



THE CITY REPORT

TRACKING THE PERFORMANCE OF AUSTRALIAN CITIES AND TOWNS

June 2020

INTRODUCTION

How is your city currently performing?

Have things improved over time?

Why, in this data-rich age, is there no consistent way to answer these questions or understand the performance of cities and towns across Australia?

As a nation, we are discussing the future of our cities and towns in an unprecedented way. The answers to the questions above are going to become increasingly important, not just for the people that live there, but also the communities, policy makers and businesses who are steering a course to recovery. Two key dimensions of urban performance are critical to this recovery:

- economic growth, capturing the growth in jobs, businesses and investment, and
- inclusive growth, which reflects how the benefits of economic growth are felt within the community.

There are plenty of international city benchmarking studies out there but none of them answer these particular questions. The City Report fills this gap. It is the only study that focuses on the full breadth and depth of Australia's cities and towns, from our global gateways through to towns with only 10,000 people. All these locations are important. Furthermore, it examines the performance of regional areas in relation to the cities and towns.

The City Report's results are based on a tight set of government produced statistics which allows for historical tracking, as well as timely updates. The performance of each location is measured against its own historic average. Consequently, the top locations identified in this report are not the ones with the lowest unemployment rates or largest investment pipeline. Rather, they are the ones whose unemployment rate is furthest below their long-term average and where investment growth sits significantly above their long-term average.

This location-based evidence is both timely and useful. Timely, because there has never been a more important time to understand the pre-COVID economic baseline and level of inclusivity. Useful, because policy makers and businesses steering the course to recovery, as well as people re-evaluating where to live, require authoritative, consistent data from which to make informed decisions. The City Report seeks to provide this.

The City Report will be released twice a year, providing the most timely data available. A digital resource is being developed to provide access to all the underlying primary data and analysis.



APPROACH

What locations are examined?

The Australian Bureau of Statistics classifies 101 cities and towns across Australia as 'Significant Urban Areas'. These Significant Urban Areas have a defined urban centre, a population greater than 10,000 and constitute a single labour market. The remaining, more sparsely populated regional areas are classified as 'Not in any Significant Urban Area' and cover the rest of Australia without gaps or overlap.

The City Report tracks the performance of these 101 cities and towns. It also tracks the performance of regional Australia as a whole and compares this to the performance of clusters of city types. These clusters of city types include capital cities and major cities with populations greater than 100,000 people through to towns with between 10,000 and 20,000 people.

Defining performance: economic growth and inclusive growth

The City Report tracks historical performance on two dimensions: economic growth and inclusive growth.

Economic growth metrics indicate the change in the size of a city or town's fundamental drivers: population change, business growth, jobs and construction. Together, these metrics give an understanding of the performance of the local economy.

Inclusive growth aims to measure how the benefits of economic growth are flowing through to people in the community. This is captured by looking at changes in the unemployment rate and reliance on government payments (Figure 1).

Measuring change

The City Report methodology is summarised below.

1. The performance of each location is measured against its long-term average. This is similar to the approach used by CommSec in its *State-of-the-States* report and the Brookings Institute's *Metro Monitor*. This approach controls for the vast array of factors that influence the different levels of performance *between* locations. It is also one way to try and mitigate data volatility that comes with examining smaller statistical areas.

For example, we are not looking for the location where welfare payments per capita are lowest and population growth is highest. Rather, we are tracking how far welfare payments per capita or population growth are above, or below, the long-term average, and why. Answering this provides the greatest insight into how a location is changing and the policy implications associated with this change.

2. A location's performance across each of the individual measures is then ranked. Locations showing the greatest improvement on their long-term average are ranked highest.

Some metrics, such as a location's construction pipeline, are more volatile and can shift dramatically year-on-year due to major, one-off investments. Other metrics, such as population change, are more stable. Both this shorter-term volatility and longer-term trends are important as it affects the performance of the location and the experience of individuals living and working within it.

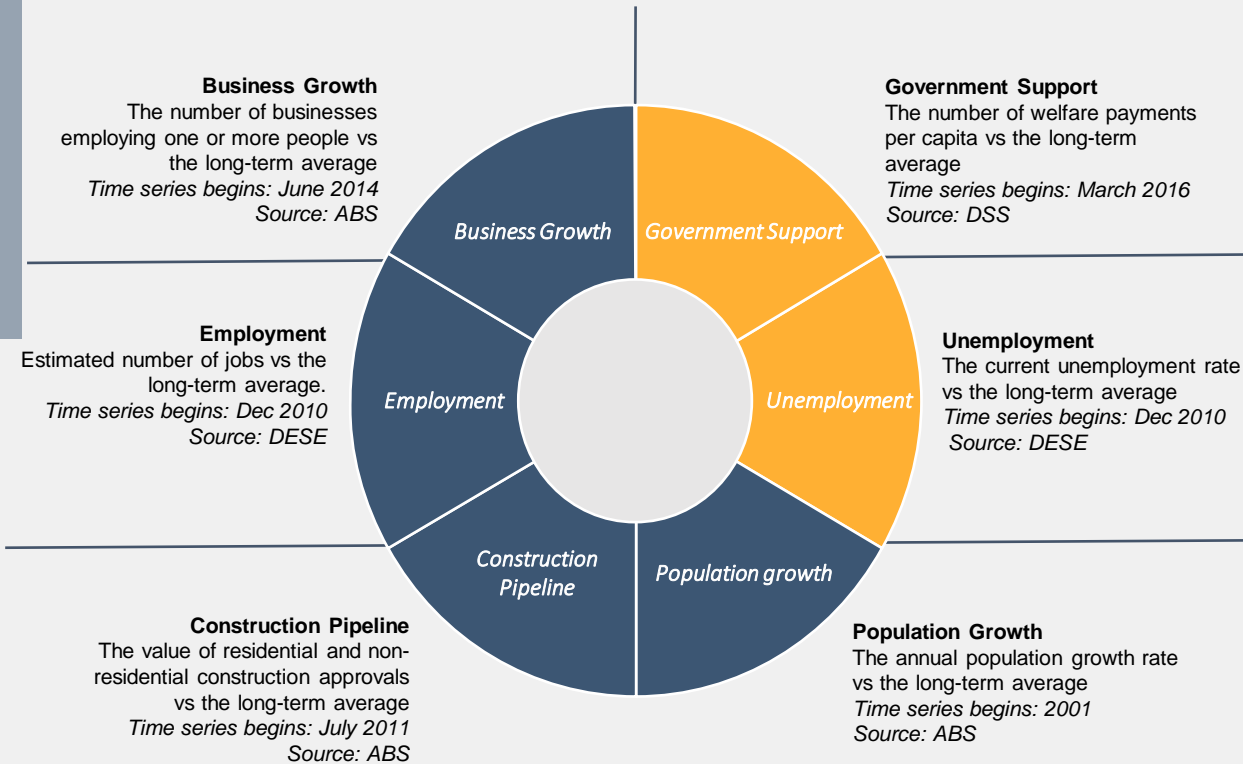
3. For each location, the rankings for each individual measure are then added together. This create an economic growth score and ranking, an inclusive growth score and ranking and finally, an overall score and ranking.

APPROACH

FIGURE 1: SUMMARY OF MEASURES

ECONOMIC GROWTH

Economic Growth measures the change in the size of a city or town's fundamental economic drivers: population change, business growth, jobs and construction. Together, these metrics give an understanding of the performance of the local economy.



INCLUSIVE GROWTH

Inclusive growth aims to measure how the benefits of economic growth are flowing through to people in the community. This is captured by looking at changes in the unemployment rate and reliance on government payments per capita.

APPROACH

This is not measuring liveability

The City Report does not try to measure every dimension of a city. Rather, the report focusses on factors that indicate the underlying economic and social health of a community. A report focusing on the citizen experience, business readiness or sustainability would likely use a different set of measures.

Importantly, this means The City Report is not measuring 'liveability', which is a personal and subjective concept. Liveability is also a very difficult indicator against which to specify, and then measure the success of government policies and investments.

An overarching point on data

There are many different ways to construct and report on the metrics adopted in The City Report. The salient point is to ensure that the manner in which something is measured does not adversely influence the results or conclusions drawn. To this extent, we test the data for each location using the variety of different potential approaches. In the vast majority of times, the answer is the same despite the methodological nuances. When it is not the same, then this is interesting and we investigate what this means about the location, and ensure this commentary accompanies the report.

Importantly, the methodology applied to each dataset is consistent across all locations. This internal consistency ensures that the primary focus is the relative change in results within locations, as opposed to the actual levels.

Finally, the data used is all collected and reported by the Commonwealth Government. Compiling and publishing each data source is a major investment by government and each data source holds value in its own right. As such, we are aware of the nuances, caveats, strengths and weaknesses of all these official data sets, and are respectful of these in how they are used and represented within this work. We would like to thank the numerous statisticians and policy officers who make this data available to the Australian public.



RESULTS

TABLE 1: THE PERFORMANCE OF DIFFERENT CITY GROUPS AND REGIONS

Overall Rank	City Type	Description	Population	Economic Growth Rank	Inclusive Growth Rank
1	Major cities	Cities with a population greater than 100,000 that are not a capital city	3,125,997	1	2
2	Regional areas	'Not in any Significant Urban Area', including locations with a population less than 10,000	3,325,266	2	1
3	Capital cities	Capital cities	16,436,815	2	2
= 4	Small cities	Population of 40,000 – 100,000	1,110,284	4	4
= 4	Towns	Population of 20,000 – 40,000	833,248	4	4
6	Small towns	Population of 10,000 – 20,000	533,961	6	6

ARE THE CAPITAL CITIES LAGGING?

- Capital cities have performed well on both the economic growth and inclusive growth dimension. There has been a strong decline in welfare payments per capita, as well as solid growth in jobs, businesses and the construction pipeline. However, as shown in the more detailed results (next two pages) performance across capital cities has been varied. This has meant that both major cities (greater than 100,000 people but that are not capital cities) and regional areas, have performed more strongly than Australia's capital cities.
- Major cities, led by Ballarat, Geelong, Newcastle and Wollongong take top spot. These dynamic cities are potentially less hindered by legacy infrastructure and overlapping governance structures. They can be more responsive to smart, catalyst investments than larger capital cities.

Importantly, the majority of these cities are in proximity to the capital cities. They have been benefiting from the spill over out of the capital cities as people are either priced out, or choose to leave for lifestyle reasons. These results suggest these cities are making the most of this opportunity.

- In regional areas, the improvement in the unemployment rate, compared to long-term average saw them take top spot for inclusive growth.
- While the size of a location appears to have less influence on positive performance, many smaller cities and towns lagged their long-term averages. This is a combination of both an industry dimension (i.e. exposure to the commodity cycle) and the demographic dimension, with lower rates of population growth, and population ageing, hindering both economic and inclusive growth.

RESULTS: TOP 10 PERFORMERS

TABLE 2: TOP TEN PERFORMING LOCATIONS

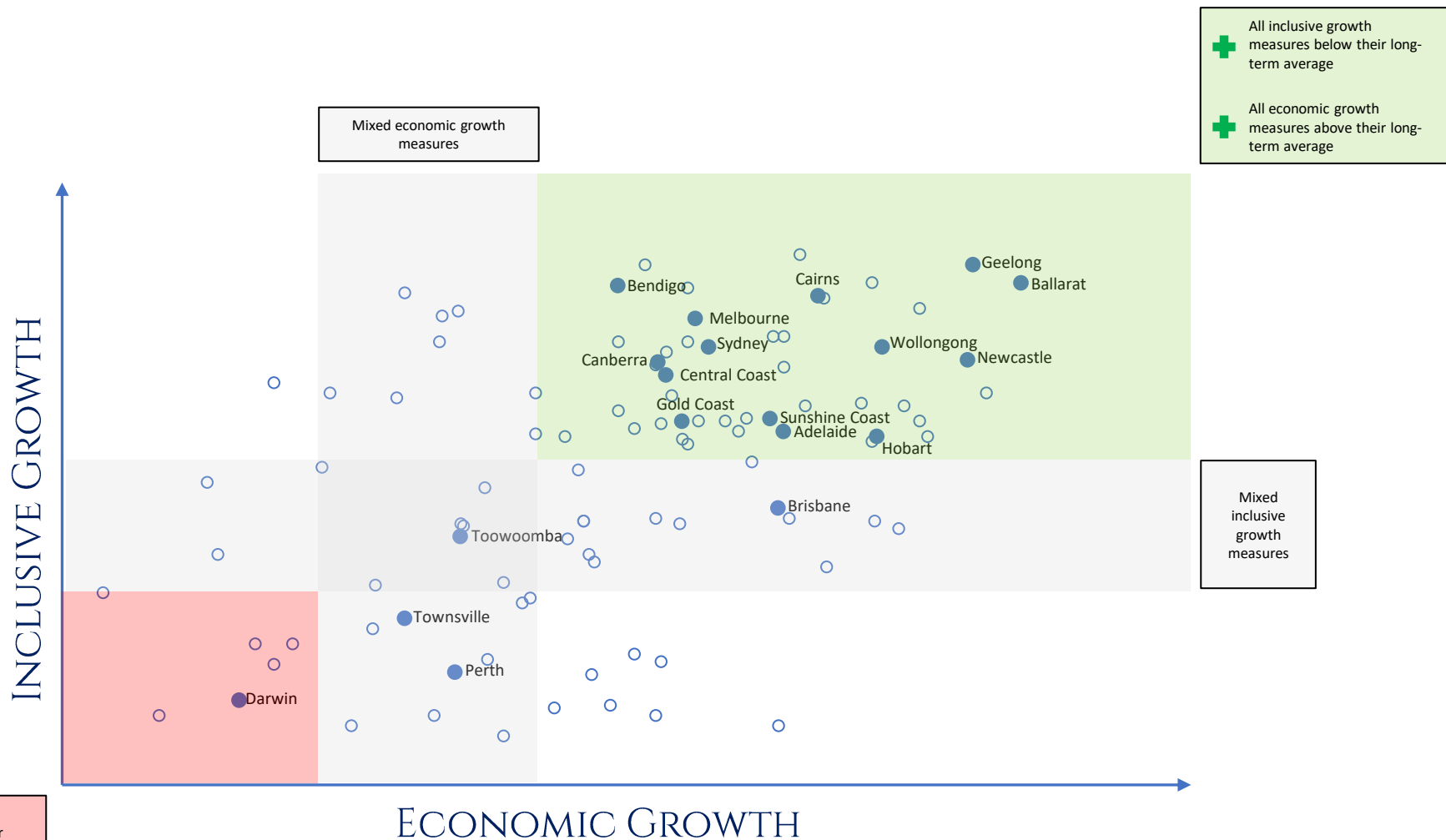
Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
1	Ballarat	107,652	1	4
2	Geelong	275,794	3	2
3	Bacchus Marsh	22,964	6	11
4	Newcastle - Maitland	491,474	4	24
5	Melton	72,177	2	31
6	Warragul - Drouin	39,217	11	4
7	Griffith	20,399	20	1
8	Wollongong	306,034	10	20
9	Ballina	26,625	16	10
10	Cairns	153,951	18	9

BALLARAT AND GEELONG LEAD THE PACK

While it is Australia's capital cities that are usually the focus of discussions, it is Australia's other major cities that are demonstrating the strongest relative economic and inclusive growth.

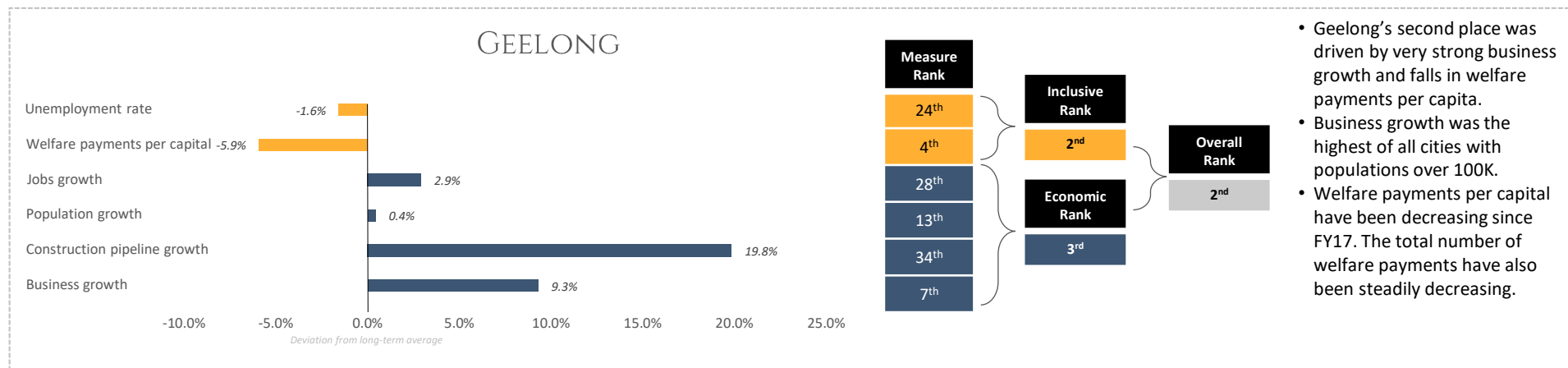
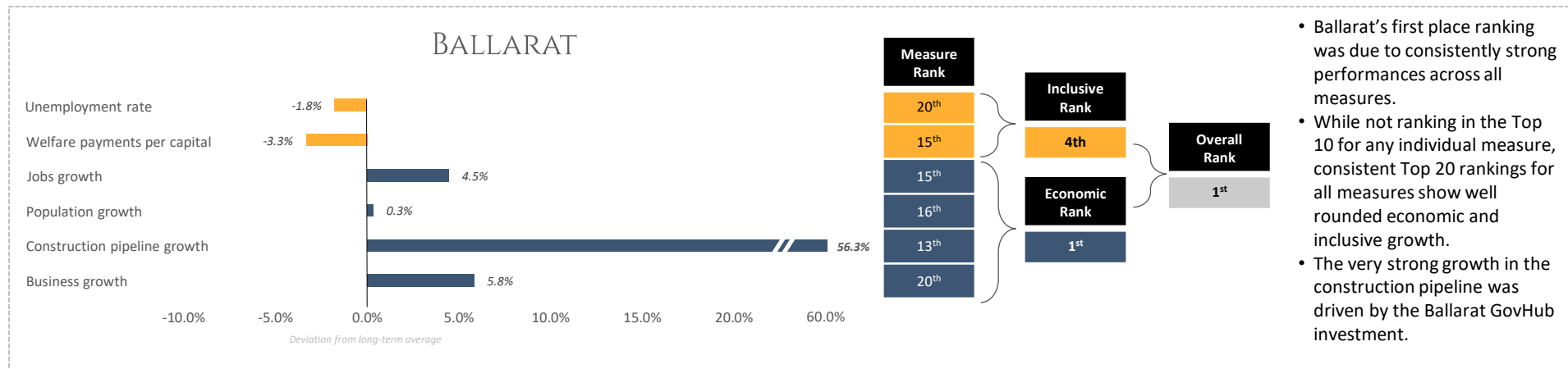
- Ballarat and Geelong were the strongest performing cities last year by quite a margin. Importantly, these cities perform very strongly on both economic and inclusive growth measures.
- Bacchus Marsh and Melton on the western outskirts of Melbourne, and Newcastle in NSW were ranked strongly on economic performance, with slightly less strong performances on measures that indicate the spread and inclusivity of this economic growth. Wollongong, ranked eighth, also displayed these characteristics with a strong economic growth ranking.
- Warragul, on the eastern outskirts of Melbourne, and Griffith, in regional NSW, were ranked sixth and seventh respectively, with unemployment rates and reliance on welfare payments per capita well below their long-term averages. They both also performed moderately well in terms of economic growth, with increases in their construction pipeline (Griffith) and business growth across a range of sectors (Warragul).
- Ballina and Cairns round out the top 10, with both locations seeing unemployment and reliance on welfare payments per capita tracking below their long-term averages, resulting in ranking within the top 10 for inclusive growth. Both cities were also in the top 20 for economic growth.
- Overall, these results highlight the impact of the activity occurring to the West of Melbourne, both in terms of economic growth and changes to the local population and labour markets. Proximity to Sydney and Melbourne also appears important with all but three cities readily accessible, and connected by rail, to their capital city.

RESULTS



Note: A location's performance along each axis reflects their relative inclusive growth and economic growth scores. The shaded areas on the chart represent different characteristics of inclusive growth and economic growth score. For inclusive growth measures, a location is performing strongly when it is below its long-term average. For example, the unemployment rate or welfare payments per capita sit below the historical average. For economic growth, a location is performing strongly when its measures are above the long-term average. For example, jobs growth or the growth in the construction pipeline is above historic levels.

BALLARAT AND GEELONG



Note: All figures represent the levels above and below the locations long-term average. For inclusive growth measures, a location is performing strongly when it is below its long-term average. For example, the unemployment rate or welfare payments per capita sit below the historical average. For economic growth, a location is performing strongly when its measures are above the long-term average. For example, jobs growth or the growth in the construction pipeline is above historic levels.

RESULTS: CAPITAL AND MAJOR CITIES

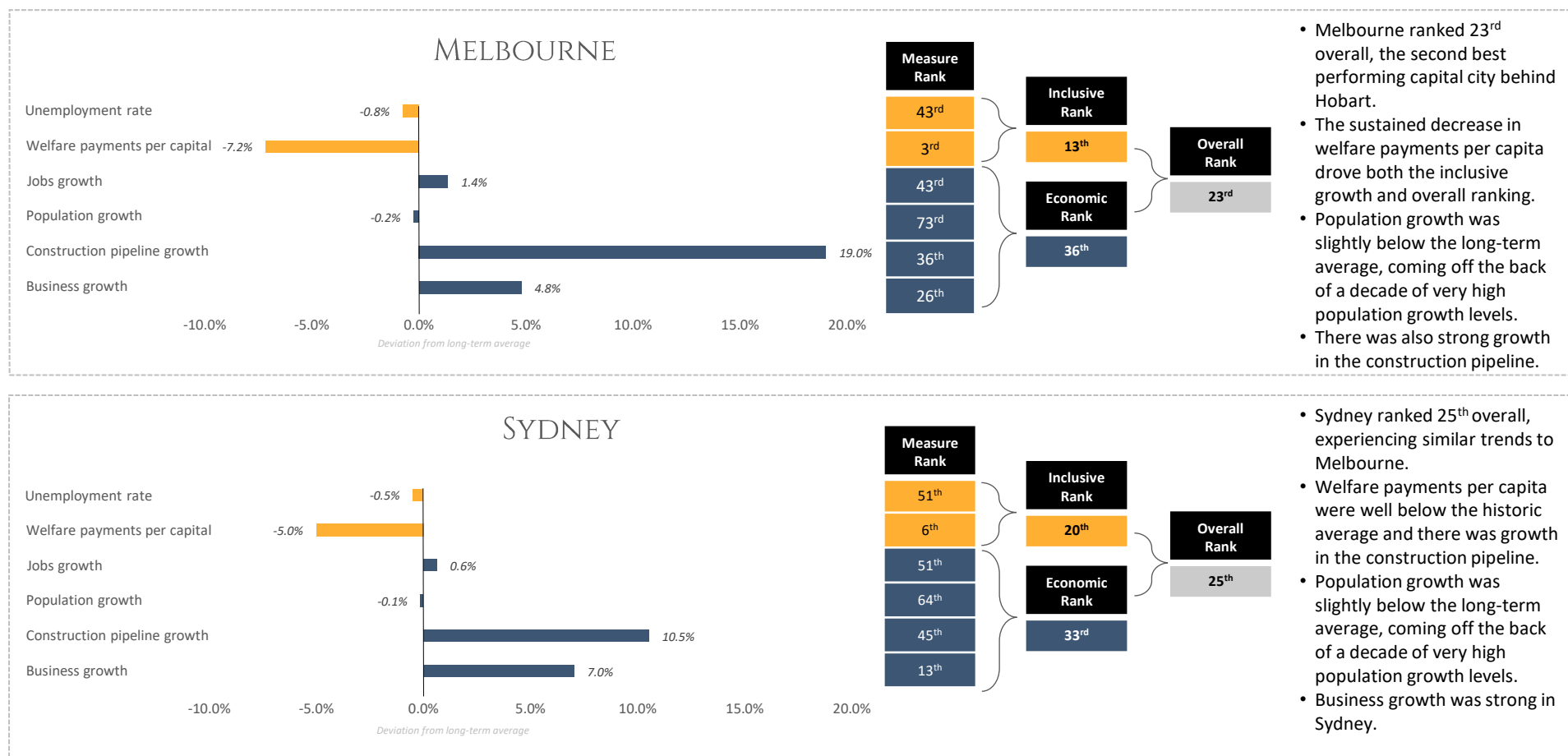
TABLE 3: PERFORMANCE OF CAPITAL AND MAJOR CITIES

Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
1	Ballarat	107,652	1	4
2	Geelong	275,794	3	2
4	Newcastle - Maitland	491,474	4	24
8	Wollongong	306,034	10	20
10	Cairns	153,951	18	9
16	Hobart	216,682	11	48
23	Melbourne	4,893,870	36	13
25	Sydney	4,914,343	33	20
27	Sunshine Coast	341,069	26	41
29	Bendigo	100,991	55	4
30	Adelaide	1,340,794	25	48
36	Canberra - Queanbeyan	462,136	48	26
37	Central Coast	335,470	45	27
43	Gold Coast - Tweed Heads	693,671	36	43
44	Brisbane	2,430,180	28	60
75	Toowoomba	138,223	76	70
85	Townsville	181,668	83	81
87	Perth	2,045,479	77	89
97	Darwin	133,331	95	91

RESULTS ARE MIXED FOR AUSTRALIA'S LARGEST CITIES

- Australia's 19 largest cities house 77% of our population. Performance across these locations is mixed.
- As previously discussed, major cities with populations over 100,000, but which are not capital cities, dominated the Top 10 rankings. Hobart was the highest ranking capital city coming in 16th.
- Melbourne and Sydney improved across all metrics with the exception of population growth. Population growth last year was slightly lower than their longer-term average, but this long-term average has been historically high given strong growth over the past decade. Construction activity, business growth and jobs growth all improved, while the unemployment rate and welfare payments per capita were below their long-term average.
- The impacts of the recent commodity cycles is clear to see in some locations. Darwin, Perth, Townsville, and to a lesser extent Brisbane, all struggled to maintain the same levels of growth they experienced during different stages of the commodity cycle. This pattern also plays out in smaller towns, with many of the weaker performing locations still recovering from the tapering of the investment boom associated with past commodity cycles.
- For example, the Ichthys LNG investment in Darwin, and the associated construction, business growth and employment are captured in Darwin's long-term averages. As construction activity tailed off and the plant moved into operation, Darwin's performance last year fell below these long-term averages, as one would expect.

SYDNEY AND MELBOURNE



Note: All figures represent the levels above and below the locations long-term average. For inclusive growth measures, a location is performing strongly when it is below its long-term average. For example, the unemployment rate or welfare payments per capita sit below the historical average. For economic growth, a location is performing strongly when its measures are above the long-term average. For example, jobs growth or the growth in the construction pipeline is above historic levels.

DETAILED RESULTS

Note: for ease of interpretation and reference, the detailed results are listed by size of population. This differs to the listing by rank contained in the summary of the results.



CAPITAL CITIES AND MAJOR CITIES

Locations with a population greater than 100,000

Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
25	Sydney	4,914,343	33	20
23	Melbourne	4,893,870	36	13
44	Brisbane	2,430,180	28	60
87	Perth	2,045,479	77	89
30	Adelaide	1,340,794	25	48
43	Gold Coast - Tweed Heads	693,671	36	43
4	Newcastle - Maitland	491,474	4	24
36	Canberra - Queanbeyan	462,136	48	26
27	Sunshine Coast	341,069	26	41
37	Central Coast	335,470	45	27
8	Wollongong	306,034	10	20
2	Geelong	275,794	3	2
16	Hobart	216,682	11	48
85	Townsville	181,668	83	81
10	Cairns	153,951	18	9
75	Toowoomba	138,223	76	70
97	Darwin	133,331	95	91
1	Ballarat	107,652	1	4
29	Bendigo	100,991	55	4

SMALL CITIES

Locations with a population between 40,000 – 100,000

Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
46	Albury - Wodonga	94,837	38	53
34	Launceston	88,178	31	46
89	Mackay	80,264	87	82
77	Rockhampton	79,081	70	80
95	Bunbury	74,591	94	84
31	Coffs Harbour	72,541	30	39
5	Melton	72,177	2	31
50	Bundaberg	71,309	52	41
40	Wagga Wagga	56,675	21	61
58	Hervey Bay	55,345	67	46
55	Mildura - Wentworth	52,176	80	13
35	Shepparton - Mooroopna	52,104	49	23
54	Port Macquarie	48,723	46	62
88	Gladstone - Tannum Sands	45,631	71	99
49	Tamworth	43,188	54	37
14	Traralgon - Morwell	42,249	15	34
15	Orange	40,804	22	15
12	Bowral - Mittagong	40,411	7	39

TOWNS

Locations with a population between 20,000 – 40,000

Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
67	Busseton	39,618	73	58
6	Warragul - Drouin	39,217	11	4
40	Dubbo	38,767	42	31
75	Nowra - Bomaderry	37,838	49	94
99	Geraldton	37,255	98	94
20	Bathurst	37,191	38	7
26	Warrnambool	35,523	34	17
52	Albany	34,367	41	66
64	Devonport	30,629	59	73
92	Kalgoorlie - Boulder	29,326	96	72
68	Lismore	28,576	85	31
56	Nelson Bay	28,276	65	50
61	Burnie - Wynyard	27,343	61	62
84	Maryborough	27,286	74	86
65	Victor Harbor - Goolwa	26,921	58	74
9	Ballina	26,625	16	10
70	Taree	26,394	53	85
81	Alice Springs	26,390	57	92
11	Morisset - Cooranbong	25,662	8	36
32	Armidale	24,584	32	38
13	Goulburn	24,070	5	50
3	Bacchus Marsh	22,964	6	11
33	Gisborne - Macedon	22,141	46	22
27	Gympie	21,868	13	62
95	Whyalla	21,638	93	86
16	Echuca - Moama	21,392	26	15
86	Forster - Tuncurry	21,221	86	77
7	Griffith	20,399	20	1

SMALL TOWNS

Locations with a population between 10,000 – 20,000

Overall Ranking		Pop	Economic Growth Ranking	Inclusive Growth Ranking
62	St Georges Basin - Sanctuary Point	19,555	62	65
39	Wangaratta	19,411	55	19
58	Yeppoon	19,267	63	57
78	Murray Bridge	19,078	60	89
53	Grafton	19,046	68	30
63	Mount Isa	18,310	23	97
45	Camden Haven	18,149	16	75
71	Broken Hill	17,479	89	28
69	Karratha	17,102	42	86
20	Moe - Newborough	16,821	19	35
73	Horsham	16,589	79	66
24	Batemans Bay	16,553	9	69
18	Ulladulla	16,495	14	52
82	Port Lincoln	16,418	90	56
73	Singleton	16,277	69	79
60	Bairnsdale	15,565	81	17
93	Kempsey	15,378	91	83
72	Warwick	15,277	77	66
66	Sale	15,135	64	71
47	Ulverstone	14,552	44	43
83	Port Hedland	14,476	66	93
94	Broome	14,371	88	97
48	Emerald	14,290	40	53
91	Port Pirie	14,162	82	94
98	Port Augusta	13,561	99	78
57	Lithgow	12,907	84	7
51	Colac	12,574	75	11
22	Mudgee	12,518	51	2
42	Muswellbrook	12,372	34	43
90	Esperance	12,130	97	59
19	Parkes	11,208	24	24
80	Swan Hill	11,089	92	28
38	Portland	10,928	29	55
79	Kingaroy	10,306	72	76

A VIEW WITHIN CITIES

All the data used in the City Report is collected at a granular level, then aggregated up to the cities, towns and regions that are reported. This means that locations within cities can also be analysed and benchmarked against other areas in the city, the city as a whole, the state and Australian performance.

These custom reports can help policy makers address:

- **Policy needs** – what are the specific policy and investment needs of a location?
- **Prioritisation** – how should these policy and investment needs be prioritised against needs in different locations?
- **Performance** – how does a policy or investment change a location over time? Has it been successful and what can we learn?

Custom reports are available for:

- city and town deep dives, to understand emerging strengths and weaknesses
- regions within cities, like Western Sydney, planning districts and Local Government Areas (LGAs)
- specific locations within cities, like business parks, growth precincts, specific urban investments and transport corridors.



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