impacts of the Asian and global economic crisis on employment and incomes.

Section 5 outlines suggestions for a regional economic policy agenda for Australia. We develop an analytical framework to assess regional economic policy. It identifies key factors impacting regional economic dynamics: the economic and policy environment, business strategies and markets, inter-firm collaboration, regional economic foundations including physical and social infrastructure, and human and social capital. The report considers world best practice in relation to regional economic development, ranging from community-based economic development initiatives to major programs conducted by the European Union and the United States Federal Administration. A comparison with these initiatives suggests that Australia is lagging well behind leading world examples.

This includes the central role of the federal government, support from state governments and an innovative and expanded role for local government in local and regional economic development. The elements of a policy framework are:

- national and regional vision, co-operation and co-ordination;
- building business networks and strategic alliances;
- strengthening and modernising the economic foundations of regions;
- infrastructure planning, development, and financing of information communications technology and transport networks and systems;
- establishing and maintaining strategic local and regional information systems; and
- investment in skills development and social capital.

---

## 2. Regional context

---

Globalisation, the broad term used to describe the dramatic increase in world trade, production, capital, people and ideas flows and inter-penetration of economies, has brought mixed results to the global economy, Australia and its regions. The policy orientation to support globalisation, in Australia as with other industrial economies, has focused on trade liberalisation, deregulation of currency and finance markets, micro-economic reform, control of public sector expenditures and privatisation and commercialisation of government trading enterprises.

One of the ironies of globalisation is that regions and localities have emerged as central spatial units of economic activity. The fortunes of major regions can impact the performance of the national economy. Regional production systems have become increasingly important in the global economy.

A number of key interrelated developments over the past 20 years have reinforced the key role of regions in economic development: Globalisation, the digital revolution, new patterns of work and employment, smaller government and the growth of networked production systems. The Asian economic meltdown adds a new dimension that will impact regional economic performance and prospects.

### 2.1 Globalisation processes

Globalisation processes – specifically greater integration of production, trading and financial systems – has led to greater centralisation of R&D, design and high skilled jobs around economic nodes in global cities and regions. At the same time, globalisation leads to the dispersal of labour intensive manufacturing and assembly jobs to low wage countries, and marginalisation of traditional urban and rural regions. Intensified competition in primary commodities has resulted in the decline of a number of rural communities and towns. Regions that have lost competitiveness as a result of globalisation are experiencing high rates of unemployment, and those lacking in social support structures have experienced high levels of social stress – suicide, crime and rising levels of violence.

The new international division of labour associated with globalisation is manifest in spatial changes in investment, employment and occupation.<sup>1</sup> The traditional forces of concentration, dispersal and marginalisation are intensifying. The forces of concentration are derived from locating higher order financial and business services, stock exchange facilities and, more recently, multimedia services in the central business districts (CBD) of major cities. The central city provides an innovative milieu critical to innovation and continuing competitiveness of new business service clusters.

Paralleling the forces of concentration are strong forces of dispersal. Centres for higher learning, hospitals and health and personal services decentralise to meet the demands of the growing populations in the suburbs. New industrial and distribution centres relocate to cheaper outer employment zones as the city grows. Retail centres and the functional services of the city are drawn to the major areas of population growth. ICT developments facilitate the establishment of information technology parks and telecommuting. The opportunities for many workers are more dispersed and dependent on industries that

---

<sup>1</sup> Carnoy and Castells, M. (1997) *"Sustainable Flexibility A Prospective Study on Work, Family and Society in the Information Age"* OECD, Paris; Castells, M. (1997) *"The Rise of the Network Society"* Blackwell Publishers, USA; Castells, M. and Hall, P. (1994) *"Technopolis of the World: The Making of 21<sup>st</sup> Century Industrial Complexes"*, Routledge, London, and Sassen, S. (1991) *"The Global City, New York, London, Tokyo"* Princeton University Press, New Jersey.

decentralise. The small population base of rural Australia has limited opportunities for decentralisation. On the other hand, a strong movement exists for people to migrate from cities to lifestyle regions in non-metropolitan Australia.

The third dynamic is marginalisation of areas disconnected from the economic growth nodes in cities and regions with global links. Marginalised areas are characterised by enterprises that are economically marginal and vulnerable to closure; growing informal economies; and workers who lack the requisite skills to compete for jobs in the new knowledge economy. These areas are characterised by low incomes, zones of permanent poverty, welfare dependency and petty crime. They are disconnected from the knowledge flows of globally competitive regions and do not share in the wealth generated from production, distribution, information processing and other specialist producer services allied with global markets and international gateways. Many residents within these areas are defenseless against structural change and economic downturns as the work that they do is automated and rationalised.

Globalisation processes are also important determinants of change outside of the metropolitan area, where the same processes of centralisation, dispersal and marginalisation can be observed, as well as a number of processes specific to non-metropolitan regions. Young rural people are attracted to the magnet of the “global city” for education, lifestyle and career opportunities. Low skilled rural workers are migrating to the provincial centres and metropolitan regions because of lack of opportunities in rural regions. Production regions based on traditional manufacturing are finding it harder to compete in the global economy. Lifestyle regions are growing, spurred by population growth including post-retirement migration and new opportunities in tourism. Many young people with poor job prospects are also migrating from the global city to lifestyle regions.

## 2.2 Digital revolution

Associated with globalisation, the technological revolution in information and communications technologies, and transport, along with the emergence of a global distribution system based on just-in-time delivery systems, has dramatically expanded the locational options for large companies, organisations and skilled individuals. The use of digital technology is growing exponentially in successful regions. New industries are emerging in information products and services such as multimedia, software development and applications, business services, and corporate knowledge services. In North America, many of the fastest growing high technology zones are located in rural areas of Oregon, Colorado and Wisconsin. Greater emphasis should be given to creating high value added zones in non-metropolitan regions of Australia.

An important development for the future of employment and work resulting from the growth of information and communications technologies is the growth of self-employment and home-based businesses. In OECD countries, home based employment is growing by around 20 per cent per year.

A number of factors are driving this including: growing professionalism, increased flexibility in work organisation, out-sourcing and contracting out, developments in information and communications technologies, and the rise in part-time and casual work either forcing or encouraging workers to become more adaptable and flexible.

A growing number of people work from home. In Australia, around 4 per cent of the working population are based at home, but the number is growing by around 17 per cent per annum. Within 10 years, perhaps 25 per cent per annum of workers will be work from home, at least some of the time.

The emergence and diffusion of new information and communication technologies has been instrumental in the emergence of the global economy. Increasingly, the fortunes of communities, regions, businesses, firms and individuals depend on their ability to use advanced information and communications technologies and systems. These technologies are central to a growing range of activities: market intelligence, networking with business partners, buying and selling, distance education, tele-commuting, upgrading skills and knowledge, and talking to each other.

Further, the use of computer based transportation systems including just-in-time distribution systems impacts the ability of producers to get their products to market at the right time. Increasingly, regions locked out of these technologies or unable to make full use of them will find it harder to compete in the global economy.

## 2.3 Smaller government

The mainstream global agenda to downsize government and out-source the provision of services has impacted regions. Trade liberalisation and financial deregulation have encouraged the rapid expansion of world trade and production and greater specialisation in regions.

Budgetary pressures have forced localities and regions to generally “do more with less”. The public sector is no longer a major employer of apprentices. The withdrawal of resources and services from regions in the 1980’s spurred many rural and other non-metropolitan regions in many countries to develop their own strategies to revitalise their communities.

The impacts of privatisation of public enterprises are regionally concentrated, such as the impacts of the privatisation of Victoria’s electricity supply system on the La Trobe Valley. Centralisation of public services – particularly rail, health and education, has led to the demise of many small towns and consolidation around a small group of provincial cities<sup>2</sup>.

In North American and European countries, however, governments have become much more focused on regional economic development. Programs focus on positive and targeted support aimed at regional rejuvenation, directed at poor performing industrial and rural regions.

## 2.4 Networked production systems

Shorter product cycles, the high cost of maintaining specialist facilities in-house, intense technological and price competition, and increased complexity of research, production and trading processes; all prompted firms to search for new relationships and to develop networks with complementary firms, research institutions, and customers. The emergence of the networked firm, co-operating and linked with others for specific projects or long term strategic alliances – more often than not is based in regions, where proximity of complementary firms, intermediate suppliers and a skilled labour pool played a critical role in nurturing these relationships.

---

<sup>2</sup> Council of Small Business Organisations of Australia, **Jobs in Our Regions – Building on the Small Business Base**, prepared for the Department of Transport and Regional Development, June 1997.



Continuous innovation – applied R&D, new products, processes and services – are central to the most dynamic regions in the global economy. Some of the successes are based on the key linkages between knowledge production institutions and industry development<sup>3</sup>.

The success of Silicon Valley and Boston's Highway 128 (in Massachusetts) and Cambridge (UK) as high technology industry nodes is based in part on the links between higher education institutions and emerging technological industries in information technologies and telecommunications. The location, and research and technical excellence of Stanford Research Institute in California, MIT and Harvard in Massachusetts and Cambridge (UK) has been critical to the sustained success of these regions.

## 2.5 National economic environment

The Australian economy is entering a period of low economic growth. The downturn is driven by two factors, one external and the other internal. The external factors are, of course, the flow-on effects of the 1997 Asian economic meltdown. The consequences of this will result in the (weighted average) GDP growth rate of Australia's major trading partners contracting by 1 per cent over the 1998-99 fiscal year. This outcome is unprecedented since the 1930s and has not occurred since World War II. Underlying the decline in Australia's major trading partners is a contraction of between 5 to 8 per cent for South Korea, Thailand, Indonesia and Malaysia. Japan will contract by approximately 2 per cent and China's growth is expected to slow to below 6 per cent.

By 2000 economic recovery will commence in the Asian economies. The recovery process will extend over the first decade of the next century as the banking, industry and governmental sectors of these economies are restructured.

Asia's recovery and stabilisation will limit the ability of the rest of the world to grow. Firstly, Asia's recovery and stabilisation will require increased East Asian market access to North American and European economies. Secondly, East Asia's recovery will require the diversion of funds that would have otherwise been allocated to creating new capacity in developed and developing markets to purchase and restructure existing assets in Asia. Thirdly, capital funds will be diverted to replacing capital that has been lost in banks and financial institutions in Asia and elsewhere over the past decade.

All these factors will curtail growth outside Asia between 2000 and 2002. As a result it will not be until 2003-04 before growth rates for Australia's major Asian trading partners return to stable levels.

In 1998 the Australian economy is in a reasonable structural condition, especially the corporate sector. The major internal constraint operating in the Australian economy is the household sector. Basically the household sector has driven growth over the 1990 decade through build up of debt to fund the expansion in the growth of consumption expenditure. The debt build-up is now reaching saturation levels and will restrict further growth in consumption expenditure post 2000.

The Australian economy will have to slow sharply from recent levels. To hold the current account deficit to the critical 6 to 7 per cent of GDP, growth will have to slow to negligible levels post 2000.

---

<sup>3</sup> See Manuel Castells and Peter Hall, *Technopolis of the World – the making of the 21<sup>st</sup> Century Industrial Complexes*, Routledge, London, 1994.

The negative effects from the world economy and the household debt saturation constraint will mean that the slow down will occur without the necessity for sharp rises in interest rates as has been the case in the past.

The relatively good news for Australia is that the Australian economy will grind down to low rates of growth with the unemployment rate increasing steadily, rather than sharply, as for 1982 and 1991. The full effects of the above factors will be realised after the economic stimulus of the Olympics has passed and the construction cycle is in full contraction phase; that is, from late 2000 onwards. The period 2000 to 2002 will be a period of recession and stagnation. Recovery will have to wait until the recovery in the world economy post 2002.

The regional impacts of the national economic profile will be different from the previous periods of stagnation. In 1991 the East Asian region grew strongly which meant that Australia's commodity export regions were not greatly affected by the domestic economic cycle. This will not be the case this time.

<b>Table 1      Structural indicators of the Australian economy 1990 and currently (per cent)</b>	<b>Mid 1990</b>	<b>1998</b>
<b>Household sector</b>		
90 day bill rate	15	5
Household gross interest payments to income rates to income	14	8
Household gross debt servicing cost ratio to income	21	18
Household savings ratio	7	3
Household debt to income ratio	73	101
<b>Corporate sector</b>		
Net returns on capital	9	15
Rate of interest payments to operating surplus	54	30
Debt to GDP at factor cost	74	61

<b>Table 2</b>	<b>Australian economic aggregates and forecasts (financial year averages)</b>								
	1995 -96	1996 -97	1997 -98	1998 -99	1999 -00	2000 -01	2001 -02	2002- 03	2003 -04
<b>International environment</b>									
<b>GDP</b>									
G7	2.1	2.7	2.2	1.5	1.4	1.2	0.7	0.9	1.9
Major trading partners	4.7	4.3	1.9	-1.0	1.6	1.8	2.0	2.5	3.4
<b>Consumer prices</b>									
G7	2.3	2.2	1.7	1.3	1.8	2.0	2.0	1.4	1.6
Major trading partners	4.1	3.2	8.3	6.2	4.8	3.9	2.9	3.0	3.6
<b>Demand</b>									
Private consumption	4.2	2.5	4.6	3.1	3.0	2.7	1.2	2.1	2.9
Business investment	14.8	17.5	11.6	-1.1	1.6	-8.6	-9.7	0.2	4.8
Housing	-9.5	3.2	15.0	6.5	-6.1	-6.3	-0.1	4.5	6.0
Net exports	0.9	-0.3	-2.0	-0.8	0.6	-0.1	0.8	0.2	-0.2
GDP (A)	4.2	2.9	4.1	2.2	2.8	0.9	1.4	3.1	3.3
<b>External sector</b>									
Current account deficit (\$b)	-22.1	-16.8	-24.3	-33.6	-36.4	-37.3	-32.8	-30.6	-30.9
CAD as per cent of GDP	-4.5	-3.3	-4.5	-5.9	-6.1	-6.1	-5.2	-4.6	-4.5
<b>Labour market</b>									
Employment	2.6	1.1	1.3	1.8	1.7	0.9	-1.0	1.7	2.5
Unemployment rate (%)	8.5	8.7	8.3	8.4	8.7	9.6	11.1	10.2	9.5
<b>Interest rates</b>									
90 day bank bill (%)	7.5	6.3	5.0	5.0	5.2	4.3	4.2	4.0	4.5
<b>Wages and prices</b>									
Average weekly earnings	4.5	3.7	4.1	3.5	3.4	2.1	1.1	2.7	3.2
CPI	4.2	1.3	0.0	2.2	2.5	2.4	2.1	1.4	1.8
<b>Exchange rates</b>									
\$US/\$A2	75.9	78.1	68.1	59.0	60.1	62.0	60.2	68.6	70.1

Source: National Institute of Economic and Industry Research.

---

### 3. A typology of regional Australia

---

Regional Australia has a number of dimensions. The prognosis for regions depends on their ability to adapt to major economic and technological forces and position themselves in the global economy. Simplistic notions of city versus the bush are insufficient to explain the structure and dynamics of regional change and to develop regional specific strategies. In order to examine regional Australia over the period 1986-1996 and prepare projections to 2004, we divide the 55 regions into six broad types.

- Core metro
- Dispersed metro
- Producer zones
- Resource based
- Rural based
- Lifestyle based

We have sought to develop a typology that shows commonalities and complexities of urban and non-urban regions. For simplicity, the six regions are defined around their geographical location and the predominant driver for economic and employment change. In non-metro Australia, we have categorised rural, resource and lifestyle based regions. We aim to develop a typology that supports analysis and policy formulation in cities, hence the concept of producer zones, core metro and dispersed metro. The categorisation is a simplification that aims to highlight broad trends and challenges in the regions.

Importantly, the diversity of regional structure and the widening differentials in regional performance suggests that a more sophisticated regional policy framework is required, taking into account the specific features and challenges of different types of regions. It is beyond the scope of this study to examine the more complex structure and dynamics of individual regions, which is producing wide intra-regional divergences in employment, unemployment and income.

#### 3.1 Core metro

The study examines 13 core metro regions: Global, Southern, Inner west, and North-north western Sydney; South-east, East, Inner and Northern Melbourne, Brisbane, Central Adelaide; and Northern – Central Perth, Southern Tasmania and Canberra. These regions account for more than one third of national population, home to 6.3 million residents. In core metro regions, economic and employment opportunities largely reflect their relative size, level of development, competitiveness and specialisation, and their connectedness to national and global industries and markets.

Over the past 20-25 years, a dramatic expansion of production, trade, finance and movement of people has occurred. This has resulted in a fundamental reorganisation of the global economy and increased the importance of selected cities and spaces in cities with strong global links. Developments include emergence of firms with strong global networks, greater specialisation of advanced economies, strengthening of global economic gateways, strong growth in knowledge-based activities, emerging global residential property markets, rapid movement of people and goods and services. Many of the high growth employment

and residential opportunities are concentrated in a handful of global cities (New York, London, Tokyo) and sub-global cities such as Sydney<sup>4</sup>.

These changes provide new economic opportunities for cities to capture a share of globalised economic activities. Globalisation has changed the fortunes of cities. The dominant global cities: New York, London and Tokyo have consolidated their position<sup>5</sup>. Cities with weaker global links, locked into state and national markets, have fallen behind. Although there are differences between these cities, their activities straddle the global economy. Sydney competes with and is linked to other key Asia-Pacific cities. Melbourne and Brisbane CBDs are becoming more globally oriented. The sphere of influence for these Australian cities is the Australian economy and the broader Oceania region.

The economic performance and prospects for global cities depends on a range of attributes including outstanding economic gateways, industrial clusters in finance and business services, a knowledge intensive workforce and attractive social and natural environments. They establish a critical mass and are attractive to global firms, finance and individuals, particularly tourists and professionals.

Australia has one global region – Global Sydney. The region has become more specialised in advanced services: finance and business services, multi media and information industries. It is competitive in tourism, cultural and entertainment industries. Increasing trade orientation stimulated growth of freight forwarding and distribution activities around Sydney's economic gateways. The region encompasses the CBD, Lower North Shore, the airport and seaports. It includes renovated inner city residential addresses for knowledge-intensive workers. The regions forms a 'higher order corridor' sweeping through the commercial centres of St. Leonards, North Sydney, the Sydney CBD, through to the older industrial zones of South Sydney and the transport, storage and hospitality services associated with Mascot Airport and Port Botany.

The region enjoys good knowledge intensive jobs, and entertainment and cultural amenities. Real incomes and knowledge intensive jobs have increased dramatically over the decade. Property and housing markets boomed and new residential spaces created.

Employment is far more concentrated than population and a 'job deficit' is evident in the outer metropolitan areas. By far the highest concentration of employment is found in the global city region.

It could be argued that Melbourne, Brisbane and Perth are developing strong interrelationships with global capital and firms, as well as a growing tourist orientation, although they lack the Asia-Pacific position of Sydney. Melbourne has experienced an office, industrial and property boom. It is seeking to establish itself as a centre for advanced technology and learning. Brisbane is at the centre of a rapidly growing conurbation. The population of Brisbane grew by 100,000 between 1986-96, and its surrounding region experienced the highest population growth in Australia. Strong employment growth occurred in business services, retail, building and construction, and community services. Central and northern Perth grew at three times the average rate of core metro regions – an additional 140,000 people between 1986-96. A strong performing state economy and migration have spurred growth.

Adelaide is the only core metro area to experience a decline in population. The region's wealth developed around a strong industrial base, but the relative competitiveness of key

---

<sup>4</sup> John Freidmann, "Where we stand: a decade of world city research", in Paul L. Knox and Peter J. Taylor, **World Cities in a World-system**, Cambridge University Press, Cambridge U.K., 1995.

<sup>5</sup> Saskia Sassen, **The Global City – New York, London, Tokyo**, Princeton University Press, Princeton, 1991.

industries is declining. Mega visions to transform Adelaide and strengthen its global linkages through the ill-conceived Multi Functional Polis were doomed to failure. Southern Tasmania, with its base in metro Hobart, is growing marginally.

### **3.2 Dispersed metro**

The dispersed metro regions are: Southern Adelaide, North Brisbane, Moreton-Ipswich, Central Coast New South Wales, Outer South Western Sydney and Outer West Sydney. Around 3 million people live in dispersed metro regions. The drivers of economic change in dispersed metro regions are population growth and decentralisation of industries and services from core metro regions. Some dispersed regions seek to create hubs supporting and competing with core metro regions. White-collar opportunities include regional offices and “call centres”.

Growth is associated with pull and push factors. Much of employment growth in dispersed regions supports population growth: wholesale and retail, community services and building and construction. These are the pull factors. Economic activities have also been pushed out of the core metro regions, particularly manufacturing and “back office” functions.

In an era of higher unemployment, the development of regional economies and local and regional employment growth has shifted towards the top of the priorities. These regions are geared more towards the Australian domestic market and non-tradeable industries. They are focused predominantly on service based industries and/or provide dormitories for the major metropolitan employment centres. Export orientation has increased, but off a small base. Many of these regions comprise the sprawling suburbs and regional centres of the major cities, developed to accommodate population growth and dormitory zones for major employment centres, associated with the post-war economic boom.

Employment growth in these regions has gone in cycles. Employment dispersal has been spurred by transport improvements, availability of competitively priced land, retail decentralisation, inter-regional property differentials, and government locational strategies (particularly by state governments).

Employment growth in the past decade has been led by the greater devolution of retailing from central areas to large suburban based retail stores. In some vibrant regional centres, there has been increased opportunity for office development, due to decentralisation of government administrative offices, the establishment of “back-office” operations by major corporates, and the linking of warehousing and office activities in business parks.

### **3.3 Production regions**

The production regions developed around a manufacturing base. They are characterised by a large manufacturing sector, an industrial workforce, many people from non-English speaking backgrounds, a low skills base and high rates of unemployment. Enterprises are vulnerable to loss of competitiveness and closure. Producer regions are North Adelaide, Westernport, Western Melbourne, Sydney Producer region, Northern Illawarra and the Lower Hunter. The population of the production regions is over 3.4 million people.

Developed around tariff barriers and bounties and distant from international competitors, these regions nurtured a range of metals and engineering firms and created strong networks

of local suppliers and spin-offs from the core industries. Industries include shipbuilding, automotive components and metal fabrication. Innovation tends to be low. Production regions are in transition as the role of manufacturing declines. Long term structural problems have mobilised local and regional parties to focus on shifting their economic base to higher value added industries and services.

Despite a number of successes, particularly in educational attainment and growth of small medium enterprises, these regions experience growing marginalisation, both in terms of lack of employment opportunities and industry competitiveness. Business stagnation and disinvestment in these areas compound the devaluation of their economic spaces. Workers lack many of the skills to compete in the new knowledge economy.

The largest region is the Sydney Production Region, an east-west spine covering the industrial areas of Marrickville, Canterbury, Bankstown, Liverpool, Fairfield, Holroyd, Parramatta, Auburn and Blacktown. Real household incomes have declined by around 10 per cent over the decade, although Parramatta, Sydney's second CBD, and Blacktown, located in Western Economic Corridor along the M4 freeway, have on average performed better.

The Lower Hunter and Northern Illawarra are Australia's heavy industrial regions. Both faced an unemployment crisis over the past 15 years and remain vulnerable to further loss in industry competitiveness. The Lower Hunter has diversified into defense, education, wine industry and some higher technology industries, but faces the imminent cessation of steelmaking and further job loss. Most job growth over the past decade is concentrated in Lake Macquarie, driven by population growth and emerging lifestyle opportunities. The Northern Illawarra is increasingly a commuter region for Sydney, although educational infrastructure has expanded.

Northern Adelaide has specialised in manufacturing – automotive, pharmaceuticals, and clothing and footwear. High unemployment, low skills and low educational attainment, combined with demise in industrial competitiveness, led to high unemployment and out-migration from large centres such as Elizabeth.

Attempts to shift the industrial structure to high value added industries through the provision of subsidies to information technology and communications companies may not be the appropriate response to a long-term structural problem. Western Melbourne and Westernport experience many of the problems of the Sydney Production Region.

### 3.4 Rural based regions

Much of non-metropolitan Australia is comprised of rural-based regions. Rural production has been heavily based on commodities – particularly wheat, beef, wool, sugar and cotton. These regions are important to national economic performance, particularly because of the export orientation of the agricultural sector. The 21 rural based regions examined by state are:

<b>Western Australia</b>	South Eastern, Midlands and Central, Great Southern, and South East Western Australia.
<b>South Australia</b>	South East (South Australia), Murray Lands, Eyre and York.
<b>Victoria</b>	Ovens-Hume, Goulburn, Loddon, Mallee-Wimmera, Western District, Golden Region, Northern Tasmania.

<b>Queensland</b>	North Queensland, Mackay and Central Queensland, South Western Queensland.
<b>New South Wales</b>	Southern and Central, North and North Western New South Wales.
<b>Northern Territory</b>	Southern Northern Territory.

Rural Australia is lagging behind other regions. The population of rural Australia is 3.4 million people. Population is growing slowly, around 0.8 per cent per annum, compared to 1.37 per cent per annum nationally. The population of some inland regions is declining: Eyre-York and South East South Australia, and Mallee-Wimmera, while others are growing very slowly, such as North and north western New South Wales and Murray Lands in South Australia. The proportion of people living in poverty is increasing. Unemployment and under-employment are high. Real incomes are declining. One of the major challenges for rural Australia is low education attainment., with the proportion of people with post-secondary qualifications about 25-30 per cent of core city regions. Further divergence in education attainment is projected.

Drought has affected much of rural Australia over the past decade. Real prices of commodities halved over the past 30 years – severely impacting the viability of farming operations. The terms of trade have continually moved against farmers, threatening the viability of farming operations and rural communities. A number of country towns are declining. They have experienced population decline and rationalisation of public and private services, particularly finance, health and education services. Growth has consolidated around key provincial cities.

The economic future of rural based regions depends on a number of factors. This includes: world prices of key commodities, global economic prices and commodity prices, terms of trade, macroeconomic stability (particularly for interest rates), supply constraints, policy actions by competitor nations and our cost competitiveness, and climate conditions. Four other aspects are critical:

- shifting production to high value crops and livestock production and managing the exodus from less viable forms of agriculture;
- improving infrastructure particularly in transport, communications and education;
- increasing the level of investment rural-based communities in value added processing – including dairying, horticulture, meat and cereal products; and
- building opportunities for SME start-ups and expansion in rural based regions through expanding on local economic development initiatives such as building business and learning networks, improving business information and intelligence systems, and programs to support farmers upgrade business management skills such as Farm Start.

### **3.5 Resource based regions**

The resource based regions have developed around Australia's resource endowments in minerals and energy – including coal, oil and natural gas, iron ore, copper, alumina, lead and zinc, nickel, gold, timber and fisheries. The four regions considered here are Pilbara, Top End Northern Territory, Mersey Lyell and Gippsland. Many regions have strong resource based sub-regions.

The fortune of these regions are related to:



- world price trends for minerals and energy;
- the economic prospectivity of natural resources and cost of recovery;
- the policy regime: tax, infrastructure costs, environment and political processes (e.g. uranium);
- adequacy of infrastructure;
- cost competitiveness compared with international competitors, including transport costs; and
- environmental constraints such as the possible global implementation of greenhouse gas targets, which may have substantial impacts on Australia's coal producing regions.

### **3.6 Lifestyle based regions**

Substantial population growth has taken place over the past 10 years in regions with attractive lifestyle attributes, specifically good climate, water, housing and, depending on personal preferences, proximity to entertainment and shopping facilities. These regions are attractive for retirees. The drivers for change have been tourism and retirement, which in turn has attracted demand for support industries: housing and construction, wholesale and retail and community services. The lifestyle regions considered in this report are South-East New South Wales, Far North Queensland, Wide Bay-Burnett and North Coast New South Wales.

Economic performance of the lifestyle regions varies enormously. Far North Queensland has experienced substantial economic and employment growth, around 5 per cent per annum over the past decade. The Asian economic crisis is severely impacting the tourist industry. Some areas of the north and south coast of New South Wales offer cheap land opportunities and are attractive to younger people seeking alternative lifestyles. With improvements in information and communications technologies, more people are moving out of metropolitan cities and setting up home based industries in lifestyle regions.

A range of factors will influence the future development of these regions. Firstly, their ability to sustain their competitive advantage to attract tourists depends to a large degree of their capacity to maintain a high quality natural environment. The reputation of the Great Barrier Reef, the Daintree and other National Parks depends on their ability to manage tourism and protect their natural environment. Secondly, the extent and nature of facilities, such as entertainment and infrastructure such as hotels and convention centres is important in some lifestyle regions, whereas in others, it is the absence of such facilities that make them attractive.

## 4. Regional economic performance and prospects

To quantify regional performance and prospects, four indicators are considered:

- population;
- employment and unemployment;
- household income and distribution; and
- education attainment.

### 4.1 Population

National population is increasing at 1.37 per cent per annum. Significant variations are occurring between regions and within regions. The factors influencing population change include:

- birth rates and mortality;
- immigration preferences; and
- internal migration.

Between 1986-1996, population growth rates differed widely. Table 3 shows population change over this period. The table shows:

- the fastest growing regions are dispersed metro (3.2 per cent per annum) and lifestyle regions (2.6 per cent per annum);
- core metro regions (0.85 per cent per annum), moving off a larger base, rural (0.8 per cent per annum) and resource (0.7 per cent per annum) are growing below average, and the production zones are growing around the national average; and
- in absolute terms, the largest increases occurred in dispersed metro (785,000), core metro (506,000) and production zones (410,000) people.

**Table 3 Population change by type of region: 1986-1996**

Regional type	1986	1996	Change 1986-1996	Per cent per annum
Core metro	5,806,000	6,310,000	506,000	0.85
Dispersed metro	2,170,000	2,955,000	785,000	3.2
Production zones	3,000,000	3,410,000	410,000	1.3
Rural regions	3,152,000	3,417,000	265,000	0.8
Resource based	486,000	520,000	34,000	0.7
Lifestyle	950,000	1,250,000	281,000	2.6

Source: Australian Bureau of Statistics.

Table 4 ranks regions that are growing above national average. The winners are the “sunshine belt” and lifestyle regions in Queensland and New South Wales, Wide Bay-Burnett, Far North Queensland, Western Australian regions and dispersed metro regions in Sydney and Perth.

**Table 4 Australia’s fastest growing regions 1986-1996**

Region	1986	1996	Change 1986-96	Per cent change 1986-96	Annual change 1986-96
Moreton Ipswich Qld	675734	1075747	400013	59.2	4.8
North Brisbane Qld	132284	203198	70914	53.6	4.4
South West WA	115048	160244	45196	39.3	3.4
Central Coast NSW	191646	260813	69167	36.1	3.1
Wide Bay-Burnett Qld	168953	226607	57654	34.1	3.0
Far North Qld	205021	271565	66544	32.5	2.9
North Coast NSW	362966	466823	103857	28.6	2.5
Darwin Top End NT	114443	145585	31142	27.2	2.4
Northern and Central Perth WA	558462	699852	141390	25.3	2.3
South East NSW	212090	265031	52941	25.0	2.3
Southern Perth WA	436008	544677	108669	24.9	2.3
Southern NT	38695	48282	9587	24.8	2.2
Outer SW Sydney NSW	174409	213970	39561	22.7	2.1
Western Port Vic	539055	654772	115717	21.5	2.0
South Eastern WA	47415	57516	10101	21.3	2.0
Outer West Sydney NSW	242835	293082	50247	20.7	1.9
Canberra ACT	247795	298390	50595	20.4	1.9
Mackay Qld	104388	125403	21015	20.1	1.9
West Melbourne Vic	435111	500315	65204	15.0	1.4
Southern Adelaide SA	316720	363707	46987	14.8	1.4

Source: Australian Bureau of Statistics.

Table 5 shows the 15 regions that are declining in population or growing slowly. The decline in Pilbara reflects changes to the construction workforce in the mining industry and the growing shift to fly in – fly out working conditions in energy and gas industries.

The major losers are inland regions, predominantly based on rural production, where agriculture has become less viable over a long period of time. The regions are Eyre and York, Western District Victoria, South Eastern South Australia, North and North-West New South Wales, Murray Lands, Southern and Central New South Wales and Mallee-Wimmera. The decline in Eyre and York also reflects the decline in mining and manufacturing industries. Central Adelaide is the only core metro region experiencing population decline. Mersey-Lyell and Gippsland lost population due to downturns in the mining industry, in the case of Mersey-Lyell, and privatisation of the power industry, in the case of Gippsland.

**Table 5 Slow population growth and the declining regions 1986-1996**

Region	1986	1996	Change 1986-96	Per cent change 1986-96	Annual change 1986-96
Pilbara WA	48429	44778	-3651	-7.5	-0.8
Eyre and York SA	164109	157213	-6896	-4.2	-0.4
Western District Vic	98972	96689	-2283	-2.3	-0.2
Mersey-Lyell Tasmania	108111	106066	-2045	-1.9	-0.2
South East SA	60251	59547	-704	-1.2	-0.1
Central Adelaide SA	418446	416126	-2320	-0.6	-0.1
Mallee-Wimmera Vic	136159	135470	-689	-0.5	-0.0
Inner West Sydney NSW	204498	206487	1989	1.0	0.1
South Melbourne Vic	352967	358944	5977	1.7	0.2
North and North West NSW	362935	370542	7607	2.1	0.2
Murray Lands SA	63370	65453	2083	3.3	0.3
East Melbourne Vic	732363	758532	26169	3.6	0.4
Inner Melbourne Vic	220088	229042	8954	4.1	0.4
Gippsland Vic	214466	223348	8882	4.1	0.4
Southern and Central NSW	420072	440405	20333	4.9	0.5

Source: Australian Bureau of Statistics.

Table 6 shows NIEIR's projections for the fastest growing regions over the period 2001-2004. The projections show population growth declining, reflecting a decline in the national population growth rate. The projections show continued dominance of Queensland and Western Australian regions around core and dispersed metro regions of Brisbane and Perth. Lifestyle regions continue to perform strongly despite the economic downturn into the next millenium. Westernport is one of the fastest growing regions – driven by the eastward push of lower income population growth as well as the intensification of lifestyle opportunities.

An important development is the re-emergence of Global Sydney and North-north western Sydney as fast population growth areas. Hence, they are not only expected to grow in absolute terms, but their rate of growth is forecast to grow. This reflects the concentration of employment, cultural and entertainment opportunities in central locations and the residential preferences of knowledge – intensive workers. Northern Australia continues to grow strongly. A handful of rural regions, Loddon, based around Bendigo, and Ovens Hume, are projected to show reasonable population growth.

Projections for the 12 biggest population losers are set out in Table 7. The top three losers are all regions of South Australia: South Eastern South Australia, Eyre and York and Central Adelaide. All the Tasmanian regions are in the declining or low growing category. In these cases declining population is a reflection of poor economic performance. In the case of East and Southern Melbourne, declining population is a reflection of changing household composition, such as young people leaving home and aging households. The concentration of sluggish population change in two states raises important issues for regional policy. Poor performing inland rural regions will continue to decline.

**Table 6** Fastest growing regions 2001-2004

Region	Per cent per annum
Moreton-Ipswich Qld	2.6
North Brisbane Qld	2.5
South West WA	2.0
Wide Bay-Burnett Qld	1.8
Northern and Central Perth WA	1.8
Southern Perth WA	1.7
Westernport Vic	1.7
Far North Queensland	1.6
Ovens Hume Vic	1.5
Global Sydney NSW	1.5
North Coast NSW	1.5
Darwin Top End NT	1.4
North – north western Sydney NSW	1.4
South Eastern (WA)	1.4
Loddon Vic.	1.3

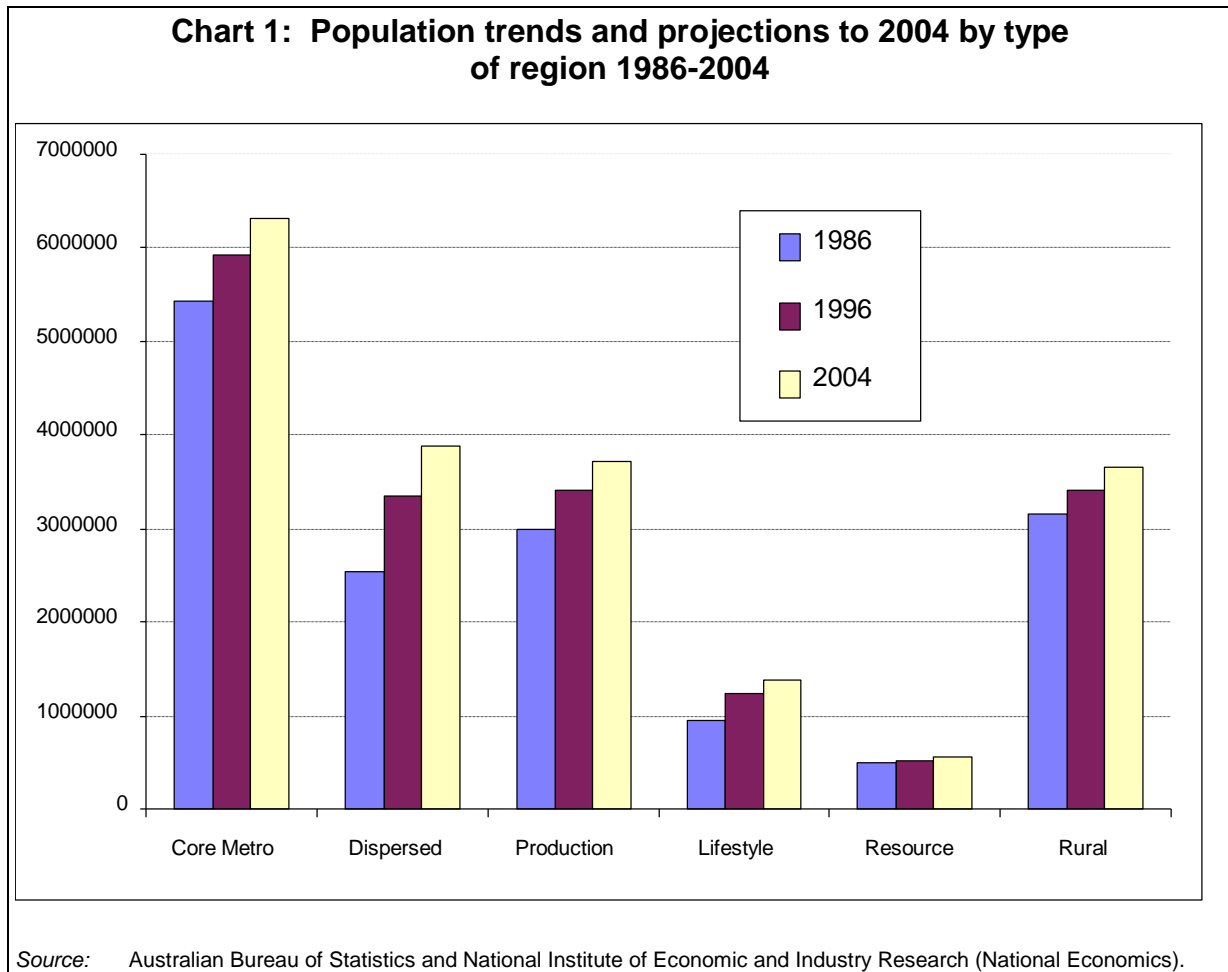
Source: National Institute of Economic and Industry Research (National Economics).

**Table 7** Declining and slow population growth projections

Region	Per cent per annum
South Eastern SA	-0.50
Eyre and York SA	-0.40
Central Adelaide SA	-0.20
East Melbourne Vic	-0.17
South Melbourne Vic	-0.11
Mersey-Lyell Tas	-0.08
Murray Lands SA	-0.02
Western District Vic.	0.02
Pilbara WA	0.14
Mallee-Wimmera	0.15
Northern Tasmania	0.16
Southern Tasmania	0.18

Source: National Institute of Economic and Industry Research (National Economics).

Population, trends and projections are set out in Chart 1.



## 4.2 Employment and unemployment

This sections deals with the employment performance and prospects of regional Australia.

Four steps are involved. Firstly, we present data on employment change by each regional type in Australia. Secondly, NIEIR's regional modelling system is used to forecast annual employment growth or decline by region to 2004, incorporating global and national factors and regional specific developments. Thirdly, we develop the concept of an effective employed population. This is defined as the ratio of full time plus one third part-time workers in a region expressed as a percentage of the total regional workforce. The measure is a proxy for the capacity of a region to provide jobs for its workforce. In non-metropolitan regions, it is a measure of how well a region performs in creating work for residents. In metropolitan regions, it is an indication of the competitiveness of the region to create jobs in the broader metropolitan labour market. Fourthly, we document changes in unemployment by region over the period 1991-1998.

Employment trends and forecasts are set out in Table 8. Each arrow defines an annual change of employment of up to 1 per cent, an upward pointing arrow indicates growth and a downward arrow a decline. The greater the number of upward arrow points the higher the employment growth rate. Five upward arrows indicate a growth rate of between 4-5 per cent per annum. The results broadly indicate a reduction in the capacity of regions to provide jobs to 2004. Table 9 itemises the expected 10 best performers over the period 1998-2004. It suggests that the globally competitive core metro regions will out-perform the rest of regional Australia – again confirming the widening divergence in regional employment performance. Westernport has a capacity to diversify and increasing population supports employment growth, similar to the situation in Moreton-Ipswich. Both Northern Territory regions do well, as does growth in south western Australia, reflecting new lifestyle opportunities. Table 10 sets out the regions with the poorest outlook over the period 2004. Poor performing rural regions over the past decade are expected to continue to decline. Sydney Production Zone is also confronted with a sharp employment downturn after the Sydney Olympics.

Table 11 shows changes in the effective employed population (EEP) over the period 1998 to 2004. Most regions experience a decline in the EEP, reflecting the impact of economic downturn and the increasing shift to part-time work. The regions where the EEP is increasing include inner Melbourne, Brisbane and North Brisbane, and the globally competitive core metros also hold up. The biggest declines are in the Production Zones, regions such as North Adelaide, Western Melbourne and Sydney Production Zone.

Table 12 regional unemployment trends over the period 1991-1998. The table indicates that the more globally oriented a core metro region, the lower its unemployment rates. Core metro regions in Sydney have attained full employment. The smaller nationally oriented core metros Hobart/Southern Tasmania and Adelaide have unemployment rates up to four times higher than Sydney and Melbourne.

### **4.3 Household income and distribution**

An important dimension of change in regional Australia is the shift in income distribution, leading to increasing poverty over the period 1986-1996. To undertake this analysis, the following steps were taken. Firstly, gross adult incomes for the regions are divided into three categories: incomes under \$25,000, incomes between \$25,00-\$50,000, and incomes over \$50,000. Second, these incomes were standardised into \$1991 over the inter-censal period 1986-1991 and 1991-1996. Thirdly, we look at the percentage point shift between the same cohorts over the period 1986-1996. Detailed results are set out in Appendix 2.

The results are as follows: The proportion of people receiving below \$25,000 per annum has increased, as has the proportion of adults earning above \$50,000, but the shift towards lower incomes is much greater. Rural Australia has long experienced high levels of poverty and this is born out by the proportion of the population receiving less than \$25,000 per year. What is distinctive about the current period is the relatively large shift towards low incomes taking place in other regions.. The major production regions of metropolitan Sydney: Northern Illawarra, Sydney Production Zone and Lower Hunter, as well as Westernport. North Adelaide and West Melbourne show smaller shifts. Dispersed regions such as North Brisbane, South West and outer west and Central Coast in Sydney are also showing an increasing shift to lower incomes. A big shift towards low incomes occurred in Gippsland, due to restructuring of the power industry. On the other hand, the globally oriented core metros are experiencing large shifts towards adults earning more than \$50,000.

**Table 8 Employment trends and projections 1991 – 2004**

		Average annual employment growth rates (per cent)	
		1991-1998	1998-2004
<b>Rural Regions</b>			
WA	South West WA	↑↑↑↑↑	↑↑↑↑↑
NT	Southern NT	↑↑↑	↑↑
QLD	Northern	↑↑↑	↑↑
VIC	Ovens-Hume	↑↑	↑↑
VIC	Loddon	↑↑	↑↑
QLD	South-West Qld	↑↑	↑↑
NSW	Southern and Central NSW	↑↑	↑
SA	Murray Lands	↑↑	↑
NSW	North and North Western	↑	↑
NSW	South East NSW	↑↑	↑
VIC	Goulburn	↑↑	↑
WA	Great Southern	↑↑	↑
VIC	Golden Region	↑↑	↑
SA	South East SA	↑↑	↑
VIC	Mallee-Wimmera	↑	↓
TAS	Northern Tasmania	↑	↓
SA	Eyre and York	↓	↓
QLD	Mackay	↑↑↑	↓
VIC	Western District	↑	↓
QLD	Central Qld	↑↑	↓↓↓
WA	Midlands and Central	↑↑	↓↓↓
<b>Resource regions</b>			
NT	Darwin Top End NT	↑↑↑↑	↑↑↑
WA	Pilbara	↑	↑
VIC	Gippsland	↑	↓
TAS	Mersey-Lyell Tasmania	↑	↓
<b>Production regions</b>			
VIC	Western Port	↑↑↑	↑↑↑
NSW	Lower Hunter	↑↑	↑↑
VIC	West Melbourne	↑↑	↑
SA	Northern Adelaide	↑↑	↑
NSW	Northern Illawarra	↑↑	↓
NSW	Sydney Industrial Corridor	↑↑	↓↓
<b>Lifestyle regions</b>			
QLD	Wide Bay-Burnett	↑↑↑↑	↑↑
NSW	North Coast	↑↑↑	↑↑
QLD	Far North Qld	↑↑↑↑	↑↑
VIC	South East Melbourne	↑↑	↑



**Table 8 Employment trends and projections 1991 – 2004 (continued)**

		Average annual employment growth rates (per cent)	
		1991-1998	1998-2004
<b>Dispersed regions</b>			
QLD	North Brisbane	↑↑↑↑↑↑↑	↑↑↑↑↑
NSW	Central Coast	↑↑↑↑	↑↑↑↑
QLD	Moreton Ipswich	↑↑↑↑↑↑	↑↑
NSW	Outer South West Sydney	↑↑↑	↑↑
WA	Southern Perth	↑↑↑↑	↑↑
NSW	Outer West Sydney	↑↑↑	↑↑
SA	Southern Adelaide	↑↑	↑
<b>Core metro regions</b>			
VIC	Inner Melbourne	↑↑↑↑↑	↑↑↑↑↑
NSW	Global Sydney	↑↑↑	↑↑↑
NSW	North-North West Sydney	↑↑↑	↑↑↑
WA	Northern and Central Perth	↑↑↑↑	↑↑
QLD	Brisbane	↑↑↑	↑↑
NSW	Southern Sydney	↑↑	↑↑
ACT	ACT	↑↑	↑↑
WA	South Eastern WA	↑↑↑↑	↑↑
VIC	East Melbourne	↑↑	↑
VIC	North Melbourne	↑↑	↑
SA	Central Adelaide	↑	↑
NSW	Inner West Sydney	↑↑	↓
TAS	Southern Tasmania	↑↑	↓

**Key**

Represents &lt; 0 and greater than -1

Represents  $\geq 0$  but < 1Represents  $\geq 1$  but < 2Represents  $\geq 2$  but < 3Represents  $\geq 3$  but < 4Represents  $\geq 4$  but < 5Represents  $\geq 5$  but < 6

↓  
↑  
↑↑  
↑↑↑  
↑↑↑↑  
↑↑↑↑↑  
↑↑↑↑↑↑  
↑↑↑↑↑↑↑

↓  
↑  
↑↑  
↑↑↑  
↑↑↑↑  
↑↑↑↑↑  
↑↑↑↑↑↑  
↑↑↑↑↑↑↑

**Table 9 Best employment growth prospects – top 10 regions**

			Employment growth rate	
			1991-1998	1998-2004
Core metro	VIC	Inner Melbourne	↑↑↑↑	↑↑↑↑
Dispersed metro	QLD	North Brisbane	↑↑↑↑↑↑	↑↑↑↑
Rural	WA	South West WA	↑↑↑↑↑	↑↑↑↑
Dispersed metro	NSW	Central Coast	↑↑↑↑	↑↑↑
Core metro	NSW	Global Sydney	↑↑↑	↑↑↑
Producer zone	VIC	Western Port	↑↑↑	↑↑↑
Resource	NT	Darwin Top End NT	↑↑↑↑	↑↑↑
Core metro	NSW	North-North West Sydney	↑↑↑	↑↑↑
Dispersed metro	QLD	Moreton Ipswich	↑↑↑↑↑	↑↑
Rural	NT	Southern NT	↑↑↑	↑↑

**Table 10 Poor employment growth prospects – bottom 10 regions**

			Employment growth rate	
			1991-1998	1998-2004
Resource	VIC	Gippsland	↑	↓
Rural	TAS	Northern Tasmania	↑	↓
Rural	SA	Eyre and York	↓	↓
Producer zone	NSW	Northern Illawarra	↑↑	↓
Resource	TAS	Mersey-Lyell Tasmania	↑	↓
Rural	QLD	Mackay	↑↑↑	↓
Rural	VIC	Western District	↑	↓
Producer zone	NSW	Sydney Industrial Corridor	↑↑	↓↓
Rural	QLD	Central Qld	↑↑	↓↓↓
Rural	WA	Midlands & Central	↑↑	↓↓↓

**Key**

Represents &lt; -2 and &gt; -3 per cent average annual growth

↓↓↓

Represents &lt; -1 and &gt; -2 per cent average annual growth

↓↓

Represents &lt; 0 and &gt; -1 per cent average annual growth

↓

Represents  $\geq 0$  but < 1 per cent average annual growth

↑

Represents  $\geq 1$  but < 2 per cent average annual growth

↑↑

Represents  $\geq 2$  but < 3 per cent average annual growth

↑↑↑

Represents  $\geq 3$  but < 4 per cent average annual growth

↑↑↑↑

Represents  $\geq 4$  but < 5 per cent average annual growth

↑↑↑↑↑

Represents  $\geq 5$  but < 6 per cent average annual growth

↑↑↑↑↑↑

↓↓↓

↓↓

↓

↑

↑↑

↑↑↑

↑↑↑↑

↑↑↑↑↑

↑↑↑↑↑↑

**Table 11 Effective employed population ratio (full time employment plus one third of part time employment divided by population 15 to 64)**

		1998	2004
<b>Core metro</b>			
NSW	North-North West Sydney	62.2	60.2
VIC	Inner Melbourne	57.9	60.1
NSW	Southern Sydney	61.4	59.9
NSW	Global Sydney	61.7	59.8
QLD	Brisbane	57.6	59.8
ACT	Canberra	58.7	56.1
VIC	East Melbourne	57.6	55.5
NSW	Inner West Sydney	58.9	54.1
WA	Northern and Central Perth	54.5	52.3
SA	Central Adelaide	51.9	49.3
TAS	Southern Tasmania	50.2	47.0
VIC	North Melbourne	51.4	45.4
<b>Dispersed metro regions</b>			
QLD	North Brisbane	57.7	58.2
NSW	Outer West Sydney	56.7	54.3
NSW	Outer South West Sydney	53.3	51.2
WA	Southern Perth	53.1	50.9
NSW	Central Coast	51.2	49.7
QLD	Moreton Ipswich	50.3	46.9
SA	Southern Adelaide	51.6	46.5
<b>Lifestyle regions</b>			
VIC	South East Melbourne	57.8	53.0
QLD	Far North Qld	56.9	54.0
QLD	Wide Bay-Burnett	47.0	45.4
NSW	North Coast	43.8	40.2
<b>Production regions</b>			
VIC	Western Port	53.6	49.8
NSW	Lower Hunter	49.3	46.7
VIC	West Melbourne	50.3	43.9
NSW	Northern Illawarra	48.6	43.3
SA	Northern Adelaide	48.8	42.9
NSW	Sydney Industrial Corridor	49.9	41.4

**Table 11 Effective employed population ratio (continued)**

		1998	2004
<b>Resource regions</b>			
WA	Pilbara	64.1	62.6
NT	Darwin Top End NT	55.6	57.2
TAS	Mersey-Lyell Tasmania	47.9	44.3
VIC	Gippsland	48.7	42.9
<b>Rural</b>			
QLD	South-West Qld	57.5	57.2
WA	Great Southern	58.6	56.3
QLD	Northern Qld	56.1	56.0
WA	South West WA	54.2	55.7
SA	South East SA	58.8	55.0
NT	Southern NT	53.9	54.9
SA	Murray Lands	55.3	53.4
NSW	Southern and Central NSW	55.3	51.9
VIC	Ovens-Hume	55.4	49.9
VIC	Mallee-Wimmera	55.7	49.6
NSW	South East NSW	52.2	49.2
QLD	Mackay	56.1	48.6
NSW	North and North Western	51.8	48.6
VIC	Goulburn	54.0	48.0
VIC	Western District	54.4	46.3
SA	Eyre and York	50.1	46.0
QLD	Central Qld	53.7	45.0
TAS	Northern Tasmania	48.5	44.9
WA	Midlands and Central	54.7	44.3
VIC	Loddon	48.5	44.2
VIC	Golden Region	48.4	41.3
WA	South Eastern WA	63.3	59.2

**Table 12 Regional unemployment rates June 1991 – June 1998**

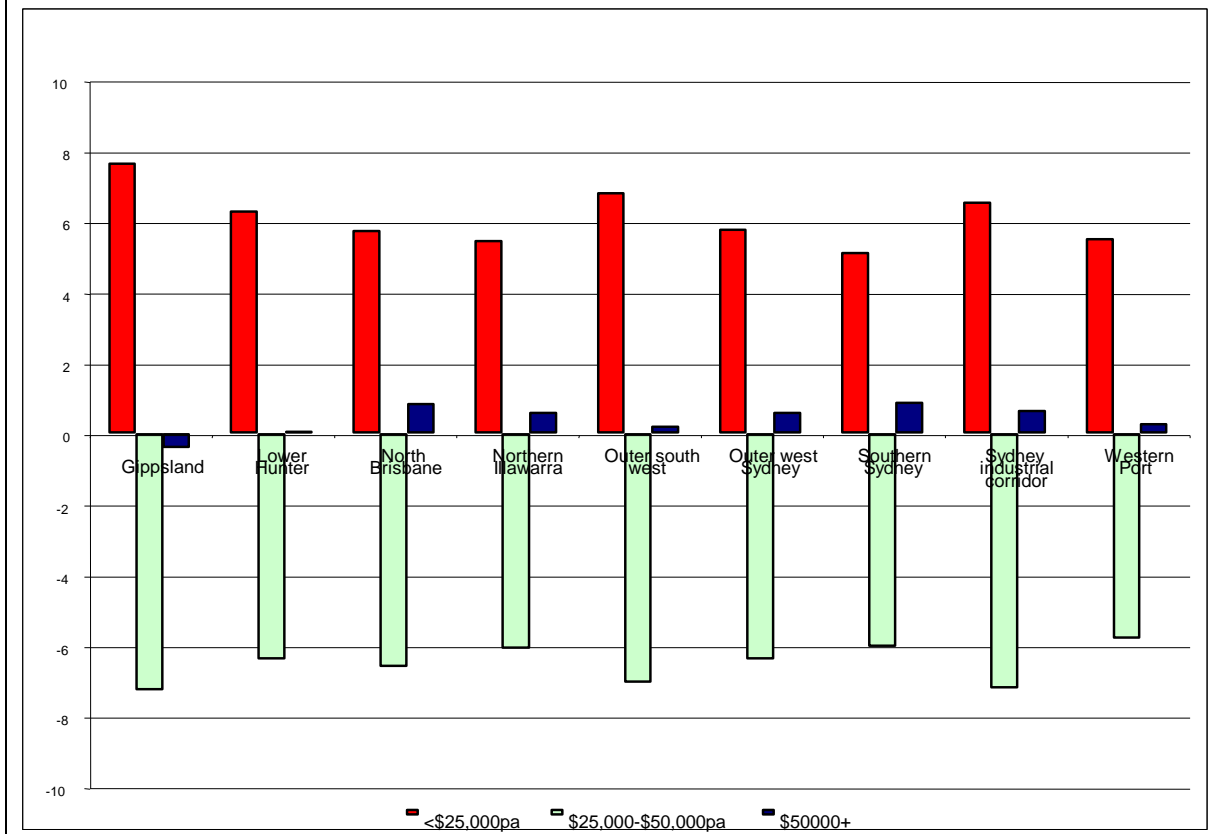
		1991	1992	1993	1994	1995	1996	1997	1998
<b>Core metro regions</b>									
NSW	North-north west Sydney	3.8	4.7	4.5	4.2	3.2	3.4	3.5	2.3
NSW	Inner west Sydney	5.9	7.7	10.0	7.8	6.2	6.7	6.4	2.8
NSW	Southern Sydney	5.4	5.8	7.2	5.0	3.6	5.5	5.1	4.3
NSW	Global Sydney	5.1	5.9	6.9	6.7	4.7	4.4	4.9	4.4
VIC	South East Melbourne	10.8	11.6	12.4	9.5	7.1	6.6	7.4	5.9
VIC	East Melbourne	7.7	7.6	7.8	7.4	5.4	5.5	6.7	6.7
QLD	Brisbane	8.6	8.3	8.2	8.1	7.0	7.5	8.1	6.8
VIC	Inner Melbourne	10.1	13.5	13.7	12.6	9.5	9.7	8.6	6.9
WA	Northern and Central Perth	10.6	9.8	9.7	8.6	7.1	7.6	7.3	7.0
VIC	North Melbourne	10.9	14.9	14.7	11.6	10.4	10.4	9.9	8.4
TAS	Southern Tasmania	11.6	10.6	13.3	12.1	10.4	10.8	10.3	8.5
SA	Central Adelaide	10.5	12.0	11.6	10.5	10.1	9.5	9.1	9.3
<b>Dispersed metro regions</b>									
WA	Southern Perth	11.7	11.7	11.3	8.9	8.1	8.0	7.9	7.1
NSW	Outer west Sydney	6.6	7.6	7.6	9.1	6.7	5.9	6.8	7.3
NSW	Central Coast	11.9	12.7	14.0	10.4	10.6	9.3	6.4	8.1
QLD	North Brisbane	9.9	9.5	10.3	9.0	9.5	10.6	10.0	8.2
NSW	Outer south west	7.5	10.8	9.0	6.5	8.3	6.9	8.1	8.4
SA	Southern Adelaide	7.6	11.2	10.4	9.9	9.6	9.8	8.3	8.8
QLD	Moreton and Ipswich	12.8	13.1	13.6	11.1	10.7	11.1	12.2	10.5
<b>Lifestyle regions</b>									
NSW	South East	7.7	8.1	9.7	8.5	9.6	9.5	9.2	9.8
QLD	Far North Qld	13.5	11.8	11.1	9.6	5.2	6.2	10.8	5.9
NSW	North Coast	14.3	15.6	15.7	16.7	10.5	12.6	12.9	13.0
QLD	Wide Bay-Burnett	9.8	12.7	15.6	12.9	13.6	14.4	16.5	14.1
<b>Production regions</b>									
VIC	Westernport	11.2	11.8	10.3	9.5	7.2	7.8	8.0	8.8
NSW	Sydney industrial corridor	11.1	13.8	14.5	13.6	11.3	11.6	9.8	9.3
NSW	Lower Hunter	10.9	12.3	13.9	14.2	9.6	11.1	11.1	9.5
VIC	West Melbourne	11.4	12.8	15.2	14.4	13.5	11.5	11.0	9.6
SA	Northern Adelaide	10.9	13.2	11.4	11.0	11.4	9.0	10.5	11.1
NSW	Northern Illawarra	8.9	14.6	14.8	15.2	9.7	8.9	12.9	11.8

**Table 12 Regional unemployment rates June 1991 – June 1998 (continued)**

		1991	1992	1993	1994	1995	1996	1997	1998
<b>Resource regions</b>									
NT	Darwin Top End	6.6	5.0	6.2	5.4	5.2	5.5	4.6	4.5
WA	Pilbara	7.2	8.8	5.9	8.2	5.5	5.2	5.6	6.7
VIC	Gippsland	12.1	9.8	13.1	14.2	8.2	9.1	12.0	10.2
TAS	Mersey-Lyell	10.2	9.1	11.8	10.9	9.2	9.3	9.1	10.8
<b>Rural regions</b>									
NSW	Southern and Central NSW	7.4	8.3	8.7	7.5	5.2	5.9	7.4	6.6
NSW	North and north western	9.5	9.9	11.1	8.9	7.8	6.1	7.8	7.5
NT	Southern NT	9.7	6.9	8.4	7.6	7.4	6.7	8.8	4.6
QLD	Central West Qld	4.7	7.5	5.1	6.3	4.5	2.6	5.4	4.7
QLD	South West Qld	7.5	7.5	8.5	6.8	7.8	10.1	6.6	6.1
QLD	North Qld	11.6	10.6	9.5	9.3	7.8	9.6	7.2	8.2
QLD	Mackay	10.7	13.1	8.5	10.4	9.8	7.0	10.8	8.5
SA	South East SA	8.5	10.9	7.2	7.3	5.8	5.4	6.2	8.5
SA	Eyre and York	8.1	10.1	9.1	10.9	7.4	8.9	9.0	9.7
SA	Murray Lands	12.4	16.6	10.5	11.3	9.6	7.9	8.8	11.5
TAS	Northern Tasmania	11.5	10.5	13.2	12.1	10.3	10.7	10.2	12.2
VIC	Ovens-Murray	9.0	12.0	6.8	7.9	6.1	6.8	7.4	6.4
VIC	Goulburn	11.5	14.9	8.3	9.4	7.4	7.3	7.5	7.3
VIC	Mallee-Wimmera	10.0	11.1	13.1	11.4	8.2	7.3	8.0	7.3
VIC	Western Victoria	6.6	8.8	9.5	9.5	8.8	8.0	9.6	7.7
VIC	Loddon	10.4	13.0	14.3	12.2	10.5	10.2	10.2	9.2
VIC	Golden Region	10.0	11.6	14.4	13.8	11.1	10.4	12.1	11.0
WA	South West Qld	6.1	5.9	7.5	6.0	5.5	6.4	4.4	3.8
WA	Great Southern WA	10.4	10.9	8.0	7.1	6.4	8.0	8.2	6.2
WA	South Eastern WA	7.4	9.2	5.3	7.2	5.4	5.1	4.9	6.4
WA	Midlands and Central WA	8.6	10.6	6.4	8.6	5.9	5.5	5.3	6.9

Source: DEETYA.

**Chart 2: Widening income divergence in regional Australia  
(largest increases in incomes <\$25,000 1986 versus 1996)**



#### 4.4 Education attainment

One of the significant indicators of the state of the regions is change in skill intensity. In advanced economies, most new jobs require a high degree of skill intensity. These jobs normally require a post-secondary qualification, either a diploma or degree. For example, 250,000 new knowledge-intensive jobs were created in Sydney between 1986-1996. At the same time, 46,000 production and service jobs were lost.

An important categorisation in the knowledge economy divides jobs into three main types: symbolic analysts, in-person service workers and routine production workers<sup>6</sup>. Of these, it is the symbolic analysts who are getting most of the jobs. These are creative workers who use ideas, language, applied mathematics, audio visual and multi-media content to construct or interpret meaning. They are highly paid intellectual workers: designers, engineers, scientists etc. The critical aspect of these jobs is their intellectual content.

Successful regions focus on skills development strategies as a means of stimulating economic and employment growth. This involves not only formal education, but continuous upgrading. An important indicator of the knowledge capabilities of regional Australia is the proportion of workers with tertiary qualifications.

<sup>6</sup> Robert B. Reich, *The Work of Nations*, Vintage Books, New York, 1992, p177-78.

Table 13 outlines the top 15 skilled regions in Australia, defined in terms of the percentage of the work force with tertiary qualifications in 1986 and 1998. Table 14 shows the low education performers, in terms of tertiary qualifications. Analysis of the tables suggests the following:

- the best performers are concentrated in the knowledge intensive metropolitan regions – inner Melbourne and global Sydney and their surrounds;
- education attainment in these regions has at least doubled over the period 1986-1996, and forecasts are of future growth are also high, with over half the workforce projected to have tertiary qualifications by 2004; and
- low education attainment is concentrated in rural Australia, with a range of merely 10-15 per cent of the workforce with tertiary qualifications. Hence the core metro regions have between 3-4 times greater number of tertiary qualified workers than the low performing rural regions. The most disturbing aspect of Table 13 and 14 is that the “knowledge gap” is widening dramatically between the high performing and low performing regions. The low performing regions are making little progress in shifting toward a tertiary trained population whereas the core metro regions are becoming more highly trained and qualified.

**Table 13 The 15 highest performers in tertiary education  
(per cent workforce with tertiary qualifications)**

Region	1986 per cent	1998 per cent	2004 per cent
<b>Inner Melbourne</b>	20.8	44.8	56.0
<b>Global Sydney</b>	19.8	42.7	55.2
<b>North-North western Sydney</b>	20.3	40.1	48.8
<b>Inner west Sydney</b>	16.8	39.9	51.1
<b>South Melbourne</b>	17.8	38.2	49.2
<b>Canberra</b>	22.7	37.4	44.3
<b>East Melbourne</b>	17.4	35.3	43.9
<b>Brisbane</b>	13.8	30.3	38.0
<b>Central Adelaide</b>	14.7	29.8	36.2
<b>Pilbara</b>	10.7	28.8	37.1
<b>Southern Sydney</b>	11.3	28.3	37.2
<b>Northern and Central Perth</b>	13.2	25.7	30.2
<b>North Melbourne</b>	9.0	22.7	30.0
<b>Southern Adelaide</b>	12.4	22.3	25.8
<b>Northern Illawarra</b>	8.3	22.0	28.3

Source: ABS and National Institute of Economic and Industry Research (National Economics).



**Table 14 The low education attainers  
(per cent of workforce with tertiary qualifications)**

Region	1986	1998	2004
<b>Murray lands</b>	6.5	10.4	11.5
<b>Eyre and York</b>	7.0	11.9	13.1
<b>Mersey-Lyell</b>	6.8	12.6	14.3
<b>Wide Bay-Burnett</b>	7.0	12.6	14.4
<b>South East SA</b>	7.5	12.7	14.1
<b>Northern Adelaide</b>	5.9	13.6	16.8
<b>Mackay</b>	7.0	13.7	16.1
<b>Midlands and Central</b>	7.2	13.7	15.1
<b>South Eastern WA</b>	6.7	14.3	16.5
<b>Mallee-Wimmera</b>	8.0	14.3	15.6
<b>Central Queensland</b>	7.2	14.7	17.2
<b>South West (WA)</b>	7.8	15.1	17.5
<b>Far North Queensland</b>	7.9	15.2	16.5
<b>Moreton Ipswich</b>	7.5	15.6	19.0
<b>Goulburn</b>	8.4	15.7	17.7

Source: National Institute of Economic and Industry Research (National Economics).

---

## 5. Towards a regional economic policy agenda

---

Innovations in regional strategies are emerging in many countries and regions. Community, local and regional economic development strategies have become a high priority for advanced economies over the past decade. Bureaucratic led programs focused on redistribution from central government to backward regions have generally failed. Southern Italy is perhaps the classic case study. The region failed to significantly narrow income and employment differentials with Northern Italy despite 50 years of regional development policy<sup>7</sup>. On the other hand, when communities and regions are left to themselves to manage economic difficulties, the social and economic returns have been acceptably high.

Many factors account for the increased focus on regional economic policy. Firstly, as this study confirms, the systemic increases in unemployment have an important regional dimension, with high unemployment being concentrated spatially; including in non-metropolitan rural regions and centres dependent on agricultural commodities and traditional manufacturing industries. Regional disparities in incomes and employment are a major concern in all advanced and developing countries. Non-urban Australia has battled long term problems with declining living standards and high unemployment. Rural Australia has battled drought, falling commodity prices and intensified competition in key international markets. Production regions are facing long term economic and social problems, and increasing marginalisation of large number of people locked out of employment and income opportunities.

Secondly, there has been a significant trend towards decentralisation and devolution of responsibility for economic development in advanced economies. Good governance in local and regional economic development is generally associated with devolution of decision-making at the local level<sup>8</sup>. The reason for this is simple. Local businesses, communities, and farmers know their community – its strengths and weaknesses, as well as opportunities and threats to the local area. Higher level bureaucratic approaches have been tested and failed. Successful examples of local and regional economic development are the result, almost without exception, of local innovations. Innovative local and regional policy has resulted in a shift from place management to people-centred development.

Thirdly, increasing international competition places pressure on the economic structure of regions. If local industries are not competitive, then investment, jobs and skilled people will go elsewhere. Loss of competitiveness may be due to a number of factors including increasing relative costs, outdated technology, and stagnant demand for locally produced products and services. The adequacy of the regional foundations is a key aspect of competitiveness of regions. These regional foundations include the quality of the local education and training system, local labour markets, the efficiency and effectiveness of local governance, the responsiveness of the finance system to business and farm needs, and quality of the environment and cultural factors. Communities need to continually strive to ensure that their regional foundations are strong and underpin investment decisions by farmers and businesses.

---

<sup>7</sup> Riccardo Faini, Giampaolo Galli and Curzio Giannini, "Finance and development: the case of Southern Italy", in Alberto Giovannini (ed.), **Finance and development: Issues and experience**, Centre for Economic Policy Research, Cambridge University Press, 1993.

<sup>8</sup> Organisation of Economic Co-operation and Development, **Trends in regional policies in OECD countries, June 1993-June 1996**, Paris, 1997.

Fourthly, the emergence of business and community networks as a driving force for change, and the opportunities for collaboration between government and the private sector, has very important regional implications. The development of new partnerships between regionally based industries, different tiers of government and the community has been critical in charting out new development paths for regions. The merit of “bottom-up” approaches is that it incorporates concrete experiences and innovations from the local and regional level.

Fifthly, budgetary pressures have forced localities and regions to generally “do more with less”. The withdrawal of resources and services from regions in the 1980’s spurred many rural and other non-metropolitan regions in many countries to develop their own strategies to revitalise their communities. Outcomes from these models have been most successful when state and national governments, and the private sector, have responded positively to innovative strategies emerging from regions.

Given the growing disparities in regional performance and prospects, the key challenge is to design and implement strategies is to shift regions onto a sustainable development trajectory. This is a path that creates opportunities for higher skilled jobs, incomes, lifestyle and learning opportunities, taking into account the specific characteristics of regions. The common theme in all successful regions is innovation.

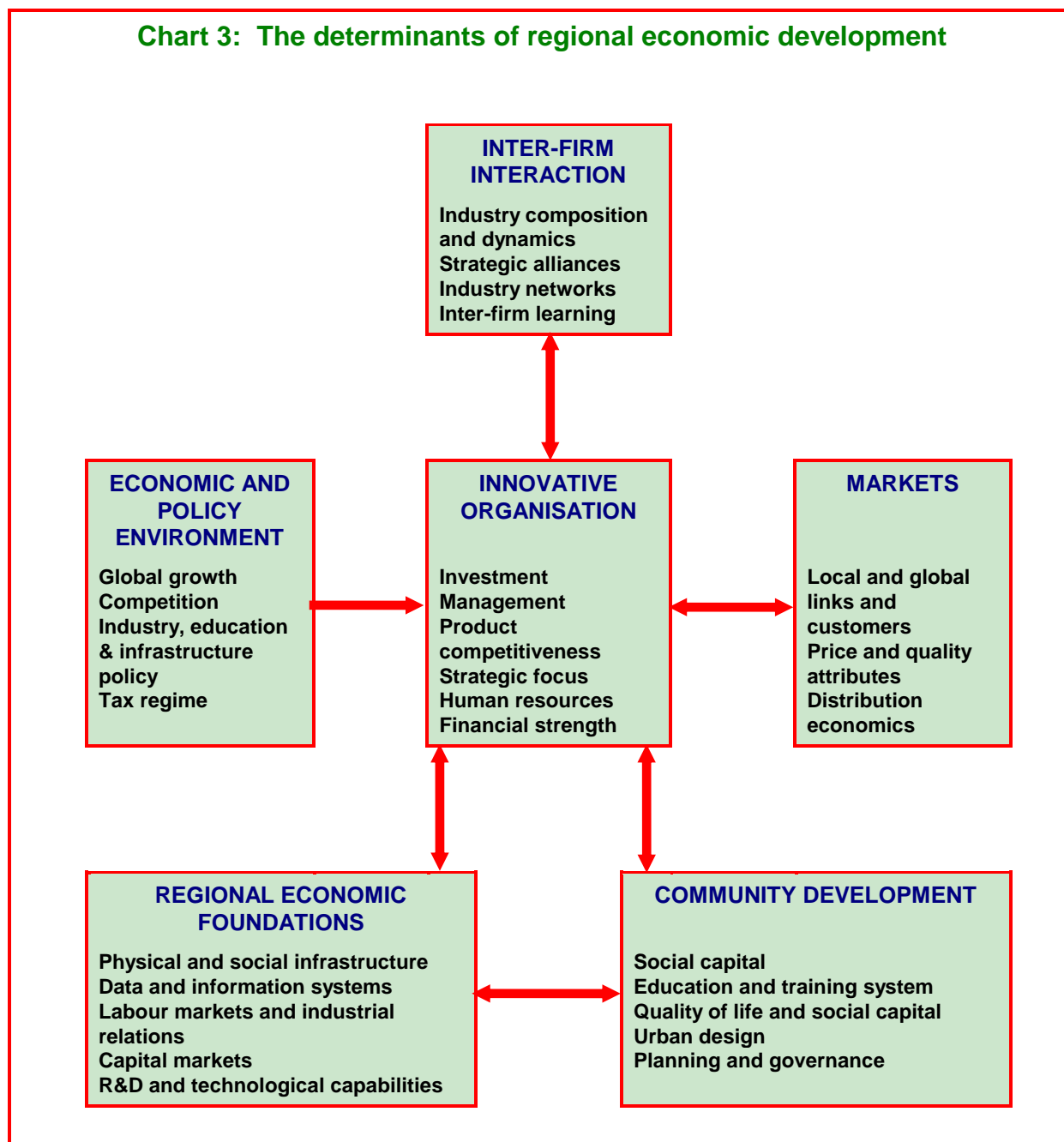
We define an **innovative region** as an area where organisations and individuals continually acquire, develop, share and use new knowledge and information. Networks comprising firms, farms, households and neighbourhoods, social organisations, governments and their agencies working together are the innovators. Organisations with the capacity to innovate do not rely on chance discoveries or research institutes and laboratories. Innovative capacity comes from organisation wide learning systems and values generating continuous incremental improvements. Learning systems enable organisations to learn from experience, to generate new knowledge through experiment, to incorporate it within new products and processes and to internalise and spread it within the organisation. Innovation comes from systems and values that enable continual learning through action. Organisations with the capacity for systematic innovation are learning organisations that use learning to lever advantage from their human and technical capacities. Within an innovative region, complexes of innovative organisations interact and share knowledge. These knowledge rich complexes produce an innovative milieu, which supports further enterprise growth, progressively increases and strengthens skills and technology capacity and generates employment opportunities.

The emphasis of a re-invigorated policy framework should focus on four areas:

1. develop practical initiatives to strengthen business networks or clusters;
2. build the regional foundations for growth;
3. strengthen social and human capital through community based learning networks; and
4. a new national and state regional policy frameworks to support regional economic development and mechanisms for cooperation and collaboration between governments, business and the community.

The decisions of firms and individuals are at the core of successful regions, supported by an enabling environment that nurtures and sustains innovation and competitiveness. A framework is set out in Chart 3.

**Chart 3: The determinants of regional economic development**



## 5.1 Strengthening business networks and clusters

In advanced economies, the interaction of firms is a critical determinant of regional competitiveness. Firms need to be examined in the context of their relationships with suppliers, competitors and customers. The interaction of firms with clients has been identified as a key source of innovation and competitiveness at the regional level<sup>9</sup>. Firms have become more specialised and out-source many functions previously supplied in-house. The rapid growth of the finance and business services such as legal and financial services, software, engineering and management consulting – is in part a reflection of the increasing

<sup>9</sup> Lars Gelsing, "Innovation and the Development of Industrial Networks", in Bengt-Ake Lundvall (Editor), **National Systems of Innovation – Towards a Theory of Interactive Learning**, Pinter, London and New York, 1995.

specialisation of manufacturing firms and large service organisations. Rural producers are increasingly establishing and participating in networks. Priorities of networks include sharing R&D, new produce/product and market development, training, infrastructure planning, environmental management and linking into electronic market intelligence systems. A detailed understanding of networks at the regional level is required to understand the economic dynamics of regional development, and to build the critical mass and supply chains required to compete internationally. Regional agencies, providing they have sufficient expertise and resources, and particularly credibility with local industry, have an important role in developing and supporting the management of these networks.

## **5.2 Building the regional foundations for growth**

Regional foundations are those aspects of the region that create an enabling environment for firms to invest in or expand their operations and households and individuals to invest in continuous learning and participation in their area. The critical regional foundations that strengthen regional potential are:

- physical and social infrastructure;
- data and information systems;
- education and training system;
- capital markets;
- R&D and technological capabilities;
- quality of life, environmental sustainability and social capital; and
- innovative local planning and governance.

### ***Physical and social infrastructure***

The adequacy and efficiency of physical infrastructure – particularly road and rail networks, access to airport and port facilities, and telecommunications systems – are important determinants of location decisions for firms considering establishing operations in the region. Physical infrastructure is becoming more important as a result of globalisation. The most competitive global firms require access to global distribution systems, with efficient links to suppliers and customers.

Social infrastructure – schools, hospitals, housing stock, parks, libraries and community centres – are not only important social assets for the community; they also influence the performance of the regional economy. These facilities create direct employment and are often linked to commercial opportunities (e.g. medical services). They influence the decisions of households to set up in the area and the productivity of the workforce.

## ***Education and training system***

New approaches to regional economic development place education and training system at the centrepiece of economic development processes. This is because high value added industries are driven by the need to continually innovate, to develop new products and markets, upgrade technology and work practices, and continually adjust to a competitive economic environment. This requires a commitment to high quality education and training to develop and maintain a high skilled and committed workforce.

## ***Data and information systems***

A fundamental development in modern economies is the shift from large production systems to information and knowledge intensive production and distribution systems. The ability to link regional firms into global, national and industry data and information systems is a critical foundation for regional economic development. Regions without access to these advanced data and information systems will decline. Firms are much more reliant on information and communications networks and systems and hardware – PCs, advanced cables, phones, fax machines and audio-video conferences. Data and software are central to production and marketing decisions, including information about tenders, suppliers, overseas markets, technologies, finance markets and training opportunities.

## ***Capital markets***

Relationships between regional firms and capital markets – both for debt and equity – influence the capacity of firms to expand. Successful regions link firms linked to capital markets that can provide a low cost of capital, availability of capital, innovative financing instruments and a long term investment perspective.

This may include venture capital markets – to support high risk start-ups or new products, attractive financing packages for development capital for infrastructure and to support firms through an expansion phase, and the expertise to assess commercial opportunities in collaboration with clients. It may also include specialist development finance institutions that have a detailed understanding particular industries or types of farms.

## ***R&D and technological capabilities***

The ability of a region to develop and diffuse R&D and innovation – either through regional firms or local research institutions, and the ability to adapt to new technology and strengthen technological capabilities – is a critical foundation in **all** successful regions. This includes applying advanced technologies to existing products and processes, developing new materials and products, or diffusing knowledge of, (in particular) information technology and telecommunications, throughout the region. Some regions without strong R&D and technological capabilities have concentrated on providing opportunities for their residents and firms to improve their understanding of new technology<sup>10</sup>.

---

<sup>10</sup> An interesting example is Oakland City Council, which has recently passed a Resolution adopting policy principles promoting development and use of a telecommunications infrastructure for the City of Oakland, which, amongst other things, promotes the “aggressive deployment of advanced communications services and technology ...”.

### ***Quality of life and environmental sustainability***

Businesses normally flourish and are attracted to regions with attractive built and natural environments, and offer other amenities including recreation, open space, entertainment and shopping<sup>11</sup>. An attractive built environment may mean:

- preservation of historic buildings and other heritage assets;
- town centres that offer a range of services and amenities including pedestrian space, rest areas and child care facilities;
- urban patterns that encourage close proximity and integration of work, leisure and living environments; and
- innovative housing strategies that encourage diversity and access to public transport.

Environmental sustainability is a critical regional foundation – particularly the requirement for clean air, water and a commitment to protect important natural assets – including forests, water catchment areas and native flora and fauna.

### ***Innovative planning and governance***

The efficiency and effectiveness of governance and strategic leadership underpins all successful regions. This includes efficiency of local government handling approval processes, the capacity of different tiers of government to adopt a whole of government approach, innovative local and regional agencies, local taxes and charges, and the ability of government to develop and implement regulatory reforms. Dynamic and resourced regional agencies can be the catalyst to bring together key stakeholders and forge new directions for the region. Best practice agencies are characterised by:

- comprehensive vision;
- strong industry leadership and public-private partnerships;
- focused on collaborative efforts between firms;
- emphasise regional foundations;
- sophisticated data and information systems;
- provide seed funding to support local innovation; and
- focus on outcomes.

---

<sup>11</sup> A number of firms have in fact recently relocated from Silicon Valley, a global centre for high technology industries, to Portland and Seattle, because of their liveability and environmental advantages.

Local governments, local colleges, private trainers and universities have a central role in strengthening these regional foundations. Arguably, the most critical foundation at the regional level as we move towards a “knowledge-based” economy is an innovative education and training system. Best practice education and training systems provide for, amongst other things, continuous interaction with firms and education providers, nurturing of innovation at the regional level, and support for lifelong learning of the local population and workforce. Innovative education and training systems should not only focused on workplace change, but also support citizens to continuously develop and harness skills associated with living in communities undergoing constant change<sup>12</sup>.

### 5.3 Innovative approaches to community economic development

The emerging role of community development is to facilitate continuous learning and innovation. Innovative community development strategies emphasise building social and community capital, capacity building, a central role for residents, developing community assets and “connecting” to other regions<sup>13</sup>.

Community development is central to attempts by the current United States’ Administration to revitalise high unemployment regions in the United States. The Enterprise Zones – Enhancement Communities program provides tax breaks and funds to selected community, local and regional organisations preparing local economic strategies and implementing local economic projects (see below).

Ongoing learning is critical for individuals, households and communities. Learning regions are more likely to thrive because of their ability to continually innovate. Learning occurs not only through the formal education system and firms, but increasingly it occurs through community networks. Learning organisations systematically acquire, adapt and reintegrate knowledge.

Community development through education and training systems creates human capital. Development of group skills, problem solving and learning methods is increasingly critical. However, learning within the community goes beyond individual endowments. Learning is compacted experience. The social capital of a community is critically important to building economic potential in the knowledge economy. Social capital includes networks for information exchange (informal learning) between business professionals and entrepreneurs, local business information systems, social institutions that support learning, childhood development and industry-education partnerships that support school to work transition and professional education are but few examples. Ultimately they are about systems of trust, mutual support and knowledge exchange within the community. The design of physical spaces to ensure convivial cities where people can gather safely for social interaction and learning and where work and living are blended in the same spaces are also critical. So too are the supporting mechanisms of child-care, youth centres and public transport.

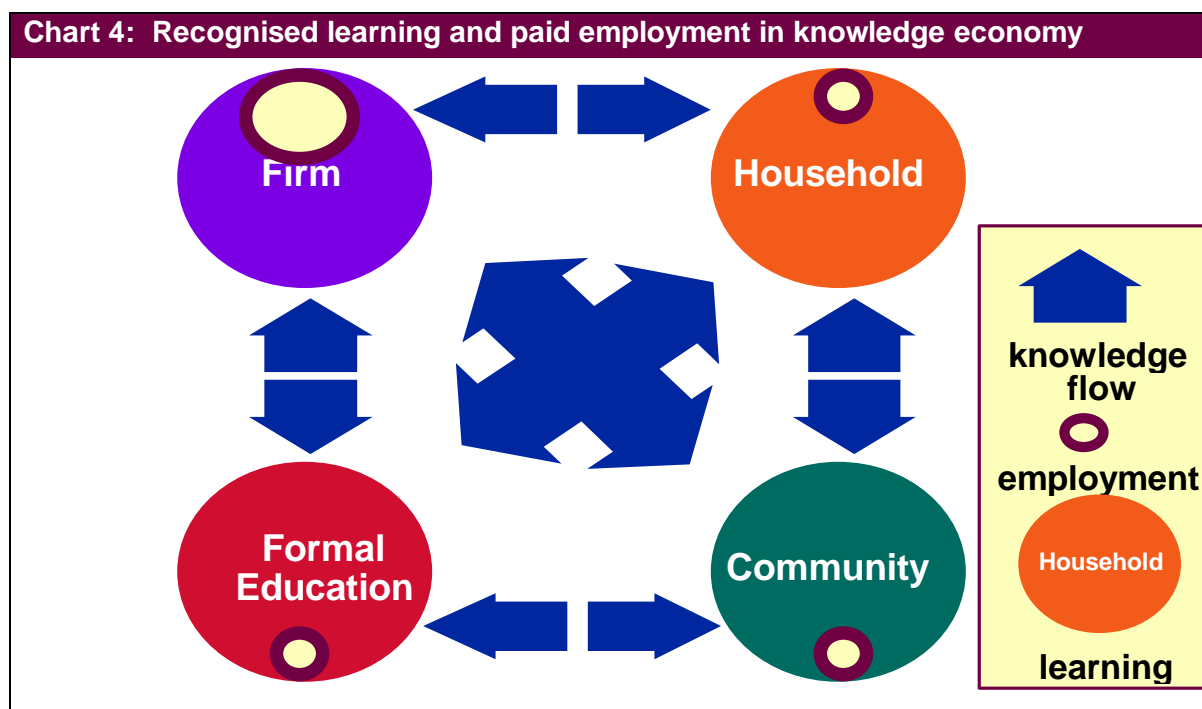
---

<sup>12</sup> Organisation for Economic Co-operation and Development, **Sustainable Flexibility – A prospective study of work, family, and society in the information age**, Paris, OCDE/GD (97)48, 1997.

<sup>13</sup> G.Thomas Kingsley, Joseph B. McNeely and James O. Gibson, **Community Building Coming of Age**, Development Training Institute, Inc. 1995.



The drivers of development are increasingly social capital, human capital and technology (including telecommunications infrastructure). Increasingly people are the most important asset in the knowledge economy. Importantly for regional development practitioners this requires a new strategy paradigm. It requires switching to strengthening and building local social and learning institutions and knowledge systems that support households and individuals acquire skills, and enable small and medium sized firms and entrepreneurs to flourish. Chart 4 shows the ongoing interaction between firms, educators, community groups and households is central to competitive knowledge based economies.



For local governments it involves recognition that reliance on attracting investment from outside the region and marketing is becoming increasingly irrelevant in the knowledge economy. The building of knowledge infrastructure, and community and business networks is far more important.

Development strategy should focus on learning throughout communities and fostering exchange of information between all four learning sectors. Community learning networks built around schools, child care centres, and libraries where people from all generations can gather and participate in learning, social interaction and community building are critical. So too is exchange of information between businesses and community. An important conclusion is that Community Economic Development is becoming a mainstream tool of economic development. The goals of social justice and economic development are entirely compatible.

## 5.4 Strategic government involvement

Regional policy has become a higher priority for many governments. The growing disparities in regional income and unemployment in the OECD countries has refocused attention on the role of government in supporting regional development.

The European Union, for economic, environmental and political reasons, has placed regional policy at the centre of its policy agenda. One third of the EU's budget is allocated to regional development, almost twice the proportion spent a decade ago. As Europe moves towards an economic and monetary union, regional economic disparities have become an increasing concern. A driving force for policy formulation is to ensure that all regions broadly share opportunities and poorer regions don't fall further behind richer regions. The European Commission expressed concern that reliance on market mechanisms alone will lead to deterioration in the economic performance of poorer regions. In 1991, GDP per head in the 10 most prosperous European was over four times more than in the least prosperous regions. Unemployment, which is around 11.0 per cent in total, or 20 million Europeans, is heavily concentrated in rural and industrial regions.

The aim of EU regional policy is to stimulate economic development and employment growth in the poorer regions, through infrastructure development, promoting private sector investment and building industry networks, technology transfer, and education and training. It is recognised that to shift poorer regions onto a dynamic development path will take a long time, but the focus is on creating the conditions for growth and not subsidies. The EU allocates funds to support SMEs by providing assistance for new products and production methods, encouraging cooperation between them and providing grants for innovative new projects. Over 60 per cent of EU funds to support businesses were allocated to those regions experiencing industrial decline.

Community Structural Funds target geographic regions with the following characteristics:

- regions whose development is lagging behind;
- regions seriously affected by industrial decline;
- rural areas; and
- regions with an extremely low population density.

Funds are also allocated to address major economic difficulties:

- long-term unemployment and the integration of excluded groups;
- unemployment associated with industrial change; and
- structural adaptation of agriculture and fisheries.

In the United States, local and regional economic development strategies have been at the core of the revitalisation of the United States' economy. Federal and state governments have been important partners in the process. Most industry development policies have a regional dimension. New approaches to community building focused on creating jobs and upgrading skills are gaining momentum.

The Empowerment Zone/Enterprise Community Program is a major commitment to regional development. The program is targeted at distressed urban and regional communities with participant regions entitled to grants and tax incentives, as well as co-ordination of government agencies to support the implementation of regional strategies.

Designated regions must demonstrate that they have:

- developed innovative strategic plans;
- involved low-income communities;
- adopted a comprehensive approach to economic and community development and new partnerships; and
- assessed the degree of need in communities.

The international case studies provide an overview of best practice in regional policy and demonstrate the substantial commitment to regional development. All tiers of government in Australia – local, state and national – need to dramatically lift their game in relation to regional economic development. At the national and state level, a commitment is required that recognises that growing regional disparities in employment and incomes requires strategic government intervention. The key role of higher tiers of government is to provide resources to support regional revitalisation, create an economic and social environment conducive to stronger regional performance, and ensure co-ordination and co-operation between different tiers of government.

Local government, working with local economic and social groups and in tandem with other local and regional agencies, is central to the task of tackling the job crisis in regional Australia. The responsibility of local government in improving employment economic development outcomes should be the subject of a more substantive project supported by Commonwealth and state governments. It would include looking at taxation, infrastructure development and financing issues as well as defining how best the resources of local government can be better focused on local and regional development.

The role of local government may include:

- articulating the strategic vision and showing leadership in relation to the development path for the region;
- assembly and collation of strategic data and information systems associated with enterprises, land resources, markets, labour force, education and training facilities, and infrastructure;
- building business and community networks;
- creating learning networks and partnerships between community organisation, information centres, schools, technical and higher education;
- designing and managing electronic networks to provide for efficient “one-stop” approval processes; and
- land and infrastructure planning and development.

# **Appendix 1**

## **Regional definitions**

<b>Appendix 1: Regional definitions</b>	
Northern and Central Perth	Bassendean, Bayswater, Cambridge, Cottesloe, Kalamunda, Mosman Park, Mundaring, Nedlands, Peppermint Grove, Perth, Stirling, Subiaco, Swan, Vincent, Wanneroo
Southern Perth	Armadale, Belmont, Canning, Cockburn, East Fremantle, Fremantle, Gosnells, Kwinana, Melville, Rockingham, Serpentine-Jarrahdale, South Perth, Victoria Park
Midlands and Central WA	Beverley, Bruce Rock, Carnamah, Carnarvon, Chapman Valley, Chittering, Coorow, Cue, Cunderdin, Dalwallinu, Dandaragan, Dowerin, Exmouth, Geraldton, Gingin, Goomalling, Greenough, Irwin, Kellerberrin, Koorda, Meekatharra, Merredin, Mingenew, Moora, Morawa, Mount Magnet, Mount Marshall, Mukinbudin, Mullewa, Murchison, Narembeen, Northam, Northam, Northampton, Nungarin, Perenjori, Quairading, Sandstone, Shark Bay, Tammin, Three Springs, Toodyay, Trayning, Upper Gascoyne, Victoria Plains, Westonia, Wiluna, Wongan-Ballidu, Wyalkatchem, Yalgoo, Yilgarn, York
Southern WA	Albany, Augusta-Margaret River, Boddington, Boyup Brook, Bridgetown-Greenbushes, Brookton, Broomehill, Bunbury, Busselton, Capel, Collie, Corrigin, Cranbrook, Cuballing, Dardanup, Denmark, Donnybrook-Balingup, Dumbleyung, Gnowangerup, Harvey, Jerramungup, Katanning, Kent, Kojonup, Kondinin, Kulin, Lake Grace, Mandurah, Manjimup, Murray, Nannup, Narrogin, Pingelly, Plantagenet, Tambellup, Wagin, Wandering, Waroona, West Arthur, Wickelup, Williams, Woodanilling
South Eastern WA	Coolgardie, Dundas, Esperance, Kalgoorlie/Boulder, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe
Pilbara	Ashburton, Broome, Derby-West Kimberley, East Pilbara, Halls Creek, Port Hedland, Roebourne, Wyndham-East Kimberley
Inner Melbourne	Melbourne, Port Phillip, Yarra
Golden Region	Ararat, Ballarat, Colac-Otway, Golden Plains, Greater Geelong, Hepburn, Moorabool, Pyrenees, Queenscliffe, Surf Coast
West Melbourne	Brimbank, Hobsons Bay, Maribyrnong, Melton, Moonee Valley, Wyndham
North Melbourne	Banyule, Darebin, Hume, Moreland, Nillumbik, Whittlesea,
East Melbourne	Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse
South East Melbourne	Bayside, Glen Eira, Kingston, Stonnington
Westernport	Cardinia, Casey, Frankston, Greater Dandenong, Mornington Peninsula, Yarra Ranges
Western Victoria	Corangamite, Glenelg, Moyne, Southern Grampians, Warrnambool
Mallee-Wimmera	Buloke, Gannawarra, Hindmarsh, Horsham, Mildura, Northern Grampians, Swan Hill, West Wimmera, Yarriambiack
Loddon	Central Goldfields, Greater Bendigo, Loddon, Macedon Ranges, Mount
Goulburn	Campaspe, Delatite, Greater Shepparton, Mitchell, Moira, Murrindindi, Strathbogie
Ovens-Hume	Alpine, Indigo, Towong, Wangaratta, Wodonga
Gippsland	Bass Coast, Baw Baw, East Gippsland, La Trobe, South Gippsland, Wellington, Yarra Ranges

Southern and Central NSW	Albury, Balranald, Bathurst, Berrigan, Bland, Blayney, Cabonne, Carrathool, Conargo, Coolamon, Cootamundra, Corowa, Cowra, Culcairn, Deniliquin, Evans, Forbes, Greater Lithgow, Griffith, Gundagai, Hay, Holbrook, Hume, Jerilderie, Junee, Lachlan, Leeton, Lockhart, Mudgee, Murray, Murrumbidgee, Narrandera, Oberon, Orange, Parkes, Rylstone, Temora, Tumbarumba, Tumut, Urana, Wagga Wagga, Wakool, Weddin, Wentworth, Windouran
North and north western	Armidale, Barraba, Bingara, Bogan, Bourke, Brewarrina Broken Hill, Central Darling, Cobar, Coolah, Coonabarabran, Coonamble, Dubbo, Dumaresq, Dungog, Gilgandra, Glen Innes, Gloucester, Great Lakes, Gunnedah, Guyra, Inverell, Inverell, Manilla, Merriwa, Moree Plains, Murrurundi, Muswellbrook, Narrabri, Narromine, Nundle, Parry, Quirindi, Scone, Severn, Tamworth, Tenterfield, Uralla, Walcha, Walgett, Warren, Wellington, Yallaro
North Coast NSW	Ballina, Bellingen, Byron, Casino, Coffs Harbour, Copmanhurst, Grafton, Greater Taree, Hastings, Kempsey, Kyogle, Lismore, Maclean, Nambucca, Nymboida, Richmond River, Tweed, Tweed, Ulmarra
South East NSW	Bega Valley, Bombala, Boorowa, Cooma-Monaro, Crookwell, Eurobodalla, Goulburn, Gunning, Harden, Mulwaree, Queanbeyan, Shoalhaven, Snowy River, Tallaganda, Yarrowlunla, Yarrowlunla, Yass, Young
Lower Hunter	Cessnock, Lake Macquarie Maitland, Newcastle, Port Stephens, Singleton
Northern Illawarra	Kiama, Shellharbour, Wollongong
Inner west Sydney	Ashfield, Burwood, Concord, Drummoyne, Leichhardt, Strathfield
Sydney Production Region	Auburn, Bankstown, Blacktown, Canterbury, Fairfield, Holroyd, Liverpool, Marrickville, Parramatta
Outer west Sydney	Blue Mountains, Hawkesbury, Penrith
Global Sydney	Botany, Hunter's Hill, Lane Cove, Mosman, North Sydney, Randwick, Ryde, South Sydney, Sydney, Waverley, Willoughby, Woollahra,
Outer south west	Camden, Campbelltown, Wingecarribee, Wollondilly,
Central Coast	Gosford, Wyong,
North-north west Sydney	Baulkham Hills, Hornsby, Ku-ring-gai, Manly, Pittwater, Warringah
Southern Sydney	Hurstville, Kogarah, Rockdale, Sutherland Shire
Hobart and Southern Tasmania	Brighton, Central Highlands, Clarence, Derwent Valley, Derwent Valley, Glamorgan/Spring Bay, Glenorchy, Hobart, Huon Valley, Kingborough, Sorell, Southern Midlands, Tasman
Murray Lands	Barmera, Berri, Browns Well, Coonapyn Downs, Karoonda East Murray, Lameroo, Loxton, Mannum, Meningie, Morgan, Murray Bridge, Paringa, Peake, Pinnaroo, Renmark, Ridley-Truro, Waikerie
South East SA	Beachport, Lacedpede, Lucindale, Millicent, Mount Gambier, Mount Gambier, Naracoorte, Penola, Port MacDonnell, Robe, Tatiara
Northern Tasmania	Break O'Day, Dorset, Flinders, George Town, George Town, Launceston, Meander Valley, North Midlands, West Tamar
Mercy-Lyell	Burnie, Central Coast, Circular Head, Devonport, Kentish, King Island, Latrobe, Waratah/Wynyard, West Coast
<b>Darwin Top End</b>	
Southern NT	Darwin, Palmerston, Alice Springs, Coomalie, Jabiru, Katherine, Litchfield

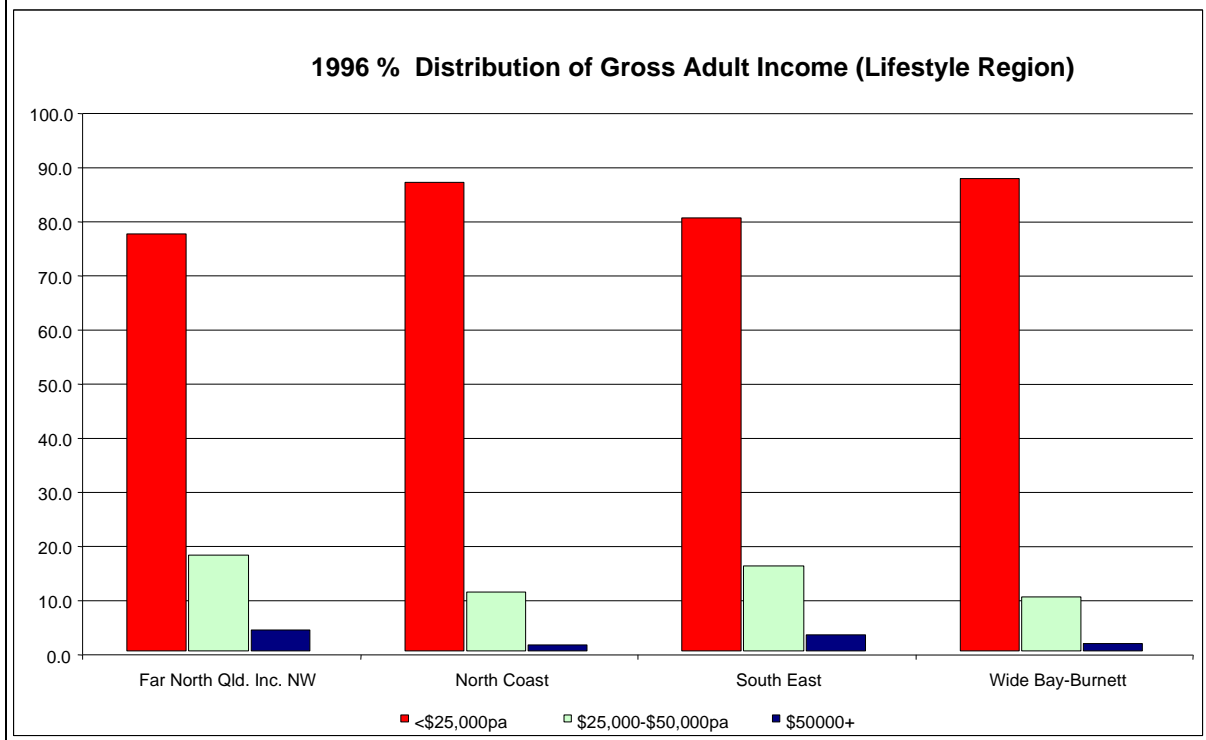
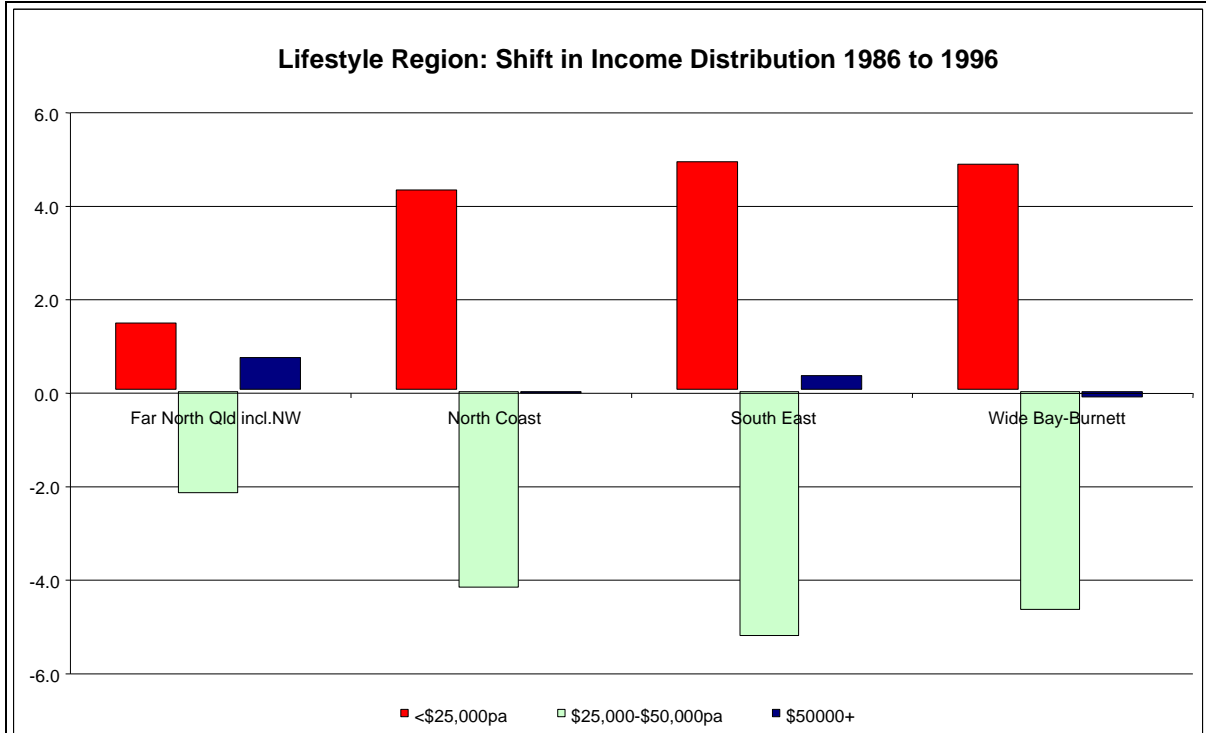
Eyre and Yorke	Blyth-Snowtown, Burra Burra, Bute,, Carrieton, Ceduna, Central Yorke Peninsula, Clare, Cleve, Coober Pedy, Crystal Brook-Redhill, Elliston, Eudunda, Franklin Harbor, Hallett, Hawker, Jamestown, Kanyaka-Quorn, Kimba, Le Hunte, Lower Eyre Peninsula, Minlaton, Mount Remarkable, Northern Yorke Peninsula, Orroroo, Peterborough, Pirie, Port Augusta, Port Broughton, Port Lincoln, Port Pirie, Riverton, Robertstown, Rocky River, Roxby Downs, Saddleworth and Auburn, Spalding, Streaky Bay, Tumby Bay, Wakefield Plains, Wallaroo, Warooka, Whyalla, Yorketown
Southern Adelaide	Brighton, Dudley, Glenelg, Happy Valley, Kingscote, Marion, Mitcham, Mount Barker, Noarlunga, Onkaparinga, Port Elliot and Goolwa, Strathalbyn, Victor Harbor, Willunga, Yankalilla
Central Adelaide	Adelaide, Burnside, Campbelltown, East Torrens, Enfield, Henley and Grange, Hindmarsh and Woodville, Kensington and Norwood, Payneham, Port Adelaide, Prospect, St Peters, Stirling, Thebarton, Unley, Walkerville, West Torrens
Northern Adelaide	Angaston, Barossa, Elizabeth, Enfield, Gawler, Gumeracha, Kapunda, Light, Mallala, Mount Pleasant, Munno Para, Salisbury, Tanunda, Tea Tree Gully
Far North Qld	Atherton, Aurukun, Cairns, Cardwell, Cook, Croydon, Douglas, Eacham, Etheridge, Herberton, Johnstone, Mareeba, Torres, Burke, Carpentaria, Cloncurry, Flinders, McKinlay, Mornington, Mount Isa, Richmond
North Qld	Bowen, Burdekin, Charters Towers, Dalrymple, Hinchinbrook, Thuringowa, Townsville
Mackay	Belyando, Broadsound, Mackay, Mirani, Nebo, Sarina, Whitsunday
Central Qld	Banana, Bauhinia, Calliope, Duaringa, Emerald, Fitzroy, Gladstone, Jericho, Livingstone, Mount Morgan, Peak Downs, Rockhampton, Aramac, Barcaldine, Barcoo, Blackall, Boulia, Diamantina, Ilfracombe, Isisford, Longreach, Tambo, Winton
Darling Downs and South West Qld	Toowoomba, Balonne, Bendemere, Booringa, Bulloo, Bungil, Murweh, Paroo, Quilpie, Roma, Warroo, Cambooya, Chinchilla, Clifton, Crow's Nest, Dalby, Goondiwindi, Inglewood, Jondaryan, Millmerran, Murilla, Pittsworth, Rosalie, Stanthorpe, Tara, Taroom, Waggamba, Wambo, Warwick
Wide-Bay Burnett	Biggenden, Bundaberg, Burnett, Cooloola, Eidsvold, Gayndah, Hervey Bay, Isis, Kilkivan, Kingaroy, Kolan, Maryborough, Miriam Vale, Monto, Mundubbera, Murgon, Nanango, Perry, Tiaro, Wondai, Woocoo
North Brisbane	Caboolture, Pine Rivers, Redland
Morten and Ipswich	Beaudesert, Boonah, Caboolture, Esk, Gatton, Gold Coast, Ipswich, Kilcoy, Laidley, Logan, Maroochy, Noosa

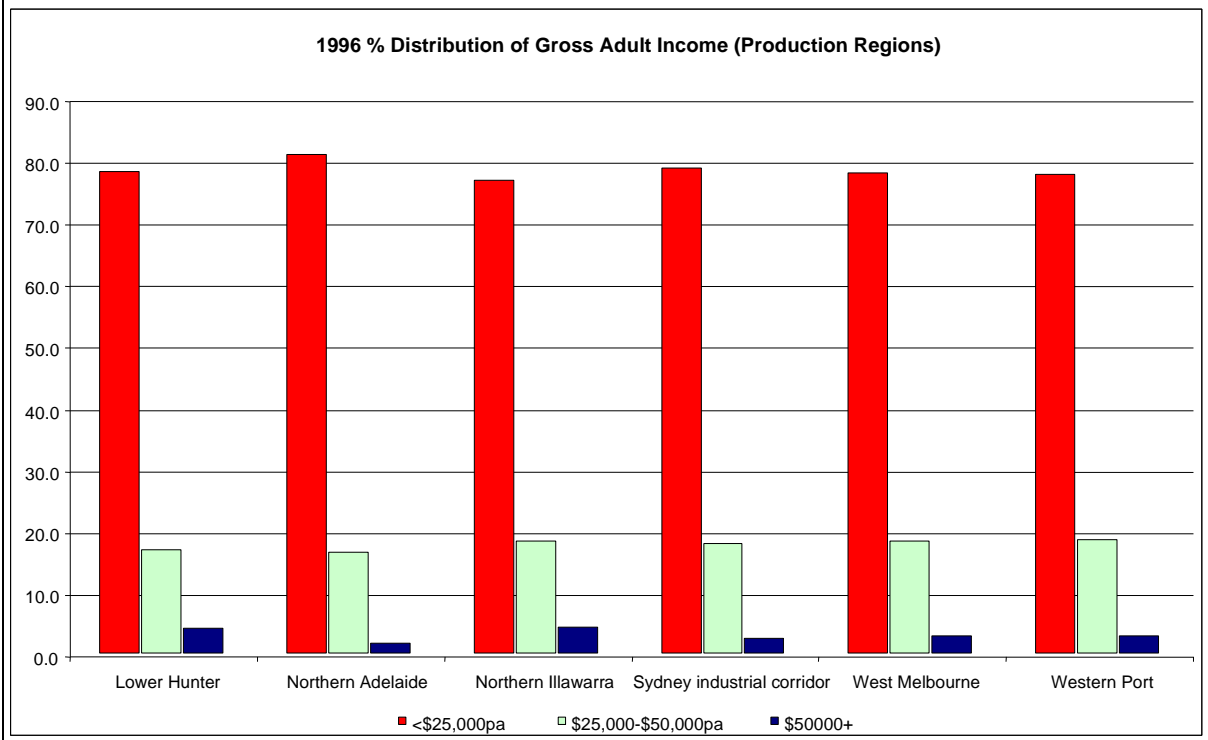
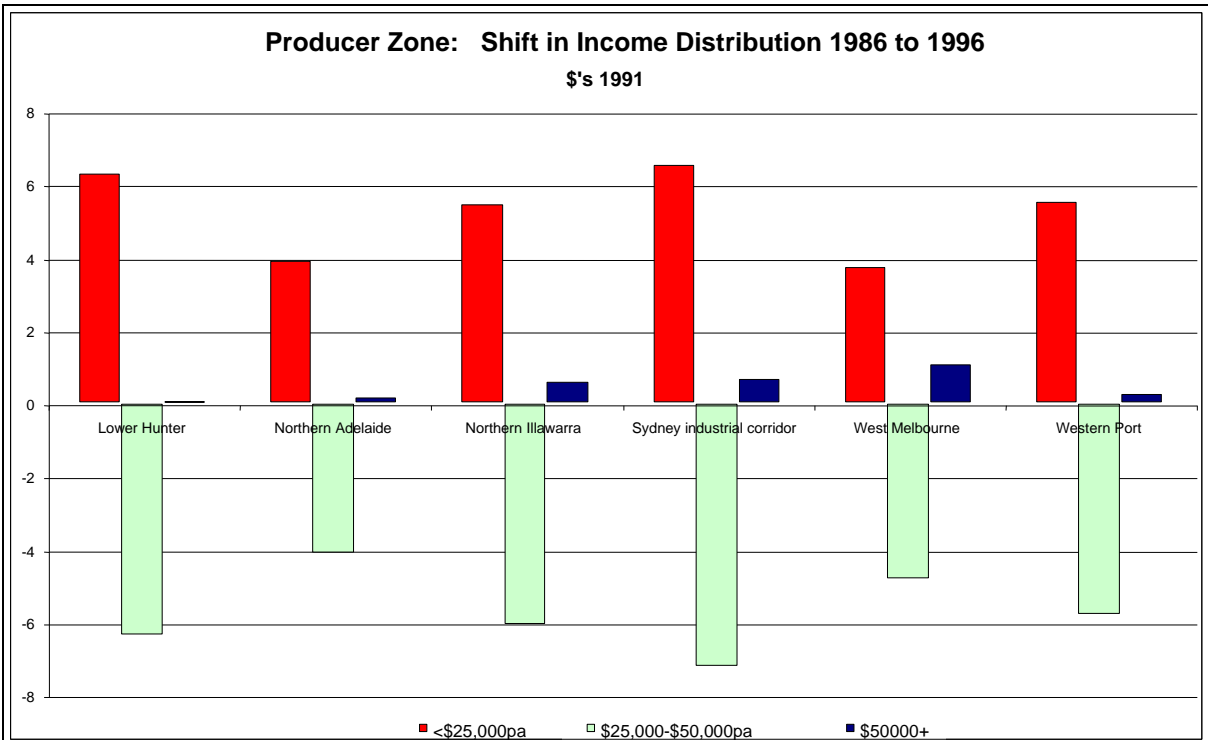
## **Appendix 2**

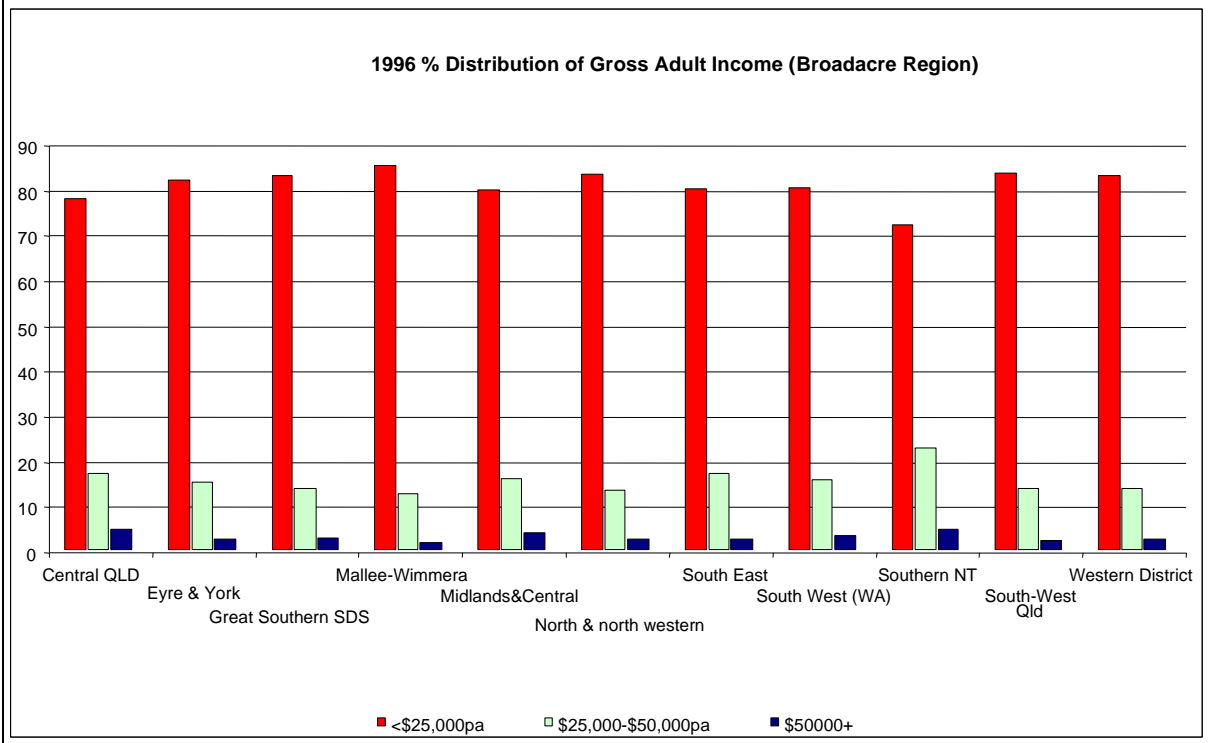
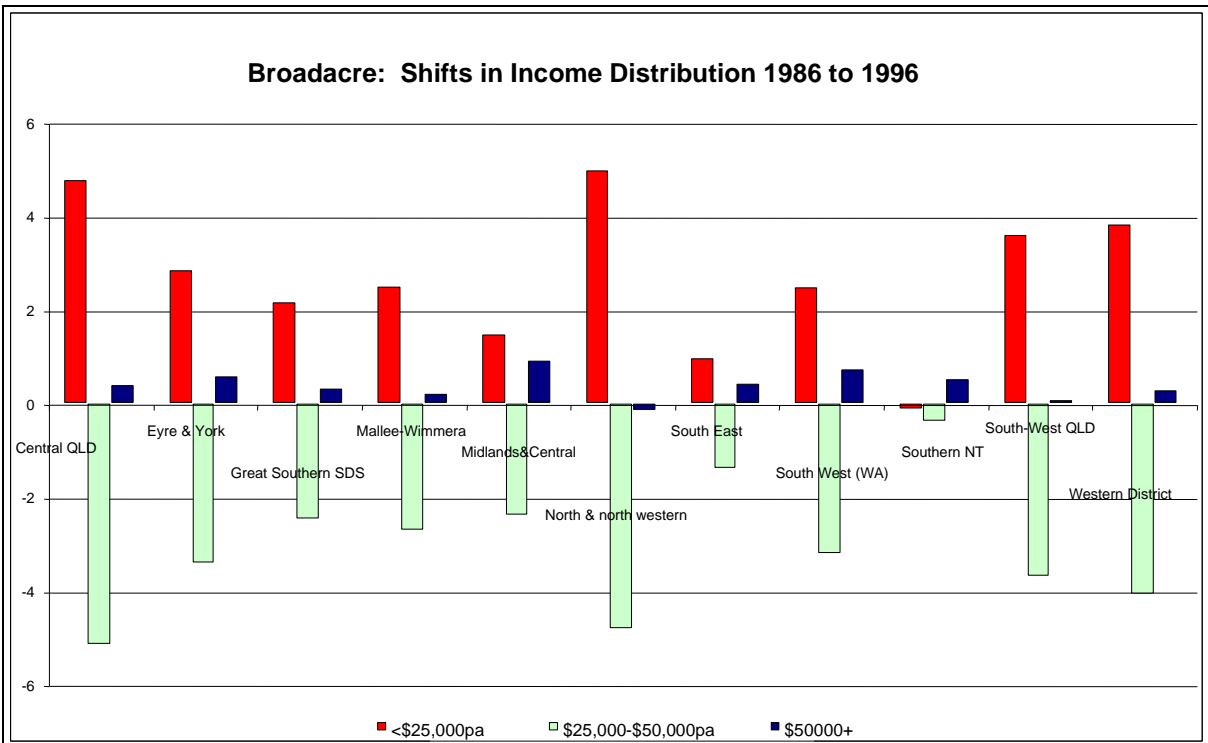
# **Shifts in income distribution in regional Australia 1986 to 1996**

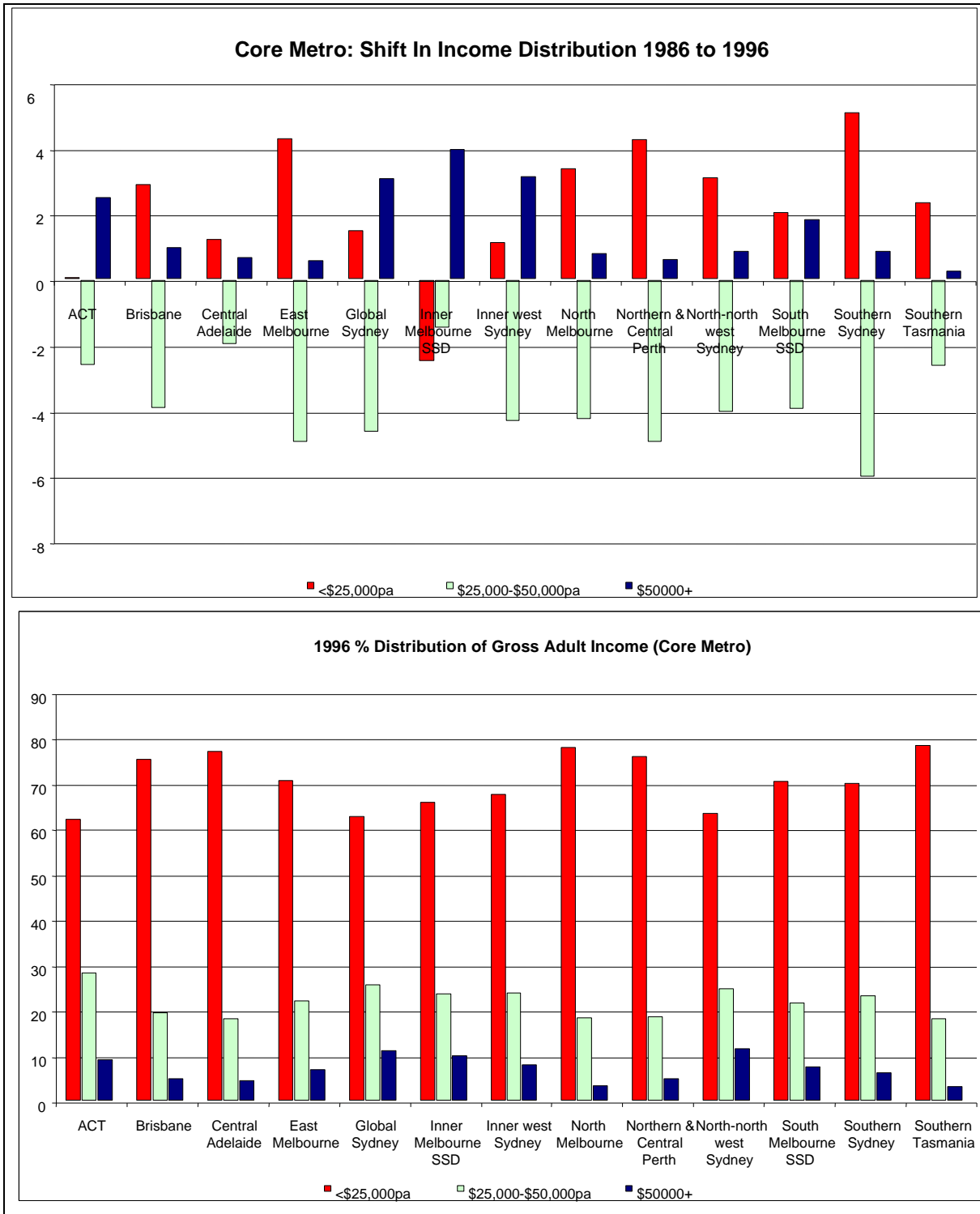


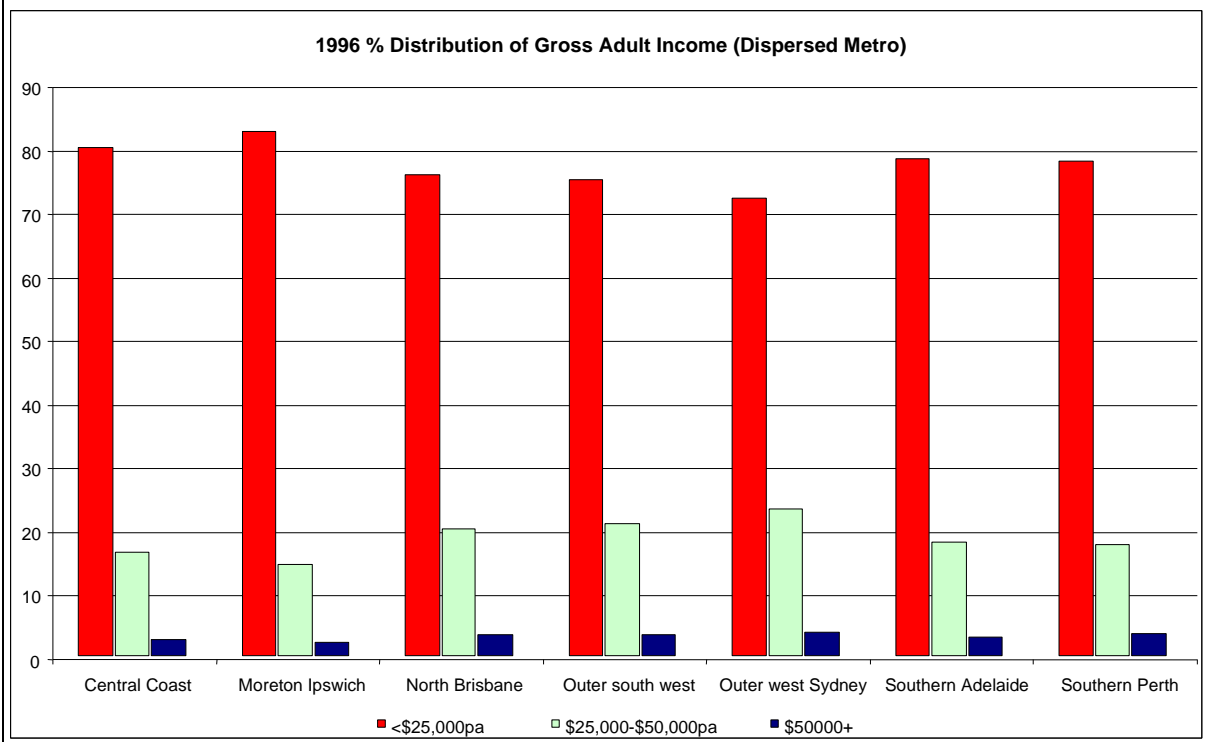
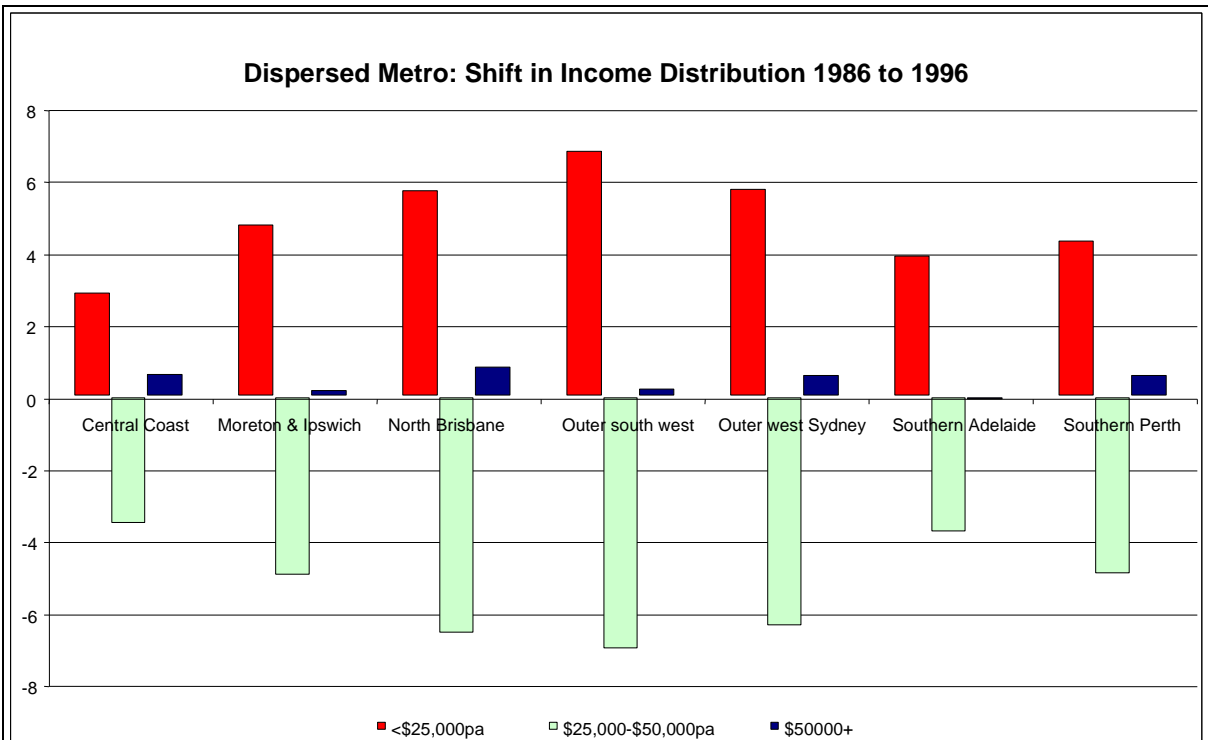
## Appendix 2: Shifts in income distribution in regional Australia 1986 to 1996

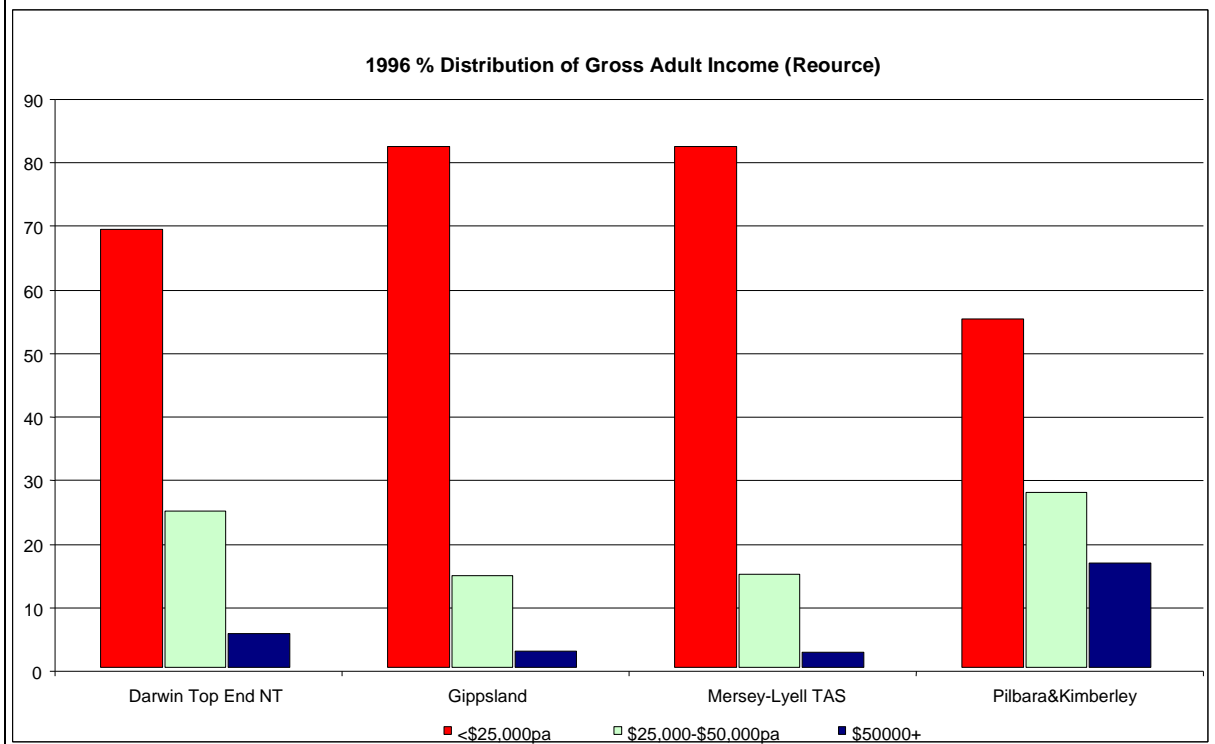
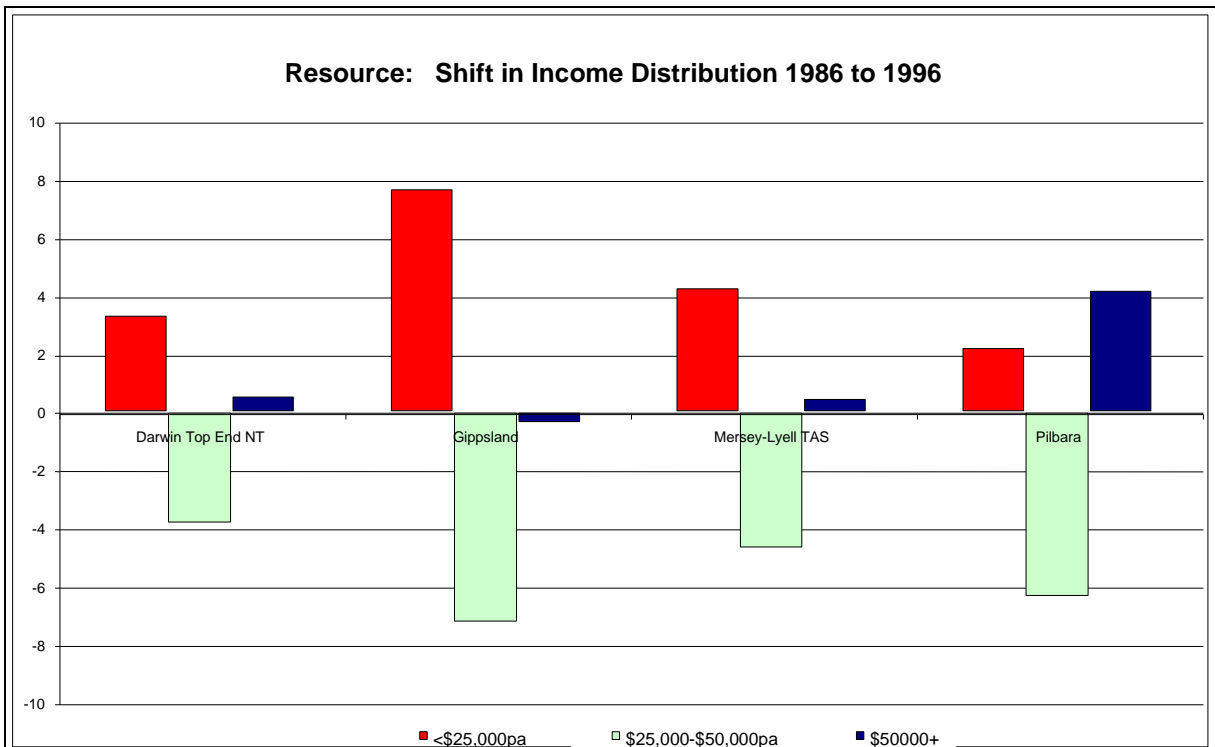












## **Appendix 3**

# **Key indicators for regional Australia**

<i>Population (average annual growth rate)</i>											
	1981- 1986	1986- 1991	1991- 1996	1996- 2001	2001- 2004		1981- 1986	1986- 1991	1991- 1996	1996- 2001	2001- 2004
ACT	2.4	2.4	1.4	0.3	0.7	Central Adelaide	0.2	0.0	-0.1	-0.2	-0.2
Global Sydney	0.1	0.2	1.3	1.5	1.5	Southern Adelaide	2.1	1.8	1.0	0.8	0.7
North-north west SYD	0.6	0.7	0.7	1.6	1.4	Eyre and York	0.0	-0.3	-0.6	-0.3	-0.4
Inner west Sydney	-0.3	0.2	0.0	0.4	0.2	Murray Lands	0.7	0.6	0.0	0.0	0.0
Southern Sydney	0.4	0.6	0.7	0.7	0.7	South East SA	0.4	-0.2	-0.1	-0.4	-0.5
Syd production region	0.6	0.9	1.1	0.7	0.5	Southern Tasmania	0.9	1.0	0.6	0.0	0.2
Outer west Sydney	3.8	2.2	1.6	1.2	0.8	Northern Tasmania	1.0	1.0	0.5	0.0	0.2
Outer south west SYD	5.1	2.9	1.2	1.3	0.9	Mercy-Lyell TAS	0.4	0.0	-0.4	-0.3	-0.1
Central Coast NSW	3.3	3.7	2.6	2.2	1.6	Inner Melbourne	-1.2	-0.3	1.1	1.2	1.3
Northern Illawarra	0.2	0.9	0.9	0.5	0.3	West Melbourne	1.2	1.6	1.2	1.6	1.3
Lower Hunter	0.8	1.1	1.0	0.9	1.0	North Melbourne	0.5	0.9	0.6	1.1	0.8
South East Melb.	2.5	3.1	1.4	0.7	0.5	East Melbourne	0.5	0.6	0.2	0.2	-0.1
North Coast NSW	2.8	3.0	2.1	1.7	1.5	Sth East Melbourne	-0.3	0.1	0.3	0.2	-0.1
Nth & nth western NSW	0.6	0.7	-0.2	0.8	0.6	Westernport	3.0	2.6	1.3	2.1	1.8
Sthern & Central NSW	0.5	0.6	0.3	1.0	0.7	Golden Region VIC	1.2	1.5	0.2	1.2	1.0
Darwin Top End NT	5.2	2.6	2.2	2.0	1.4	Western VIC	0.4	-0.2	-0.3	0.3	0.1
Southern NT	3.5	2.3	2.2	1.8	1.2	Mallee-Wimmera	0.1	0.2	-0.3	0.4	0.2
Brisbane	0.5	1.3	1.3	0.6	0.6	Loddon VIC	1.9	2.1	0.7	1.3	1.0
Moreton & Ipswich	5.1	5.4	4.2	3.0	2.6	Goulburn VIC	1.3	1.6	0.4	0.8	0.4
North Brisbane	5.6	5.0	3.8	2.8	2.5	Ovens-Hume VIC	2.0	2.1	0.6	1.6	1.2
Wide Bay-Burnett	1.7	3.0	3.0	1.9	1.8	Gippsland	1.7	1.0	-0.2	0.3	0.5
Darling Downs-SW QLD	1.8	1.1	0.6	0.8	0.8	Nthern & Central Perth	1.9	2.8	1.7	2.1	1.8
Central QLD	1.6	1.1	1.3	0.5	0.5	Southern Perth	2.2	2.8	1.7	2.0	1.7
Mackay	2.5	1.7	2.0	1.2	1.1	South West WA	3.1	3.4	3.3	2.4	2.0
Northern QLD	1.9	1.4	1.2	1.1	1.1	Southern WA	-0.3	0.6	0.6	0.5	0.2
Far Nth QLD, incl. NW	2.2	3.2	2.5	1.7	1.6	Midlands & Central WA	2.0	0.1	0.8	0.6	0.6
Northern Adelaide	1.4	1.6	1.0	1.3	1.2	South Eastern WA	1.5	1.8	2.1	1.7	1.4
						Pilbara	0.5	0.0	-1.6	-0.4	0.0



<i>Effective employment to population ratio (full time employment plus one third of part time employment divided by population 15 to 64)</i>											
	1986	1991	1998	2002	2004		1986	1991	1998	2002	2004
ACT	65.3	61.0	58.7	56.9	56.1	Central Adelaide	57.5	54.4	51.9	50.3	49.3
Global Sydney	63.8	61.3	61.7	60.5	59.8	Southern Adelaide	58.7	55.8	51.6	48.4	46.5
North-north west SYD	63.5	61.8	62.2	60.9	60.2	Eyre and York	57.8	53.9	50.1	47.6	46.0
Inner west Sydney	63.5	60.3	58.9	55.7	54.1	Murray Lands	59.7	55.0	55.3	54.3	53.4
Southern Sydney	64.5	62.3	61.4	60.5	59.9	South East SA	62.8	59.6	58.8	56.7	55.0
Syd production region	57.2	53.5	49.9	44.5	41.4	Southern Tasmania	56.4	52.2	50.2	48.0	47.0
Outer west Sydney	58.7	57.9	56.7	55.2	54.3	Northern Tasmania	56.0	51.4	48.5	46.2	44.9
Outer south west SYD	55.8	54.3	53.3	52.1	51.2	Mercy-Lyell TAS	55.3	50.1	47.9	45.6	44.3
Central Coast NSW	51.6	52.6	51.2	50.3	49.7	Inner Melbourne	60.1	55.3	57.9	59.3	60.1
Northern Illawarra	53.7	51.8	48.6	45.2	43.3	West Melbourne	59.4	53.2	50.3	46.2	43.9
Lower Hunter	53.6	52.5	49.3	47.7	46.7	North Melbourne	59.6	54.5	51.4	47.5	45.4
South East Melb.	56.7	55.4	52.2	50.4	49.2	East Melbourne	62.4	57.8	57.6	56.2	55.5
North Coast NSW	46.9	46.2	43.8	41.6	40.2	Sth East Melbourne	64.1	58.6	57.8	54.7	53.0
Nth & nth western NSW	55.6	54.4	51.8	49.9	48.6	Westernport	60.7	55.0	53.6	51.2	49.8
Sthern & Central NSW	59.4	56.7	55.3	53.3	51.9	Golden Region VIC	56.1	51.5	48.4	43.8	41.3
Darwin Top End NT	58.6	53.4	55.6	56.7	57.2	Western VIC	63.6	56.9	54.4	49.0	46.3
Southern NT	54.9	52.1	53.9	54.6	54.9	Mallee-Wimmera	61.8	57.2	55.7	51.7	49.6
Brisbane	58.1	56.6	57.6	59.0	59.8	Loddon VIC	56.4	51.3	48.5	45.7	44.2
Moreton & Ipswich	51.6	51.9	50.3	48.2	46.9	Goulburn VIC	60.3	56.3	54.0	50.2	48.0
North Brisbane	57.2	57.6	57.7	58.1	58.2	Ovens-Hume VIC	61.7	58.9	55.4	51.9	49.9
Wide Bay-Burnett	51.7	49.3	47.0	46.2	45.4	Gippsland	58.9	53.3	48.7	44.8	42.9
Darling Downs-SW Qld	59.1	57.6	57.5	57.6	57.2	Nthern & Central Perth	56.9	53.0	54.5	53.1	52.3
Central QLD	58.1	56.9	53.7	48.1	45.0	Southern Perth	56.1	51.8	53.1	51.7	50.9
Mackay	56.5	56.6	56.1	51.2	48.6	South West WA	54.0	52.2	54.2	55.5	55.7
Northern QLD	56.2	56.0	56.1	56.0	56.0	Southern WA	61.2	57.0	58.6	57.5	56.3
Far Nth QLD, incl. NW	52.7	55.6	56.9	55.0	54.0	Midlands & Central WA	57.4	56.2	54.7	48.1	44.3
Northern Adelaide	56.1	52.9	48.8	45.2	42.9	South Eastern WA	59.6	60.8	63.3	60.9	59.2
						Pilbara	61.7	60.8	64.1	63.2	62.6

<i>Employment growth rates</i>											
	1981- 1991	1991- 1998	1998- 2002	2002- 2004	1998- 2004		1981- 1991	1991- 1998	1998- 2002	2002- 2004	1998- 2004
ACT	3.4	1.6	1.6	0.8	1.3	Central Adelaide	0.2	0.4	0.2	0.4	0.3
Global Sydney	0.0	2.9	2.5	2.3	2.4	Southern Adelaide	2.2	1.1	0.4	0.4	0.4
North-north west SYD	1.2	2.3	2.2	1.9	2.1	Eyre and York	-0.9	-0.4	-0.5	-0.5	-0.5
Inner west Sydney	-0.1	1.0	0.1	-0.2	0.0	Murray Lands	-0.1	1.1	0.7	0.8	0.7
Southern Sydney	0.5	1.7	1.5	1.3	1.4	South East SA	-0.2	1.0	0.0	-0.1	0.0
Syd production region	0.0	1.2	-1.1	-2.0	-1.4	Southern Tasmania	0.7	1.2	-0.2	0.3	-0.1
Outer west Sydney	3.7	2.9	1.7	1.2	1.5	Northern Tasmania	0.7	0.8	-0.4	-0.1	-0.3
Outer south west SYD	4.4	2.8	2.0	1.3	1.7	Mercy-Lyell TAS	-0.5	0.3	-0.7	-0.3	-0.6
Central Coast NSW	4.0	3.7	2.8	2.0	2.5	Inner Melbourne	-0.8	3.3	3.4	3.5	3.4
Northern Illawarra	-0.1	1.2	-0.4	-0.9	-0.5	West Melbourne	0.9	2.0	1.0	0.3	0.8
Lower Hunter	0.6	1.7	1.1	0.9	1.0	North Melbourne	0.4	1.2	0.6	0.0	0.4
South East Melb.	2.8	1.6	0.7	0.2	0.5	East Melbourne	0.9	1.3	1.0	0.7	0.9
North Coast NSW	2.1	2.8	1.5	0.8	1.2	Sth East Melbourne	-0.4	1.3	0.3	-0.1	0.2
Nth & nth western NSW	0.1	0.6	0.8	0.2	0.6	Westernport	2.7	2.5	2.5	1.9	2.3
Sthern & Central NSW	0.1	1.7	1.1	0.5	0.9	Golden Region VIC	1.3	1.3	0.3	-0.4	0.1
Darwin Top End NT	3.3	3.4	2.8	1.0	2.2	Western VIC	-0.3	0.8	-0.7	-1.3	-0.9
Southern NT	3.0	3.0	2.4	0.7	1.8	Mallee-Wimmera	-0.6	0.8	0.1	-0.4	-0.1
Brisbane	1.0	2.7	1.9	1.1	1.6	Loddon VIC	1.6	1.8	1.5	0.9	1.3
Moreton & Ipswich	5.5	4.9	2.3	1.1	1.9	Goulburn VIC	1.3	1.4	0.5	-0.2	0.3
North Brisbane	6.4	5.0	3.5	2.5	3.2	Ovens-Hume VIC	2.4	1.8	1.6	0.8	1.3
Wide Bay-Burnett	1.3	3.4	2.0	0.7	1.6	Gippsland	0.4	0.2	-0.2	-0.3	-0.2
Darling Downs-SW QLD	1.2	1.9	1.5	0.3	1.1	Nthern & Central Perth	2.2	3.4	2.0	1.0	1.7
Central QLD	1.0	1.4	-1.7	-3.0	-2.1	Southern Perth	2.1	3.3	2.0	1.0	1.7
Mackay	1.9	2.9	-0.5	-1.7	-0.9	South West WA	2.6	4.7	3.6	2.2	3.2
Northern QLD	1.7	2.3	1.6	0.9	1.3	Southern WA	-0.8	1.9	0.7	-0.7	0.2
Far Nth QLD, incl. NW	3.2	3.8	1.4	0.5	1.1	Midlands & Central WA	0.3	1.4	-1.9	-3.4	-2.4
Northern Adelaide	1.5	1.1	0.4	0.2	0.3	South Eastern WA	2.4	3.8	1.5	0.3	1.1
						Pilbara	-0.1	0.4	0.2	-0.3	0.0

<i>Average household incomes (1991 \$'000)</i>											
	1986	1991	1998	2002	2004		1986	1991	1998	2002	2004
ACT	51.9	50.1	49.0	48.6	49.9	Central Adelaide	34.9	35.9	36.4	34.8	35.2
Global Sydney	42.7	47.8	54.3	53.9	54.9	Southern Adelaide	35.0	35.1	34.6	32.5	32.3
North-north west SYD	51.1	56.8	61.4	60.3	61.2	Eyre and York	31.2	29.7	30.9	29.1	28.9
Inner west Sydney	39.3	44.3	50.0	50.3	51.7	Murray Lands	29.0	27.2	29.0	27.1	26.8
Southern Sydney	42.0	45.6	48.2	46.9	47.1	South East SA	32.7	31.5	33.9	31.3	30.4
Syd production region	36.8	39.3	39.8	37.8	36.9	Southern Tasmania	34.7	33.6	33.8	33.1	33.7
Outer west Sydney	38.2	41.3	43.3	42.2	42.6	Northern Tasmania	31.6	31.2	30.6	29.0	28.6
Outer south west SYD	37.1	40.4	41.5	40.1	39.9	Mercy-Lyell TAS	32.8	31.3	30.5	29.1	28.9
Central Coast NSW	30.0	32.7	34.0	32.8	32.7	Inner Melbourne	37.0	39.5	47.6	48.1	50.0
Northern Illawarra	35.7	37.5	38.4	36.4	35.8	West Melbourne	37.4	38.2	39.4	36.9	36.2
Lower Hunter	35.0	36.3	36.7	35.1	34.7	North Melbourne	38.5	39.2	40.2	37.9	37.5
South East Melb.	32.8	34.2	34.2	32.9	32.5	East Melbourne	45.4	46.5	49.0	47.6	48.3
North Coast NSW	28.4	28.8	29.1	27.9	27.6	Sth East Melbourne	40.9	42.3	47.0	46.5	47.6
Nth & nth western NSW	31.3	31.9	32.1	30.6	29.9	Westernport	38.0	38.1	38.7	36.4	35.9
Sthern & Central NSW	31.5	32.0	34.2	32.7	32.1	Golden Region VIC	32.9	32.8	33.9	32.3	32.1
Darwin Top End NT	49.0	46.5	48.6	47.4	47.6	Western VIC	32.5	30.9	33.1	31.8	31.9
Southern NT	47.1	44.3	45.5	44.5	44.7	Mallee-Wimmera	30.3	29.2	31.3	30.1	30.2
Brisbane	36.8	38.4	43.1	42.7	43.3	Loddon VIC	32.0	31.7	32.8	31.1	30.8
Moreton & Ipswich	32.6	34.0	35.9	34.6	34.3	Goulburn VIC	32.4	32.0	33.6	31.7	31.2
North Brisbane	37.6	39.7	43.6	42.7	42.9	Ovens-Hume VIC	34.0	36.4	36.8	34.6	33.9
Wide Bay-Burnett	29.2	28.3	30.0	28.5	27.6	Gippsland	34.6	32.5	31.6	29.7	29.4
Darling Downs-SW QLD	31.1	31.3	33.4	31.9	30.9	Nthern & Central Perth	37.8	38.5	43.6	43.2	44.8
Central QLD	37.4	37.0	40.2	37.2	35.3	Southern Perth	35.9	35.9	40.3	39.9	41.3
Mackay	40.4	40.4	45.9	42.8	41.7	South West WA	32.5	32.7	36.6	35.1	35.3
Northern QLD	36.3	36.6	39.6	39.2	39.7	Southern WA	32.4	30.5	34.9	32.1	31.0
Far Nth QLD, incl. NW	36.8	39.0	42.6	41.8	42.0	Midlands & Central WA	36.5	34.8	40.9	38.1	37.7
Northern Adelaide	34.2	33.7	32.5	29.1	27.9	South Eastern WA	43.6	47.4	59.8	56.9	57.5
						Pilbara	59.0	56.8	70.5	67.1	68.1

<i>Household income growth rates</i>											
	1981- 1991	1991- 1998	1998- 2002	2002- 2004	1998- 2004		1981- 1991	1991- 1998	1998- 2002	2002- 2004	1998- 2004
ACT	3.5	2.2	1.5	3.2	2.1	Central Adelaide	1.6	1.1	-0.4	1.3	0.2
Global Sydney	1.9	3.6	1.6	2.8	2.0	Southern Adelaide	2.8	1.9	0.2	1.4	0.6
North-north west SYD	2.5	2.9	1.8	2.9	2.1	Eyre and York	-0.2	1.0	-1.1	0.1	-0.7
Inner west Sydney	1.8	2.5	1.0	2.2	1.4	Murray Lands	0.4	2.1	-0.7	0.3	-0.4
Southern Sydney	1.7	2.1	0.5	1.5	0.8	South East SA	0.2	2.0	-1.5	-1.0	-1.3
Syd production region	1.7	1.7	-0.2	-0.1	-0.2	Southern Tasmania	1.5	1.5	0.5	1.9	1.0
Outer west Sydney	4.4	3.0	1.1	1.8	1.3	Northern Tasmania	1.5	1.1	-0.3	0.3	-0.1
Outer south west SYD	5.4	2.6	1.1	1.5	1.3	Mercy-Lyell TAS	0.6	0.5	-0.2	0.6	0.1
Central Coast NSW	5.1	3.6	1.7	1.9	1.8	Inner Melbourne	1.2	4.5	2.0	3.9	2.6
Northern Illawarra	1.2	2.1	-0.1	0.1	0.0	West Melbourne	2.5	2.5	0.6	0.9	0.7
Lower Hunter	1.8	2.3	0.7	1.3	0.9	North Melbourne	1.9	1.9	0.3	0.9	0.5
South East Melb.	4.3	2.1	0.4	0.8	0.5	East Melbourne	1.8	2.0	0.3	1.5	0.7
North Coast NSW	4.2	3.2	1.5	1.7	1.5	Sth East Melbourne	1.0	2.4	0.5	1.6	0.8
Nth & nth western NSW	1.2	1.3	0.5	0.5	0.5	Westernport	3.8	2.8	1.4	1.9	1.5
Sthern & Central NSW	0.8	2.5	0.6	0.6	0.6	Golden Region VIC	2.3	2.1	0.8	1.5	1.0
Darwin Top End NT	4.7	3.4	1.5	2.0	1.7	Western VIC	0.7	1.8	0.0	1.0	0.4
Southern NT	5.2	2.5	0.8	1.5	1.0	Mallee-Wimmera	-0.2	1.9	0.3	1.2	0.6
Brisbane	2.0	3.8	1.2	2.0	1.4	Loddon VIC	2.7	2.4	0.8	1.3	0.9
Moreton & Ipswich	6.7	5.5	2.6	2.7	2.6	Goulburn VIC	2.0	2.2	0.1	0.4	0.2
North Brisbane	7.0	6.3	3.3	3.7	3.4	Ovens-Hume VIC	3.2	2.2	0.9	1.0	0.9
Wide Bay-Burnett	3.1	4.4	1.3	0.8	1.1	Gippsland	1.5	0.7	-0.3	1.1	0.2
Darling Downs-SW QLD	2.0	2.8	0.6	0.2	0.5	Nthern & Central Perth	3.4	4.8	2.7	4.7	3.4
Central QLD	2.5	3.3	-0.5	-1.4	-0.8	Southern Perth	3.3	4.6	2.6	4.5	3.2
Mackay	3.3	4.4	0.0	0.4	0.1	South West WA	3.9	5.6	1.9	3.1	2.3
Northern QLD	2.5	3.5	1.8	2.7	2.1	Southern WA	-0.8	3.5	-0.9	-0.6	-0.8
Far Nth QLD, incl. NW	4.4	4.3	1.8	2.4	2.0	Midlands & Central WA	1.7	3.9	-0.5	0.7	-0.1
Northern Adelaide	2.6	1.8	-0.4	0.1	-0.3	South Eastern WA	4.4	5.5	0.4	2.0	0.9
						Pilbara	1.8	2.3	-1.2	1.2	-0.4

<i>Average household income differential relative to simple average (per cent)</i>											
	1986	1991	1998	2002	2004		1986	1991	1998	2002	2004
ACT	41.5	34.4	22.8	27.0	30.5	Central Adelaide	-4.8	-3.8	-8.6	-9.2	-8.0
Global Sydney	16.3	28.3	36.4	40.8	43.6	Southern Adelaide	-4.7	-5.9	-12.9	-15.1	-15.5
North-north west SYD	39.3	52.5	54.4	57.6	60.2	Eyre and York	-15.0	-20.2	-22.2	-24.0	-24.4
Inner west Sydney	7.1	18.9	25.7	31.5	35.3	Murray Lands	-21.0	-27.0	-27.1	-29.1	-29.9
Southern Sydney	14.6	22.3	21.0	22.5	23.2	South East SA	-10.8	-15.4	-14.8	-18.3	-20.5
Syd production region	0.2	5.5	0.1	-1.3	-3.4	Southern Tasmania	-5.3	-9.8	-15.0	-13.4	-11.9
Outer west Sydney	4.1	10.9	8.9	10.4	11.3	Northern Tasmania	-13.7	-16.2	-23.0	-24.1	-25.3
Outer south west SYD	1.2	8.4	4.2	4.7	4.4	Mercy-Lyell TAS	-10.7	-16.0	-23.3	-24.0	-24.4
Central Coast NSW	-18.1	-12.3	-14.6	-14.2	-14.5	Inner Melbourne	0.8	6.1	19.6	25.8	30.7
Northern Illawarra	-2.8	0.6	-3.6	-4.7	-6.5	West Melbourne	1.8	2.5	-1.0	-3.5	-5.3
Lower Hunter	-4.6	-2.5	-7.7	-8.2	-9.4	North Melbourne	4.9	5.2	1.0	-0.8	-1.9
South East Melb.	-10.5	-8.2	-14.1	-14.1	-14.9	East Melbourne	23.7	24.8	23.1	24.3	26.2
North Coast NSW	-22.5	-22.8	-26.8	-26.9	-27.8	Sth East Melbourne	11.5	13.5	18.0	21.7	24.6
Nth & nth western NSW	-14.7	-14.3	-19.3	-20.0	-21.7	Westernport	3.5	2.1	-2.7	-4.8	-6.0
Sthern & Central NSW	-14.1	-14.1	-14.1	-14.6	-16.2	Golden Region VIC	-10.4	-12.0	-14.7	-15.7	-16.2
Darwin Top End NT	33.6	24.8	22.1	24.0	24.6	Western VIC	-11.3	-17.0	-16.9	-16.9	-16.5
Southern NT	28.3	18.8	14.4	16.3	17.0	Mallee-Wimmera	-17.5	-21.6	-21.2	-21.2	-21.0
Brisbane	0.4	2.9	8.3	11.6	13.2	Loddon VIC	-12.7	-15.0	-17.7	-18.8	-19.5
Moreton & Ipswich	-11.1	-8.7	-9.8	-9.4	-10.4	Goulburn VIC	-11.7	-14.1	-15.6	-17.1	-18.5
North Brisbane	2.4	6.4	9.5	11.7	12.3	Ovens-Hume VIC	-7.2	-2.4	-7.4	-9.5	-11.3
Wide Bay-Burnett	-20.3	-24.1	-24.7	-25.5	-27.8	Gippsland	-5.6	-12.9	-20.6	-22.5	-23.0
Darling Downs-SW QLD	-15.2	-16.1	-16.0	-16.7	-19.1	Nthern & Central Perth	3.1	3.2	9.6	12.9	17.3
Central QLD	1.8	-0.8	0.9	-2.7	-7.8	Southern Perth	-2.2	-3.6	1.4	4.2	8.1
Mackay	10.2	8.5	15.5	11.9	9.1	South West WA	-11.4	-12.2	-8.1	-8.3	-7.6
Northern QLD	-1.1	-1.9	-0.5	2.4	3.9	Southern WA	-11.8	-18.1	-12.3	-16.1	-18.8
Far Nth QLD, incl. NW	0.3	4.8	7.0	9.3	9.9	Midlands & Central WA	-0.6	-6.6	2.7	-0.4	-1.5
Northern Adelaide	-6.8	-9.5	-18.4	-23.9	-27.0	South Eastern WA	18.9	27.1	50.4	48.7	50.3
						Pilbara	60.9	52.5	77.2	75.4	78.0

## **Appendix 4**

### **Media statement**

**1998 National General Assembly of Local Government  
8-11 November 1998 National Convention Centre Canberra**

## **MEDIA STATEMENT**

***Australian Local Government Association &  
National Institute of Economic and Industry Research***

Issued 8 November 1998  
No. of pages: 2  
Ref GA4

**EMBARGO 11 AM November 8**

### **THE REGIONAL GAP GROWS – NEED FOR URGENT ACTION**

A crisis is looming for Australia's urban and rural regions unless the Federal Government takes urgent and bold action, according to a report released today at a Regional Cooperation and Development forum in Canberra.

The *State of Our Regions* report, prepared for the Australian Local Government Association by the National Institute of Economic and Industry Research, outlines the major trends and challenges for Australian urban and rural regions.

The report highlights a worrying future for Australia's regions, with growing inequality in employment, income and investment between regions.

Dr Peter Brain, Director of the National Institute of Economic and Industry Research, said the report showed that despite sustained national economic recovery since 1992, many regions have not shared the benefits of a higher economic growth.

"The report is a call for a new regional economic policy agenda to address high levels of unemployment and widening income and educational differentials in regional Australia," said Dr Brain.

"Regional economic policy should be a major national priority over the next five years. This is for two reasons. Firstly, the high and increasing unemployment levels and living standards, as well as widening unemployment and income differentials requires urgent policy intervention. Secondly, many outstanding recent successes in economic development emanate from innovative policies implemented at the local and regional level."

President of the Australian Local Government Association, Cr John Campbell, said the report vindicated Local Government's call prior to, and during the federal election campaign for urgent Federal leadership in regional development.

"It is now the time for the Federal Government to take serious action – regional development must be a priority of the Commonwealth – and Local Government must be seen as the key link between the Commonwealth and local communities for the implementation of a properly focused regional development program," said Cr Campbell.

"Many Councils and their local communities, particularly in coastal areas, are experiencing rapid growth while Councils, particularly in rural areas and older urban areas with traditional manufacturing bases are in decline.

“The report clearly shows the need for a new national approach to regional development, an approach based on partnerships between Commonwealth, Local and State governments, business and local communities.

“Unless strong leadership and remedial action is taken immediately, many regions will be effectively hung out to dry.”

Dr Brain said the greater the differences in growth rates between regions the less the overall national growth rates will be – because it increases the degree of under used resources of our people and our capital.

The Report was launched at a Regional Co-operation and Development Forum jointly convened by the Australian Local Government Association (ALGA) and the National Institute of Economic and Industry Research (NIEIR).

For further information or copies of the Report:

**Murray Geddes**

Telephone: (02) 6241 2302

Facsimile: (02) 6253 8662



# HELP FOR LOCAL ECONOMIC DEVELOPMENT

The **National Institute of Economic and Industry Research**, trading as National Economics, a non-profit foundation, is a leading economic, investment and services research and consultation body.

It links world edge forecasting with practical strategies for smaller firms and communities, as well as for the many major corporations and governments, which are our regular clients.

***Watching globally. Acting locally.***

Founded in 1984, we have diverse experience across all business sectors, very extensive data bases and methods of research and consultation vital for local communities, investors, enterprises and for councils who want to improve their opportunities and competitive advantages in the “borderless world”. We are also developing an additional range of on-line support services for local economies and communities in consultation with local government, investment and industry groups.

**The analysis in the *State of the Regions* report is only some aspects of the Institute’s work on local and regional economic development research and consultancy.**

Much of its analysis and forecasting may also be available at smaller levels (e.g. for individual LGAs or for different groupings than the 55 catchments used here or at collection districts of 200-300 households for population and household market trends). National and state forums are held regularly examining development trends, forecasts and issues.

A broader range of factors and trends may also be added to this report’s analysis e.g. enterprise performance or organisation; aspects of physical and social infrastructure and services, investment trends, freight and trade links, natural resources, regional occupations and labour markets and on Australian and international experience of development and investment strategies at local and regional levels.

We are pleased to hear of your advice and needs to guide our future work.

## **CONTACT US ON:**

**Telephone: (03) 9488 8444, (02) 9209 4053, (02) 6241 2302**

## **AND AT OUR WEB PAGE AT:**

**<http://www.nieir.com.au>**