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## 2 Demographic changes and social indicators

Australia became increasingly urbanised during the first 70 years or so of the twentieth century. The proportion of the population living outside the capital cities declined from two-thirds to one-third over that period. Since then, the degree of urbanisation has plateaued, but population growth has not been even across the country. Growth has been concentrated in coastal areas of Queensland, New South Wales and south-west Western Australia, where industries associated with horticulture, tourism and other service industries are expanding. Some inland provincial cities have also grown, sometimes at the expense of smaller surrounding towns. Overall, smaller inland towns are growing more slowly than the national average.

Several social indicators suggest that country people fare less well than their city counterparts, although country lifestyles continue to appeal to many people. Country Australia tends to have lower levels of household income and education, and higher levels of unemployment. While country families are typically of the more 'traditional' type, there is a lower representation of young adults and the elderly in rural areas. Mortality rates are in general higher in rural and remote areas, and suicide rates are considerably higher.

### 2.1 Introduction

This chapter outlines the background of demographic change and social circumstances in country Australia against which the effects of National Competition Policy (NCP) can be assessed. Much of the data are available only up to 1996. However, the major demographic trends, which have been evident over the last twenty to thirty years, are unlikely to have changed in the past three years.

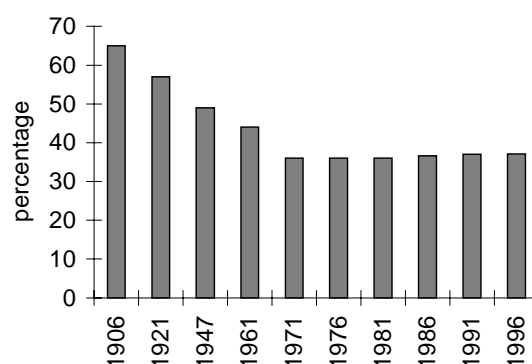
## 2.2 Demographic changes

### Urbanisation in Australia

Australia is an urbanised society and, over most of this century, the degree of urbanisation has increased. As shown in figure 2.1, the proportion of Australia's population living outside the capital cities since the 1900s. By the 1970s, the long-term decline in this segment of the population had ceased, with data from the last three Censuses showing that the balance is gradually tipping away from the capital cities to other areas.

In only two States (Queensland and Tasmania) and the Northern Territory do a majority of the population live outside the capital cities. Capital city populations dominate in Victoria, Western Australia, South Australia and the ACT (see table 2.1). In the latter three jurisdictions, the capital cities are the only urban agglomerations with a population of 100 000 or greater. The Northern Territory does not have any centres over 100 000.

Figure 2.1 **Proportion of Australia's population living outside the capital cities, selected years, 1906–96**



Sources: IC (1993c); ABS (*Census of Population and Housing*, various years).

Table 2.1 **Proportion of Australia's population living outside the capital cities, by State/Territory, 1996**

| State/Territory              | Total population | Population outside capital city | Proportion of total population |
|------------------------------|------------------|---------------------------------|--------------------------------|
|                              | '000             | '000                            | %                              |
| New South Wales              | 6 039            | 2 297                           | 38.0                           |
| Victoria                     | 4 374            | 1 235                           | 28.2                           |
| Queensland                   | 3 369            | 1 880                           | 55.8                           |
| Western Australia            | 1 726            | 482                             | 27.9                           |
| South Australia              | 1 428            | 382                             | 26.8                           |
| Tasmania                     | 460              | 270                             | 58.7                           |
| Australian Capital Territory | 299              | ..                              | 0.1                            |
| Northern Territory           | 195              | 109                             | 56.1                           |

Sources: ABS (1998e, 1998c).

It is a common perception that large cities account for an increasing proportion of the population. In 1971, the proportion of people living in cities with 500 000 people or more was 57.9 per cent. By 1996, however, that proportion had decreased to 53.1 per cent (see table 2.2). Thus, while large cities are growing, they are not growing as quickly

as other parts of the country.

Large towns and small cities have experienced the fastest population growth over the last 25 years. These collectively accounted for 19 per cent of the total population in 1996, compared with 13 per cent in 1971.

Small towns are maintaining their share of the population. For each of the Censuses between 1971 and 1996, the *share* of Australia's population living in centres of between 1000 and 20 000 people stayed at around 14 per cent and the *number* of people living in small towns has actually been increasing. Moreover, the number of such towns increased by half over this period.

The share of the population living in 'localities' (the name given by the ABS to clusters of between 200 and 1000 people) also remained relatively steady at between 2 and 3 per cent. There were also more localities in 1996 than in 1971. The balance (those living in clusters of fewer than 200 people or on properties) stayed at around 12 per cent of the population, but increased in absolute terms.

In aggregate terms, then, there appears to be a proportional shift in the population away from the large cities to smaller cities and large towns, while small towns appear to be holding their own. However, the picture at a regional level is not as straightforward. Two major trends occurring in country Australia are masked by analysis at the general level. They are 'coastal drift' and the formation of 'sponge cities'.

Before turning to those trends, it is important to remember that these population changes do not necessarily indicate changes in economic conditions or, for that

**Table 2.2 Australia's population by size of centre, selected years, 1971–96**

| Category (population range in persons) |                     | 1971 |     | 1981 | 1991 | 1996 |     |
|--|---------------------|------|-----|------|------|------|-----|
|  |                     | %    | no. | %    | %    | %    | no. |
| Large cities                           | (more than 500 000) | 57.9 | 5   | 55.5 | 53.3 | 53.1 | 5   |
| Small cities                           | (100 000 – 499 999) | 6.5  | 5   | 7.4  | 9.0  | 9.2  | 8   |
| Large towns                            | (20 000 – 99 999)   | 7.0  | 25  | 8.3  | 8.8  | 9.7  | 50  |
| comprised of:                          | (50 000 – 99 999)   | 2.5  | 5   | 3.1  | 2.7  | 3.0  | 8   |
|  | (20 000 – 49 999)   | 4.5  | 20  | 5.1  | 6.1  | 6.7  | 42  |
| Small towns                            | (1 000 – 19 999)    | 14.0 | 450 | 14.4 | 14.2 | 13.9 | 676 |
| comprised of:                          | (15 000 – 19 999)   | 2.3  | 17  | 2.9  | 1.6  | 1.3  | 14  |
|  | (10 000 – 14 999)   | 2.1  | 23  | 1.4  | 2.5  | 2.5  | 36  |
|  | (5 000 – 9 999)     | 3.7  | 67  | 4.2  | 3.7  | 3.6  | 87  |
|  | (1 000 – 4 999)     | 5.9  | 343 | 5.8  | 6.3  | 6.5  | 539 |
| Localities                             | (200 – 999)         | 2.9  | 793 | 2.8  | 2.7  | 2.5  | 923 |
| Balance                                | (less than 200)     | 11.7 | ..  | 11.6 | 12.0 | 11.5 | ..  |

Source: ABS (*Census of Population and Housing*, various years).

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matter, living standards. An increase in population may stem from an increase in the number of welfare-dependent residents, which may add to the social problems of a local community. Conversely, a decline in population could result from improvements in labour productivity which may actually increase the per capita income of those who remain. Further material on the composition of changes in regional populations is presented later in the chapter.

### **‘Coastal drift’**

One Australian in four lives in one of the 68 local government areas in Queensland and New South Wales with frontage along the Pacific Ocean (Salt 1998). Indeed, one of the major demographic phenomena in Australia has been the rapid growth of population in those municipalities. As some of this growth is fuelled by individuals relocating from inland locations, it is commonly referred to as ‘coastal drift’.

The growth and loss of population by local government area between 1976 and 1997 is shown on a map of Australia in figure 2.2. The growth of population along the eastern seaboard and in the south-west, as well as the population decline experienced in much of inland Australia, is evident.

#### *Larger regional municipalities*

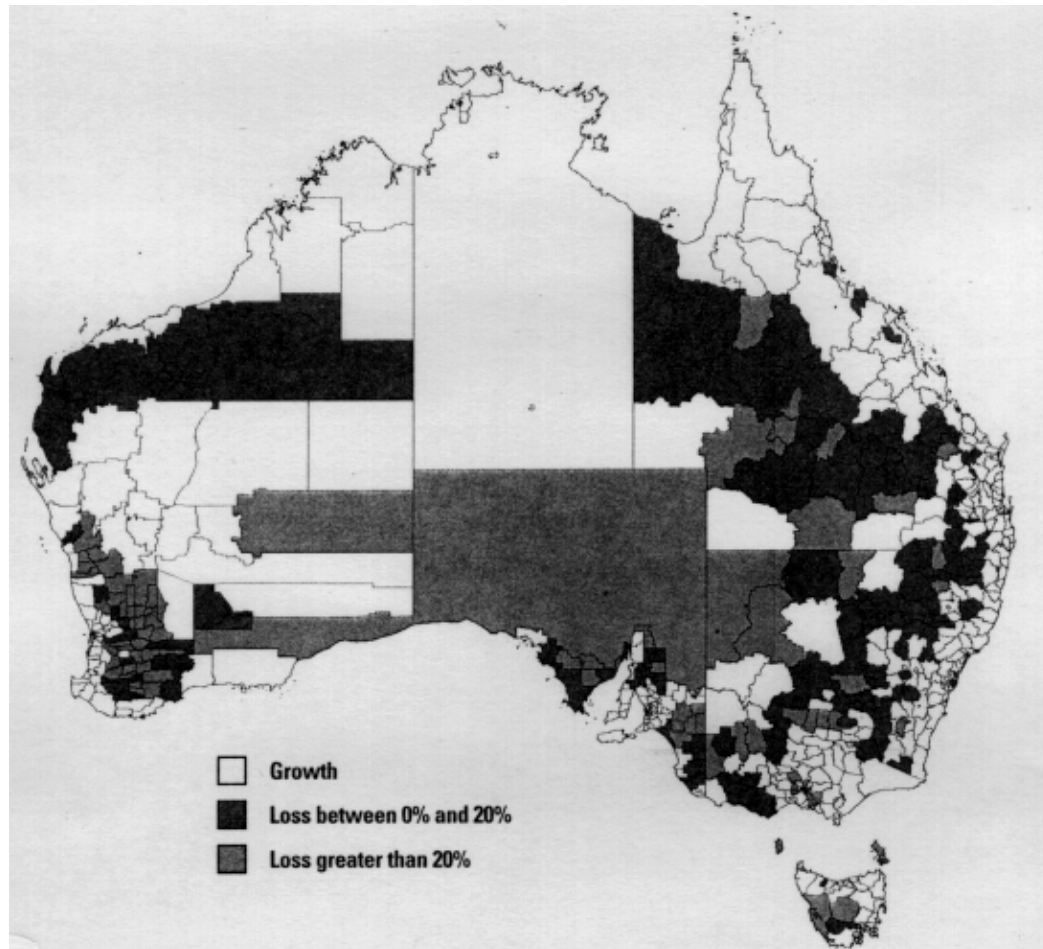
Coastal drift is apparent from an examination the population growth rates of large regional (non-capital) municipalities. It is possible to see how coastal centres are dominating the ranks of the growing municipalities from table 2.3, which lists the largest 60 regional municipalities by their growth rates over the 20 years between 1976 and 1996. Of the 60 municipalities, 31 are located on the Pacific coastline or in the south-west. Of those 31 ‘coastal’ municipalities, 24 grew faster than the national average population growth over the 20 years to 1996. Of the remaining 29 ‘inland’ municipalities, only 10 grew faster than the national average. So while there is population growth in some ‘inland’ centres, the majority are growing more slowly than the national average or experiencing population decline.

Of the 10 fastest growing municipalities, nine were ‘coastal’. In order of population growth, these were: Mandurah; Sunshine Coast; Hervey Bay; Gold Coast–Tweed; Eurobodalla (Narooma); Ballina; Byron Bay; Coffs Harbour and Port Macquarie. The other — Mount Barker — is classified as ‘inland’, but has benefited from its close proximity to Adelaide. All had growth rates more than three times the national average of 1.3 per cent a year.

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Figure 2.2     **Areas of population change in Australia, 1976–97**

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Source: Salt (1998).

Over the latest intercensal period from 1991 to 1996, the only ‘inland’ municipalities in the top 10 fastest growing municipalities were Wingecarribee (Bowral) at eighth and Mount Barker at tenth. Just as Mount Barker benefits from its closeness to Adelaide, Wingecarribee benefits from its close proximity to Sydney, as well as from growth in tourism and hospitality in the area. The other eight in order of population growth were: Hervey Bay; Mandurah; Sunshine Coast; Yeppoon; Gold Coast–Tweed; Busselton; Cairns and Byron Bay. These are all coastal centres.

Of the ten municipalities with the weakest population growth rates over the period 1976 to 1996, five actually had declining populations. These were: Whyalla; Broken Hill; Mount Isa; Burdekin (Ayr) and Goulburn. The other five were Greater Lithgow, Grafton, Maryborough, Griffith and Geelong. Only three of these municipalities (Burdekin, Grafton and Maryborough) are located on the eastern seaboard. The economies of most of these municipalities have relied on significant local manufacturing or mining industries. For those centres, the decline in these

**Table 2.3 Annualised population growth rates for Australia's largest regional municipalities<sup>a</sup>, ranked by growth from 1976–96**

|                           | 1976–96 | 1991–96 |                       | 1976–96    | 1991–96    |
|---------------------------|---------|---------|-----------------------|------------|------------|
|                           | %       | %       |                       | %          | %          |
| Mandurah                  | 7.9     | 6.7     | Townsville            | 1.5        | 1.4        |
| Sunshine Coast            | 6.8     | 5.5     | Mildura               | 1.4        | 1.0        |
| Hervey Bay                | 6.8     | 6.9     | LaTrobe Valley        | 1.4        | -1.0       |
| Gold Coast–Tweed          | 5.9     | 4.9     | <b>Australia-wide</b> | <b>1.3</b> | <b>1.2</b> |
| Mount Barker              | 5.5     | 3.1     | Bendigo               | 1.3        | 0.6        |
| Eurobodalla (Narooma)     | 4.9     | 2.5     | Wagga Wagga           | 1.2        | 0.7        |
| Ballina                   | 4.7     | 2.8     | Shepparton            | 1.2        | 0.5        |
| Byron Bay                 | 4.5     | 3.3     | Toowoomba             | 1.1        | 0.5        |
| Coffs Harbour             | 4.3     | 2.4     | Bathurst–Orange       | 1.1        | 0.8        |
| Port Macquarie (Hastings) | 4.2     | 3.0     | Newcastle             | 1.0        | 0.8        |
| Great Lakes (Forster)     | 4.1     | 2.4     | Rockhampton           | 0.9        | 0.3        |
| Busseton                  | 3.9     | 4.5     | Warrnambool           | 0.9        | 0.8        |
| Livingstone (Yeppoon)     | 3.7     | 5.1     | Ballarat              | 0.8        | 0.2        |
| Cairns                    | 3.6     | 4.3     | Launceston            | 0.8        | 0.6        |
| Shoalhaven (Nowra)        | 3.6     | 2.3     | Tamworth              | 0.8        | 0.0        |
| Gladstone                 | 3.2     | 2.2     | Johnstone (Innisfail) | 0.7        | 1.7        |
| Nambucca Heads            | 3.0     | 1.1     | Wollongong            | 0.7        | 0.9        |
| Wingecarribee (Bowral)    | 2.8     | 4.1     | Mount Gambier         | 0.7        | 0.7        |
| Alice Springs             | 2.7     | 0.6     | Burnie–Devonport      | 0.6        | 0.0        |
| Bega Valley               | 2.5     | 1.3     | Armidale              | 0.5        | -0.8       |
| Greater Taree             | 2.3     | 0.9     | Geelong               | 0.5        | 0.0        |
| Singleton                 | 2.3     | 1.2     | Griffith              | 0.4        | 0.6        |
| Dubbo                     | 2.1     | 1.5     | Maryborough           | 0.4        | 0.2        |
| Kempsey                   | 2.1     | 0.8     | Grafton               | 0.1        | 0.0        |
| Mackay                    | 2.0     | 2.3     | Greater Lithgow       | 0.0        | -0.3       |
| Geraldton–Greenough       | 1.9     | 1.1     | Goulburn              | -0.2       | -0.5       |
| Albury–Wodonga            | 1.8     | 1.1     | Burdekin (Ayr)        | -0.3       | -0.3       |
| Lismore                   | 1.8     | 0.6     | Mount Isa             | -1.1       | -1.8       |
| Kalgoorlie–Boulder        | 1.8     | 1.9     | Broken Hill           | -1.3       | -2.0       |
| Bundaberg                 | 1.6     | 1.9     | Whyalla               | -1.6       | -1.3       |
| Bunbury                   | 1.5     | 0.2     |                       |            |            |

<sup>a</sup> 'Twin cities' have been combined. Shaded municipalities are defined as 'coastal', here limited to the Pacific coast of Queensland and New South Wales and the south–west of Western Australia.

Source: Calculated from Salt (1998).

industries has brought about relative, and in some cases absolute, decline in their populations.

Over the period from 1991 to 1996, ten municipalities experienced population decline. They were: Broken Hill; Mount Isa; Whyalla; LaTrobe Valley; Armidale; Goulburn; Lithgow; Burdekin; Burnie–Devonport and Grafton. Again, only Burdekin and Grafton are located along the eastern seaboard, while the majority are inland cities.

In short, among the large country municipalities, the major growth areas were predominantly on the eastern seaboard and in the south–west of Western Australia, although some inland towns have grown also. In contrast, the major municipalities

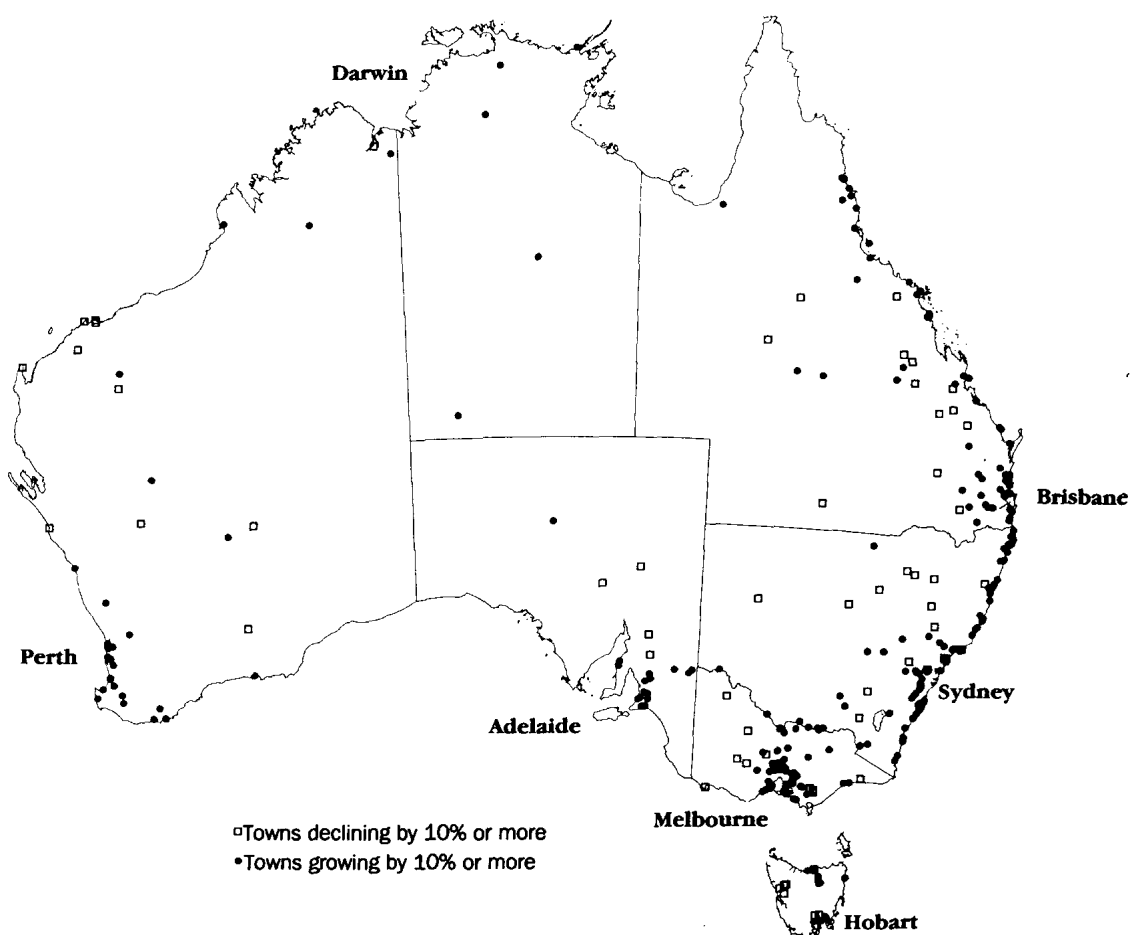
experiencing falling population were mainly inland centres or those with a significant declining industry.

### *Smaller towns*

As shown in table 2.2, the role of small towns in the Australian urban settlement picture is not being crowded out by growth in other types of settlement. There is further evidence that, while there are small towns in particular areas which may have 'withered', the majority of them are increasing in size. Again, fortunes appear to be determined by whether the town is located on the coast or inland.

Of the 578 towns with between 1000 and 20 000 people in 1986, 47 per cent grew by at least 10 per cent over the ten years to 1996 (ABS 1998a). As was the case with

**Figure 2.3 Small towns which decreased or increased by 10 per cent or more, 1986–96**



Source: ABS (1998a).

regional municipalities, most of these growing towns are located along the coast, affected by 'overflow' from a nearby capital city or associated with growing industries such as tourism or viticulture (see figure 2.3). On the other hand, the 31 per cent which had declining population are predominantly inland towns. Of these, one-third experienced a decline of at least 10 per cent. These towns are mostly service towns for nearby dryland grazing or grain industries, or are in mining areas which were in decline.

Those small towns experiencing the most substantial demographic change are shown in table 2.4. The major characteristics of the town or area are listed along with the direction of change.

**Table 2.4 Locations experiencing demographic change of more than 10 per cent over the period 1986–96**

| <i>Town or area</i>  | <i>Major characteristics</i>   | <i>Direction of change</i> |
|--|--|----------------------------|
| <b>NSW:</b>  |  |                            |
| Werris Creek, Wee Waa, Narrabri, Barraba and<br>Dorrigo, Murrumburrah–Harden                   | Service centre for surrounding agricultural areas                                | ↓                          |
| Batlow   | Timber milling and fruit-growing   | ↓                          |
| <i>Along the Murray</i>  | Tourism, viticulture and retirement  | ↑                          |
| <i>Snowy Mountains</i>   | Tourism  | ↑                          |
| <i>Around Sydney</i>   | Suburbanisation  | ↑                          |
| <i>Hunter Valley</i>   | Diverse industry base incl viticulture   | ↑                          |
| <b>Victoria:</b>   |  |                            |
| <i>Western District including</i> Charlton, Ararat, Beaufort                                   | Service centres for surrounding agricultural areas                               | ↓                          |
| Moe–Yallourn, Morwell, Churchill   | Brown coal mining industry   | ↓                          |
| <i>Around Melbourne</i>  | Suburbanisation  | ↑                          |
| <i>Along the Murray River, eg. Rutherglen</i>  | Tourism, retirement and viticulture  | ↑                          |
| Lakes Entrance   | Tourism  | ↑                          |
| <b>Western Australia:</b>  |  |                            |
| <i>Central West including</i> Kalbarri, Dampier, Mount Magnet, Pannawonica, Roebourne, Wickham | Sheep-farming and iron-ore mining  | ↓                          |
| Exmouth  | Withdrawal of American personnel from naval communications centre                | ↓                          |
| Laverton and Norseman  | Mining   | ↓                          |
| Wyndham  | Service centre and port for surrounding agriculture                              | ↓                          |
| Meekatharra  | Mining   | ↑                          |
| Broome, Kununurra  | Tourism and horticulture   | ↑                          |
| Leonora  | Mining   | ↑                          |
| <i>Around Perth and south along the coast</i>  | Diverse  | ↑                          |
| <b>Queensland:</b>   |  |                            |
| <i>South-east</i>  | Service centres for surrounding agricultural areas                               | ↓                          |
| Hughenden, Winton  | Service centres for surrounding agricultural areas                               | ↓                          |
| Emerald  | Service centre for surrounding mining area and newly established irrigation area | ↑                          |
| <i>Coastal towns including</i> Port Douglas  | Coastal tourism  | ↑                          |

(Continued on next page)



Table 2.4 (continued)

| <i>Town or area</i>  | <i>Major characteristics</i>  | <i>Direction of change</i> |
|--|---|----------------------------|
| <b>Queensland (continued):</b>   |   |                            |
| <i>Darling Downs</i>   | Service centres for surrounding agricultural areas; in particular, cotton is expanding. | ↑                          |
| Burra, Peterborough  | Railway and surrounding grain and pastoral areas  | ↓                          |
| Woomera  | Rocket range  | ↓                          |
| Leigh Creek  | Coal mining   | ↓                          |
| Cooper Pedy  | Tourism and opal mining   | ↑                          |
| <i>Around Adelaide</i> , along Murray River including Berri, Renmark, Tanunda, Gawler, Aldinga, McLaren Vale | Diverse, including tourism, wine and fruit growing                                      | ↑                          |
| <b>Tasmania:</b>   |   |                            |
| Queenstown, Tullah, Rosebery, Savage River, Zeehan   | Mining  | ↓                          |
| George Town  | Service centre for surrounding agricultural area  | ↓                          |
| <i>Around Hobart and Launceston</i>  | Suburbanisation   | ↑                          |
| <b>Northern Territory:</b>   |   |                            |
| Jabiru, Galiwinku, Katherine   | Tourism and horticulture  | ↑                          |
| Yulara   | Tourism   | ↑                          |

Source: ABS (1998a, 1998c).

Further confirmation of coastal drift is provided by a disaggregation of the data in table 2.2. Given the evidence that the eastern seaboard and south-west were growing much faster than the rest of the country, these areas were analysed in more detail, along with capital cities, 'rural' and 'remote'. Definitions of these regions are given in appendix B, with a full list of statistical areas in table B.2.

As shown in table 2.5, the strongest growth of large towns and small cities (centres of population between 20 000 and 500 000) occurred near capital cities and the 'coast'. The proportion of the population living in such centres rose from 8.6 per cent in 1971 to 13.4 per cent in 1996. The share of large towns and small cities in rural and remote areas also rose, from 4.8 per cent in 1971 to 5.5 per cent in 1996. This indicates a population growth rate above the national average, and in part reflects the existence of 'sponge cities', which are examined in the next sub-section.

As expected, the data also show that small coastal towns and towns close to capital cities increased their share of the population from 4.4 per cent in 1971 to 6.1 per cent in 1996. Meanwhile, the share of the population residing in small towns in rural and remote areas decreased from 9.5 per cent in 1971 to 7.8 per cent in 1996. This indicates that, despite the steady share of population in small towns overall, small inland towns are in relative, but not absolute, decline.

It is clear that 'coastal drift' has been a significant demographic phenomenon in country Australia over recent years. Indeed, this trend has been evident for many

**Table 2.5 Australia's population by location<sup>a</sup> and size of centre, 1971 and 1996**

| Category     | Population range in persons<br>Location | 1971 |     | 1996 |     |
|--------------|---|------|-----|------|-----|
|              |   | %    | no. | %    | no. |
| Large cities | more than 500 000                       | 57.9 | 5   | 53.1 | 5   |
| Small cities | 100 000 – 499 999                       | 6.5  | 5   | 9.2  | 8   |
|              | Capital city                            | 2.1  | 2   | 3.6  | 3   |
|              | Coast                                   | 3.4  | 2   | 4.8  | 4   |
|              | Rural                                   | 0.9  | 1   | 0.7  | 1   |
| Large towns  | 20 000 – 99 999                         | 7.0  | 25  | 9.7  | 50  |
|              | Capital city                            | 0.6  | 2   | 1.2  | 6   |
|              | Coast                                   | 2.5  | 8   | 3.7  | 18  |
|              | Rural                                   | 3.3  | 12  | 4.3  | 22  |
|              | Remote                                  | 0.6  | 3   | 0.5  | 4   |
| Small towns  | 1 000 – 19 999                          | 14.0 | 450 | 13.9 | 676 |
|              | Capital city                            | 1.4  | 45  | 2.2  | 96  |
|              | Coast                                   | 3.0  | 83  | 3.9  | 176 |
|              | Rural                                   | 8.5  | 280 | 6.7  | 340 |
|              | Remote                                  | 1.0  | 42  | 1.1  | 64  |
| Localities   | 200 – 999                               | 2.9  | 793 | 2.5  | 923 |
|              | Capital city                            | 0.3  | 85  | 0.3  | 93  |
|              | Coast                                   | 0.6  | 161 | 0.6  | 222 |
|              | Rural                                   | 1.8  | 493 | 1.3  | 501 |
|              | Remote                                  | 0.2  | 54  | 0.3  | 107 |
| Balance      | less than 1 000                         | 11.7 |     | 11.5 |     |

<sup>a</sup> Defined in appendix B.

Source: ABS (*Census of Population and Housing*, various years).

decades, and during this century it was probably offset only during the soldier settlement initiatives after the two world wars. Large towns and small cities inland have experienced above-average population growth in recent decades. On the other hand, population growth in small inland towns has been below the national average.

#### FINDING 2.1

*A large proportion of the fastest-growing large country municipalities and smaller towns are located along the coast. Those experiencing falling population are predominantly in the interior or have economies dominated by a declining industry. While there are many inland towns and cities whose population is increasing, population growth in most small inland towns is below the national average.*

## **‘Sponge cities’**

In some parts of country Australia, the provincial centres have grown while the population of surrounding districts has declined. These growing provincial centres have been called ‘sponge cities’ (Salt 1998).

The ‘sponge city’ phenomenon appears to be most prevalent in the wheat and sheep belts of Australia, where the economies of scale of such industries and unfavourable movements in their terms of trade (see chapter 3) are bringing about the aggregation of farms and population decline. In such circumstances, the population growth experienced in the provincial centre stands out against the trend of surrounding smaller towns and communities.

There are many factors behind the ‘sponge city’ phenomenon. There is some direct migration to provincial cities from the surrounding district, such as those farmers who have sold their land to their neighbours and moved to the nearest regional centre to retire or find other work, or in order to retain family and social connections. In addition, there has been a concurrent concentration of some banking, government and other services in regional centres. Indirectly, this concentration of services also has been a factor supporting employment growth in the retail industry in regional centres as people from surrounding districts find it more convenient to conduct their business, including their shopping, in regional centres. This shift in growth has been in part at the expense of shops in surrounding small towns, contributing to the decline in those places. At the same time, the growth of ‘sponge cities’ is probably helping to strengthen the long-term growth prospects of the regions in which they are located by providing a range of services and industrial diversity more comparable to that available in metropolitan areas.

**Table 2.6 Selected sponge cities in Australia**

| <i>City/town</i> | <i>Population,<br/>1996</i> | <i>Average<br/>growth,<br/>1986–96</i> | <i>Population,<br/>surrounding<br/>district,<br/>1996</i> | <i>Average<br/>growth,<br/>1986–96</i> | <i>Proportion of<br/>surrounding<br/>municipalities<br/>with declining<br/>population</i> |
|------------------|-----------------------------|--|---|--|---|
|                  | persons                     | %                                      | persons   | %                                      |   |
| Dubbo            | 36 533                      | 1.6                                    | 42 173  | -0.1                                   | 4 of 6  |
| Wagga Wagga      | 55 519                      | 1.2                                    | 41 544  | -0.2                                   | 7 of 8  |
| Walgett          | 8 550                       | 1.2                                    | 44 751  | -0.9                                   | 6 of 6  |
| Albury–Wodonga   | 77 818                      | 1.5                                    | 74 136  | -0.6                                   | 7 of 8  |
| Horsham          | 17 322                      | 0.3                                    | 65 778  | -0.4                                   | 6 of 7  |
| Mildura          | 40 664                      | 1.3                                    | 18 866  | -0.5                                   | 3 of 4  |
| Geraldton        | 30 178                      | 2.0                                    | 8 217   | -1.4                                   | 3 of 4  |
| Narrogin         | 5 358                       | 0.7                                    | 7 784   | -0.8                                   | 7 of 8  |

*Source:* Calculated from ABS (1998c).

An examination of ABS statistics reveals many examples of sponge cities across Australia (table 2.6). All of these centres are growing, some of them quite strongly, despite population decline in most of their surrounding districts. For some centres, such as Mildura, Geraldton and Albury–Wodonga, the increasing dominance of the centre in the demographic picture of the region reinforces the impression that it is indeed drawing people from its surrounds and from capital city areas.

An example of this — Dubbo in central New South Wales — is shown in table 2.7. Over the 21 years to 1997, the population of Dubbo grew by 53 per cent, while all the municipalities within a 100 kilometre radius of Dubbo (with the exception of the wine grape centre of Mudgee) have either stagnated or declined.

**Table 2.7 Population and population growth of Dubbo and surrounding municipalities, 1976–97**

| <i>Municipality</i> | <i>Population,<br/>June 1997</i> | <i>Population change,<br/>1976–97</i> | <i>Growth rate,<br/>1976–97</i> |
|---------------------|----------------------------------|---------------------------------------|---------------------------------|
|                     | persons                          | persons                               | %                               |
| <b>Dubbo</b>        | <b>36 726</b>                    | <b>+12 776</b>                        | <b>+53.3</b>                    |
| Cabonne             | 12 219                           | +69                                   | +0.6                            |
| Coolah              | 3 850                            | -600                                  | -13.5                           |
| Coonabarabran       | 6 891                            | -509                                  | -6.9                            |
| Gilgandra           | 4 862                            | -288                                  | -5.6                            |
| Mudgee              | 17 660                           | +5 710                                | +47.8                           |
| Narromine           | 6 714                            | +64                                   | +1.0                            |
| Parkes              | 15 286                           | +286                                  | +1.9                            |
| Warren              | 3 409                            | -641                                  | -15.8                           |
| Wellington          | 8 879                            | -671                                  | -7.0                            |
| Overall             | 79 726                           | +10 926                               | +15.9                           |

Source: Salt (1998).

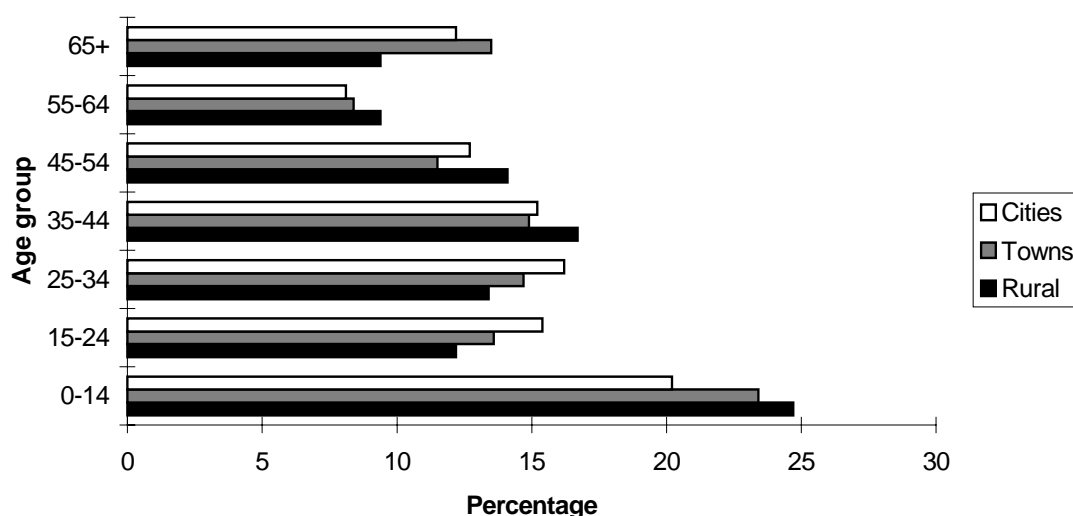
## FINDING 2.2

*Many wheat and sheep farming districts often have a growing provincial centre or ‘sponge city’. In part, the growth of the provincial centre is the result of the relocation of population from farms and smaller towns in the surrounding districts.*

## Age profile of country Australia

The age profiles of the populations in cities (centres with a population of 100 000 or more), towns (population between 1000 and 100 000) and rural areas (the remainder of the population) differ considerably (figure 2.4). For example, as indicated in the discussion of ‘sponge cities’, older people in rural areas often choose to move closer to community, health care and leisure facilities in regional centres, whereas those in

Figure 2.4 Age profile of cities, towns and rural areas, 1996



Source: ABS (1998a).

the cities often retire to coastal areas (see below). These flows are reflected in the proportion of the population aged over 65, which is noticeably higher in towns and cities than in rural areas.

The proportion of population in the 15–34 age group is also significantly lower in rural areas. Young adults are the group most likely to move to the cities for study and for work. Thus, although education opportunities are more limited in country areas, the mobile age groups are able to relocate in order to undertake education and training.

The proportion of population in the 35–64 age group is also higher in rural areas. This in part reflects the high average age of farm owner managers (54 years of age) (ABARE 1999), but could also be evidence that people are drawn back to country areas to raise families by the lifestyle advantages and family ties. The children of these people are evident in the relatively high proportion of the 0–14 age group in rural areas and towns.

## Analysis of population changes

Decomposition of population growth using data from the three population Censuses from 1986 to 1996 can help to explain the differences in population growth in different parts of Australia. For the purposes of this analysis, statistical local areas in Australia were combined into four regional groupings, each of which experienced quite different population growth from 1986 to 1996. The regional groupings adopted are: capital cities (with population growth of just below the national average); coastal areas (well above average growth); rural and remote areas (each

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with below average population growth). Details of the analysis, the classifications and data used are set out in appendix B.

A key, but not unexpected, finding of the analysis was the strong link between high regional population growth and high employment growth rates. That is, regions with relatively high employment growth also had relatively high population growth, and vice versa. For example, above-average population growth in coastal areas was associated with above-average employment growth, while below-average employment growth in rural areas was associated with below-average population growth. The effects of employment changes were complemented by variations in the numbers of dependants and students. Therefore, regions with above-average employment growth also tended to have above-average growth in the dependent and student population.

The reasons for the differences in population growth in regional groupings relative to the average growth rate are likely to vary, as are the links between population and employment growth in particular regions.

On the one hand, above-average population growth could be leading to higher employment growth by creating an increased demand for goods and services produced in the region, which then stimulates job growth as supply expands to satisfy that demand. For example, the proportion of older persons within the population is increasing in all regions, but it is increasing fastest in coastal areas. In these areas, 20 per cent of the population in coastal areas was over 55 and not working in 1996, up from 18 per cent in 1986.

On the other hand, above-average employment growth in areas driven by expanding activities, such as tourism, viticulture or new mining operations, could bring about increased population growth. In this case, increased employment opportunities in the new activities attract new residents to those areas or cause existing residents to remain to take advantage of the new opportunities, often with their dependants. The growth of services in coastal areas could be a result of the comparative advantage these areas have in tourism and associated activities, and could be an essential factor behind population growth on the coast.

From the analysis, the changing incidence of unemployment in the regions was also a contributor to their different population growth experiences. For example, the coast experienced only a marginal contraction in the number of unemployed between 1991 and 1996, while numbers of unemployed in the rest of the country declined significantly. This could have occurred for a number of reasons. Unemployed people may have been attracted to coastal areas by the prospect of employment, or by lifestyle considerations. This migration was identified in earlier work by the Industry Commission which found that 'people on fixed incomes, such

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as recipients of welfare benefits, are relocating away from metropolitan areas' (IC 1993b, p. 55).

#### FINDING 2.3

*Population growth in coastal regions is closely linked with growth in employment in the service industries and in the number of older and unemployed persons. Other areas of country Australia, on average, are experiencing slower population growth, in part linked to slow growth or contraction in employment in agriculture and services.*

## 2.3 Labour market and household income

Labour force characteristics, such as participation rates, unemployment and levels of education of country Australians compared to other Australians, help to paint a picture of the economic wellbeing of people living in rural and regional areas, as well as being useful in assessing their ability to cope with change. This section examines these characteristics, as well as the income levels of country people. Income levels have been identified, along with education levels, as having a positive relationship with their likelihood to relocate for employment reasons (IC 1993b, p. 55), and are also useful indicators of social wellbeing.

### Labour market characteristics

Before examining the characteristics of the labour force in country Australia, it is useful to look briefly at the changing character of the labour market Australia-wide, since many of the changes occurring nationally apply in country Australia.

Australia's labour market, as a whole, has changed considerably over recent decades. There has been a modest increase in the overall participation rate, which has contributed to the large increase in the supply of labour from population growth. However, job growth has not kept up, leading to an increase in unemployment and underutilisation of labour (people working fewer hours than they prefer). The average unemployment rate across Australia rose from 3.7 per cent in the 1970s to 7.3 per cent in the 1980s and 8.9 per cent in the 1990s to date (PC 1998b).

Along with the rise in the number of unemployed, there has been a rise in the average duration of unemployment — from around two months in the early 1970s to about a year in the 1990s (PC 1998b). The rate of long-term unemployment has also more than doubled, to around 2.5 per cent of the labour force (Debelle and Swann 1998).

More recently, with the stronger growth of the economy, the level of unemployment has been declining such that in July 1999 it had fallen to 7.0 per cent. In addition, long-term unemployment declined to an eight-year low in June 1999, and as a proportion of total unemployment was below 30 per cent.

The labour force in country Australia is in many ways more ‘traditional’ than in metropolitan Australia. For example, in 1996 rural families had a higher proportion of the ‘primary family reference person’ in the labour force (73 per cent) than families in towns (66 per cent) and cities (69 per cent) (see table 2.8). This reflects a higher reliance on the main breadwinner to provide for the household.

People in rural areas are also more likely to be employers and ‘own account’ workers (more than 15 per cent) than is the case in towns and cities (around 6 per cent). This reflects the nature of farming and service industries in rural areas.

**Table 2.8 Employment status of primary family reference person<sup>a</sup>, 1996**  
(per cent of labour force)

|                            | <i>Rural</i> | <i>Towns</i> | <i>Cities</i> |
|----------------------------|--------------|--------------|---------------|
| Employee                   | 51.5         | 54.3         | 58.9          |
| Employer                   | 4.3          | 2.2          | 1.8           |
| Own account worker         | 11.1         | 3.9          | 3.7           |
| Contributing family worker | 1.4          | 0.4          | 0.3           |
| Unemployed                 | 4.9          | 5.4          | 4.6           |
| Not in labour force        | 26.0         | 32.9         | 30.0          |

<sup>a</sup> *Primary family reference person* — usually the first person on the Census form, and the one on whom relationships within the household are based for the purposes of the Census.

Source: ABS (1998a).

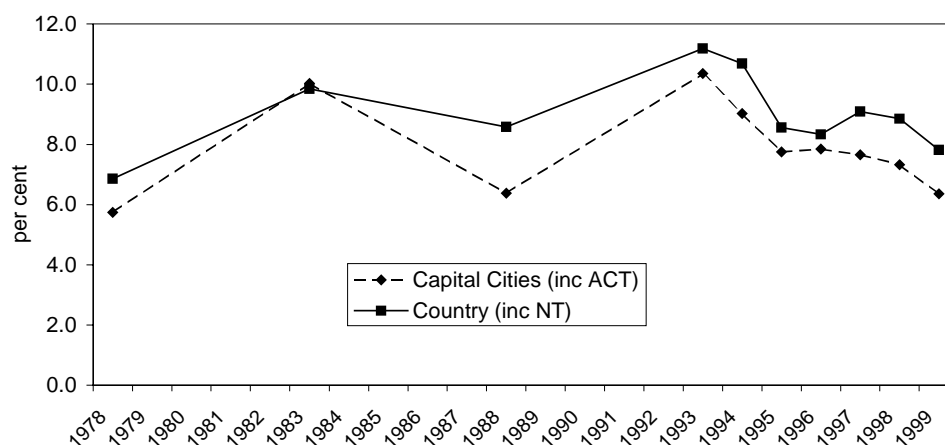
### *Unemployment rates*

In most country regions, the unemployment rate is consistently higher than in the capital cities. According to labour force statistics, the average unemployment rate within capital cities is often around 1 percentage point lower than it is in the remainder of the country (figure 2.5). This difference has been apparent since the late 1970s, when collection of this data began.

A regional breakdown indicates that the nationwide figures mask a significant disparity in unemployment rates. Country regions in some States consistently have lower unemployment rates than the capital cities. This is so in South Australia and Western Australia, where there has been an average 1.2 and 1.3 percentage point difference, respectively, between country and capital city unemployment rates over the period 1993–99. In New South Wales, on the other hand, country unemployment has been on average 2.8 percentage points higher than Sydney since 1993.



**Figure 2.5 Average unemployment rates in capital cities and balance of country, selected years, 1978–99**



Notes: Data are for June quarter. Since separate capital city rates are not published for the ACT and Northern Territory, the ACT was included with the capital cities and the Northern Territory was included in 'country'. Five-yearly boundary changes have expanded the areas included in the capital cities, making comparisons over time not strictly accurate.

Source: ABS (*Labour Force Survey*, various years).

Howard and Buultjens (1999) found that there were some regions, often adjacent, which consistently exhibited unemployment rates notably different from their State capitals. For example, the regions of Wide Bay–Burnett, Moreton, Richmond–Tweed and Mid-North Coast, which run along the coast from north of Bundaberg into New South Wales as far as Taree, have all had unemployment rates above 12 per cent at each of the last three Censuses. At the other end of the scale, regions adjacent to the Murray River, such as Murray, Murrumbidgee and South–Eastern in New South Wales; and Ovens–Murray and Goulburn in Victoria, all recorded unemployment rates lower than their respective State averages. Regions in country areas of Western Australia, such as Upper Great Southern, Pilbara and Kimberley, also recorded particularly low unemployment rates.

The Industry Commission (IC 1993b, pp. 24–5) found that unemployment rates as a whole often mask a diverse regional experience of long-term unemployment. Whereas particular regions, such as Barcoo in Queensland, had low overall unemployment rates, a high proportion (in some cases more than 40 per cent) of people in them had been unemployed for more than one year.

### *Education levels*

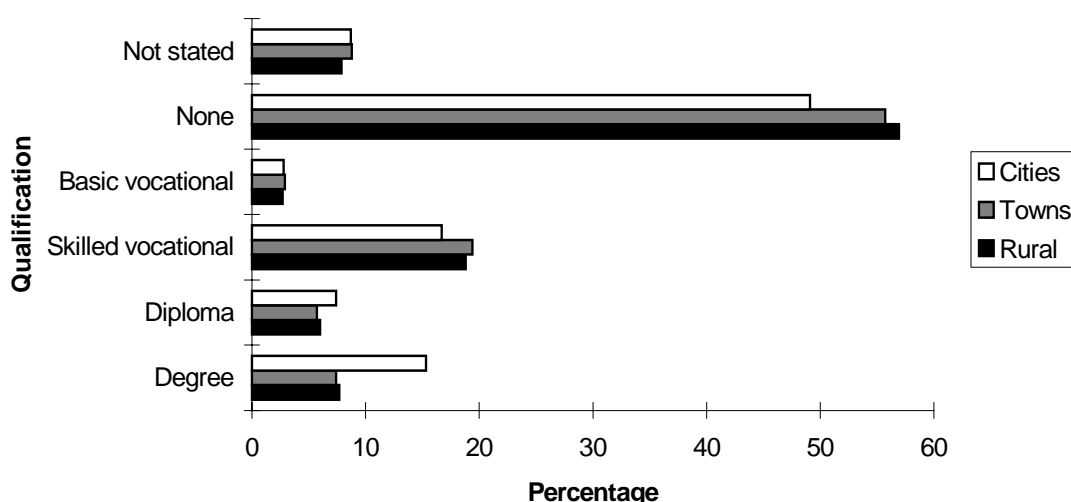
Education levels are often linked to improved employment prospects and higher incomes. In particular, levels of education and training are important when a regional economy is changing and people are required to cope with changes in the

location and types of employment available. For example, while further education may not be a necessary requirement for some occupations in country areas, it can be a useful credential for those wishing to enter occupations where employment opportunities are greater. It can also provide important life skills which improve people's ability to adjust to changing circumstances and take up new opportunities.

At the secondary school level, rural areas commonly have slightly lower rates of completion than urban areas. Recently published data show that, in 1997, this was the case in all jurisdictions except Queensland, where completion rates in urban and rural areas were the same. Nationwide, the average completion rate is 64 per cent in rural areas, compared with 66 per cent in urban areas (SCRCSSP 1999, p. 79). Those residing in more remote areas are more likely to rely on distance education and have access to a reduced range of education facilities than those in the cities.

As for post-secondary education, rural areas and towns had the highest proportion of people with no post-school qualifications in 1996 (figure 2.6). The proportion of families whose primary reference person had an undergraduate degree or higher qualification was 15 per cent in cities and around 8 per cent in rural areas and towns. University participation rates of 19–21 year olds in 1996 were nearly 19 per cent in rural and remote areas, compared with 27 per cent in metropolitan areas (mainly the capital cities) (DETYA 1999). These figures are based on the place of residence of students before they left the parental home.

**Figure 2.6 Post-school educational qualifications<sup>a</sup>, 1996**



<sup>a</sup> Refers to primary family reference person.

Source: ABS (1998a).

However, as indicated in figure 2.6, family reference persons in rural areas and towns were marginally more likely than those in cities to have a skilled vocational

qualification. Current participation rates in vocational education and training (VET) were also higher in rural and remote areas than in the capital cities. Australia-wide, the average participation rate in VET in rural areas was 8.3 per cent in 1997, compared with 8.1 per cent in remote areas and 6.8 per cent in capital cities (SCRCSSP 1999, p. 213). Therefore, while university education rates may be lower, a higher rate of vocational education could reflect a greater need for such qualifications in country areas, particularly when changing occupations.

Farmers make up around 12 per cent of the workforce in country Australia. In table 2.9 the level of qualifications held by farmers is compared with that of the general labour force. More than 50 per cent of farmers have completed four years or less of secondary education, with less than a third completing post-secondary qualifications. These levels of educational attainment compare unfavourably with those of the labour force as a whole. Low levels of formal education can make it difficult for people to cope with changing economic circumstances, especially in times of high unemployment.

**Table 2.9 Level of qualifications of those working in agriculture, 1995**

| <i>Qualification</i>                                    | <i>Employed in agriculture</i> | <i>Labour force as a whole</i> |
|---|--------------------------------|--------------------------------|
| Completed 4 years or less of secondary school           | 53.7                           | 32.8                           |
| Completed secondary school                              | 14.5                           | 18.1                           |
| Completed trade, technical course and/or apprenticeship | 19.4                           | 23.2                           |
| Completed associate diploma or above                    | 12.4                           | 25.9                           |
| With post-school qualifications                         | 31.8                           | 49.1                           |
| Other remote centres                                    | 2.4                            | 3.7                            |

*Source:* Rural Industries Research and Development Corporation (1998).

## Income levels

As shown in table 2.10, regional household incomes, which include transfer payments, are quite disparate across Australia. However, these data need to be interpreted with caution. They are sensitive to the number of self-employed (or 'own-account') workers, whose income may be underestimated. Country areas often have large numbers of such workers (see table 2.8).

In addition, incomes have not been adjusted to take into account the considerable differences in costs of living across Australia. For example, a major part of most household budgets is housing, and average rents and mortgage payments are much lower in many country areas, reflecting lower house and land prices (see section 2.4). This means that little reliance should be placed on comparisons based on *levels* of income. Nonetheless, as the systematic biases in the reported levels of income are unlikely to have changed significantly over time more reliance may be placed on

comparisons of changes in income levels *over time*. That is, if the data show that over time a region is better (or worse) off, it probably is.

The majority of country areas appear to have household incomes below the national average, while most capital cities have above-average incomes. However, there are some notable exceptions. Many of the more remote mining regions (eg the Pilbara and south-eastern Western Australia) have average household incomes significantly higher than the national average. On the other hand, some regions which are closer to the capitals have quite low average incomes (eg Barwon in Victoria and Moreton in Queensland).

Significantly, however, comparisons made over time show that household incomes in almost all country regions declined, relative to the national average, between 1981 and 1996. The two notable exceptions were the mining regions of North-Western (Queensland) and South Eastern (Western Australia). Of the capital cities, incomes increased relative to the national average in Sydney, Melbourne, Brisbane, Perth and Canberra, but declined in Adelaide, Hobart and Darwin. One factor contributing to this decline in average regional income levels could be the movement of retirees to country areas, as identified earlier in this chapter, since retirees usually have lower incomes.

**Table 2.10 Average household income by statistical division <sup>a</sup>, 1981–96**

| Region          | 1981                     |                           | 1996                     |                           |
|-----------------|--------------------------|---------------------------|--------------------------|---------------------------|
|                 | Average household income | Ratio to national average | Average household income | Ratio to national average |
|                 | \$'000                   | %                         | \$'000                   | %                         |
| Australia       | 16.0                     | 100.0                     | 38.0                     | 100.0                     |
| Sydney          | 17.4                     | 109.1                     | 45.7                     | 120.1                     |
| Hunter          | 15.5                     | 97.2                      | 34.4                     | 90.4                      |
| Illawarra       | 15.3                     | 95.6                      | 32.7                     | 86.1                      |
| Richmond–Tweed  | 13.7                     | 85.9                      | 28.6                     | 75.1                      |
| Mid–North Coast | 13.0                     | 81.2                      | 27.0                     | 71.0                      |
| Northern        | 14.6                     | 91.1                      | 30.0                     | 78.9                      |
| North Western   | 14.2                     | 88.9                      | 29.6                     | 77.9                      |
| Central West    | 14.4                     | 90.4                      | 31.9                     | 83.9                      |
| South–Eastern   | 13.5                     | 84.8                      | 32.4                     | 85.1                      |
| Murrumbidgee    | 15.7                     | 98.0                      | 33.5                     | 88.1                      |
| Murray          | 15.2                     | 95.0                      | 31.4                     | 82.5                      |
| Far Western     | 15.4                     | 96.4                      | 28.0                     | 73.7                      |

(Continued on next page)

Table 2.10 (continued)

| Region                                  | 1981                     |                           | 1996                     |                           |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
|   | Average household income | Ratio to national average | Average household income | Ratio to national average |
|   | \$'000                   | %                         | \$'000                   | %                         |
| Melbourne                               | 16.6                     | 104.0                     | 40.9                     | 107.7                     |
| Barwon                                  | 13.2                     | 82.7                      | 29.7                     | 78.2                      |
| Western District                        | 13.7                     | 85.6                      | 30.4                     | 80.0                      |
| Central Highlands                       | 13.5                     | 84.3                      | 29.9                     | 78.5                      |
| Wimmera                                 | 14.2                     | 88.9                      | 28.8                     | 75.7                      |
| Mallee                                  | 15.1                     | 94.4                      | 29.5                     | 77.5                      |
| Loddon–Campaspe                         | 13.5                     | 84.6                      | 30.2                     | 79.4                      |
| Goulburn                                | 14.1                     | 88.0                      | 30.3                     | 79.7                      |
| Ovens–Murray                            | 14.5                     | 90.7                      | 36.2                     | 95.2                      |
| East Gippsland                          | 12.8                     | 80.2                      | 25.7                     | 67.6                      |
| Gippsland                               | 14.0                     | 87.6                      | 25.8                     | 67.8                      |
| Brisbane                                | 16.0                     | 100.0                     | 39.9                     | 104.9                     |
| Moreton                                 | 13.2                     | 82.3                      | 31.3                     | 82.4                      |
| Wide Bay–Burnett                        | 13.6                     | 84.9                      | 27.2                     | 71.4                      |
| Darling Downs                           | 13.6                     | 85.0                      | 30.6                     | 80.6                      |
| South–West                              | 13.6                     | 85.2                      | 31.2                     | 82.2                      |
| Fitzroy                                 | 17.1                     | 106.9                     | 37.7                     | 99.1                      |
| Central West                            | 15.1                     | 94.7                      | 33.1                     | 87.2                      |
| Mackay                                  | 19.0                     | 118.8                     | 44.8                     | 117.7                     |
| Northern                                | 16.9                     | 105.7                     | 37.4                     | 98.3                      |
| Far North                               | 16.5                     | 103.3                     | 38.4                     | 101.1                     |
| North–Western                           | 19.5                     | 121.9                     | 48.2                     | 126.7                     |
| Adelaide                                | 15.2                     | 95.0                      | 35.2                     | 92.5                      |
| Outer Adelaide                          | 11.7                     | 73.5                      | 28.1                     | 73.8                      |
| Yorke and Lower North                   | 10.6                     | 66.5                      | 20.7                     | 54.3                      |
| Murray Lands                            | 12.3                     | 77.0                      | 25.9                     | 68.0                      |
| South East                              | 14.3                     | 89.8                      | 30.9                     | 81.2                      |
| Eyre                                    | 14.0                     | 87.5                      | 26.6                     | 70.0                      |
| Northern                                | 15.2                     | 94.9                      | 30.2                     | 79.3                      |
| Perth                                   | 16.0                     | 100.1                     | 39.1                     | 102.9                     |
| South West                              | 12.9                     | 80.8                      | 30.2                     | 79.3                      |
| Lower Great Southern                    | 14.4                     | 89.9                      | 29.3                     | 77.0                      |
| Upper Great Southern                    | 16.7                     | 104.8                     | 35.8                     | 94.1                      |
| Midlands                                | 14.4                     | 90.2                      | 31.0                     | 81.5                      |
| South Eastern                           | 17.8                     | 111.1                     | 57.2                     | 150.5                     |
| Central                                 | 16.8                     | 105.4                     | 39.6                     | 104.1                     |
| Pilbara                                 | 31.1                     | 194.7                     | 61.1                     | 160.6                     |
| Kimberley                               | 25.0                     | 156.5                     | 46.2                     | 121.6                     |
| Hobart                                  | 15.5                     | 97.0                      | 34.4                     | 90.5                      |
| Southern                                | 9.5                      | 59.7                      | 20.0                     | 52.6                      |
| Northern                                | 13.5                     | 84.6                      | 29.0                     | 76.3                      |
| Mersey–Lyell                            | 14.6                     | 91.4                      | 29.3                     | 77.0                      |
| Darwin                                  | 22.7                     | 142.2                     | 49.9                     | 131.3                     |
| Balance of Northern Territory           | 21.4                     | 133.8                     | 45.7                     | 120.1                     |
| Canberra                                | 21.4                     | 134.1                     | 51.8                     | 136.2                     |
| Balance of Australian Capital Territory | 13.4                     | 83.9                      | 30.7                     | 80.7                      |

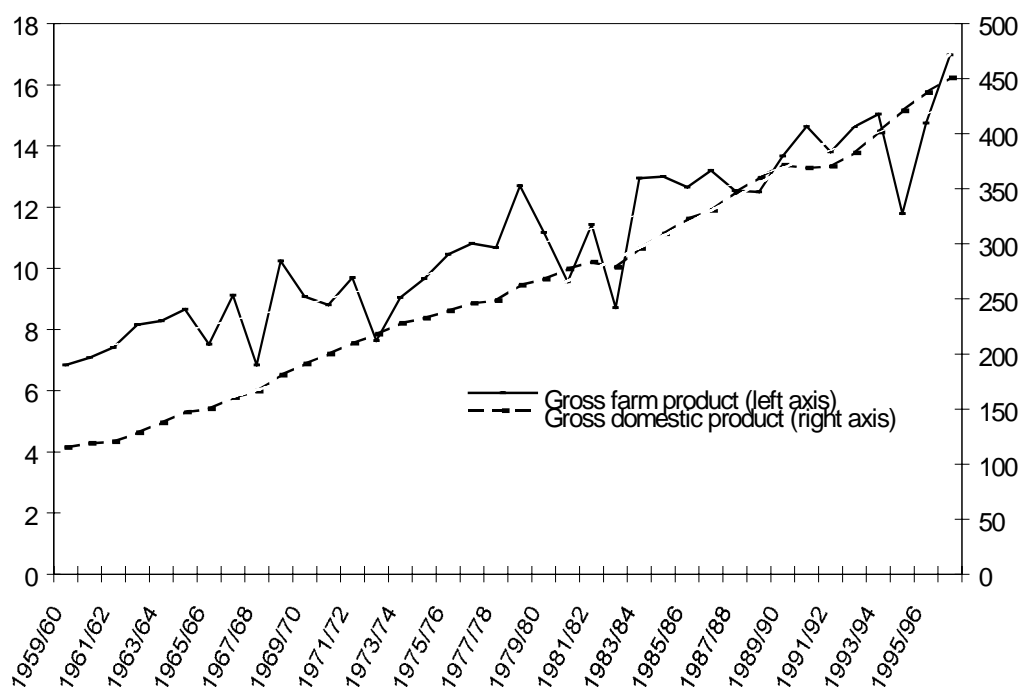
<sup>a</sup> Offshore areas and Migratory and Other Territories have been omitted.

Source: ABS (*Census of Population and Housing*, various years).

An examination of Australian Taxation Office statistics on postcodes with the lowest and highest mean earnings reveals a similar picture. The taxation data indicate that the high earning postcodes are all either in the metropolitan areas or in remote mining areas, whereas the majority of low earning postcodes are located in inland rural areas (ATO 1998).

As a broad indicator of the income of farmers, a chart of gross farm product since 1959-60 (figure 2.7) indicates that the growth in farmers' incomes has been weaker than the gross domestic product over the last four decades. Since farmers make up around one-eighth of the population in rural and regional Australia, this slower growth would have had some impact on the income of the communities involved. It is also evident how much farm incomes tend to fluctuate from year to year with changing climatic conditions and commodity prices.

**Figure 2.7 Gross farm product and gross domestic product at 1989-90 prices, 1959-60 to 1996-97**  
(\$'000m)



Source: ABS (1999a)

*By some measures, people in country Australia have lower incomes relative to those in the cities, and the difference appears to be increasing. Educational attainment is lower, although there is a higher proportion of people with vocational training. On average, the unemployment rate is also higher in country Australia. The picture is a diverse one, with some regions doing much better than others.*

## 2.4 Social indicators: country and city

This inquiry has been asked to consider the social consequences of implementing the NCP reforms, particularly any differences between country and metropolitan Australia. To provide a background picture of country Australia against which the social impacts of NCP can be compared, the Commission has reviewed social indicators from the ABS *Census of Population and Housing* and other recent publications. The indicators relate to housing, income support and family structure. Also considered are health indicators such as access to medical and aged care services, mortality rates and suicide rates. An overall perspective and a convenient starting point is recent work by the ABS in developing an Index of Relative Socio-Economic Disadvantage (ABS 1998e).

### Socioeconomic disadvantage

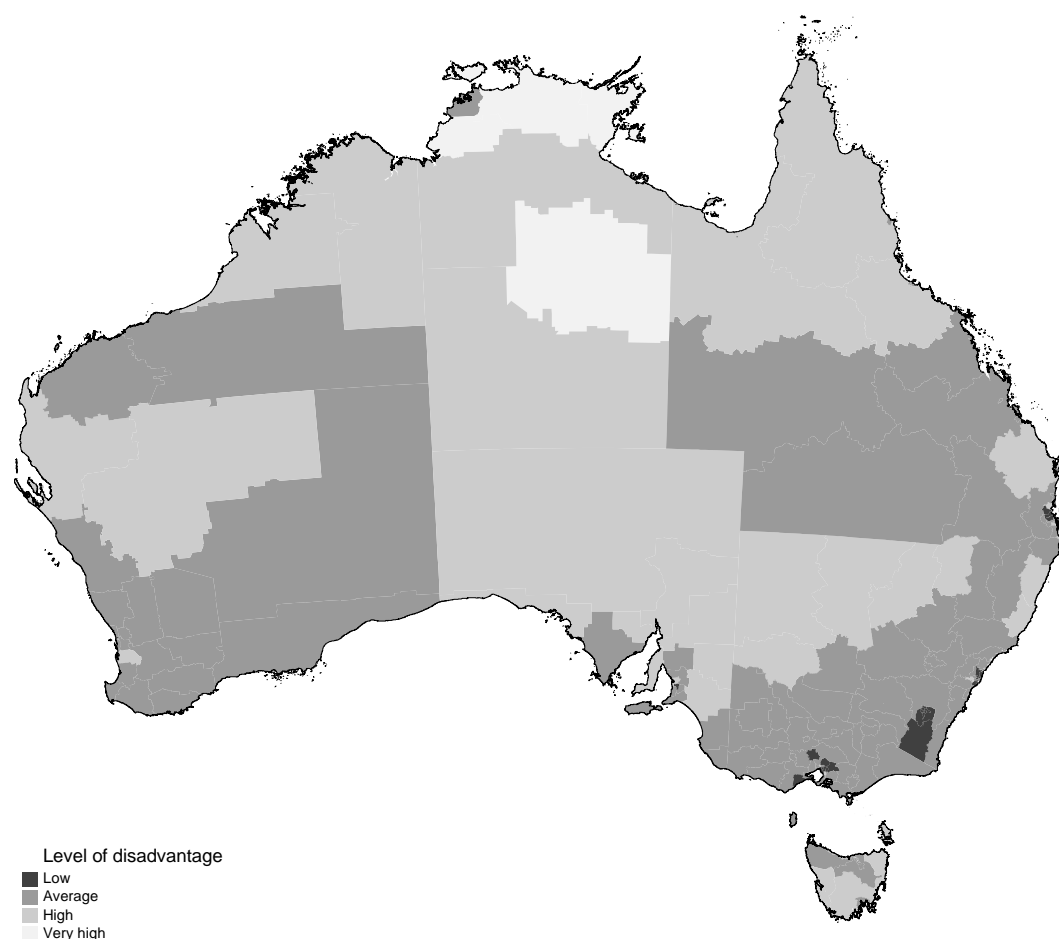
The Index of Relative Socio-Economic Disadvantage is constructed from data measuring unemployment and the proportions in the population accounted for by those who are low income earners, have relatively low educational attainment, rent rather than own dwellings, and lack fluency in English. From a base value of 1000 for the whole of Australia, data for individual regions are used to construct an index value for comparison. A low index value indicates a high degree of socioeconomic disadvantage.

The index values for each of the 194 statistical sub-divisions across Australia are shown in figure 2.8. It is apparent that some remote areas in the Northern Territory suffer the highest socioeconomic disadvantage, along with some metropolitan sub-divisions which, due to their small size, cannot be shown on the map. The areas of lowest socioeconomic disadvantage are concentrated in the large cities and the holiday areas such as the snowfields of New South Wales and the Surf Coast statistical division in Victoria. Since the Census is taken in August, those areas which attract large tourist populations at that time of year, including the snowfields and the Surf Coast, will return a skewed measure of disadvantage. This is because

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Figure 2.8     **Index of relative socio-economic disadvantage, 1996**

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Source: ABS (1998e).

tourists are unlikely to display the same socioeconomic characteristics as the resident population.

Most of ‘remote’ Australia (as defined in appendix B) has some degree of socioeconomic disadvantage, with the notable exceptions of the Pilbara and the south-east of Western Australia (where the mining industry employs people at relatively high incomes) and south-western Queensland. Most of ‘rural’ Australia (as defined in appendix B) has a level of socioeconomic disadvantage close to the national average, although parts of Tasmania, South Australia, northern New South Wales and some coastal regions in Queensland are more disadvantaged than the average.

While the map shows some concordance between population density and prosperity, the numerous exceptions in both metropolitan and country areas indicate a significantly different situation at the sub-regional level. In other words, while a



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general picture can be presented in metropolitan/country terms, the situation in particular areas can be quite different.

## **Housing**

One positive indicator appears to be the housing situation. Ownership levels are higher in country areas, while rents and mortgage payments are cheaper. In 1996, about half of rural families (fully) owned their homes, compared with 39 per cent of those living in towns and 43 per cent of city dwellers. About 17 per cent of rural families were renting, compared with 28 per cent in towns and 24 per cent in cities. Median rents in 1996 were around \$77 per week in rural areas, \$127 for towns and \$168 in cities. A similar picture emerges with respect to mortgage payments, with weekly median mortgage payments being around \$171 in rural areas, \$163 in towns and \$192 in cities (ABS 1998a).

## **Families**

Rural areas have the highest proportion of 'traditional' families. In 1996, 90 per cent of families in rural areas were 'couple families'. This compares with 83 per cent in cities and towns. One-parent families represented 9 per cent of families in rural areas, compared with 15 per cent in cities and in towns.

Rural families are more likely to have children: the proportion of couple-families with children was 45 per cent in rural areas and around 40 per cent in cities and towns (ABS 1998a). Rural families also have more children — the proportion of families with three or more dependent children was around 25 per cent in rural areas, compared with 13 per cent in towns and 11 per cent in cities. This higher incidence of families with children in rural areas, especially families with a large number of children, is reflected in the greater proportion of 0–14 year olds in rural areas (figure 2.4).

In 1993-94, the proportion of families receiving a government pension or allowance as their principal source of income was highest in towns at 29 per cent, compared with 24 per cent in rural areas and 21 per cent in capital cities. The higher rate for towns probably reflects higher unemployment rates and, as shown in figure 2.4, a higher proportion of people eligible for the age pension. Further disaggregation reveals that one-parent families in rural areas were more likely to receive government benefits (70 per cent) than those in cities (48 per cent). Therefore, while there is a lower incidence of one-parent families in rural areas, they are more likely to be receiving welfare payments.

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## Medical services

It is generally accepted that country Australia, and remote regions in particular, have more limited access to the range of medical facilities than those residing in urbanised areas. Indeed, estimates of the number of general practice (GP) consultations per capita decline with remoteness (table 2.11), supporting the idea that medical access is a problem in country Australia.

In terms of the largest differences depicted in table 2.11, the number of GP consultations per 1000 persons in 'other remote areas' was about half the rate for capital cities. Factors contributing to some of this difference include the fact that GP consultations are much less common among males than females, and that males make up a relatively large share of remote populations.

The Australian Institute of Health and Welfare (AIHW 1998a) notes that there are alternative services in rural and remote areas — for example, hospital services, salaried community medical services (especially Aboriginal medical services) and substitute primary-care providers such as Aboriginal health workers and registered nurses. As for access to specialist medical services (such as facilities for complex surgery), there is some provision for assistance to be given to transport eligible patients to such facilities in the cities and provincial centres.

The concentration of primary care medical practitioners by location (table 2.12) clearly indicates that access declines with remoteness. The data indicate that in 1995 around 15 per cent of medical practitioners worked in rural and remote areas serving 30 per cent of the population (AIHW 1998a).

Access to hospital facilities also declines with remoteness. The Australian Institute of Health and Welfare stated that:

**Table 2.11 General practice consultations per capita<sup>a</sup>, 1995-96**

| <i>RRMA Category<sup>b</sup></i> | <i>Males</i> | <i>Females</i> | <i>Persons</i> |
|----------------------------------|--------------|----------------|----------------|
| Capital cities                   | 5.3          | 7.0            | 6.1            |
| Other metropolitan centres       | 4.7          | 6.3            | 5.5            |
| Large rural centres              | 4.1          | 5.6            | 4.9            |
| Small rural centres              | 3.8          | 5.4            | 4.6            |
| Other rural centres              | 3.4          | 4.9            | 4.2            |
| Remote centres                   | 3.0          | 4.4            | 3.7            |
| Other remote centres             | 2.4          | 3.7            | 3.0            |
| <b>Total</b>                     | <b>4.7</b>   | <b>6.4</b>     | <b>5.6</b>     |

<sup>a</sup> Age-standardised to the Australian population at 30 June 1991. <sup>b</sup> Rural, Remote and Metropolitan Areas (RRMA) classification.

Source: AIHW (1998a).

**Table 2.12 Distribution of primary-care medical practitioners, registered by State and Territory, 1995**

| RRMA category <sup>a</sup> | Practitioners per 100 000 persons |                             |                   | Total        |
|----------------------------|-----------------------------------|-----------------------------|-------------------|--------------|
|                            | VRGPs <sup>b</sup>                | RACGP trainees <sup>c</sup> | OMPs <sup>d</sup> |              |
| Capital cities             | 109.4                             | 8.6                         | 12.1              | 130.0        |
| Other metropolitan centres | 98.4                              | 7.6                         | 8.8               | 114.8        |
| Large rural centres        | 94.9                              | 6.1                         | 5.8               | 106.8        |
| Small rural centres        | 85.3                              | 5.8                         | 5.6               | 96.6         |
| Other rural areas          | 70.7                              | 4.8                         | 3.6               | 79.1         |
| Remote centres             | 70.7                              | 6.8                         | 6.3               | 83.8         |
| Other remote areas         | 45.0                              | 6.0                         | 14.0              | 64.9         |
| <b>Total</b>               | <b>99.1</b>                       | <b>7.6</b>                  | <b>9.8</b>        | <b>116.5</b> |

<sup>a</sup> Rural, Remote and Metropolitan Areas (RRMA) classification. <sup>b</sup> Vocationally Registered General Practitioners. <sup>c</sup> Royal Australian College of General Practitioners trainees. <sup>d</sup> Other Medical Practitioners.

Source: AIHW (1998a).

The level of expenditure per available hospital bed declines sharply with increasing rurality, for both public and private hospitals. In 1995-96, the rate of expenditure in comparison to 'capital cities' was 20 per cent less in 'large rural centres' and 54 per cent less in the 'remainder' of Australia (AIHW 1998b, p. 80).

The Commonwealth and State governments have a widening range of policies in place to encourage doctors to set up practices in country Australia. For example, the Commonwealth Government in its 1999 Budget announced that it would spend \$43 million over four years to provide additional incentives for long serving general practitioners to remain in country towns (Anderson and Macdonald 1999). On the other hand, there continue to be restrictions on trainee and foreign doctors and the allocation of provider numbers, which were said by some participants to be an impediment to practitioners moving to the country.

## Aged care services

The available data also suggest that country Australia has a reduced provision of aged care services. While cities and large towns have more than 400 nursing home beds per 100 000 persons aged 70 years and over, more outlying areas have less than two-thirds that number (AIHW 1998b, p. 92). Remote areas have fewer than 200 beds per 100 000 population. In rural and remote zones, 20 per cent of hospital beds are occupied by nursing-home-type patients because of the lower supply of nursing home beds.

Previous work by the Commission has found that rural and remote nursing homes are often required to perform a wider range of functions than their metropolitan counterparts for a number of reasons, such as the lack of allied professionals in those areas (PC 1999d, p. 111). As such, the extent to which aged care facilities can

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adequately provide for those in rural and remote areas would appear to be limited in comparison with those in cities.

## **Mortality rates**

Country Australia suffers higher overall mortality rates (death rates per 100 000 age-standardised to the Australian population as at 1991) than the capital cities. For the period 1992–96, both male and female mortality rates from all causes were higher than the national average in both rural and remote areas (AIHW 1998b). The death rate for males in remote towns with more than 5000 people was 1037 per 100 000, compared with the capital city rate of 828 per 100 000. That for females was 651 per 100 000 in remote towns as compared with 509 per 100 000 in capital cities.

This higher mortality rate was attributable mainly to higher death rates from coronary heart disease, injury and road accidents, along with the higher proportion of the indigenous population in remote areas. The male death rate from injury, in particular, was more than 51 per cent higher in remote areas than the national death rate. Death rates for cancer showed little variation between country and city areas, but those from diabetes and homicide were significantly higher in remote areas. According to the Australian Institute of Health and Welfare, ‘This reflects the high death rates for these causes among indigenous people, who form a relatively high proportion of the remote population’ (AIHW 1998a, p.42). This does not completely explain the higher death rates because indigenous death rates are also higher in rural and remote areas than in metropolitan areas. The higher death rates from preventable causes support the contention that lower levels of health service provision (and perhaps utilisation) are having a discernible adverse effect on the welfare of country people.

## **Suicide**

An analysis of ABS data on suicides for the period 1964 to 1993, published in the *Medical Journal of Australia* (Dudley *et al.* 1998), indicates an increase in the number of male suicides in country areas. Key findings include:

- suicide among males aged 15–24 increased in all States while female suicide rates did not rise;
- in the 1960s, male youth suicide rates were higher in metropolitan centres than in small rural areas — by 1993 this relationship had been reversed; and
- during the study period, male suicide rates trebled — doubling in metropolitan areas and increasing by up to 12-fold in towns with fewer than 4000 people.

The key findings are summarised in table 2.13. The sample includes 8537 persons who committed suicide over a 30 year period, disaggregated by sex, State and size of location. Relatively small absolute increases from a small base may produce large percentage increases (such as the 34.5 fold increase in male suicides in small Victorian towns). That said, the trend is evident across all States. Moreover, in 1993, towns with lower than 4000 people recorded the highest *absolute* male suicide rates in Victoria, Queensland and Western Australia.

While the research did not examine the causes of the increase in suicide rates, the fact that the increase is on a nationwide scale and appears to be especially serious in country areas could be a symptom of an overall deterioration in the wellbeing of country Australians.

**Table 2.13 Increase in suicide rates from 1964 to 1993, males aged 15–24**

| <i>State</i>      | <i>Capital city increase</i> | <i>Towns &gt;4000 increase</i> | <i>Towns &lt;4000 increase</i> |
|-------------------|------------------------------|--------------------------------|--------------------------------|
| New South Wales   | 1.6 fold                     | 3.8 fold                       | 9.9 fold                       |
| Victoria          | 4.2 fold                     | 5.5 fold                       | 34.5 fold                      |
| Queensland        | 3.0 fold                     | 1.9 fold                       | 31.6 fold                      |
| South Australia   | 2.7 fold                     | 1.8 fold                       | 5.5 fold                       |
| Western Australia | 2.5 fold                     | 3.2 fold                       | 7.0 fold                       |
| Tasmania          | >2.0 fold                    | ..                             | 3.6 fold                       |

.. Towns >4000 in Tasmania recorded a decreasing suicide rate over the period.

Source: Dudley *et al.* (1998).

## Lifestyle

People living in rural and regional areas of Australia often choose to live (or remain living) there for a multitude of lifestyle-related reasons. Such factors as clean air, reduced congestion, accessibility to open spaces and a stronger sense of community continue to draw people to country areas and retain those already there. The growth of population in coastal areas would suggest that the coast has a particular drawing power. These factors are difficult to quantify, but were identified by many participants as being the reasons why they chose to live in country Australia, notwithstanding the varied picture presented in the above social indicators.

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