



ESSENTIAL ECONOMICS

Regional Capitals Australia

Characteristics and Contributions of Australia's Regional Capitals

Prepared for

Regional Capitals Australia

By

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INTRODUCTION

Background

Australia's Regional Capitals comprise 50 Local Government Areas (LGAs) dispersed across all states and territories, and include cities, towns, shires, regional and rural areas.

Regional Capitals Australia (RCA) is an alliance of local government associations from around Australia, with a membership of 27 LGAs. The overarching aim of the group is to achieve a network of well-planned and sustainable regional capitals across Australia. In this regard RCA are seeking a commitment from State and Federal governments that positions Australia's regional cities as an integral part of the nation-building agenda and a pivotal component of any new regional development policy.

As part of RCA's ongoing advocacy with all levels of government, a robust socio-economic evidence base is required which highlights the contribution regional cities make to the national economy, as well as identifying issues that act as constraints towards economic development in these areas.

Objective

The objective of this study to prepare an *Issues and Positioning* paper which highlights the importance of Regional Capitals to the National economy and which identifies policy initiatives required which assist in reducing constraints and in maximising the potential of these areas.

This Report

This report contains the following chapters:

- Chapter 1: Regional Capitals Australia Overview** – Presents a contextual summary of the Regional Capitals including definitions, population, and spatial characteristics.
- Chapter 2: Socio-Economic Context Assessment** – Provides an analysis of key socio-economic variables at an aggregated Regional Capitals level, including population, social disadvantage, economic output, labour markets and job provision, industry and business structure, skills base, investment, property values and liveability.
- Chapter 3: Policy Requirements and Supporting Research** – Presents a summary of key issues facing the Regional Capitals and potential policy initiatives to respond to them, as well as supporting evidence-based research required to bolster RCA's advocacy initiatives.
- Chapter 4: Key Findings** – Presents a summary of the main findings of this study.

1 REGIONAL CAPITALS AUSTRALIA OVERVIEW

1.1 Regional Capitals Context

Regional Capitals Australia (RCA) define a Regional Capital as a regional city, located outside the state metropolitan urban growth boundary, which provides a central point to access essential infrastructure, services, business, employment and education for local residents, as well as those in surrounding towns and rural areas. These cities perform a 'capital city' role within their regions.

Australia's Regional Capitals comprise 50 Local Government Areas (LGAs) spread across every state and territory, and include cities, towns, shires, regional and rural areas.

Regional Capitals are widely dispersed geographically, with some located close to major Metropolitan centres with high population densities (500+ persons/km²) and others located in remote areas with low population densities (less than 1 person/km²). Overall, the Regional Capital areas cover nearly 400,000km² and have a population density of 10 persons/km².

In terms of population size, Regional Capitals include approximately 3.9 million persons and range in size from approximately 15,000 persons in Broome (S), Port Hedland (T) and Port Lincoln (C), to populations greater than 200,000 in Moreton Bay (R), Greater Geelong (C) and Wollongong (C).

While Regional Capitals are diverse in size and geography, commonality includes their important role as regional providers of health, education and transport, including providing essential centrally-located services to surrounding smaller towns and rural areas and significant employment opportunities.

Australia's Regional Capital LGAs, along with supporting information, are listed in Table 1.1, with Figure 1.1 providing a spatial representation of the location of each regional centre in a national context.

Table 1.1: Australia's Regional Capital Local Government Areas

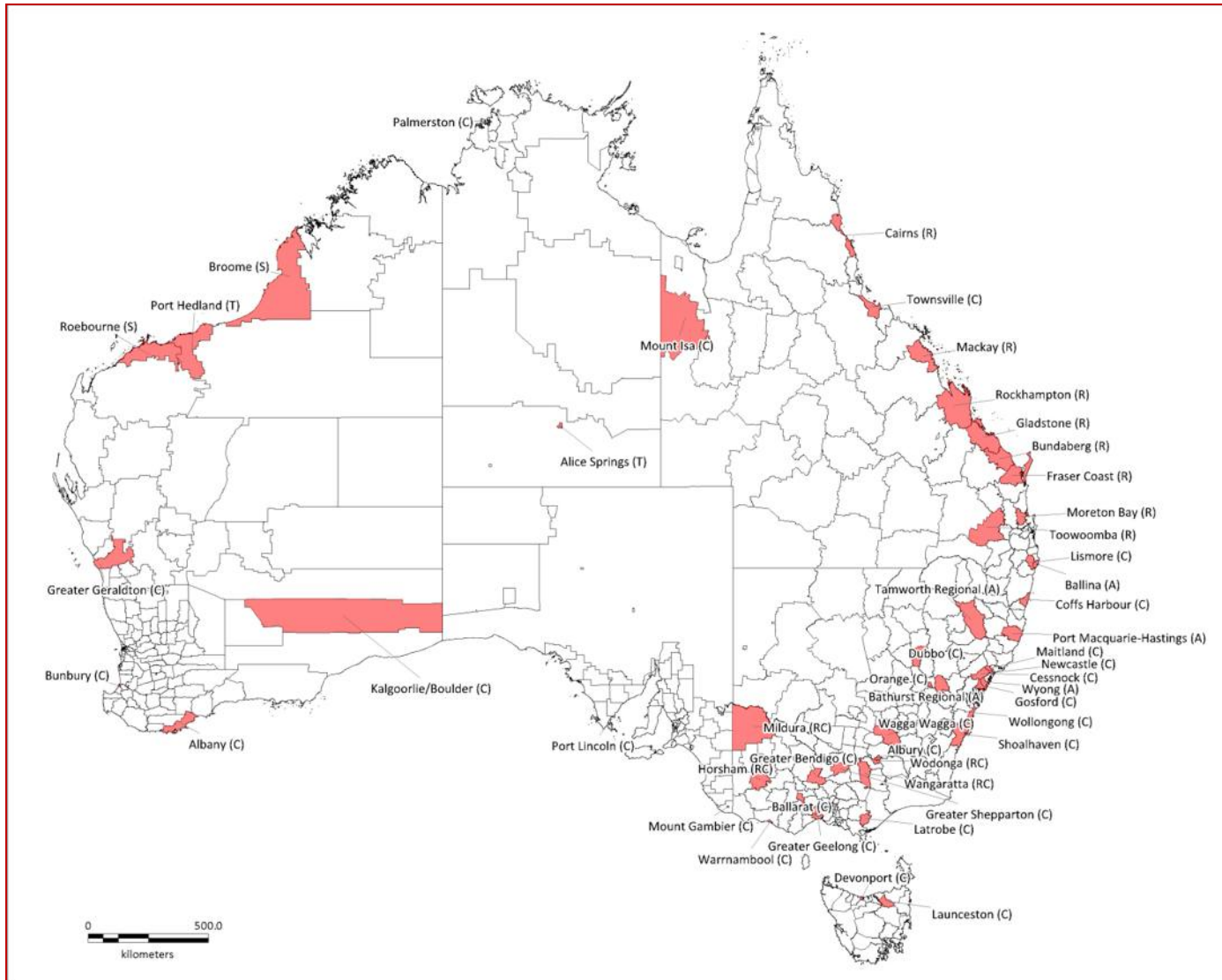
State/Territory	Local Government Area	Estimated Resident Population, 2011	Area Km ²	Population Density Persons/km ²
NSW	Albury (C)	49,450	305.9	161.7
NSW	Ballina (A)	40,750	484.7	84.1
NSW	Bathurst Regional (A)	39,960	3816.4	10.5
NSW	Cessnock (C)	52,490	1965.4	26.7
NSW	Coffs Harbour (C)	70,970	1173.7	60.5
NSW	Dubbo (C)	40,250	3425.7	11.7
NSW	Gosford (C)	168,320	941.1	178.9
NSW	Lismore (C)	44,350	1287.8	34.4
NSW	Maitland (C)	69,920	391.5	178.6
NSW	Newcastle (C)	155,550	186.8	832.7
NSW	Shoalhaven (C)	96,200	4567.0	21.1
NSW	Orange (C)	39,420	283.9	138.9
NSW	Port Macquarie-Hastings (A)	75,230	3683.0	20.4
NSW	Tamworth Regional (A)	58,230	9884.2	5.9
NSW	Wagga Wagga (C)	61,780	4825.9	12.8
NSW	Wollongong (C)	202,070	683.9	295.5
NSW	Wyang (A)	154,330	739.8	208.6
VIC	Ballarat (C)	95,190	739.0	128.8
VIC	Greater Bendigo (C)	102,000	3000.0	34.0
VIC	Greater Geelong (C)	215,840	1247.9	173.0
VIC	Greater Shepparton (C)	61,740	2422.0	25.5
VIC	Wodonga (RC)	36,030	432.7	83.3
VIC	Wangaratta (RC)	27,210	3644.8	7.5
VIC	Warrnambool (C)	32,670	120.9	270.2
VIC	Mildura (RC)	51,820	22082.5	2.3
VIC	Horsham (RC)	19,520	4267.1	4.6
VIC	Latrobe (C)	73,790	1425.8	51.8
QLD	Bundaberg (R)	92,060	6435.6	14.3
QLD	Cairns (R)	162,180	4115.1	39.4
QLD	Gladstone (R)	59,460	10465.8	5.7
QLD	Fraser Coast (R)	97,660	7102.5	13.8
QLD	Mackay (R)	115,960	7601.2	15.3
QLD	Moreton Bay (R)	390,050	2033.3	191.8
QLD	Mount Isa (C)	22,080	43188.0	0.5
QLD	Rockhampton (R)	112,330	18311.7	6.1
QLD	Toowoomba (R)	155,470	12957.7	12.0
QLD	Townsville (C)	180,110	3727.4	48.3

REGIONAL CAPITALS AUSTRALIA
ISSUES AND POSITIONING PAPER

State/Territory	Local Government Area	Estimated Resident Population, 2011	Area Km ²	Population Density Persons/km ²
SA	Mount Gambier (C)	25,770	33.9	760.2
SA	Port Lincoln (C)	14,460	30.4	475.7
WA	Albany (C)	34,870	4309.9	8.1
WA	Broome (S)	15,740	54631.8	0.3
WA	Bunbury (C)	32,580	65.2	499.7
WA	Greater Geraldton (C)	38,340	9889.1	3.9
WA	Kalgoorlie/Boulder (C)	32,210	95151.5	0.3
WA	Port Hedland (T)	15,660	18431.1	0.8
WA	Roebourne (S)	23,630	15235.8	1.6
TAS	Devonport (C)	25,750	111.3	231.4
TAS	Launceston (C)	67,150	1413.6	47.5
NT	Alice Springs (T)	28,490	327.5	87.0
NT	Palmerston (C)	29,390	52.7	557.7
		3,906,480	393,652	9.92

Source: ABS Regional Population Growth Australia Cat. No. 3218.0

Figure 1.1: Map of Australia's Regional Capital Local Government Areas



1.2 Federal Regional Policy

The new Federal Coalition Government is proposing to introduce the National Stronger Regions Fund (NSRF) to replace the existing Regional Development Australia Fund (RDAF).

The NSRF will provide \$1 billion in grants of between \$20,000 and \$10 million to meet the infrastructure needs of regional Australia on a 50/50 co-funding basis with State, local government and other sources.

The Federal; Government will provide \$200 million each year over five years through NSRF, with the potential for this contribution to increase as the economy improves. Criteria for funding will be based on the following:

- Meeting an identified and pressing community need
- Improving community connections
- Supported broadly within the community
- Representing value for money investment
- Managed and delivered within the organisation's or the community's resources
- Leveraging funding from additional sources, including State governments, local councils and local businesses.

It is anticipated NSRF grants will be available from 2015; however, legislation has yet to be finalised.

2 SOCIO-ECONOMIC CONTEXT ASSESSMENT

This Chapter presents the key socio-economic characteristics and performance of the Regional Capitals, including population levels and forecasts, social disadvantage, labour force, industry structure, business structure, jobs provision, skills base, output and productivity, investment and property prices and liveability.

2.1 Population

Over the period 2001-11, the combined population of the Regional Capitals expanded by approximately 550,000 persons, increasing from 3,360,000 persons in 2001 to reach 3,910,000 persons in 2011.

As Table 2.1 shows, this represents an annual average growth rate (AAGR) of 1.51% pa over the 10-year period, which is slightly above population growth experienced across Australia as a whole at 1.49% pa. This highlights the important role the Regional Capitals have been playing in absorbing the nation's population expansion, including 110,000 overseas migrants settling in the Regional Capitals between 2006 and 2011 and representing approximately 35% of net population growth.

Table 2.1: Regional Capitals – Population Levels, 2001-2011

	2001	2006	2011	Change 2001-11	AAGR 2001-11
Regional Capitals	3,361,320	3,596,620	3,906,480	+545,160	+1.51%
Australia	19,274,700	20,450,970	22,340,020	+3,065,320	+1.49%
<i>Regional Capital Share of Australian Total</i>	<i>17.4%</i>	<i>17.6%</i>	<i>17.5%</i>	<i>17.8%</i>	<i>na</i>

Source: ABS Regional Population Growth Australia Cat. No. 3218.0

AAGR Annual Average Growth Rate

Over the 15-year period 2011-2026, population growth in the Regional Capitals is projected to continue to increase strongly at a slightly accelerated rate (1.54%) than for the previous decade, with approximately 1 million additional persons living in the Regional Capitals in 2026 (totalling 4,910,000 persons) compared with 2011 (totalling 3,910,000 persons). As with the previous period, population growth in the Regional Capitals is forecast to be marginally higher than for Australia (1.52% pa), highlighting the ongoing national role the Regional Capitals will have in accommodating the nation's expanding population, including many more new migrants from overseas as well as those relocating from metropolitan areas.

Population projections are presented in Table 2.2.

Table 2.2: Regional Capitals – Population Projections, 2011-2026

	2011	2016	2021	2026	Change 2011-26	AAGR 2011-26
Regional Capitals	3,906,480	4,294,020	4,603,850	4,912,940	+1,006,460	+1.54%
Australia	22,340,020	24,405,760	26,220,460	27,997,710	+5,657,690	+1.52%
<i>Regional Capitals Share of Australian Total</i>	<i>17.5%</i>	<i>17.6%</i>	<i>17.6%</i>	<i>17.5%</i>	<i>17.8%</i>	<i>na</i>

Source: State and Territory governments (various)
AAGR Annual Average Growth Rate

2.2 SEIFA Index

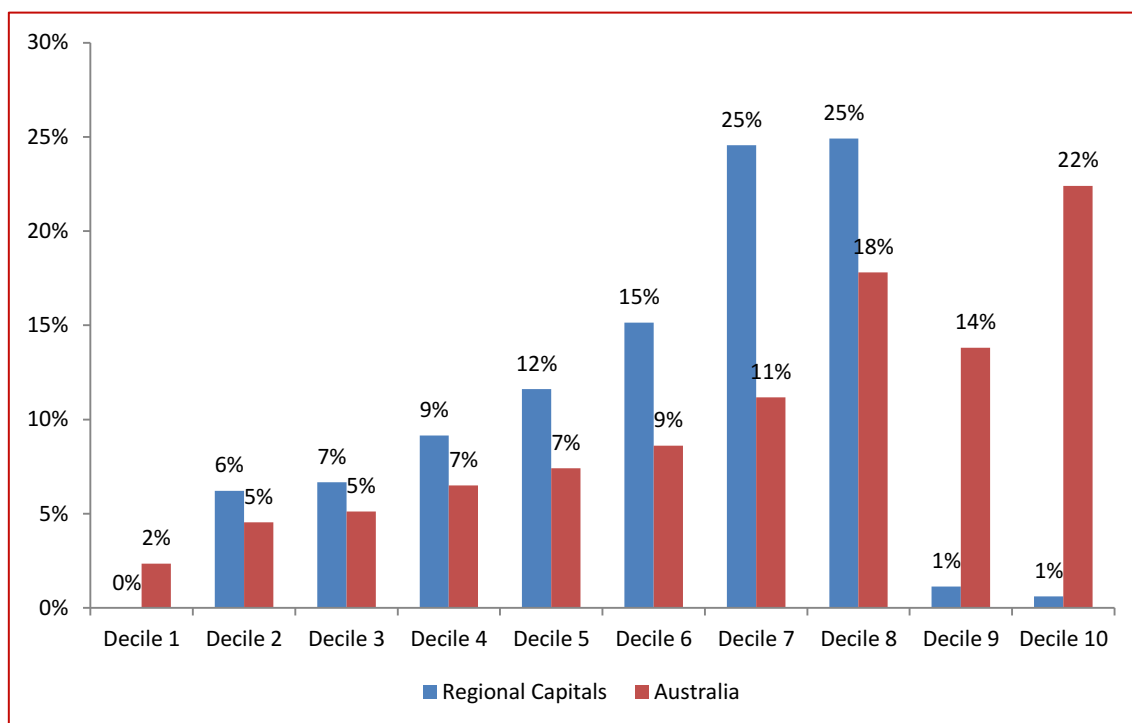
Every five years the Australian Bureau of Statistics (ABS) prepares a series of indices relating to the social advantage and disadvantage status for each municipality in Australia. These indicators are known as Socio-Economic Indexes for Areas (SEIFA) and are based on data compiled from the ABS Census of Population and Housing. The Index of Relative Socio-Economic Disadvantage focuses primarily on disadvantage, and is derived from Census variables such as low income, low educational attainment, unemployment, and dwellings without motor vehicles.

The data is presented at an LGA level.

Data compiled for 2011 and presented in Figure 2.1 shows that in terms of decile (that, is the average score on an equal scale on 0-10), Regional Capital LGAs are relatively disadvantaged on a national scale, with higher proportions of Regional Capital LGAs falling within the lowest 5 deciles (34% cf 26%), and lower proportions falling within the highest 5 deciles (66% cf 74%). Regional Capital LGAs are significantly under-represented within the highest deciles, with only 2% of Regional Capital LGAs falling within the 9th and 10th deciles, compared to 36% of LGAs nationally.

This data highlights the disparity which exists in in terms of the social and economic resource base for Regional Capitals compared to the national situation.

Figure 2.1: Regional Capitals – Population Projections, 2011-2026



Source: ABS Regional Population Growth Australia Cat. No. 3218.0

2.3 Labour Force

The Regional Capitals have a labour force of approximately 2 million persons as of June 2013, including approximately 125,000 unemployed persons. This represents an unemployment rate of 6.2% and is significantly higher than the national rate of 5.4%, indicating the need for Regional Capitals to generate more local jobs to support their expanding labour markets. Labour Force data is shown in Table 2.3.

Table 2.3: Regional Capitals – Labour Force Statistics, June 2013

	Employed	Unemployed	Labour Force	Unemployment Rate
Regional Cities	1,890,300	125,800	2,016,100	6.2%
Australia	11,590,400	666,600	12,257,000	5.4%

Source: Department of Education, Employment and Workplace Relations – Small Area Labour Markets, June 2013

As Table 2.4 highlights, the labour force of the Regional Capitals is projected to increase by a further 467,000 persons between 2011 and 2026, presenting an ongoing challenge in terms of local job creation. These forecasts assume the labour force participation rate remains constant over the period.

Policies and investments aimed at improving skills capacity and worker productivity are important considerations in helping reduce these high levels of unemployment.

Table 2.4: Regional Capitals – Labour Force Projections, 2012 to 2026

	2011	2016	2021	2026	Change 2011-26	AAGR 2011-26
Population	3,906,480	4,294,020	4,603,850	4,912,940	+1,006,460	+1.54%
Crude participation Rate	46.2%	46.2%	46.2%	46.2%	-	-
Labour Force	1,803,020	1,983,840	2,126,980	2,269,780	+466,760	

Source: ABS Census of Population and Housing (2011); Essential Economics

2.4 Industry Structure

Industry structure data identifies the sectors in which residents work, regardless of their place of work (ie they might work within the LGA where they reside, or alternatively could be employed in another LGA or interstate). ABS Census data for 2011 shows Regional Capital residents are highly represented in the service sector, with health care and social assistance, retail trade, education and training, and accommodation and food services accounting for 41.0% of workers; this compares to 37.5% nationally. Regional Capitals are also over-represented in terms of resident workers in sectors such as construction (9.2% cf 8.4% nationally) and mining (2.7% cf 1.8% nationally).

Compared to national averages, similar proportions of Regional Capital residents are employed in manufacturing (9.2%), in transport, postal and warehousing (5.0% cf 4.9%) and in agriculture, forestry and fishing (2.4% cf 2.5%); however, a large underrepresentation is apparent with regard to professional services such as professional, scientific and technical services, financial and insurance services, and information, media and telecommunications, where the proportion of Regional Capitals' residents employed in these sectors is 8.5% cf 13.0% nationally.

Industry structure data is presented in Table 2.5.

Table 2.5: Regional Capitals, Industry Structure (Sectors in which residents work), 2011

	Regional Capitals	Australia	Variation from National Average (in percentage points)
Agriculture, Forestry and Fishing	2.4%	2.5%	-0.1%
Mining	2.7%	1.8%	0.9%
Manufacturing	9.2%	9.2%	0.0%
Electricity, Gas, Water and Waste Services	1.5%	1.2%	0.4%
Construction	9.2%	8.4%	0.7%
Wholesale Trade	3.2%	4.1%	-0.9%
Retail Trade	11.9%	10.8%	1.2%
Accommodation and Food Services	7.2%	6.6%	0.6%
Transport, Postal and Warehousing	5.0%	4.9%	0.2%
Information Media and Telecommunications	1.2%	1.8%	-0.6%
Financial and Insurance Services	2.4%	3.8%	-1.5%
Rental, Hiring and Real Estate Services	1.6%	1.6%	-0.1%
Professional, Scientific and Technical Services	4.9%	7.4%	-2.6%
Administrative and Support Services	3.0%	3.3%	-0.3%
Public Administration and Safety	7.2%	7.0%	0.2%
Education and Training	8.5%	8.2%	0.3%
Health Care and Social Assistance	13.4%	11.9%	1.6%
Arts and Recreation Services	1.2%	1.5%	-0.3%
Other Services	4.1%	3.8%	0.3%
Total	100.0%	100.0%	0.0%

Source: ABS Census of Population and Housing

Note: Excludes categories: not applicable, level of education not stated, and inadequately described

2.5 Job Provision Role

Job Provision Ratio

The job provision ratio measures the number of jobs provided in an LGA compared with the number of that LGA's residents who are in the labour force.

In 2011 the Regional Capitals provided approximately 1,785,000 jobs (source: id National Indicators) within their municipalities to service an estimated labour force of approximately 1,800,000 (source: ABS Census 2011), this represents an employment self-sufficiency rate of 99% or the provision of 1 job for every 1 labour force participant.

Type of Employment Provided

The important regional service role of Regional Capitals is highlighted with respect to the types of employment provided which shows relatively high proportions of jobs in health care and social assistance (15.1% cf 11.9% nationally), retail trade (12.9% cf 10.8% nationally), education and training (9.5% cf 8.2% nationally), and accommodation and food services (7.6% cf 6.6% nationally). As Table 2.6 shows, evidence shows 'under-representation' of some types of jobs across Regional Capitals and these include employment in sectors such as construction (8.1% cf 9.4% nationally), professional, scientific and technical services (5.0% cf 7.4%), wholesale trade

(3.2% cf 4.1%), administrative and support services (2.6% cf 3.3%), financial and insurance services (2.5% cf 3.8%) and information, media and telecommunications (1.1% cf 1.8% nationally).

Table 2.6: Regional Capitals – Jobs Provided by Industry Sector, 2011

Sector	Regional Capitals	Australia
Agriculture, Forestry and Fishing	2.3%	2.5%
Mining	1.6%	1.8%
Manufacturing	9.3%	9.2%
Electricity, Gas, Water and Waste Services	1.6%	1.2%
Construction	7.1%	8.4%
Wholesale Trade	3.2%	4.1%
Retail Trade	12.9%	10.8%
Accommodation and Food Services	7.6%	6.6%
Transport, Postal and Warehousing	4.4%	4.9%
Information Media and Telecommunications	1.1%	1.8%
Financial and Insurance Services	2.5%	3.8%
Rental, Hiring and Real Estate Services	1.7%	1.6%
Professional, Scientific and Technical Services	5.0%	7.4%
Administrative and Support Services	2.6%	3.3%
Public Administration and Safety	7.0%	7.0%
Education and Training	9.5%	8.2%
Health Care and Social Assistance	15.1%	11.9%
Arts and Recreation Services	1.2%	1.5%
Other Services	4.3%	3.8%
Total	100.0%	100.0%

Source: ABS Census of Population and Housing – Place of Work (2011)

A more detailed assessment of the types of employment activities located in Regional Capitals, as presented in Table 2.7, highlights the key community service role Regional Capitals play. For example, 123,000 jobs are provided in hospitals, medical and other health care services (8.7% of all jobs, cf 6.9% nationally), approximately 90,000 jobs are provided in preschool and school education (6.3% of all jobs, cf 5.1% nationally), approximately 48,000 jobs are provided in social assistance services (3.4% of all jobs, cf 2.6% nationally), and approximately 35,000 jobs are provided in residential care services (2.4% cf 1.9% nationally).

The important retailing role of Regional Capitals is also highlighted, with approximately 170,000 jobs provided in store-based, food and motor vehicle retailing (11.9% of all jobs, cf 9.8% nationally), with a further 85,000 jobs provided in food and beverage services (5.9% cf 5.3% nationally).

Table 2.7: Regional Capitals – Largest Employing Sectors, 2011

Sector	Regional Capitals		Australia
	No.	%	%
Other Store-Based Retailing	98,590	6.9%	5.7%
Preschool and School Education	89,320	6.3%	5.1%
Food and Beverage Services	84,430	5.9%	5.3%
Hospitals	70,430	5.0%	3.7%
Public Administration	64,530	4.5%	4.6%
Professional, Scientific and Technical Services	62,320	4.4%	6.0%
Construction Services	57,200	4.0%	4.7%
Food Retailing	55,420	3.9%	3.3%
Medical and Other Health Care Services	52,330	3.7%	3.2%
Social Assistance Services	48,130	3.4%	2.6%
Residential Care Services	34,630	2.4%	1.9%
Road Transport	32,720	2.3%	2.3%
Tertiary Education	32,410	2.3%	2.0%
Repair and Maintenance	32,110	2.3%	1.8%
Personal and Other Services	28,160	2.0%	2.0%
Agriculture	27,610	1.9%	2.2%
Building Construction	27,110	1.9%	2.5%
Food Product Manufacturing	25,640	1.8%	1.7%
Public Order, Safety and Regulatory Services	22,820	1.6%	1.7%
Accommodation	22,460	1.6%	1.2%
Primary Metal and Metal Product Manufacturing	19,940	1.4%	0.8%
Administrative Services	19,690	1.4%	1.8%
Finance	18,070	1.3%	1.8%
Building Cleaning, Pest Control and Other Support Services	16,760	1.2%	1.5%
Property Operators and Real Estate Services	16,750	1.2%	1.2%
Motor Vehicle and Motor Vehicle Parts Retailing	15,900	1.1%	0.8%
Machinery and Equipment Manufacturing	14,210	1.0%	1.1%
Heavy and Civil Engineering Construction	13,140	0.9%	0.8%
Basic Material Wholesaling	12,910	0.9%	0.8%
Electricity Supply	12,500	0.9%	0.6%
Transport Equipment Manufacturing	11,450	0.8%	0.8%
Defence	11,190	0.8%	0.7%
Inadequately described	11,070	0.8%	1.1%
Machinery and Equipment Wholesaling	10,990	0.8%	1.0%
Adult, Community and Other Education	10,560	0.7%	0.9%
Manufacturing, nfd	10,350	0.7%	0.8%
Fabricated Metal Product Manufacturing	10,120	0.7%	0.6%
Sports and Recreation Activities	10,090	0.7%	0.8%
Metal Ore Mining	9,970	0.7%	0.6%
Grocery, Liquor and Tobacco Product Wholesaling	9,150	0.6%	0.7%
Total		100.0%	100.0%

Source: ABS Census of Population and Housing – Place of Work (2011)

Job Provision Balance

A comparison of jobs provided by industry type against industries in which residents work (noting, some residents work outside the LGA in which they live), shows a surplus of jobs (in proportional terms) in service industries such as retail trade, accommodation and food services, education and training, and health care and social assistance (with 45.1% of jobs provided in these sectors, compared to 41.0% of residents working in these sectors).

Sectors under-represented in terms of local job provision include construction (7.1% of all jobs cf 9.2% of workforce) – although noting general many construction workers are typically employed away from their local areas – and mining (2.7% cf 1.6%). These statistics highlight the importance of regional residents at work supporting mining activities across many locations, nationally. Smaller levels of ‘under-provision’ are noted with regard to transport, postal and warehousing activities (5.0% cf 4.4%), administrative and support services and public administration and safety (10.2% cf 9.6%).

This data shows some under-representation in job provision exists in the Regional Capitals, especially in terms of professional, technical and finance-related service employment, indicating measures which attract higher value jobs to Regional Capitals should be a priority.

Data relating to job provision balance is presented in Table 2.8 and Figure 2.2

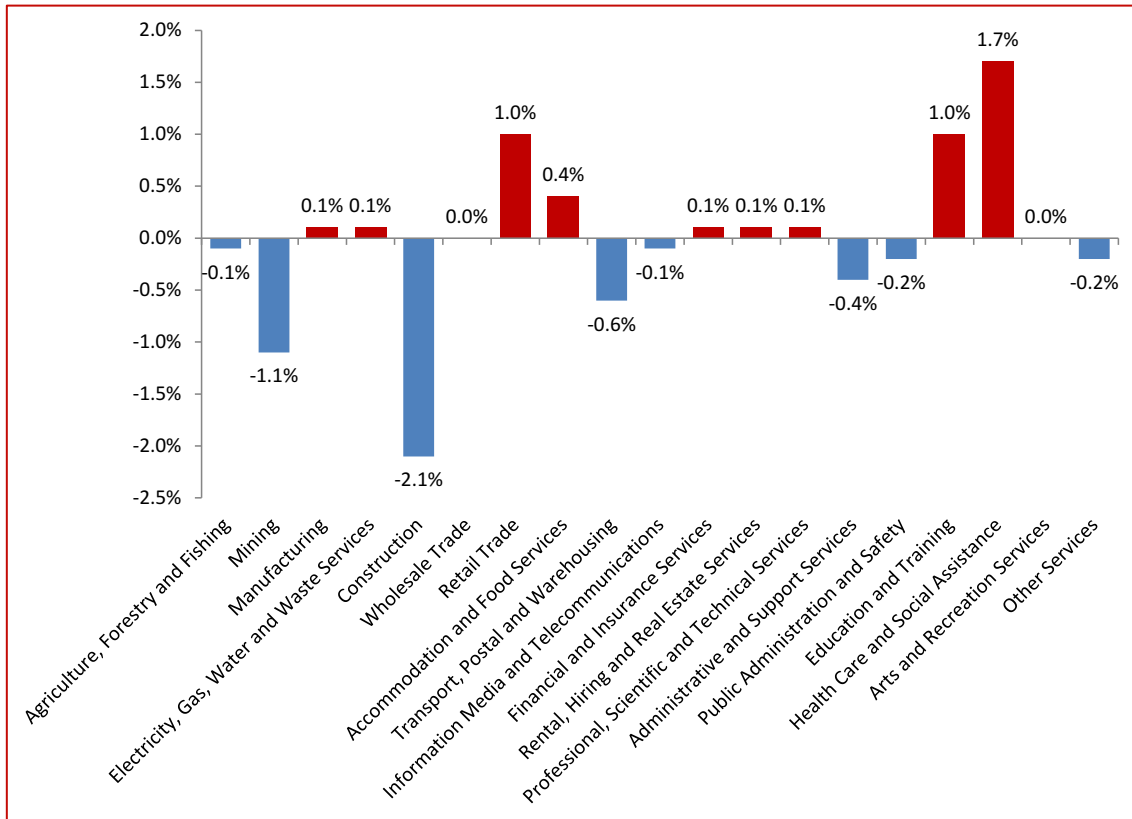
Table 2.8: Regional Capitals – Job Provision Balance, 2011

	Sectors in Which Regional Capitals Residents Work	Jobs Provided in Regional Capitals	Proportional Jobs Deficit (in percentage points)
Agriculture, Forestry and Fishing	2.4%	2.3%	-0.1%
Mining	2.7%	1.6%	-1.1%
Manufacturing	9.2%	9.3%	+0.1%
Electricity, Gas, Water and Waste Services	1.5%	1.6%	+0.1%
Construction	9.2%	7.1%	-2.1%
Wholesale Trade	3.2%	3.2%	0.0%
Retail Trade	11.9%	12.9%	+1.0%
Accommodation and Food Services	7.2%	7.6%	+0.4%
Transport, Postal and Warehousing	5.0%	4.4%	-0.6%
Information Media and Telecommunications	1.2%	1.1%	-0.1%
Financial and Insurance Services	2.4%	2.5%	+0.1%
Rental, Hiring and Real Estate Services	1.6%	1.7%	+0.1%
Professional, Scientific and Technical Services	4.9%	5.0%	+0.1%
Administrative and Support Services	3.0%	2.6%	-0.4%
Public Administration and Safety	7.2%	7.0%	-0.2%
Education and Training	8.5%	9.5%	+1.0%
Health Care and Social Assistance	13.4%	15.1%	+1.7%
Arts and Recreation Services	1.2%	1.2%	0.0%
Other Services	4.1%	4.3%	-0.2%
Total	100.0%	100.0%	0.0%

Source: ABS Census of Population and Housing 2011; ABS Place of Work 2011.

Note: Excludes categories: not applicable, level of education not stated and, inadequately described

Figure 2.2: Regional Capitals – Job Provision Balance, 2011



Source: ABS Census of Population and Housing 2011; ABS Place of Work 2011.

Note: Excludes categories: not applicable, level of education not stated and, inadequately described

When comparisons of job provision are made at a national level, there is evidence of ‘under-representation’ in the provision of some types of jobs in Regional Capitals, such as in construction (8.1% cf 9.4% nationally), professional, scientific and technical services (5.0% cf 7.4%), wholesale trade (3.2% cf 4.1%), administrative and support services (2.6% cf 3.3%), financial and insurance services (2.5% cf 3.8%), and information, media and telecommunications (1.1% cf 1.8% nationally).

A comparative analysis of jobs provided by industry sector is provided in Table 2.9.

Table 2.9: Regional Capitals – Jobs Provided Locally by Industry Sector, 2011

Sector	Regional Capitals	Australia	Variation from National Average (in percentage points)
Agriculture, Forestry and Fishing	2.3%	2.5%	-0.2%
Mining	1.6%	1.8%	-0.2%
Manufacturing	9.3%	9.2%	+0.1%
Electricity, Gas, Water and Waste Services	1.6%	1.2%	+0.4%
Construction	7.1%	8.4%	-1.3%
Wholesale Trade	3.2%	4.1%	-0.9%
Retail Trade	12.9%	10.8%	+2.1%
Accommodation and Food Services	7.6%	6.6%	+1.0%
Transport, Postal and Warehousing	4.4%	4.9%	-0.5%
Information Media and Telecommunications	1.1%	1.8%	-0.7%
Financial and Insurance Services	2.5%	3.8%	-0.7%
Rental, Hiring and Real Estate Services	1.7%	1.6%	+0.1%
Professional, Scientific and Technical Services	5.0%	7.4%	-2.4%
Administrative and Support Services	2.6%	3.3%	-0.7%
Public Administration and Safety	7.0%	7.0%	0.0%
Education and Training	9.5%	8.2%	+1.3%
Health Care and Social Assistance	15.1%	11.9%	+3.2%
Arts and Recreation Services	1.2%	1.5%	-0.3%
Other Services	4.3%	3.8%	+0.5%
Total	100.0%	100.0%	0.0%

Source: ABS Census of Population and Housing – Place of Work 2011

2.6 Skills Base

The skills base of the Regional Capital residents is assessed in terms of educational achievement and occupation. Data is sourced from the ABS Census 2011, and is described as follows.

Education

Regional Capitals have relatively poor Year 12 completion rates (42%) when compared to the national average (52%). Additionally, a much larger proportion of students in Regional Capitals (30%) have Year 10 as their highest completion year, compared to the national figure (23%). As the data in Table 2.10 shows, nearly one-half of students in Regional Capitals (47%) do not progress their school education beyond Year 10, compared to the national figure (37%).

Table 2.10: Highest School Year Completed, 2011

	Regional Capitals	Australia	Variation from National Average (in percentage points)
Year 12 or equivalent	42.0%	52.0%	-10.0%
Year 11 or equivalent	10.9%	10.6%	+0.3%
Year 10 or equivalent	30.3%	23.2%	+7.1%
Year 9 or equivalent	8.9%	6.9%	+2.0%
Year 8 or below	7.3%	6.4%	+0.9%
Did not go to school	0.5%	0.9%	-0.4%
Total	100.0%	100.0%	0.0%

Source: ABS Census of Population and Housing, 2011

When highest post-school qualifications are considered, Regional Capitals have a significantly higher proportion of residents holding certificate-level qualifications (53%), compared to the national average (40%). However, as Table 2.11 highlights, a considerably lower proportion of Regional Capitals residents hold bachelor-level and above qualifications (31% cf 42% nationally).

Table 2.11: Regional Capitals – Highest Post School Qualification Achieved, 2011

Non-School Qualification Field of Study	Regional Capitals	Australia	Variation from National Average (in percentage points)
Postgraduate Degree Level	4.5%	8.1%	-3.6%
Graduate Diploma and Graduate Certificate Level	3.3%	3.8%	-0.6%
Bachelor Degree Level	22.7%	30.0%	-7.3%
Advanced Diploma and Diploma Level	17.0%	17.9%	-0.9%
Certificate Level	52.5%	40.2%	+12.3%
Total	100.0%	100.0%	0.0%

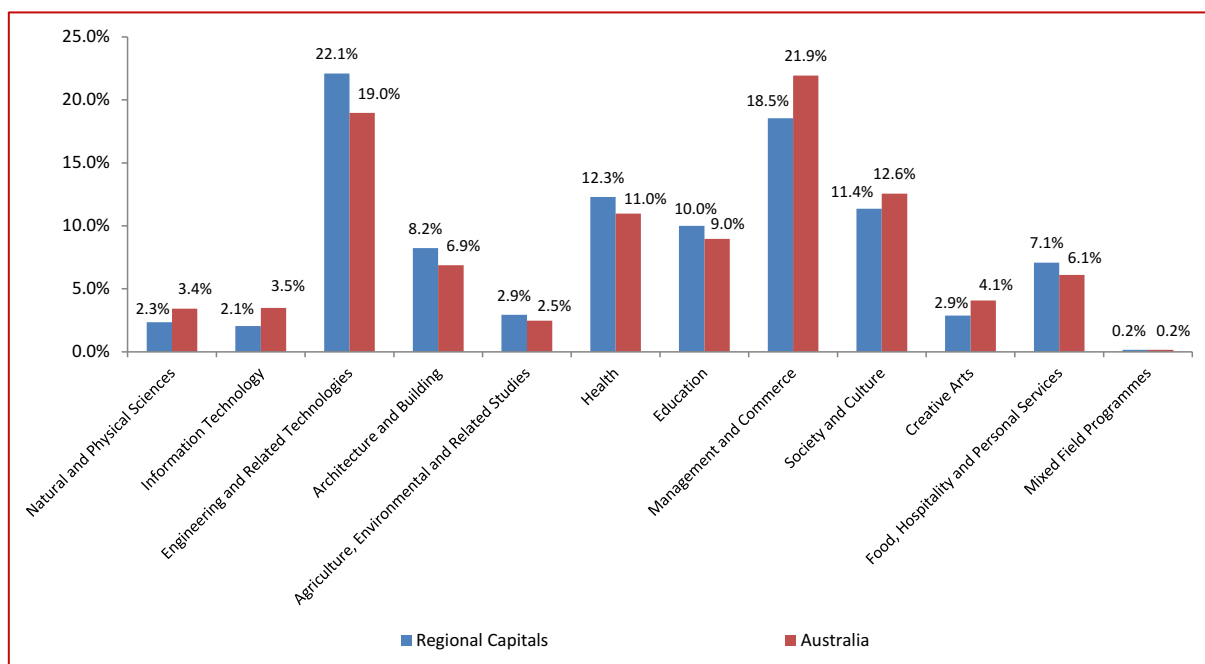
Source: ABS Census of Population and Housing, 2011

Note: Excludes categories: not applicable, level of education not stated and, inadequately described

Compared to national averages, post-school qualifications achieved by Regional Capitals residents have a stronger focus on engineering and related technologies (22.1% cf 19.0%), health and education (22.3% cf 20.0%), architecture and building (8.2% cf 6.9%) and food, hospitality and personal services (7.1% cf 6.1%). As Table 3.12 and Figure 3.3 show however, lower proportions of Regional Capitals residents attain qualification in management and commerce (18.5% cf 21.9%), creative arts (2.9% cf 4.1%), natural and physical sciences (2.3% cf 3.4%) and information technology (2.1% cf 3.5%).

In summary, this data highlights the strong trade-related focus of training and employment in the Regional Capitals which is linked to factors such as access to resources, presence of many traditional industries, historical factors, and so on. However, under-representation with regard to higher-level education and training adversely impacts on the types of investment and jobs that can be attracted in some regional locations due to an inadequate skills-balance and lack of professional workers (see Table 2.12 on occupational status).

Figure 2.3: Comparison of Post-School Qualifications by Field of Study – Regional Capitals v Australia, 2011



Source: ABS Census of Population and Housing, 2011

Occupation

Compared to national averages, Regional Capitals workers have a higher propensity to be occupied in manual roles, such as technical and trades, machinery operators and drivers and labourers (35.6% cf 30.7%) and a lower presence in professional and managerial occupations (29.1% cf 34.8%). As Table 2.12 shows, Regional Capitals have similar proportions of workers occupied in service activities (community and personnel, clerical and administration, sales) compared to national averages (35.4% cf 34.3%).

Table 2.12: Regional Capitals – Occupational Status, 2011

Occupation	Regional Capitals	Australia	Variation from National Average (in percentage points)
Managers	11.2%	13.1%	-1.9%
Professionals	17.9%	21.7%	-3.9%
Technicians and Trades Workers	16.6%	14.4%	+2.1%
Community and Personal Service Workers	11.0%	9.8%	+1.1%
Clerical and Administrative Workers	14.1%	15.0%	-1.0%
Sales Workers	10.3%	9.5%	+0.8%
Machinery Operators and Drivers	7.8%	6.7%	+1.1%
Labourers	11.2%	9.6%	+1.6%
Total	100.0%	100.0%	100.0%

Source: ABS Census of Population and Housing, 2011

Note: Excludes categories: not applicable, not stated and, inadequately described

2.7 Businesses

As of June 2012, approximately 300,000 active businesses were located in the Regional Capitals, and this represents approximately 14% of all Australian-based business. In contrast, the Regional Capitals account for 17.5% of the nation's population. Combined, these statistics suggest that Regional Capitals have not yet attracted the numbers of active businesses that the population shares suggest should be the case. In other words, more business investment needs to be attracted to the Regional Capitals. This situation is reinforced the Regional Capitals share of the national employment market at 16.4% is noted (see below); again indicating that their share of active businesses at 14.0% is below what might otherwise be the case.

Table 2.13: Regional Capitals – No. of Active Businesses (2012/13)

	Active Businesses
Regional Capitals	298,190
Australia	2,063,740
<i>Regional Capitals Share of Australian Total</i>	14%

Source: id National Indicators Series

2.8 Output and Productivity

Regional Capitals are responsible for approximately \$210 billion in economic output annually, as measured by Gross Regional Product for 2012. This represents 15.9% of total national economic output, and this is broadly in line with the Regional Cities contribution to Australia's employment market (16.4%, refer to Table 2.3).

Regional Capitals worker productivity is estimated at approximately \$116,000 per worker compared to \$123,000 nationally and this represents a productivity performance that is approximately 6% below the national average. Lower productivity in regional areas is likely to be associated with a number of inter-related factors, and these include:

- Lower levels of investment in human capital (education and training)
- Lower levels of research and development and innovation, especially in traditional and transforming industries
- Inefficiencies in access to markets through poorer levels of infrastructure provision, such as roads, rail, broadband, telecommunications
- Lower levels of capital investment at a business and government level
- Inefficiencies and/or duplication of activities that support investment attraction such as planning policies and other regulations
- Adverse environmental conditions such as drought, floods, bushfires etc which can impact of regionally-focused sectors such as agriculture, fishing, forestry, tourism etc.

Output and productivity data is provided in Table 2.14

Table 2.14: Regional Capitals – Regional Output and Worker Productivity, 2012

	Gross Regional Product	Worker Productivity
Regional Capitals	\$208 billion	\$116,170
Australia	\$1,308 billion	\$123,280

Source: id National Indicators Series

2.9 Investment

In 2012/13, the Regional Capitals approved building approvals to the value of \$11.7 billion, which represents approximately 15.7% of the value of all building approvals (\$74.5 billion) for the year. This data is presented in Table 2.15. These approvals represent new building across all sectors (residential, commercial, retail, government etc) but are mostly underpinned by new building in the residential sector, highlighting strong population growth in the Regional Capitals.

Table 2.15: Regional Capitals – Building Investment (2012/13)

	Value of Building Approvals
Regional Capitals	\$11.7 billion
Australia	\$74.5 billion
<i>Regional Capitals Share of Australian Total</i>	15.7%

Source: id National Indicators Series

2.10 Property Prices

Regional Capitals have significantly lower property prices (in general) compared to Metropolitan areas. While no comparative national data is available, selected data for September 2013 as presented in Table 2.16 shows the price differential (as measured by median house prices) are typically 20% to 60% lower in Regional Capitals for the major States. Anecdotally, these price differentials also extend to land and rental values.

Strategically, this presents ongoing opportunities for the Regional Capitals to attract new residents to these areas through more affordable housing options (for purchasers and renters), and this includes new skilled overseas migrants as well as professionals and their families relocating from more expensive metropolitan areas.

Table 2.16: Median House Prices, Selected Locations, September 2013

Location	Median House Price	Difference from Metropolitan Average
New South Wales¹		
Metropolitan Sydney	\$627,000	-
City of Wollongong LGA	\$450,000	-28%
City of Newcastle LGA	\$425,000	-32%
Maitland	\$369,000	-41%
Cessnock	\$275,000	-56%
Victoria²		
Metropolitan Melbourne	\$595,000	-
City of Greater Geelong LGA	\$405,000	-32%
City of Greater Bendigo LGA	\$315,000	-47%
City of Ballarat LGA	\$290,000	-51%
Western Australia³		
Metropolitan Perth	\$505,000	-
Broome Urban Area	\$649,000	+29%
Albany Urban Area	\$385,000	-24%
Bunbury Urban Area	\$380,000	-25%
Geraldton - Greenough	\$379,000	-25%
Kalgoorlie - Boulder	\$320,000	-36%
Queensland⁴		
Metropolitan Brisbane (SD)	\$442,125	-
Cairns	\$351,500	-20%
Townsville City	\$346,000	-22%
Rockhampton	\$318,250	-28%
Bundaberg	\$265,000	-40%

Sources: ¹Housing NSW (September 2013); ²Real Estate Institute of Victoria (September 2013); ³Real Estate Institute of Western Australia – Property Market Indicators (September 2013); ⁴Real Estate Institute of Queensland – Market Monitor (September 2013)

2.11 Liveability

Regional Capitals offer a number of important liveability advantages when compared to major metropolitan centres, including:

- Lower traffic congestion for residents and businesses
- Relatively low dwelling and land prices (see above)
- Availability of readily-accessible and centrally-located services such as health, education, retail and entertainment
- Unique history, heritage, arts, culture, sports, wine and regional produce
- Physical space to accommodate sustainable populations, new employment and services.

2.12 Conclusions

The main findings of this socio-economic assessment are as follows:

- Population:** Population growth in the Regional Capitals has outpaced the national average, with 550,000 additional persons accommodated in the Regional Capital between 2001-2011, and this includes 110,000 new overseas migrants. This ongoing population 'absorption' role is highlighted with respect to growth projections which indicate an additional 1.0 million persons will be living in the Regional Capitals by 2026.
- Socio-Economic Disadvantage:** Regional Capitals are relatively disadvantaged in a national context, with lower incomes, lower educational attainment, and higher unemployment rates all contributing to this situation.
- Output and Productivity:** Regional Capitals are responsible for approximately \$210 billion in economic output annually, which represents approximately 16% of total national economic output pa. However, productivity per Regional Capital worker is approximately 10% lower than the national average.
- Industry Structure** Compared to national averages, the Regional Capital resident workforce is overrepresented in the service sector, construction and mining; has similar representation in manufacturing, transport, postal and warehousing, agriculture, forestry and fishing; but is underrepresented in professional and financial services.
- Labour Force:** Regional Capitals have an unemployment rate of 6.2% which is significantly higher than the national rate of 5.4%. Importantly, the labour force of the Regional Capitals is projected to increase by a further 465,000 persons between 2011-2026, presenting a serious challenge in terms of achieving sustainable local job creation. Investment in skills development will be an important factor in reducing regional unemployment rates.
- Job Provision:** Regional Capitals have a high job provision rate (providing 1 job for every 1 labour force participant) which highlights their important regional service role with significant numbers of jobs provided in retail, health care, education, social assistance and residential care services. However some under-representation in job provision is noted, especially in terms of professional, technical and finance-related services, indicating measures which attract higher value jobs to Regional Capitals should be a priority.

- Skills Base:** Regional Capitals have relatively poor Year 12 completion rates, and a considerably lower proportion of residents hold bachelor level and above qualifications. Further, Regional Capital workers also have a higher propensity to be occupied in manual occupations and a lower presence in professional and managerial occupations. This situation highlights the need for actions that improve school retention rates and bolster skills and training.
- Business and Investment:** Regional Capitals accommodate 14% of all Australian-based businesses and contribute 16% of the value of all building investment annually; however, this needs to be considered against the fact that the Regional Capitals accommodate 17.5% of the nation's population, thus highlighting the need to stimulate more inward investment and local business growth.
- Liveability :** Property prices in most Regional Capitals are considerably lower than in metropolitan areas, and this comparative advantage should continue to be promoted, along with cultural and natural factors, to attract new residents, skills and investment into these areas.

The following Chapter summarises key issues and opportunities arising from this analysis and assesses areas of potential policy intervention.

3 POLICY REQUIREMENTS AND SUPPORTING RESEARCH

This Chapter provides an overview of key issues and opportunities relevant to the future economic development of Regional Capitals and also identifies policy and research requirements for consideration.

3.1 Key Issues and Opportunities

The preceding analysis highlights a range of opportunities and challenges facing the Regional Capitals, and these include:

- Ability of Regional Capitals to absorb population growth and, in so doing, to take pressure off metropolitan areas
- Positioning economies to benefit from projected population and labour force growth
- Transitioning parts of the economy to respond to the decline in traditional industry sectors (eg manufacturing, agriculture, food processing, aviation)
- Improving and diversifying the local skills base
- Securing commitment and funding for new and upgraded infrastructure provision (roads, rail, information technology and communications) to assist in improving investment, productivity and liveability
- Increasing worker productivity, including up-skilling the labour force
- Addressing challenges and opportunities associated with an ageing population
- Continuing to respond to climate change, drought and the environment challenges.

3.2 Policy Requirements

While policy direction and initiatives will be developed over time by RCA as part of their ongoing work, initial ideas developed by RCA include:

- The need for improved infrastructure to stimulate investment and productivity, including transport infrastructure, recognising the economic gateway roles (linking producers, markets, ports etc) that many Regional Capitals play in the national economy
- Regional Capitals to partner with all tiers of Government, but especially the Federal Government, to reach mutually beneficial policy outcomes
- Skills and training support to improve productivity and employment outcomes
- The need for NSRF guidelines to ensure that dynamic and innovative regional cities are afforded the opportunity to competitively seek infrastructure funding based on economic (e.g. investment, job creation, visitor economy) and social impact (e.g. community health and wellbeing, lifestyle appeal, accessibility). This recognises the continued growth and development of sustainable and vibrant regional cities is critical

to the strengthening and development of regional Australia and its economy, and that focusing NSRF support solely on the most depressed regions and/or those with low socio-economic circumstances and high unemployment levels might not deliver the most efficient and effective overall regional outcomes .

The Regional Australia Institute's Regional Policy Briefing paper – Tapping the growth potential *of regions for the nation* (August 2012) – provides an international analysis of regional performance and highlights that regional areas can be important drivers of national growth.

In the context of Australia's Regional Capitals the following strategic policy initiatives are relevant:

- Develop a broad-based strategy for growth in all regions across Australia, rather than supporting high-growth areas and propping up struggling regions
- Acquire better regional information (such as on competitiveness, potential growth sectors, constraints to growth, gaps in growth drivers etc)
- Develop integrated policy for common regional challenges so as to ensure constraints are overcome in an efficient and effective manner (this might include targeted action planning and investment to resolve common issues)
- Develop less complex and more flexible regional leadership approaches to economic development

When developing policy ideas, RCA should closely monitor research, ideas and policy initiatives at a national and international level to ensure the group's advocacy work is fully informed.

3.3 Supporting Research

In order to support RCA's role in policy development and advocacy work, it would be prudent for the group to undertake further evidence-based research in the targeted areas. These areas should include research into land capacity for urban and economic development; enabling infrastructure needs; and skills and training requirements. An outline of the components of this research is further described below.

Land Capacity Analysis

It is important to show the Regional Capitals do actually have capacity to accommodate population and employment growth in a sustainable and productive manner, and in this regard a capacity analysis of Regional Capitals would highlight to decision-makers the scope for sustainable population growth and economic development.

The analysis would include identifying:

- Availability of zoned and planned land for:
 - Residential development
 - Commercial development
 - Industrial development

- Availability of additional land not yet zoned, but with serviceable potential

The capacity analysis would identify the level of growth that can be accommodated in a sustainable manner in each Regional Capital LGA and at an aggregate level.

It would be prudent to undertake the analysis with respect to population growth scenarios (base, medium and high) which would be useful in advocating for policies which support higher levels of population settlement in the Regional Capitals as compared to existing forecast growth rates. Advocacy for higher population growth rates could be based on the premise that expansion of 'capacity-rich' Regional Capitals represents a more efficient settlement pattern compared with ongoing expansion of metropolitan areas. These metropolitan areas are subject to increasing land constraints, high costs associated with providing new infrastructure within outer growth areas, and rising congestion levels and associated inefficiency costs.

Enabling Infrastructure Assessment

Enabling infrastructure is a key component in stimulating investment, supporting productivity, and attracting new residents and businesses. Enabling infrastructure includes:

- Land availability (see proposed Land Capacity Analysis above)
- Transport infrastructure (roads, rail, ports, airports, intermodal facilities)
- Information technology (NBN, mobile etc)
- Education facilities (TAFEs, Universities, specialist colleges)
- Social infrastructure (child care, kindergartens, schools, hospitals, recreational facilities etc)
- Commercial facilities (retail, finance, cafes & restaurants, etc)

An assessment of key enabling infrastructure to support population and economic growth would highlight existing provision, infrastructure gaps and projected requirements into the future.

This analysis should also consider priorities, timing, scheduling and estimated costs of required infrastructure, all of which will enable RCA to have the most comprehensive evidence base to advocate for policy support and infrastructure funding.

Skills and Training Gap Analysis

As highlighted in this report, Regional Capitals are characterised by lower resident skills levels and this is likely to be an influential factor in relatively low worker productivity rates and high unemployment levels. Left unchecked, this situation will worsen as the Regional Capitals labour forces expand rapidly, regional populations continue to age, and several important traditional industries decline or are lost. Identifying the extent of the skills gap and long-term skills and training needs will be an important starting point for RCA to advocate for policies and funding support to transition and to up-skill the labour force.

This analysis would include:

- Detailed assessment of existing skills base with reference to national benchmarks
- Identification of skills deficits
- Identification of skills shortages by industry sector
- Estimation of long-term employment levels and skills requirements to support industry in the future
- Identification of existing programs, partnerships and funding initiatives
- Identification of existing skills and training resources and infrastructure
- Development of policy initiatives and indicative costs

3.4 Conclusions

The main findings of this assessment are:

- 1 While Regional Capitals have many advantages – including the capacity to absorb population growth, low property prices and high liveability levels – a number of issues are apparent, such as socio-economic disadvantage, relatively poor skills levels, lower productivity, and ongoing reliance on specific industry sectors (some of which are in decline).
- 2 Preliminary policy directions identified by RCA include the need for:
 - Improved infrastructure to stimulate investment and productivity, especially transport infrastructure and recognising the economic gateway roles of the Regional Capitals within the national economy
 - Partnership building with all tiers of Government to reach mutually beneficial policy outcomes
 - Skills and training support to improve productivity and employment outcomes
 - Future federal government assistance which recognises the importance of funding support for high performing regional capitals (regional economic drivers) as well as for those areas whose performance is below national benchmarks.
- 3 This report has highlighted the need for robust information in order to support RCA's advocacy for effective regional policy initiatives and investment, and a number of specific projects have identified for consideration.

4 KEY FINDINGS

Regional Capitals Australia Overview

- 1 Australia's Regional Capitals comprise 50 Local Government Areas (LGAs) dispersed across all states and territories, and include cities, towns, shires, regional and rural areas, all of which accommodate approximately 4 million persons.
- 2 Regional Capitals Australia (RCA) is an alliance of local government associations from around Australia, with a membership comprising 27 LGAs.

Strategic and Policy Context

- 3 In recent years a number of Federal policy and funding initiatives have been developed aimed at supporting development in regional areas. These initiatives include the Regional Development Australia Fund (RDAF). The new Coalition Government has confirmed RDAF will be replaced by the National Stronger Regions Fund which will provide \$1 billion for regional projects over the next five year, although details have yet to be finalised.

Socio-Economic Context Assessment

- 4 Key findings from this assessment in relation to Regional Capitals include:
 - strong ongoing population and labour force growth
 - relatively high socio-economic disadvantage and unemployment rates
 - diverse but generally lower qualified skills base
 - good job provision ratio, but some mismatch between workforce skills and the types of jobs provided
 - important contribution to economic output, investment and business formation, albeit at levels lower than the population base would otherwise suggest
 - lower property prices and other positive liveability factors.

A summary of these findings are presented in Table 4.1

Table 4.1: Regional Capitals – Summary of Key Socio-Economic Indicators

	Regional Capitals	Australia	Share	Variation from National Average (in percentage points)
Population				
Population (2011) ¹	3,906,480	22,340,020	17.5%	-
Population growth (2001-11) ¹	+545,160	+3,065,320	17.8%	-
Average Annual Population Growth Rate (2001-11) ¹	1.51% pa	1.49% pa	-	+0.02% pa
Projected Population Growth (2011-2026) ²	+1,006,460	+5,657,690	17.8%	-
Projected Average Annual Population Growth Rate (2001-26) ²	1.54%	1.52%	-	+0.02% pa
Economic Output				
GRP/GDP (2012) ³	\$208 billion	\$1,308 billion	15.9%	-
Productivity per Worker (2012) ³	\$116,170	\$123,280	-	-6%
Business Structure				
No. of Businesses (2012) ³	298,190	2,063,740	14.4%	-
Labour Force and Jobs				
Labour Force Size (2013) ⁴	2,016,100	12,257,000	16.4%	-
Unemployment Rate (2013) ⁴	6.2%	5.4%	-	-
Projected Labour Force Growth (2011-2026) ⁵	+465,000	+2,699,000	17.2%	-
Job provision ratio 2011 (Local jobs provided per resident labour force participant) ^{3,6}	1:1	1:1	-	-
Investment				
Value of new Building Approvals (2012/13) ³	\$11.7 billion	\$74.5 billion	15.7%	-
Skills Base				
Year 12 Completion Rates (2011) ⁶	42%	52%	-	-10%
Degree or above Education (2011) ⁶	31%	42%	-	-11%
Certificate Education (2011) ⁶	53%	40%	-	+13%
% employed in manual occupations (2011) ⁶	36%	31%	-	+5%
% employed in professional and managerial occupations (2011) ⁶	29%	35%	-	-6%
Social Disadvantage				
% LGAs in lowest 5 SEIFA deciles (2011) ⁷	34%	26%	-	+8%
% LGAs in highest SEIFA 5 deciles (2011) ⁷	66%	74%	-	-8%

Sources: ¹ ABS Regional Population Growth Australia Cat. No. 3218.0; ² State and Territory Governments (various); ³ id National Indicators; ⁴ Department of Education, Employment and Workplace Relations – Small Area Labour Markets, June 2013; ⁵ Essential Economics Pty Ltd; ⁶ ABS Census of Population and Housing 2011; ⁷ ABS Socio-Economic Indexes for Areas 2011.

Policy Implications

- 5 While Regional Capitals have many advantages – including the capacity to absorb population growth, low property prices and high liveability levels – a number of issues are apparent, such as socio-economic disadvantage, relatively poor skills levels, lower productivity and ongoing reliance on specific industry sectors (some of which are in decline).

- 6 RCA, as part of their evolving role, aim to be at the forefront of policy development. Preliminary policy directions highlighted by the group include the need for:
- Improved infrastructure to stimulate investment and productivity, especially transport infrastructure and recognising the economic gateway roles of the Regional Capitals within the national economy
 - Partnership building with all tiers of Government to reach mutually beneficial policy outcomes
 - Skills and training support to improve productivity and employment outcomes
 - Future federal government assistance which recognises the importance of funding support for high performing regional capitals (regional economic drivers) as well as for those areas whose performance is below national benchmarks.

Research Requirements

- 7 In order to support RCA's role in policy development and associated advocacy work, a number of targeted evidence-based research projects are recommended. These include:
- Land Capacity Analysis
 - Enabling Infrastructure Assessment
 - Skills and Training Gap Analysis.