OECD REGIONS AND CITIES AT A GLANCE - COUNTRY NOTE

AUSTRALIA

A. Resilient regional societies

B. Regional economic disparities and trends in productivity

C. Well-being in regions

D. Industrial transition in regions

E. Transitioning to clean energy in regions

F. Metropolitan trends in growth and sustainability

The data in this note reflect different subnational geographic levels in OECD countries:

- **Regions** are classified on two territorial levels reflecting the administrative organisation of countries: large regions (TL2) and small regions (TL3). Small regions are classified according to their access to metropolitan areas (see https://doi.org/10.1787/b902cc00-en).

- **Functional urban areas** consists of cities – defined as densely populated local units with at least 50,000 inhabitants – and adjacent local units connected to the city (commuting zones) in terms of commuting flows (see https://doi.org/10.1787/d58cb34d-en). Metropolitan areas refer to functional urban areas above 250,000 inhabitants.

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A. Resilient regional societies

Occupations in the capital region offer the highest potential for remote working in Australia

The share of jobs that can be performed remotely is relatively homogeneous across Australian regions. Close to 40% of jobs are amenable to remote working in all states except the Australian Capital Territory, where that share is 51% (Figure A1). Such differences depend on the task content of the occupations in the regions, which can be amenable to remote working to different extents.

Seizing the opportunities of digitalisation requires also efficient and widespread digital infrastructure. People in the Australian Capital Territory have the highest access to internet in the country, with 94% of the households connected to internet in 2017 (Figure A2). At that time, the share of households with internet access was 11 percentage points lower in South Australia, the region with lowest average access in the country.
Ageing challenges regions far from metropolitan areas more strongly

The elderly dependency rate, defined as the ratio between the elderly population and the working age (15-64 years) population, has increased in all types of regions in Australia since 2000. Regions far from metropolitan areas show the highest elderly dependency rate (32%) among the different types of regions (Figure A3). In six out of 50 small regions in Australia, there are two elderly for every five persons in their working-age in 2019 (Figure A4).

Australian regions have less hospital beds per capita than OECD average

All regions in Australia have less hospital beds per capita than the OECD average. The availability of hospital beds per 1,000 inhabitants has remained stable since 2008 in all Australian regions, except in South Australia, Tasmania and Northern Territory, where it has decreased (Figure A5). Regional disparities in hospital beds are below the OECD average, with Northern Territory having the lowest availability of hospital beds in 2016, almost half of those available per 1,000 inhabitants in Queensland.

Figure notes. [A3]: OECD (2019), Classification of small (TL3) regions based on metropolitan population, low density and remoteness. [A4]: Small (TL3) regions contained in large regions. TL3 regions in Australia are composed by 49 Statistical Areas Level 4 and Greater Capital City Statistical Area.
B. Regional economic disparities and trends in productivity

Regional economic gaps have increased since 2000, partially due to high growth in the most productive regions

The gap in GDP per capita between the richest and poorest region increased in Australia over the last eighteen years. Behind this trend is the growth of GDP per capita by more than 50% in the Northern Territory over the period 2000-18, compared to 34% in Tasmania, the region with lowest GDP per capita in the country, in the same period (Figure B1).

With a productivity growth of 1% per year between 2000 and 2018, Tasmania, the least productive region, has further increased its gap from Western Australia (+2.5% per year), the frontier region in terms of productivity (Figure B2).
Well-being in Australian regions is higher than the OECD average in many dimensions, but stark regional disparities exist in sense of community, safety and jobs.

C1 Well-being regional disparity, large regions (TL2)

Note: Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 440 OECD regions. The eleven dimensions are ordered by decreasing regional disparities in the country. Each well-being dimension is measured by the indicators in the table below.

All eight Australian states are among the top 30% of OECD regions in terms of household income, environment (exposure to air pollution), housing (rooms per person), and life satisfaction. However, sense of community and safety are highly unequal across Australian states. While Canberra (Capital Territory) is in the top 5% of OECD regions in safety, Northern Territory is in the bottom half. In addition, Canberra ranks the highest among Australian states in five well-being dimensions (Figure C1).

The top performing Australian regions rank above the average of the top 20% of OECD regions in 7 out of 13 well-being indicators, particularly in terms of household income and rooms per person (Figure C2).

C2. How do the top and bottom regions fare on the well-being indicators?

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Country Average</th>
<th>OECD Top 20% regions</th>
<th>Australian regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>Perceived social network support (%), 2014-18</td>
<td>93.8</td>
<td>94.1</td>
</tr>
<tr>
<td>Safety</td>
<td>Homicide Rate (per 100,000 people), 2016-18</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Jobs</td>
<td>Employment rate 15 to 64 years old (%), 2019</td>
<td>74.3</td>
<td>76.0</td>
</tr>
<tr>
<td>Access to services</td>
<td></td>
<td>5.3</td>
<td>3.3</td>
</tr>
<tr>
<td>Education</td>
<td>Households with broadband access (%), 2019</td>
<td>85.9</td>
<td>91.3</td>
</tr>
<tr>
<td>Health</td>
<td>Population with at least upper secondary education, 25-64 year-olds (%), 2019</td>
<td>80.8</td>
<td>90.3</td>
</tr>
<tr>
<td>Civic engagement</td>
<td>Life Expectancy at birth (years), 2018</td>
<td>82.8</td>
<td>82.6</td>
</tr>
<tr>
<td></td>
<td>Age adjusted mortality rate (per 1000 people), 2018</td>
<td>6.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Income</td>
<td>Voters in last national election (%), 2019 or latest year</td>
<td>91.9</td>
<td>84.2</td>
</tr>
<tr>
<td>Environment</td>
<td>Disposable income per capita (in USD PPP), 2018</td>
<td>29,858</td>
<td>26,617</td>
</tr>
<tr>
<td>Housing</td>
<td>Level of air pollution in PM2.5 (µg/m³), 2019</td>
<td>5.1</td>
<td>7.0</td>
</tr>
<tr>
<td>Life Satisfaction</td>
<td>Rooms per person, 2018</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Life satisfaction (scale from 0 to 10), 2014-18</td>
<td>7.3</td>
<td>7.3</td>
</tr>
</tbody>
</table>

Note: OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2); Australia is composed of eight large regions. Source: https://www.oecdregionalwellbeing.org
Both employment and gross value added in manufacturing has declined in all Australian regions since 2000

Between 2000 and 2019, all large regions in Australia experienced a decline in the share of manufacturing employment. With a reduction of 7.5 pp in the share of employment in manufacturing, Victoria, the most populous region, recorded the fastest decrease (Figure D1).

The three large regions of Victoria, Queensland, and Western Australia accounted for a larger share of total employment in 2018 compared to that in 2000. The decline in manufacturing employment experienced by all regions during the same period has coincided with a reduction in manufacturing gross value-added (Figure D2).
E. Transitioning to clean energy in regions

New South Wales, Queensland and Victoria, which contribute to 78% of Australian electricity, still produce most electricity using coal and with limited use of renewables

The largest producers of electricity in Australia still heavily rely on coal for electricity generation. New South Wales, Queensland and Victoria – which generate 78% of Australian electricity – produce 70% or more of their electricity using coal. On the other hand, South Australia and Tasmania generate 40% and 80% of their electricity using renewable sources, respectively (Figure E1).

CO₂ emissions per electricity generated varies widely across Australian regions. While Queensland emits more than 720 tons of CO₂ per gigawatt hour of electricity produced, Tasmania releases less than 120 tons of CO₂ per gigawatt hour. Relative to total national levels, Queensland produces 24% of Australian electricity, but accounts for 28% of CO₂ emissions from electricity generation in the country. In contrast, South Australia produces 7% of the electricity in the country, but emits 4% of the country’s CO₂ related to this activity (E2).
F. Metropolitan trends in growth and sustainability

Compared to the OECD average, Australia has a higher concentration of people in metropolitan areas above half a million inhabitants

In Australia, 78% of the population lives in cities of more than 50,000 inhabitants and their respective commuting areas (functional urban areas, FUAs), which is slightly higher than the OECD average. The share of population in FUAs with more than half a million people is 67%, 7-percentage points higher than the OECD average (Figure F1).

![Distribution of population in cities by city size](image)

**F1. Distribution of population in cities by city size**
Functional urban areas, 2018

- **Australia, percentage of population in cities**
  - Above 500,000: 22%
  - Between 250,000 and 500,000: 6%
  - Between 50,000 and 250,000: 5%
  - Other settlements below 50,000: 10%
  - 25 million people - 78% live in cities

- **Population by city size, a global view**
  - Australia: 67% above 500,000 pop., 75% between 500,000 and 250,000 pop., 64% between 250,000 and 500,000 pop., and 60% other settlements below 50,000 pop.
  - Europe (29 countries): 67% above 500,000 pop., 79% between 500,000 and 250,000 pop., 64% between 250,000 and 500,000 pop., and 60% other settlements below 50,000 pop.
  - OECD (37 countries): 67% above 500,000 pop., 75% between 500,000 and 250,000 pop., 64% between 250,000 and 500,000 pop., and 60% other settlements below 50,000 pop.

![Built-up area per capita](image)

**F2. Built-up area per capita**
Functional urban areas with more than 500,000 inhabitants

- Greater Brisbane: 600 m² per capita in 2014, 550 m² per capita in 2000
- Greater Perth: 500 m² per capita in 2014, 450 m² per capita in 2000
- Gold Coast: 450 m² per capita in 2014, 400 m² per capita in 2000
- Greater Adelaide: 400 m² per capita in 2014, 350 m² per capita in 2000
- Greater Melbourne: 350 m² per capita in 2014, 300 m² per capita in 2000
- Greater Sydney: 300 m² per capita in 2014, 250 m² per capita in 2000
- OECD average: 250 m² per capita in 2014, 200 m² per capita in 2000

Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500,000: six in Australia compared to 349 in the OECD.
The metropolitan area of Perth has experienced the highest economic growth among Australian metropolitan areas since 2000.

With an estimated growth of GDP per capita by more than 2.5% per year between 2000 and 2018, Greater Perth metropolitan area experienced the highest economic growth and ranked in 2018 among the top 5% of OECD metropolitan areas in terms of GDP per capita levels.

**Figure [F3]:** GDP per capita for Gold Coast is not represented due to low quality of the estimates.