

Did you know?

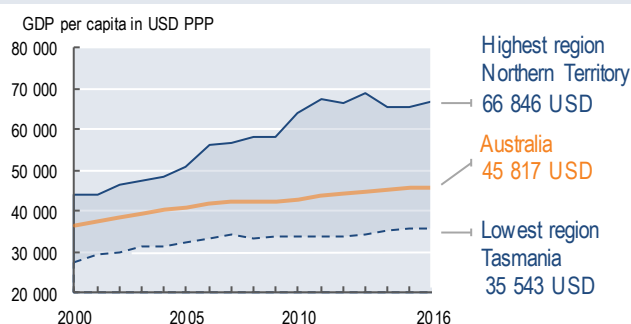
Youth unemployment was below the OECD average in all Australian regions in 2016.

The six metropolitan areas in Australia accounted for almost two-thirds of national GDP growth in 2000-16.

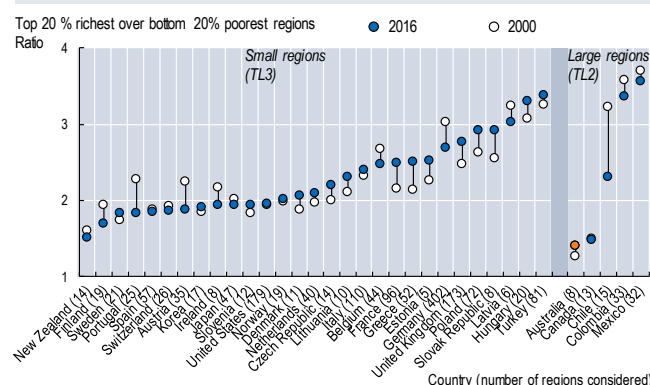
Local governments in Australia carry out more than 72% of public investment, compared to the OECD average of 57% in 2016.

Economic trends in regions

Regional gap in GDP per capita, 2000-16



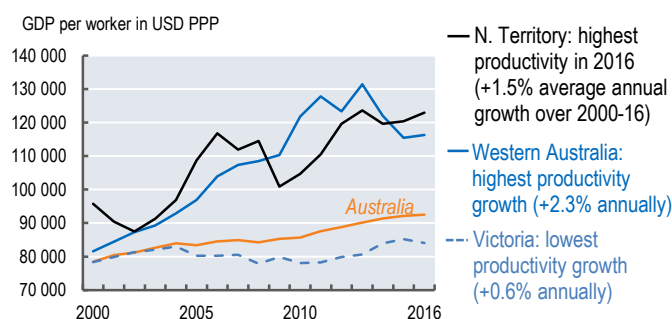
Index of regional disparity in GDP per capita, 2016



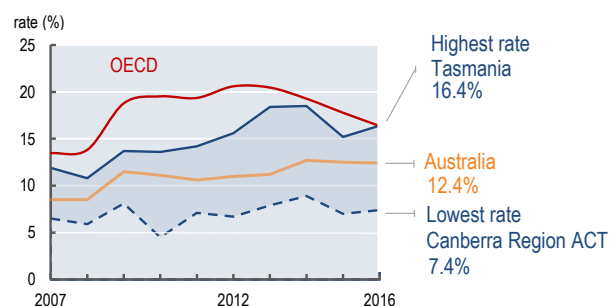
The gap in GDP per capita between the richest and poorest region increased in Australia over the last sixteen years. Behind this trend is the growth of GDP per capita of more than 50% in the Northern Territory over the period 2000-16. In Tasmania, the region with lowest GDP per capita in the country, economic growth only reached 25% in the same period.

With an annual average productivity growth of 1.1% over the period 2000-16, Australia outperformed the 1% OECD average. Regional growth ranges from 2.3 % per year in Western Australia to 0.6% per year in Victoria. The youth unemployment rate in Tasmania reached 16.4% in 2016, more than twice the level in the Canberra region.

Productivity trends, most and least dynamic regions, 2000-16



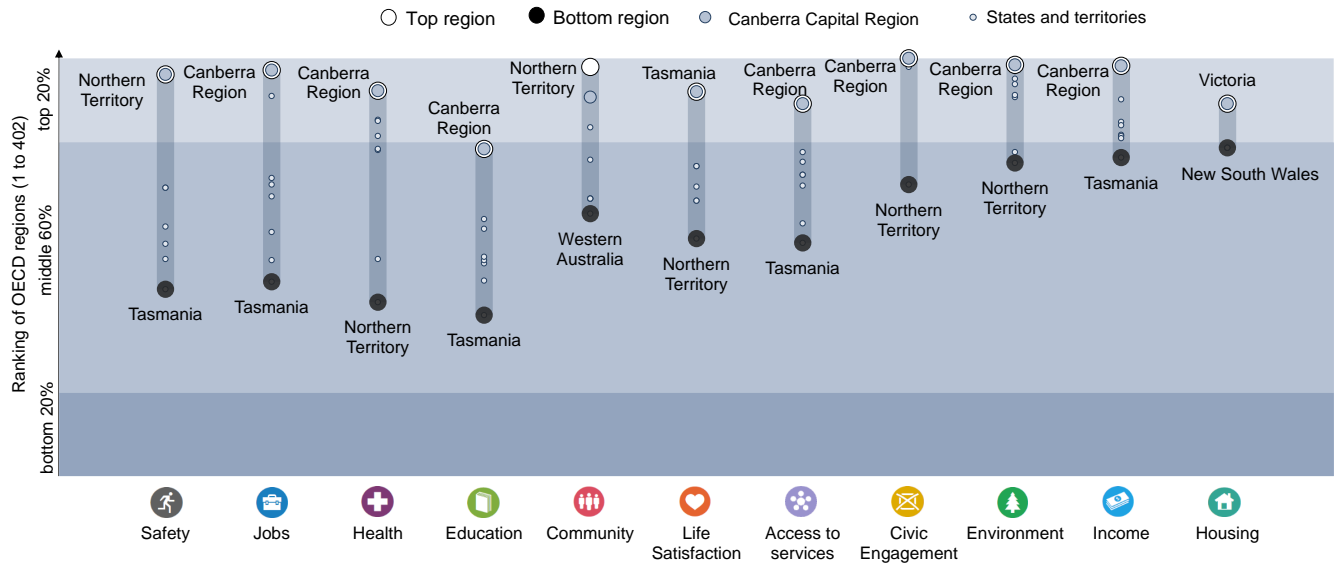
Youth unemployment rate, 15-24 years old, 2007-16



Source: OECD Regional Database.

Notes: (1) Figure on regional gap in GDP per capita: OECD regions refer to the administrative tier of subnational government (large regions, Territorial Level 2); Australia is composed of 8 large regions. (2) Figure on index of regional disparity: top (bottom) 20% regions are defined as those with the highest (lowest) GDP per capita until the equivalent of 20% of national population is reached, this indicator provides a harmonised measure to rank OECD countries, using data for small regions (Territorial Level 3) when available. (3) Productivity is measured as GDP per employee at place of work in constant prices, constant Purchasing Power Parities (reference year 2010).

Differences in well-being across regions



Relative ranking of the regions with the best and worst outcomes in the 11 well-being dimensions, with respect to all 402 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 25% of OECD regions in three well-being dimensions: environment, income and housing. In seven out of eleven well-being dimensions, Canberra (Capital Territory) ranks the highest. Australia has the sixth largest regional disparities in safety among OECD countries.

Both the high- and low-performing states in Australia fare better than the OECD median region in all well-being dimensions, with the exceptions of unemployment rate and labour force education.

	Country Average	OECD median region	Australian regions	
			Top 20%	Bottom 20%
Safety				
Homicide Rate (per 100 000 people), 2016	0.9	1.3	0.7	1.2
Jobs				
Employment rate 15 to 64 years old (%), 2017	71.3	67.7	73.8	70.9
Unemployment rate 15 to 64 years old (%), 2017	5.7	5.5	5.0	6.8
Health				
Life Expectancy at birth (years), 2016	82.2	80.4	82.9	82.0
Age adjusted mortality rate (per 1 000 people), 2016	6.7	8.1	6.4	7.0
Education				
Labour force with at least upper secondary education (%), 2017	83.3	81.7	85.7	80.3
Community				
Perceived social network support (%), 2013	94.5	91.4	95.5	93.2
Life Satisfaction				
Life satisfaction (scale from 0 to 10), 2013	7.3	6.8	7.5	7.2
Access to services				
Households with broadband access (%), 2017	85.7	78.0	87.9	83.5
Civic engagement				
Voters in last national election (%), 2017 or latest year	95.1	70.9	96.3	92.4
Environment				
Level of air pollution in PM2.5 (µg/m³), 2015	5.1	12.4	4.1	6.6
Income				
Disposable income per capita (in USD PPP), 2016	27 698	17 695	31 974	25 088
Housing				
Rooms per person, 2016	2.3	1.8	2.6	2.3

Source: OECD Regional Database. Visualisation: <https://www.oecdregionalwellbeing.org>.

Notes: (1) OECD regions refer to the first administrative tier of subnational government (large regions, Territorial Level 2); Australia is composed of 9 large regions. (2) Household income per capita data are based on USD constant PPP, constant prices (year 2010).

Metropolitan areas in the national economy



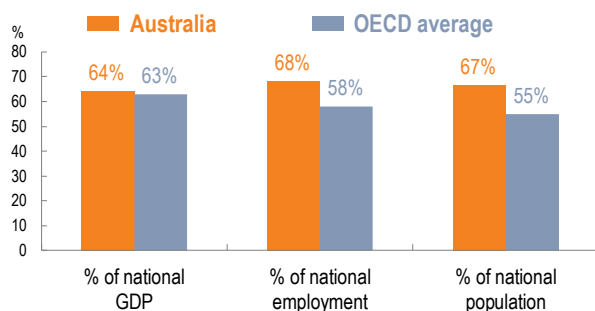
OECD population is concentrated in cities* Percentage of population in cities, 2016



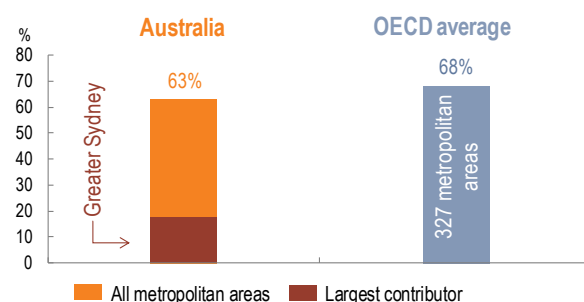
Source: OECD Metropolitan Database. Number of cities: 18 in Australia compared to 1 138 within the OECD.

In Australia, **79% of the population lives in cities** of more than 50 000 inhabitants. The share of population in cities with more than 500 000 people is **67%** compared to 55% in the OECD area.

Importance of metropolitan areas Cities above 500 000 people, 2016



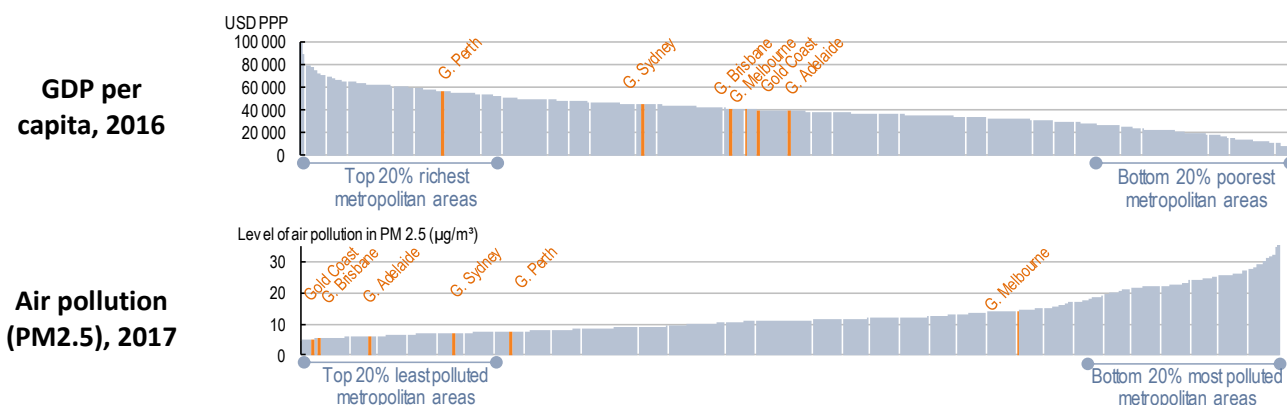
Contribution of metropolitan areas to GDP growth Cities above 500 000 people, 2000-16



Metropolitan areas (cities above 500 000 inhabitants) in Australia account for **64%** of national **GDP** and **68%** of **employment**. Between 2000 and 2016 they generated for **63%** of the national **GDP growth**.

In terms of **GDP per capita**, **Greater Perth** is among the richest 15% of OECD metropolitan areas, and Greater Adelaide is above the median of the 327 metropolitan areas. **Air pollution** in Australian metropolitan areas is among the lowest across the OECD, with the exception of Greater Melbourne. Four out of six Australian metropolitan areas are among the 20% least polluted of the OECD.

OECD Metropolitan areas ranking Cities above 500 000 people

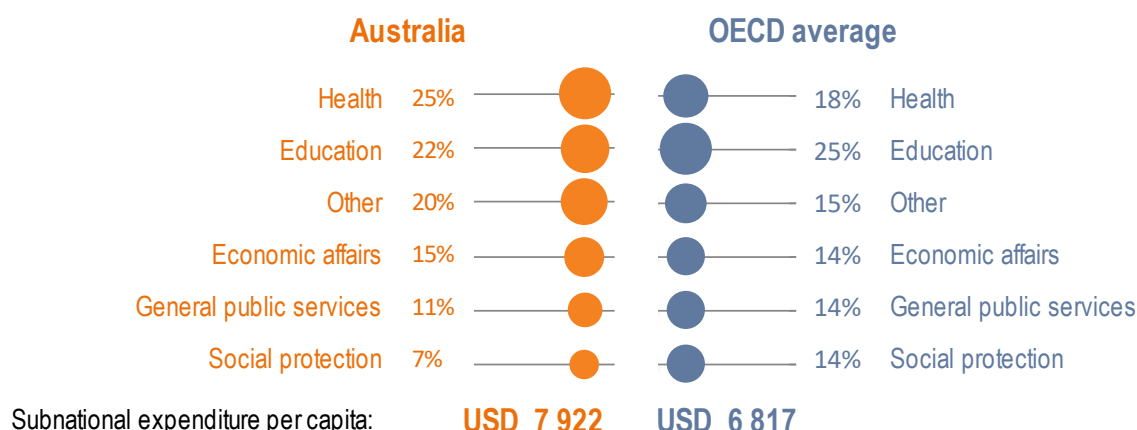


Source: OECD Metropolitan Database. Number of metropolitan areas with a population of over 500 000: 6 in Australia compared to 327 in the OECD.

* Note: Cities are defined here as functional urban areas, which are composed by high-density urban centres of at least 50 000 people and their areas of influence (commuting zone). For more information, see: <http://www.oecd.org/cfe/regional-policy/functionalurbanareasbycountry.htm>.



Subnational government expenditure by function As a share of total subnational government expenditure, 2016

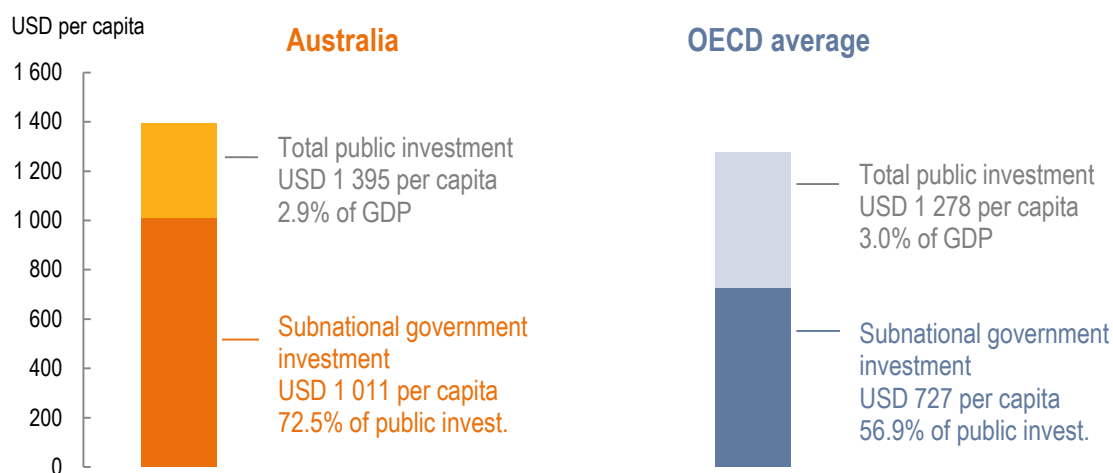


Subnational government expenditure amounts to **USD 7 922 per capita** in Australia compared to an OECD average of USD 6 817. In Australia, this is equivalent to **46.3% of total public expenditure** and to **16.4% of GDP**. In comparison, across the OECD, subnational government expenditure accounts for 40.4% of total public expenditure and for 16.2% of GDP. Health and education are the two largest spending items for subnational governments in Australia: together they represent **47%** of subnational expenditure compared to 43% in the OECD area.

In Australia, **72.5% of total public investment** was carried out by subnational governments compared to an OECD average of 56.9%.

Role of subnational governments in public investment

Subnational government public investment per capita, 2016



Source: OECD Subnational Government Structure and Finance Database.

Note: The function 'Other' includes housing and community amenities, recreation, culture and religion; environment; public order and safety.

OECD Regions and Cities at a Glance 2018

The 2018 edition of OECD Regions and Cities at a Glance shows how regions and cities contribute to national growth and the well-being of societies. It updates its regular set of region-by-region indicators, examining a wide range of policies and trends and identifying those regions that are outperforming or lagging behind in their country.

Consult this publication on line: <https://oe.cd/pub/2n9>

