Introduction

With the inaugural publication of the Department of Infrastructure and Regional Development’s publication *Progress in Australian Regions: Yearbook 2014*, the Department created a regional statistical resource of comprehensive spatial scope to better inform policy and investment decisions.

This report, *Progress in Australian Regions: State of Regional Australia 2015*, uses data from the Yearbook as a launching point from which to explore the economic and social wellbeing of regions and how they have changed over time.

Analysis of the spatial variation of key demographic, economic, social, and infrastructure indicators from the Yearbook and other sources assists in understanding how regions are faring in the national context and in anticipating future challenges. Case studies in each chapter illustrate the way in which particular aspects of change have affected local communities.

Chapter 1 examines aspects of demographic change with a focus on population ageing and its national and regional implications for economic growth, productivity and service delivery.

Population ageing is a key long-term issue for Australia and many other developed countries. An older population presents challenges that include the location of age-specific services such as health care and the supply of suitable housing. However, the experience of older people in regions will vary greatly depending on factors such as proximity to services and the income and wealth of the population.

Chapter 2 focuses on several indicators of economic progress including the engagement in work and study of young people, household income and income disparity. House prices are also discussed as they provide an important indication of the regional distribution of wealth and the demand to live in particular areas.

Chapter 3 discusses the regional aspects of structural change which refers to change in the industrial composition of a region. The analysis examines variations in the proportion of people employed in different industries to determine changes to the economy’s structure. Structural change can have an adverse impact on individuals and businesses engaged in declining industries. However, it is also necessary and beneficial for a competitive market economy.

Chapter 4 examines some regional indicators of social progress such as health and safety, community connections and engagement. The analysis focuses in particular on mental health. Access to appropriate mental health services and treatment options are more limited in regional and remote areas. This lack of access can potentially result in poorer outcomes for people in these areas who are affected by mental illness.

The final chapter examines the connection between infrastructure investment, economic growth and social progress. All of these have implications for Australia’s competitiveness and the wellbeing and living standards of all Australians. Australia faces a significant challenge in ensuring that growth in both hard and social infrastructure keeps pace with growth in order to maximise productivity.
Geographic units used in this report

The focus of the analysis is predominantly on areas outside of **major cities**. However, **major cities** have been included to provide a point of comparison for regional (non-metropolitan) areas. There is a great deal of diversity amongst regions of Australia, especially when it is considered that rural and remote areas, coastal areas and small to medium sized cities are all commonly described as regional.

This report presents statistics based on a number of geographic units, depending on data availability and suitability for analysis. These geographical units are drawn primarily from the Australian Bureau of Statistics (ABS) 2011 Australian Statistical Geography Standard. The main geographical units used in this report are the Remoteness Structure, Statistical Areas Level 4 and Significant Urban Areas. However, in some instances, other geographical units have been used where data is available only within that unit or when it is considered appropriate. Any deviation from the standard is explained within the chapters.

The Remoteness Structure

The Remoteness Structure divides Australia into five Remoteness Classes—**major cities**, **inner regional**, **outer regional**, **remote** and **very remote**—based on access to services (see Map A).

The Remoteness Structure is based on the **Accessibility/Remoteness Index of Australia, Plus** (ARIA+). This index is calculated using road distance to the closest urban centre in five size classes. Therefore, the **major cities** class does not necessarily include all capital cities. For example, it does not include the smaller and more remote capital cities of Darwin (which is defined as **outer regional**) and Hobart (defined as **inner regional**) because of the road distance from those cities to the closest urban centre. Over time, as roads improve and population grows, a city’s level of remoteness can decline (ABS 2013a).

*Map A  Remote Areas in Australia, 2011*

Source: ABS (2013a).
Statistical Areas Level 4

This report also uses a geographic unit known as Statistical Area Level 4 (SA4). There are 88 SA4s in Australia, covering the whole of the continent with no overlaps. SA4s have a minimum population of 100,000—with some exceptions for sparsely populated remote areas—and a maximum population of 500,000.

Map B Statistical Areas Level 4
Statistical Areas Level 2

Another geographic unit used in the report is the Statistical Area Level 2 (SA2). SA2s are smaller than SA4s. There are 2,196 SA2s in Australia with no gaps or overlaps between them. Their typical population range is 3,000 to 25,000, with an average of 10,000. SA2s are used in this report to illustrate variation within regions. Wherever possible, SA2s are based on officially gazetted state suburbs and localities. In urban areas SA2s largely accord with whole suburbs and combinations of whole suburbs. However, in rural areas SA2s represent functional zones of social and economic links.

Significant Urban Areas

Significant Urban Areas (SUAs) are urban areas with populations above 10,000. There are 101 SUAs in Australia. An SUA can contain a cluster of urban centres with a core urban population over 10,000 in addition to satellite towns and areas that are likely to be part of an urban area in the near future. An SUA can contain multiple urban centres. However, for them to be considered part of the SUA, their boundaries must be less than five kilometres apart from each other by road (ABS 2012a). Under this definition, many parts of Australia are not classified as SUAs but fall into the residual category ‘not in any significant urban area’.