

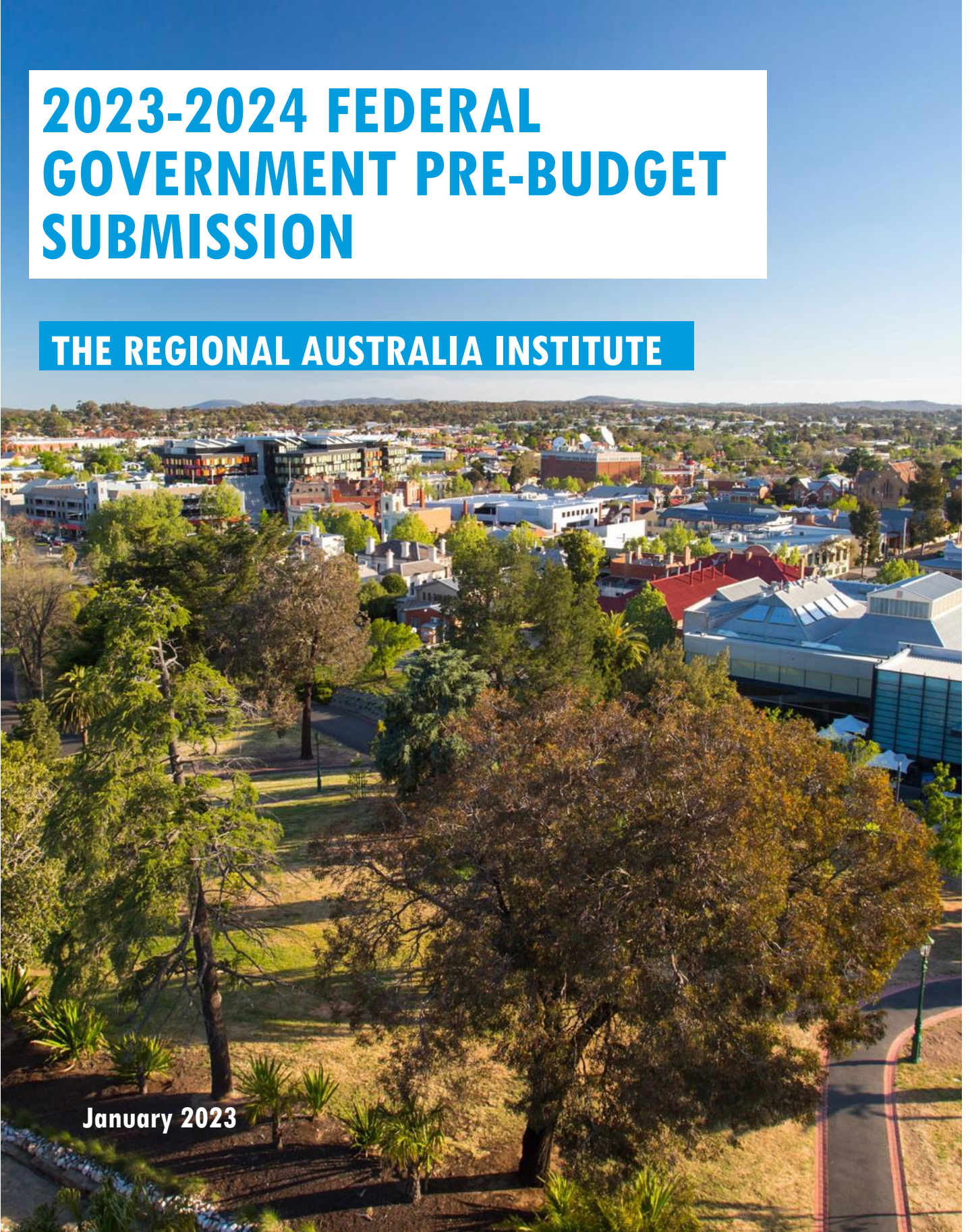


**REGIONAL
AUSTRALIA
INSTITUTE**

2023-2024 FEDERAL GOVERNMENT PRE-BUDGET SUBMISSION

THE REGIONAL AUSTRALIA INSTITUTE

January 2023



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ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The RAI is as Australia’s only independent think-tank dedicated to research and activation to inform regional policy and investment.

Established in 2011, for more than a decade the Institute has been researching topics relevant to the prosperity and success of regional Australia including migration and population; regional employment; jobs and skills; population; housing and health.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

‘Regional’ is defined by the RAI as all areas of Australia outside the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide and Canberra.

Our purpose is to empower regions to thrive.

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This submission draws on RAI research and findings from its work across Australia. It’s intended to inform the Government in the preparation of the 2023-2024 Federal Budget as it pertains to regional Australia. No responsibility is accepted by RAI Limited, its Board or its funders for the accuracy of the advice provided or for the quality of advice or decisions made by others based on the information presented in this publication.

CONTACTS AND FURTHER INFORMATION

Liz Ritchie

P. 02 6260 3733 or 0411 565 643

E. liz.ritchie@regionalaustralia.org.au

Further information can be found at www.regionalaustralia.org.au

INTRODUCTION

The Regional Australia Institute (RAI) is pleased to provide a submission to guide the 2023-2024 Federal Budget formation.

The RAI was established by the Gillard Labor Government in 2011, under the auspice of the then Minister for Regional Development, the Hon Simon Crean. Prime Minister Gillard and Minister Crean recognised the need for independent evidenced-based research to guide regional and policy and investment into the future.

Based on more than a decade of research into the most important issues influencing the regions, in 2022 RAI launched the [Regionalisation Ambition 2032 - A Framework to Rebalance the Nation](#) (the Ambition).

Designed for all levels of government, industry and the community, the Ambition seeks more balanced growth across our nation's regional communities and capital cities. The Framework underpinning the Ambition outlines cross-cutting themes and five pillars each of which are interlinked and equally important. Across each pillar the RAI has outlined key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

In the Albanese Government's first Budget in 2022 a momentous step was taken towards a Wellbeing Budget and we welcome this work.

In 'Measuring what Matters' the RAI commends the Government on building a policy framework with the potential to close the inequities that have existed for far too long between metropolitan Australia and regional areas – this is *Regionalisation* at work.

As stated in the October 2022 Budget papers:

"Indicators that measure broader quality of life factors should be considered in addition to, not instead of, traditional macroeconomic measures. When policy processes consider these outcomes, they facilitate more holistic discussions of the type of economy and society Australians want to build together."

The RAI believes in 2023-2024 Budget and beyond, the Albanese Government has a momentous opportunity to spearhead a nation-first, holistic approach to planning and investment in regional Australia. For too long a traditional siloed or sector-based approach has led to outcomes that have not supported our regions well.

The Government has the opportunity to apply a regional lens to every policy issue it seeks to address and to lead a holistic plan that unites the country, drawing on the RAI's Regionalisation Ambition 2032 as a blueprint.

Consistently in Australia your postcode dictates your outcomes. The Albanese Government has said it would seek to bring people together and leave no one behind. This is a welcome commitment. To meaningfully address entrenched disadvantage, be that for our first nations peoples or any citizen, it must address the glaring opportunity it has to unify all sectors and all Australians through a regional plan that seeks to shift the dial for the over 9.5 million people who call Regional Australia home.

We know that regional Australia is calling for a long-term ambition for regions. 90% of those surveyed in our regionalisation consultation survey agree that Australia needs a long-term ambition for strengthening our regional communities.

Regional Australia is projected to increase its population to just under 10.5 million by 2032, based on the most recent combined state and territory growth projections. The RAI already knows this projection is outdated and have set a target of 11 million.

The RAI has highlighted the boundless potential of our regions which, if unlocked, would lead to a stronger regional Australia and a stronger, more balanced nation. The RAI is seeking to lead a shift in mindset in how as a nation, we plan for and rethink the future of regional Australia.

THE ALL-OF-NATION BENEFITS REGIONAL GROWTH

Home to one-third of Australia's workforce, the well-being of regional Australia is critical to the future of the nation as a whole. A more balanced Australia will foster stronger prosperity and productivity for both our nation's regions, and major capitals.

Not only is regionalisation a sound strategy for strengthening Australia's economy, but it is also a broader national strategy for shaping a stronger future for **our country's wellbeing and living standards, our resilience to economic shocks and natural disasters, and our capacity to manage a changing demographic.**

The 2021 Intergenerational Report (IGR) released by the Treasury frames the recent and longer-term challenges our nation will face in the next 40 years, from an ageing population and declining rate of natural increase, to slowing productivity.

Regional Australia has an important role to play in overcoming these challenges, particularly in unlocking the potential for productivity gains across regional centres and industries.

The regions are an economic powerhouse, leading in productivity across the nation in five industries. The Australian economy as a whole is forecasted to be better off if the nation sees more balanced population growth. Modelling undertaken for the Framework by the National Institute of Economic and Industry Research (National Economics) shows that:

Australia's GDP in 2032 would be \$13.8 billion larger under a scenario of a larger regional population than a 'business as usual' (BAU) population scenario.

The modelling showed that under the scenario of a larger regional population in 2032, Gross Regional Product (GRP) per capita in metropolitan areas is estimated to be \$1,800 higher than a BAU population scenario. For regional cities it's estimated to be \$400 higher. The increases in output and productivity come from economic gains that are available in Australian regional cities compared with the state capitals.

More balanced growth benefits both regional and metropolitan people – meaning all Australians will support great investment in regional Australia.

RAI MEMBERS

The RAI has an extensive network of businesses and organisations through its membership programs – The Regional Australia Council and the Regional Activators Alliance.

These vast membership networks provide the RAI with a unique understanding of the employment issues impacting the jobs and skills market throughout regional Australia. The following organisations make up the membership organisations associated with the RAI through both the Regional Australia Council and the Regional Activators Alliance.



INTERGOVERNMENTAL SHARED INQUIRY PROGRAM

The Commonwealth Government is a partner in the RAI's Intergovernmental Shared Inquiry Program - a research partnership model led by the RAI and which also includes state and territory governments and a number of Australian universities.

Since its inception in 2018, an annual research agenda is agreed between the RAI and the participating governments to produce high-quality and robust research into one or more priority policy areas. Past research has focussed on [regional housing](#); [the impacts of natural disasters on regional communities](#); [building resilience](#); and regional workforce challenges.

Policy workshops are held throughout the year to discuss findings and their implications for policy.



POPULATION

1. **POLICY CONSIDERATION:** Establish a national population plan, that:
 - considers higher-growth scenarios for regions and the implications for planning.
 - considers projected growth at a regionally disaggregated level.
 - considers industry growth and structural changes.
 - considers migration as a tool to rebalance the nation.
 - addresses associated liveability (infrastructure and services) needs.
2. **POLICY CONSIDERATION:** Set a population target of over 11 million people living prosperously in the regions by 2032.
3. **POLICY CONSIDERATION:** Harness Australia's migration program to double regional migration settlement from 20% to 40%.
4. **POLICY CONSIDERATION:** Develop mechanisms for ensuring migrants in capital cities are aware of the opportunities and jobs in regional Australia and enhance the promotion and incentivisation of secondary migration.

The population story in Australia is diverse and nuanced. We are a nation of significant urban primacy, meaning much of our nation's population lives in a few of the major capitals. At the same time, regional Australia has the capacity and desire to grow and sustain a larger proportion of our nation's population, with significant untapped potential in regional economies.

On Australia's current trajectory, by 2056, Sydney and Melbourne will approach global megacity status of around 10 million residents each, with Brisbane and Perth projected to grow to the scale of Sydney and Melbourne today. Most growth would be in the outer suburbs of these cities.¹

However, the Australian economy as a whole is forecast to be better off if the nation sees more balanced population growth. Modelling undertaken by National Economics shows that Australia's GDP in 2032 would be \$13.8 billion larger under a **scenario of a larger regional population of 11 million** (regional Australia was home to over 9.5 million Australians in 2021²), than a 'business as usual' population scenario.

The RAI asks the Government to lead and/or support measures:

- To not only plan for growth in Regional Australia but set a population target that will actively rebalance our population, and unlock this economic potential.

To help address the challenge of uneven population growth and economic development between urban and regional Australia, additional supports to encourage migrants to live and work in regional areas are needed. The announcement of 195,000 new migrants (which includes an increase of 9,000 regional visas to a total of 34,000) to Australia will be crucial in addressing some of the economic challenges for regional Australia including labour shortages. However, it is vitally important that new migrants to Australia don't simply locate in capital cities, we need to provide and increase pathway options to rural and regional communities.

The 2021 Census has revealed the growing importance of migration to regional Australia. The data shows that overseas born migrants are not opposed to living outside of the metropolitan areas if they have the information and support to do so. Crucially, the Census shows that people born overseas continue to buffer regional and remote populations against long term decline. Between 2016 and 2021 there were 104 LGAs where there was an increase in the number of overseas-born people and a decrease of Australian-born people, and 103 of these LGAs are outside of the metropolitan areas.³ This continues the patterns seen between 2011 and 2016, and 2006 and 2011.

¹ Archer J., Houghton K., and Vonthehoff B. (2019). Regional Population Growth – Are We Ready? The economics of alternative Australian settlement patterns, Regional Australia Institute: Canberra.

² According to RAI's regional typologies, based on revised ABS Estimated Resident Population, 2021

³ 2021 Census data

Most new arrivals tend to arrive in the main capital cities – especially Sydney and Melbourne. This may be because there are family or community connections and/or for employment. While many stay for years and generations, there is also evidence of a flow of relatively new arrivals from overseas to regional places. RAI research has shown secondary migration from capital cities to regions can be of great benefit to both migrants who have relocated, and the communities that are hosting them.

The RAI asks the Government to lead and/or support measures to:

- Support population growth in regional Australia, with a specific focus on providing opportunities for fast tracking secondary migration through education programs and targeted marketing and advocacy.

JOBS AND SKILLS

5. **POLICY CONSIDERATION:** Reduce the recruitment difficulty in regional Australia to below 40%.
6. **POLICY CONSIDERATION:** Increase the school attainment rate of young people in regional Australia to 75% or above.
7. **POLICY CONSIDERATION:** Boost post-school qualification completion in regional Australia to 65% or above.
8. **POLICY CONSIDERATION:** Increase the share of skilled workers employed in regional Australia to 80% of the regional workforce.

A key element of rebalancing the nation is a regional workforce optimised and fit for the future. This includes: a workforce that is well matched to the regional labour market, with employers finding the right workers, and workers finding the right jobs; diverse career opportunities for regional people and new residents filling vacant jobs bringing new knowledge, experiences, diversity – and often families – to the regions.

Regional Australia is experiencing a momentous change in the jobs and skills in demand across regional labour markets, with job vacancies in October 2022 reaching historical highs of 94,000, coming down only marginally to 81,000 in December 2022.⁴ In July 2022, 77 percent of recruiting employers in regional Australia reported difficulty filling advertised jobs, compared to 37 percent in 2019⁵.

The RAI asks the Government to lead and/or support measures to:

- Develop targeted workforce strategies and support programs to attract new workers and their families.
- Encourage and incentivise the role that industry can play in proactively working with local communities to identify potential future skills gaps and work collaboratively towards implementing solutions.
- Harness overseas talent through attraction and settlement support for both international migrants and the skilled expat community living abroad.

To further bolster regional labour markets, it is also important to ‘grow from within’. The VET and tertiary opportunities on offer in regional Australia must keep pace with that in capitals.

It is essential that the nation shifts the dial in regional Australia to increase school completion, and further post-school or tertiary qualifications. Currently the Year 12 certificate attainment rate for

⁴ RAI analysis of the National Skills Commission Internet Vacancy Index, October & November 2022 releases, according to RAI regional definition

⁵ National Skills Commission Recruitment Experiences and Outlook Survey, July 2022 release, according to National Skills definition of capital cities and rest of state.

regional students on average was 65 percent in 2020.⁶ In 2020 the Year 12 certificate attainment rate for all students (nationally) was 76 percent. According to the OECD, increased education of regional Australians can foster increased engagement in the labour market, increased earnings, as well as improved wellbeing and lifestyle outcomes for individuals.

The RAI asks the Government to lead and/or support measures to:

- Foster localised VET and tertiary education models that allow residents to study further qualifications in place, such as education centres and ensuring reliable, good quality digital access.
- Provide financial support for young people to pursue further studies and fund Gap Year Coordinators in regional centres to build connections and support student transition from school to post-school opportunities.

PRODUCTIVITY AND INNOVATION

9. **POLICY CONSIDERATION:** Increase regional Australia's contribution to national output, boosting Australia's GDP by an additional \$13.8 billion by 2032.
10. **POLICY CONSIDERATION:** Increase workforce participation in regional Australia to 68% or higher.
11. **POLICY CONSIDERATION:** Increase new business and innovation in regional Australia.

When the regions are performing well, the whole nation benefits. Regional Australia has the capacity to strengthen Australia's future growth if regional economies are incentivised and empowered to unlock their full potential.

During the challenges of Global Financial Crisis of 2009-10, and most recently the COVID-19 pandemic, the regions have continued to be a **powerhouse of Australia's economy**.

Workforce participation is an essential component of economic growth and productivity.

In May 2021, the participation rate of regional Australia's population was 64%, compared to the rate in main capitals at 68%.⁷

For regional Australia to realise its productivity potential it must grow its workforce.

Despite generally punching above its weight in GDP terms, regional Australia tends to measure lower against a range of **innovation indicators** compared to major capital cities, with regional Australia contributing to 13% of all trademarks registered in 2020 (dropping from 17% of total trademarks registered in 2016),⁸ and 27% of new business in 2020.⁹ However,

We know COVID-19 prompted 'the great resignation' and a significant uptick in urban Australia's moving to the regions, as evidenced by the RAI's Regional Movers Index¹⁰ - a collaboration with Commonwealth Bank. But despite, a boost in people, business operators and service providers still have difficulty finding the people with the skills they need to get the job done. A possible explanation is the

⁶ Productivity Commission Report on Government Services 2022, Attainment Indicator, according to Remoteness Area (percentage). The Attainment Rate according to the Report on Government Services definition is the number of students who meet the requirements of a year 12 certificate or equivalent expressed as a percentage of the estimated potential year 12 population (the estimate of a single year age group that could have attended year 12 that year, calculated as the estimated resident population aged 15–19 divided by five).

⁷

ABS Labour Force Australia Detailed (May 2022) according to RAI's regional definition.

⁸ RAI analysis of IP Australia, 2021. Intellectual Property Government Open Data (IPGOD) 2021: Trademarks (available via data.gov.au). Based on RAI's regional definition

⁹ ABS Regional Statistics by LGA, Total number of business entries 2020. Based on RAI regional definition.

¹⁰ Regional Australia Institute - CBA Regional Movers Index, issued quarterly.

number of new regional small businesses. In 2019-2020 regional Australia featured in the top 15 most popular locations for small business start-ups with Bendigo striding ahead at number four and Orange ranking 13¹¹.

The RAI asks the Government to lead and/or support measures to:

- Invest in critical enablers for business and innovation, particularly regional liveability, to facilitate business and workforce attraction.
- Establish a National Population Plan.
- Facilitate tailored training (and re-training) programs for individuals who face additional challenges in engaging in the workforce, such as people with a disability, or long-term unemployed.
- Incentivise participation with targeted programs and support, such as culturally-safe workplaces, Indigenous led economic development and enterprises, or increased access to childcare.

Nearly half of the respondents in RAI's Regionalisation consultation survey indicated they felt their region encouraged innovation and new ways of doing business, whilst just over half recognised the difficulty of attracting new private and public investment in their area.

The most recent IGR released by the Treasury highlighted the importance of productivity and participation in driving economic growth in Australia, and the importance of innovation as an enabler for continued improvement in productivity. Regional Australia can have an important contribution to unlocking growth in both of these areas.

The RAI asks the Government to lead and/or support measures to:

- Foster business investment and new business entry through incentives and new business support and the expansion of regional innovation ecosystems.
- Foster the expansion of regional innovation ecosystems.

LIVEABILITY

12. **POLICY CONSIDERATION:** Continue to increase the life satisfaction and wellbeing score of Australians living in regional communities to a score of 75, in the Regional Wellbeing Survey.
13. **POLICY CONSIDERATION:** Increase Regional Australia's Digital Inclusion Index (ADII) score to 73 or above, equal to metropolitan Australia.
14. **POLICY CONSIDERATION:** Improve access to transport services in and between regional communities.
15. **POLICY CONSIDERATION:** Lift the access to medical practitioners in regional Australia by over 100 FTE per 100,000 population.
16. **POLICY CONSIDERATION:** Increase rental vacancy rates in regional areas to above 3% and ensure annual building approvals keep pace with population growth.

The concept of liveability can vary from person to person and place to place, however, there are indicators of liveability common to most people: *health services, education services, cost of living, amenity, connection to community, and lifestyle and opportunity*. As such, the RAI is seeking policy action on a range of factors that can support improved liveability across regional Australia.

¹¹ ABS Counts of Australian Businesses, including Entries and Exits, 16-02-2021, issued annually

In 2020, regional Australians scored their life satisfaction and personal wellbeing 72 (out of 100) compared to 69 in capital cities.¹² The international ‘World Happiness Report’ spotlighted rural and urban differences in happiness across the globe in their 2020 edition, finding on average the happiness of city residents is more often higher than those of the country – Australia being one of 13 countries where the rural evaluation is higher than the urban population.¹³ A continuing increase in overall life satisfaction is an important sense check as to whether the nation is rebalancing in the ‘right’ way. Increasing life satisfaction and wellbeing across regional Australia will support increased vibrancy, liveability and inclusiveness, particularly as communities grow and attract new job seekers and families.

Digital connectivity is a critical enabler for many services and functions considered essential to a community’s liveability today. Regional Australia measured a Digital Inclusion Index score in 2021 of just over 67. This was over 5 points less than metropolitan Australia (at just under 73). This index considers three separate aspects of digital inclusion; access, affordability, and ability. Regional Australia falls behind in each of these three aspects.¹⁴

The RAI asks the Government to lead and/or support:

- measures to support investment in access and affordability of digital connectivity in regional Australia, improving internet and mobile coverage across Australia’s regional communities, and ensuring resilience of critical networks during natural disasters.

To support a range of liveability factors, regional Australians should have quality access to transport services to connect them to employment, services, amenities and social networks within their community, and neighbouring regions, particularly in assisting those who are more vulnerable and may not be able (due to cost, or ability) to use their own vehicle as a means for transportation. Regional Australians scored their ‘access to public transport’ an average 3.5 out of 7 in the 2020 Regional Wellbeing Survey compared to metropolitan counterparts’ score of 5.4¹⁵ When asked about ‘other’ important liveability challenges (beyond health, education, digital connectivity and housing) in consultations, over 25% of surveyed respondents indicated the importance of public transport and transport services in overcoming existing liveability challenges (including roads, rail and air services).

The 2016 Census indicated that households with no vehicles are more likely to appear in remote areas of Australia.¹⁶ In 2016 the percentage of individuals travelling via public transport to work was 3% or less for inner, outer and remote regions of Australia, compared to 17% in major cities.¹⁷ Regional airports facilitated over 360,000 flights in 2016-17, 25% of total domestic ‘public’ aircraft movements, employing over 1,700 full-time workers. Regional airports also play a crucial role in facilitating emergency evacuations, over 6000 each year.¹⁸

The RAI asks the Government to lead and/or support measures to improve access to transport services through:

- Investment in traditional and new and innovative solutions to improve regional communities’ access to low-cost transport services, across roads, rail, and air, and
- Exploration of and improved measurement and data of physical connectivity and transportation in regional communities.

¹² University of Canberra (2020) Regional Wellbeing Survey 2020; Global Life Satisfaction score was calculated based on respondents rating their satisfaction with their ‘life as a whole’ on a scale of ‘completely dissatisfied’ (0) to ‘completely satisfied’. The ‘The Personal Wellbeing Index is calculated based on responses to questions around satisfaction with an individual’s standard of living, health, achievement in life, relationships, safety, feeling part of the community, and future security

¹³ Helliwell, John F., Richard Layard, Jeffrey Sachs, and Jan-Emmanuel De Neve, eds. 2020. World Happiness Report 2020. New York: Sustainable Development Solutions Network

¹⁴ Australian Digital Inclusion Index, 2021 (digitalinclusionindex.org.au)

¹⁵ University of Canberra (2020) Regional Wellbeing Survey 2020 – ‘Access to public transport’

¹⁶ ABS 2016 Census of Population and Housing, Number of Motor Vehicles (Remoteness Areas)

¹⁷ ABS 2016 Census of Population and Housing, Method of Travel to Work (Remoteness Areas)

¹⁸ Australian Airports Association, 2018. Regional airports contributing to and connecting our communities Factsheet Submission.

In conjunction with improved access via connectivity and transport initiatives, there also needs to be due consideration given to key medical practitioners in regional Australia. Medical practitioners provide essential health services for a community and are a fundamental component of what makes a place liveable. Our research found that families, millennials and professionals tended to be satisfied with a general practitioner and a chemist in their communities so long as other services could be accessed nearby.

In 2020, there were 328 medical practitioners FTE per 100,000 in regional Australia, increasing by just under 50 FTE in a five year period.¹⁹ In 2020, the proportion of allied health workers based in metropolitan areas was higher than the 72% share of population (for example, 83% of psychologists were based in metropolitan areas).²⁰ Metropolitan and regional centres had considerably better access to registered, working medical practitioners, with 456 FTE in metropolitan areas, and 443 FTE in regional centres. In comparison, medium and small rural towns had access to 243 FTE and 120 FTE per 100,000 population respectively, whilst remote and very remote communities had access to 348 FTE and 245 FTE per 100,000 population.²¹

Consideration and need for health services may shift and evolve as an individual progresses through life. For example, some specialist healthcare and allied health might become increasingly important for an individual as they grow their family or grow older. Thus, whilst this target is specific to access to medical practitioners, it is still important to ensure there is improved access to other key health services.

The RAI asks the Government to lead and/or support measures to:

- Foster 'locally grown' talent for key pathways in health careers to help to encourage more young Australians to train and practice in the field, in their region, and
- Explore new and innovative models to health care for rural communities

Finally, access to housing has become a crucial liveability issue, in terms of both cost of living for regional communities, and the ability of these communities to attract jobseekers and families. Housing investment and new home building in regional Australia has not kept pace with population growth, with the recent regional housing shortage accumulating over several years as a result.

Whilst the population of regional Australia grew by an average of 76,500 people per annum over the course of the most recent decade, the number of homes approved for construction declined in five out of those ten years.²²

Supply has generally been meaningfully boosted only when federal governments have offered major housing stimulus. In that respect, the stimulus in recent years such as HomeBuilder and the Regional Home Guarantee - has been especially important for regional areas.

Further, regional vacancy rates (of rental properties) more than halved across Australia during the pandemic, with all regional areas experiencing tight rental markets – some well below the 3% vacancy rate threshold, experiencing even below 1%.²³ Investment in social housing has also not kept pace with population needs in Australia. According to Shelter NSW analysis, there has been a 61% reduction in applicants granted social housing tenancy proportionate to population, between 2021 and 1991 across Australia.²⁴

The shortage in regional housing is constraining local economic growth and development, preventing regions from meeting their full potential and contributing to the post-COVID recovery. There are jobs going unfilled simply due to a lack of suitable housing. Local private enterprise is constrained in

¹⁹ Department of Health and Aged Care, Health Workforce Data: hwd.health.gov.au, based on Modified Monash Model regional classification

²⁰ *ibid*

²¹ *ibid*

²² RAI analysis of ABS Estimated Resident Population (ERP) 2020 and Building Approvals 2020, according to RAI's regional definition

²³ RAI analysis of CoreLogic Rental Vacancies, June 2021

²⁴ Pawson, H. and Lilley, D. (2022) *Managing Access to Social Housing in Australia: Unpacking policy frameworks and service provision outcomes*; CFRC Working Paper; Sydney: UNSW City Futures Research Centre

realising nascent opportunities and creating new jobs because of local shortfalls in the amount and mix of housing.

Regions, as always, are responding with local initiatives. But all levels of government need to address structural barriers, and industry has a role to play too. These structural barriers to home building in the regions are the key drivers of the long-term shortfall in housing.

The RAI asks the Government to lead and/or support measures to:

- Establish a National Population Plan and consider in development planning the higher growth scenarios for regional Australia.
- Foster the development of non-detached housing through revisions of policy, planning and zoning settings.²⁵
- Incentivise trades career pathways in regional communities of significant need – refer to Jobs and Skills for more actions on growing the regional workforce.

SUSTAINABILITY AND RESILIENCE

17. **POLICY CONSIDERATION:** Unlock new jobs and industry opportunities in regional Australia, as the nation works towards net zero emissions by 2050.

18. **POLICY CONSIDERATION:** Improve regional Australia's capacity for disaster resilience, seeking 90% or more of regional Australia to have a moderate to high capacity for disaster resilience.

The RAI's research found 74% of those surveyed agreed climate change was a significant challenge for their region.

Regional Australia is on the frontline of the climate change, it is also in the box seat to seize the opportunities of a reduced-emissions future.

Central to rebalancing the nation is positioning regional Australia to be more resilient in the face of a changing climate and to successfully adapt to transitioning economies.

The RAI asks the Government to lead and/or support measures to:

- Unlock the potential of net zero emissions for Australia's regions through fostering key projects which accelerate the development of new industries as well as those which attract investment.
- Enable regional communities in the transition through long-term planning which identifies and works toward transition and involves co-design with affected communities.

In 2020, almost 50% of regional Australia had a lower capacity for disaster resilience, with just over 50% having a moderate to high capacity for disaster resilience, compared to over 90% in metropolitan areas.²⁶

According to a 2021 Deloitte study conducted for the Australian Business Roundtable for Disaster Resilience and Safer Communities, natural disasters cost the Australian economy \$38 billion each year, with this cost expected to rise to at least \$73 billion per year by 2060.²⁷

²⁵ Read the RAI's most recent research and recommendations for housing in 'Building the Good Life: Meeting the Demand for Regional Housing' and 'Foundations of Regional Housing' reports.

²⁶ Parsons, M, Reeve, I, McGregor, J, Marshall, G, Stayner, R, McNeill, J, Hastings, P, Glavac, S, Morley, P. 2020. The Australian Disaster Resilience Index: Volume I – State of Disaster Resilience Report. Bushfire and Natural Hazards CRC, Melbourne

²⁷ Deloitte Access Economics. (2021). Special report: Update to the economic costs of natural disasters in Australia

While communities, jobs, livelihoods and industries will be permanently impacted in the transition to net zero; thousands of new jobs and industries will also be created. In 2020 alone, 85,000 Australians were employed in the installations and operation of renewable energy.²⁸

The RAI asks the Government to lead and/or support measures to:

- Establish a National Population Plan that addresses projected climate risk.
- Foster resilience of regional communities, equipping communities to understand, prepare for, and respond to natural disasters and the effects of climate change through collaboration and capacity building - refer to the Australian Government's National Disaster Risk Reduction Framework.
- Build education and understanding in regional communities of the regional impact of climate change.
- Invest in the resilience of critical infrastructure (across areas such as water security, energy and connectivity) in regional communities to prepare, withstand and respond rapidly to natural disasters.

ENDS

²⁸ Australian Conservation Foundation, 2020, Renewables are our future. [https:// www.acf.org.au/renewables_are_our_future](https://www.acf.org.au/renewables_are_our_future)