

# The Economic Benefits of Regionalisation for the Far North Region of South Australia



Regionalisation is about establishing or re-locating public and private sector jobs and functions from metropolitan capital cities to South Australia's regional and rural areas.



As well as addressing population imbalance and providing employment opportunities, policies aimed at regionalisation may bring government services closer to the people they serve, better align government agencies to regional areas and resources, tap into the skills and experience of people living in the regions and reduce government operating costs.

Regionalisation can be used as a key policy tool to assist with the growth and development of regional South Australia through enhanced service delivery and population growth, as essential ingredients of regional economic development.

Complementing government investments in regionalisation, corporate regionalisation offers opportunities for business investment in regional South Australia, generating local expenditure and the creation and retention of new businesses and new jobs.



## REGIONALISATION ASSUMPTIONS

Using a target set by the Local Government Association of South Australia, that 30% of the State Government public service be based outside Greater Adelaide, it is assumed that regional South Australia's share of State Government jobs would increase from 1,399 jobs to 4,479 jobs, a direct increase of over 3,000 jobs.

The Far North Region's current share of regional South Australia's State Government jobs would increase slightly, from 13% to 15% of the total (of regional South Australia), resulting in an initial uplift of 492 State Government jobs in the Far North Region over and above the existing 180 jobs.

It is assumed that regional South Australia's share of Federal Government jobs in South Australia would increase from 9% to 12% of the total, or from 545 jobs to 951 jobs. The the Far North's current share of regional SA's Federal Government jobs would increase from 27% to 30% of the total, resulting in an initial uplift of 137 Federal Government jobs in the Far North over and above the 148 jobs currently located in the region.



## REGIONAL ECONOMIC IMPACTS

The combined uplift in State and Federal Government jobs as a result of regionalisation under this scenario, would result in a direct increase of 629 public sector jobs in the Far North Region (that is, an additional 492 State Government jobs and 137 Federal Government jobs).

Economic modelling shows that regionalisation, under the scenario put forward, is estimated to increase the Far North Region's total economic output by up to \$181.79 million. Industry value-added will increase by up to \$111.88 million and total employment will increase by up to 867 new jobs in the region.

### Economic Impacts of Regionalisation, Far North Region



\$181.79 million in additional output.



\$111.88 million in additional industry value-added.



867 additional jobs in the region.

Source: REMPLAN and SC Lennon & Associates

## MOVING FORWARD



Data published by the Centre for Population and the Regional Australia Institute shows Australia is experiencing an unprecedented net shift in migration from the cities to the regions. This presents a strong rationale for the Far North Region to place greater emphasis on attracting government departments, business investment and people to the region as part of a broader economic development strategy.



To progress the case for more government investment in the region, RDA Far North will collaborate with its partners in government and industry to advocate the case for regionalisation and to embed a shared regionalisation policy as a key plank in the Far North Region's approach to promoting regional prosperity.