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Not all Gloom and Doom in Australia's Regional Cities and Towns

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Many of our large country towns are doing well and it is a myth that all is gloom and doom in regional Australia.

Researchers [Robert Stimson](#) and Scott Baum from [The University of Queensland](#) and Kevin O'Connor from [Monash University](#) have studied 122 of Australia's large regional cities and towns, with populations over 10,000 located outside the sphere of influence of the big capital cities. They have monitored how towns are performing on a set of socio-economic indicators.

One half of these regional cities and towns fall into one of four categories of communities of opportunity. They are doing well in terms of income growth, increasing levels of human capital, and employment in industries and occupations in the 'new economy' activities. These groups include remote mining towns found mainly in Western Australia; a small number of tourism towns in north Queensland, Western Australia and the snow fields of New South Wales and Victoria; a string of large service centres in Australia's wheat-sheep belt; and a smaller group of towns in both coastal and inland locations whose prosperity and growth is based on the wine industry, and the processing of minerals and agricultural products and heavy manufacturing.

The other half of the large regional cities and towns are categorised as places of vulnerability, being characterised by high levels of unemployment and welfare dependency, low levels of human capital, and a preponderance of jobs in the old manufacturing and utilities sectors or in retailing and community services related to local population growth. These include a string of rapidly growing centres along the coast in New South Wales and Queensland.

Results of the study are being released this week at the Annual Conference of the Regional Science Association of Australia and New Zealand in Hobart.

Professor Stimson said that between 1989 and 1998 these large regional cities and towns attracted a total of \$5.6 billion (in 1998 dollar value) of investment in non-residential construction. "This represents 22 per cent of the nation's investment in that economic activity," he said.

"An indicator of the strength of economic performance of some of Australia's regional cities and towns is that 28 of them had attracted national shares of commercial and public sector

construction investment that was more than 1.5 times greater than their share of the nation's population. This indicates how many of the larger regional cities and towns are pulling in much more investment than what would be needed just to serve the needs of their local populations."

Heading the list of towns attracting significantly large shares of construction investment are Cairns, Port Headland, Broome, Parkes, Bundaberg, Sale, Toowoomba, Busselton, Townsville, Darwin, Port Douglas, Morwell, Muswellbrook, Singleton, Kalgoorlie, Warwick, Albany, Traralgon, Mt Gambier, Hervey Bay, Maryborough, Griffith, Port Augusta, Shepparton, and the snowfield resorts in New South Wales and Victoria.

But the success of some of these places in attracting investment is not always matched by similarly good performance on other social and economic criteria.

At the other end of the scale, a total of 38 large regional cities and towns attracted a share of investment that was less than one-half of their share of the nation's population. These places included Burnett Heads-Bargara, Bowen, Kingaroy, Livingston, Hinchinbrook, Ayr-Home Hill and Mt Isa in Queensland; Nambucca, Bellingen, Young, Forbes, Casino, Kempsey, Moree and Leeton in New South Wales; Port Fairy-Koriot, Seymore, Macedon, Wangaratta, Ararat, and Maffra in Victoria; Harvey in Western Australia; Whyalla in South Australia, and Wynyard, Launceston, West Tamar, the central coast town, and Meander Valley and Huon Valley in Tasmania.

The University of Queensland/Monash University study also analysed patterns the level of dependence of households on government transfer payments for their income.

And it looked at the ratio of the number of dollars generated through income taxes to the dollars received from Commonwealth income benefits in 1996.

These ranged from a high of \$7.20 in income tax generated for every \$1.00 received in benefits for the ski resort towns in the Snowy Mountains in southern NSW to a low of only \$0.50 generated in income taxes for every \$1.00 received in benefits for the rapidly growing coastal town of Nambucca in New South Wales.

"The towns with the highest levels of welfare dependency were Nambucca, Kempsey, Tara, Forster-Tuncurry, Byron Bay, Bellingen, Maclean, Inverell, Hastings and Coffs Harbour in New South Wales; Moe in Victoria; Hervey Bay, Bundaberg, and Burnett-Heads-Bargara in Queensland; Murray Bridge and Port Pirie in South Australia; and Meander Valley, Huon Valley and Wynyard in Tasmania. "All of these places generated only 70c less in income tax for every dollar received in benefits," Professor Stimson said.

"It is of considerable concern for public policy that so much of the rapid urban growth occurring in coastal areas of New South Wales and Queensland is so highly dependent on welfare payments

for households to survive."

In contrast, places generating over \$2 in income taxes for every \$1 of benefits received were the ski resort towns in New South Wales and Victoria; Roebourne, Kalgoorlie and Port Headland mining towns in Western Australia; Darwin, Alice Springs in the Northern Territory; the alpine east ski area and Macedon Ranges in Victoria; the Snowy Mountains ski towns, Singleton, Queanbeyan and Muswellbrook in New South Wales; and Mt Isa, Whitsunday and Gladstone in Queensland.

"In general the large inland service towns are generating more in income tax revenues than they receive in income transfer benefits, a sign of reasonably good local economies," Professor Stimson said.

The research shows that the single most important factor accounting for the success of regional cities and towns in attracting high levels of investment in private and public sector construction activities is the industry mix factor. "Regional Australia has a lot of success stories in this regard over the last decade or so," Professor Stimson said.

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