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Relative strong economic performance in regional WA and TAS, 2019 *State of the Regions* report finds

- Gross regional product exceeds national average in 12 regions
- Report, 22nd in a series, to be released today in Canberra

A better than expected economic performance may be underway in southern Western Australia and Tasmania, according to a report launched at the Regional Cooperation and Development Forum in Canberra today.

State of the Regions 2019-20: Population, productivity and purchasing power, the 22nd edition of the report prepared by National Economics for the Australian Local Government Association (ALGA), also shows an improvement in pastoral regions including Lingiari in the NT, far north and west SA, and around Townsville.

“On the downside, the Gross Regional Product growth rate has subsided in Melbourne and the high preliminary rates estimated last year for some of the non-metropolitan Victorian regions also look like disappearing,” the report said.

“Much of NSW is again drought-affected. Despite indications that non-metropolitan Queensland is maintaining momentum, growth performance in the Brisbane metropolitan area seems lacklustre.”

Productivity, gross regional product per hour worked, in the regions also varied widely in 2019. WA Pilbara Kimberley (\$306/hour) was well above the national average (\$82/hour), while productivity fell to \$59/hour in both SA East and Vic Loddon Mallee.

“There were 12 regions with productivity more than 10 percent above the national average, and some 34 regions with productivity more than 10 percent below the national average,” economist Dr Peter Brain, the report’s lead author, said.

“Industry mix would have had a lot to do with this distribution, with GRP per hour worked high in finance and mining and low in tourism-related industries, retail trade and various other services. Productivity can also be low in rural areas suffering drought and more generally in regions suffering from structural adjustment.

“Apart from WA Pilbara Kimberley, declining productivity was reported from most of non-metropolitan Victoria and South Australia. Previous *State of the Regions* reports have observed that mining booms do nothing for rural prosperity, if only because they raise the exchange rate and therefore reduce Australian-dollar farm incomes.”

“The latest report is an important indicator of the relative economic health of Australia’s regions,” ALGA President, Mayor David O’Loughlin, said.

“While it shows that productivity has improved in some areas, it also demonstrates that coordinated and cooperative action is needed by all three levels of government to ensure our communities can thrive, especially those areas where growth has been sluggish.”

Media are invited to attend the Regional Cooperation and Development Forum at the National Convention Centre and can [view the program here](#). Contact ALGA for a copy of the report.

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