

# Economic Briefing | The important role of regions

May 2024

# The importance of regions to national prosperity



# Strong Secure Sustainable

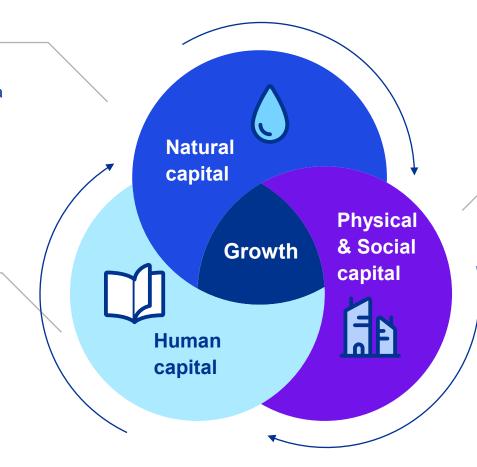
Regional Australia is central to productivity, vitality and prosperity of the nation



# The significance of 'place' to economic growth

**Natural capital** defines the inherent economic strengths of a place, creating opportunities for primary production and naturebased tourism.

**Human capital** is a vital engine for driving economic growth, comprising skills, knowledge and experience of people, which fuels innovation and productivity



Physical capital, such as transport, energy and communication networks, can create opportunities for trade and pathways for investment

**Social capital**, such as liveability and cohesion, enable vibrant sustainable communities



# Human capital, a vital engine for driving growth

Around 7 million people live in regional Australia

1 in 3
Live in regions

Regional Australia is home to about a third of the Australian population

# Job Ads have doubled



**Job ads posted** in regional Australia **have doubled** in the last 3 years.

+101%
Growth since October 2019

Talent is hard to find
Almost 60% of employers had difficulty in recruiting talent

# 15-24 y/o

Lead the migration away from regions to capital cities

**Migration of young people** is mostly from coastal country areas, inland country areas and remote areas.



+50k
Capital city

-bUK
Coastal / inland
country & remote
area exodus



# Regional skilled visa programs

Provide incentives for skilled workers to live and work in the regions



86% of migrants still

of migrants still settle in capital cities

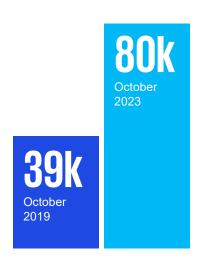


Are the top advertised roles in the regions



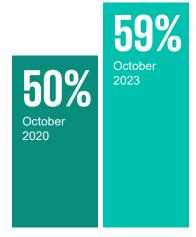
# The war for talent

Job ads posted in regional Australia, 2019 to 2023





Proportion of regional recruiting employers who had recruitment difficulty, 2020 to 2023

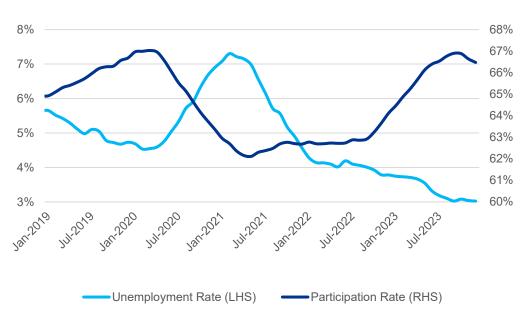


Source: Australian Government, State of Australia's Regions Report, Released 2024.

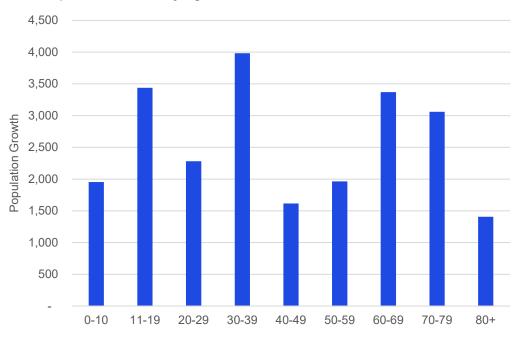


# Our regional progress - Newcastle and The Hunter

#### Labour market indicators



#### Population Growth by Age 2023



	2019	2020	2021	2022	2023
Employment Growth	5.8%	-6.8%	4.6%	4.5%	7.4%
Population Growth	1.4%	1.1%	1.2%	2.4%	2.3%
Working age population 20-64	1.2%	0.8%	0.7%	2.0%	2.0%
Dwelling Approvals	5,140	4,737	5,770	4,983	4,780



# Physical / social capital, creating pathways investment & vitality

14%

**Growth in advertised rents** during COVID, surpassing capital cities



Regional Australia still needs to close the gap on capital cities

# Housing affordability

Is essential to unlocking growth in the regions



+ Feeling safe
Was the No.1 attribute
that make somewhere a
great place to live for
regional Australians

# 9.7 years

Average time to save for a housing deposit the regions



increasingly important for vibrant communities and quality of life

# **Digital Inclusion**

The Digital Inclusion Index is increasing in regions but the gap on Digital Ability is widening



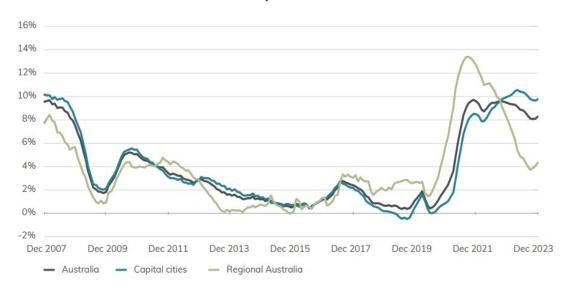


important liveability attribute

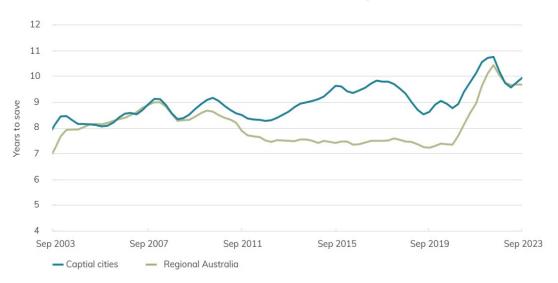


# **Housing and shelter**

#### Growth in advertised rents, 2007 to 2023



#### Years taken to save for a house/unit deposit, 2003 to 2023



#### Average time to save a deposit in regional/capital areas

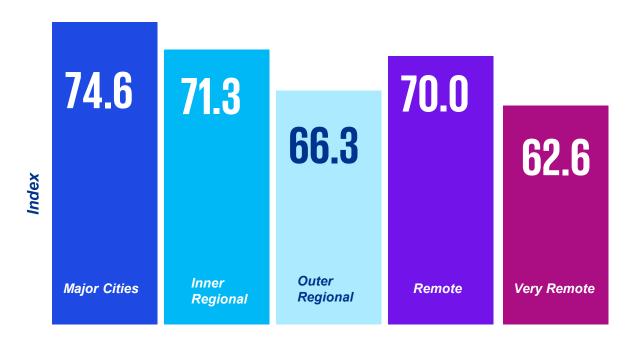


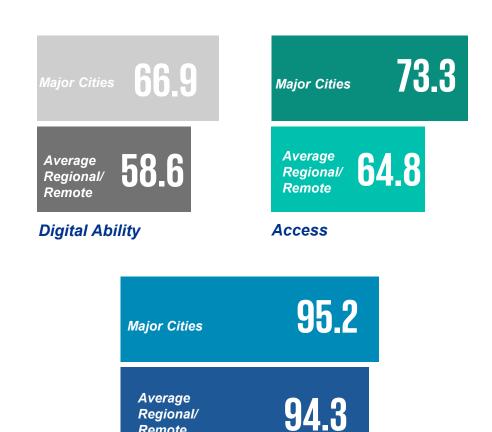


Source: Australian Government, State of Australia's Regions Report, Released 2024.



# **Digital connectivity**





**Affordability** 

Remote

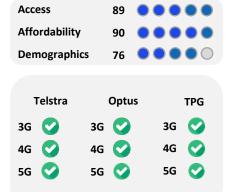
Source: Measuring Australia's Digital Divide, Australian Digital Inclusion Index 2023



# Telecommunications Infrastructure Review: Newcastle

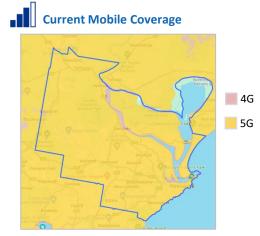
Newcastle has the highest Digital Connectivity Index both 'On the Move' and 'Stationary' of all the DSSN LGAs. These high scores are driven by widespread 5G coverage by all major providers and extensive fibre accessibility throughout the region.





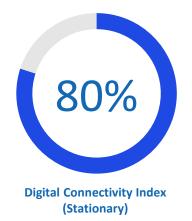
#### **Key Insights:**

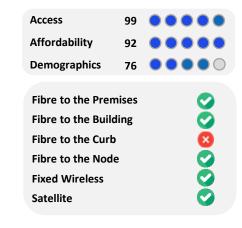
- 3G and 4G available throughout the region.
- Average download speed of 110.39 Mbps and upload speed of 8.55 Mbps.\*
- The area has the highest digital connectivity index.
- Widespread implementation of 5G in the area by all three operators, with few coverage gaps.



Map showing current mobile coverage in terms of 4G and 5G (Telstra, Optus, and TPG combined)

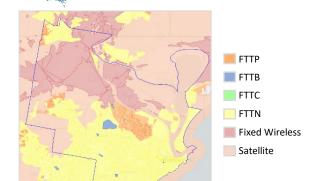
nbn Current nbn Services





#### **Key Insights:**

- Average download speeds of 51.45 Mbps and upload speeds of 18.09 Mbps for fixed access.
- The Newcastle area is highly urbanised, with the entire residential zone having access via fibre.
- Only the area around the Hunter Wetlands National Park relies on fixed wireless.
- The region has the highest digital connectivity index





# Natural capital, inherent economic strengths of a place

**\$80b** 

Visitor expenditure in the regions is 30% higher than prepandemic peak of \$61b

**Top exports** 

are from

regions

produce from regions

# **Export Industries**



such as agriculture, forestry and fishing, and mining operate out of regional areas.

**Regions are** 

Australia's Top 10 to take advantage of net exports are zero emissions commodities or

## **Jobs and Skills Australia**

Predicts jobs growth will be greater in regional Australia than Metropolitan Australia for the clean energy transition.

## **Growth in Clean Energy Workforce** Jobs need to grow by

around 30% to support energy transition





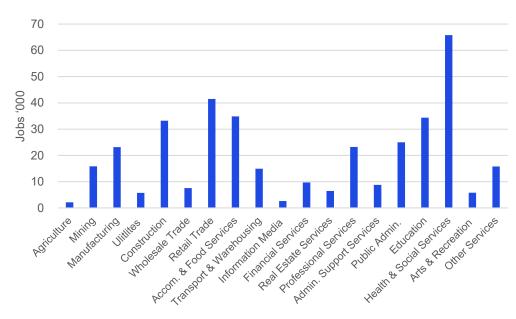


in manufacturing is found in regional communities.



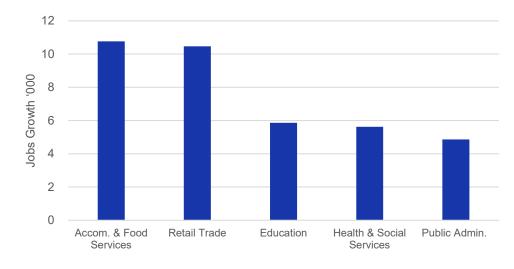
# Newcastle and the Hunter Industry Structure and Growth

#### **Industry Structure 2023**



Source: Australian Bureau of Statistics

#### **Top 5 Growing Industries (2023)**



Source: Australian Bureau of Statistics



# Global Progress on EVs

In Australia, EV sales are sitting between 9-10% of total car sales as of Feb / March 2024. This is a significant increase on March 2023 when EV's were 6.8% of new car sales. However, globally Australia is trailing in EVs

# Global Sales Tripled in 2022

The global sales share of electric cars tripled from 4.2 percent in 2020 to 14 percent in 2022.

Cars sold in China in 2022 were EVs





### **Brazil's Approach**

Decarbonisng but using ethanol biofuels produced from sugarcane or corn



## Norway leading the way

Nearly 9 in 10 cars sold in Norway in 2022 were electric.



Net Zero Readiness Report 2023 (kpmg.com)

Electric car sales: Share of new buyers going EV stays static in March 2024 (afr.com)



