Characteristics of economic sustainability in regional Australia

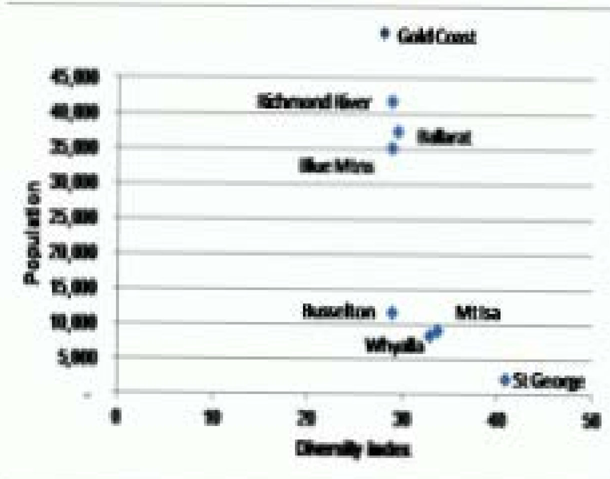
Dr Kim Houghton and Tom Fell
Strategic Economic Solutions

Foundations of economic sustainability

- Population
  - Populations and economies grow together but
  - No strong causal link between population growth and per capita income growth
- Adaptation
  - A population of over 15,000 enhances capacity to adapt to economic shocks
- Diversity

Working population and employment diversity

- Three trend patterns:
  - Decreasing working population but increasing diversity (Mt Isa and Whyalla)
  - Increasing working population but decreasing diversity (Blue Mtns, Gold Coast, Busselton and Richmond River)
  - Increasing working population and increasing diversity (St George and Ballarat – latter showing only a small change in diversity).



Population and diversification dynamics

Working population		
Increasing	Growing around dominant industries, exposure to external shocks, *muscle town*	Growing and diversifying thriving/reviving town
Decreasing	Consolidating around dominant industries – no structural adjustment dying town	Effective 'structural adjustment' turnaround town
	Decreasing	Increasing
	Employment diversity	

Working population		
Increasing	Blue Mtns Gold Coast Busselton Richmond River	St George Ballarat
Decreasing		Mt Isa Whyalla
	Decreasing	Increasing
	Employment diversity	

Overarching principles relating to sustaining rural communities

- Adaptation is the common thread in regional Australia
  - Adapt or perish
  - Business level and community level
- People follow jobs (not the reverse)
- Boom and bust cycles inevitable
  - Local control and influence (capital, attractiveness) are keys to helping transitions
  - Ad hoc handouts vs. medium term buffering, transition and adaptation
- Local leadership and vision are crucial
- Population, diversity and even 'growth' are means to an end rather than ends in themselves