



## **REGIONAL ECONOMIC PERFORMANCE DEMANDS NEW POLICY APPROACH**

Research demonstrates relentless negativity and a focus on problems has driven 40 years of turgid public debate and reactive policy approaches in regional Australia. These approaches undermine the great importance and high potential of 40% of our nation's economy and the 8.8m Australians who call regional Australia home.

Despite being restrained by 40 years of ineffective policy, regional Australia makes a formidable national economic contribution, leading productivity in over one third of industries. Regional Australia employs one third of the country and without it, Australia's economy would contract to the size it was in 1997.

These are several of the findings released yesterday by the Regional Australia Institute (RAI) at a breakfast event, where the organisation's CEO, Jack Archer, presented a new national economic agenda for regional Australia.

"We persistently see regional areas as hapless victims of change," said RAI CEO, Jack Archer.

"This view has been constantly perpetuated in public debate, often by regions themselves and the people who represent them," he said.

The Regional Australia Institute's latest release, titled *The economic contribution of regions to Australia's prosperity*, reveals what is likely to be a surprising picture for many. Key findings tell a story of resilience, productivity and the beginnings of a successful shift to a services led economy.

Key findings include:

- During the aftermath of the Global Financial Crisis (2009 -10), regional Australia accounted for half of our national economic growth;
- Regional Australia is at the forefront of productivity in over one third of industries, including healthcare and logistics;
- Output per worker in regional Australia has gained on metro areas in every industry except mining and agriculture; and
- Employment in higher value services, like finance and insurance, and professional and scientific services, have seen their shares of regional employment increase at the expense of 'traditional' regional strengths like primary production.

In response to this new evidence, Mr Archer outlined four key areas of policy opportunity for regional Australia:

**1. The creation of great small cities around regional Australia.**

En mass population shifts in the last 40 years have seen Australia's regional cities become home to almost 4.5 million people. Government should now be looking at a coordinated development strategy for these places, building innovation districts and lively CBDs following the many great international examples of successful, small cities.

**2. A focus on supporting high growth small and medium enterprises.**

Ambitious, young businesses and the entrepreneurs that lead them create fifty per cent of the jobs in Australia's economy and drive regional innovation, but are not effectively engaged by current policy approaches.

**3. A more sophisticated and proactive engagement with international markets and investment by regional leaders.**

International markets and investment are many rural and remote areas' biggest growth opportunities. Rural leaders need the support and training necessary to capitalise on the free trade agreements.

**4. The acceleration of the move to online services for regions coupled with local support**



Federal and state government must empower local people to innovate and develop local solutions to the unique challenges each region faces.

“As part of the new national reform and innovation conversation, we need some ambition for the regional economy.” Mr Archer said.

“A new policy approach is required. Regional Australia can maintain and increase its contribution to national innovation and growth and provide improved quality of life for its 8.8m residents, if we can stop seeing them as victims of change. If we can't, it will be to the detriment of all Australians,” he said.

**-ENDS-**

**About the Regional Australia Institute**

The Regional Australia Institute (RAI) is an independent policy think tank and research organisation. It's the vital link between research, policy and implementation. The RAI advocates for change to build a stronger economy and better quality of life in regional Australia – for the benefit of all Australians. For more information on the RAI go to [www.regionalaustralia.org.au](http://www.regionalaustralia.org.au)

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