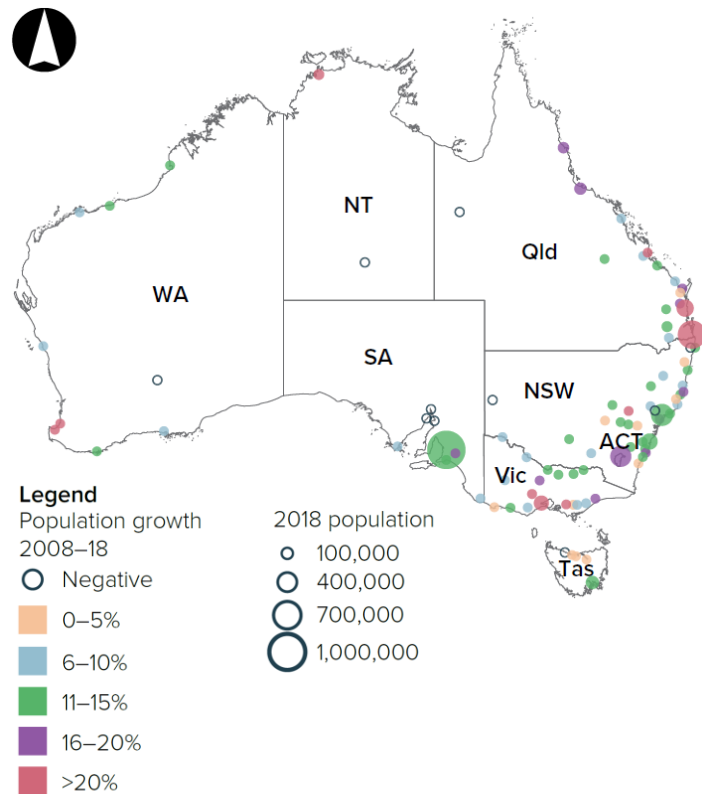


Smaller cities and regional centres

Australian Infrastructure Audit

Australia's smaller cities and regional centres play a vital role as regional service hubs

- Smaller cities and regional centres are a broad group consisting of settlements with 10,000 to 1.3 million people.
- While they vary in scale they have common characteristics.
- Our smaller cities have a unique culture, history and identity – making these cities highly attractive places to live and work.
- People from surrounding regions are often moving to these centres to improve infrastructure access.
- They have concentrated economic activity, relying on a small number of dominant industries to support economic activity.
- Our smaller cities and regional centres, including satellite cities have room to grow by using legacy infrastructure and targeted upgrades.
- Infrastructure can reduce freight costs, ensure these areas remain competitive and provide adequate education options.
- Digital infrastructure and technological readiness are crucial to economic success.



29%

of Australians live in these cities and towns

Key Industries

- Services
- Health
- Education

Examples

Smaller cities	Satellite cities	Regional centres
Adelaide Canberra Hobart Darwin	Newcastle Geelong Gold Coast Sunshine Coast Wollongong	Bendigo Tamworth Toowoomba Esperance Launceston Port Lincoln Alice Springs

Infrastructure in our smaller cities and regional centres

-  **Infrastructure for users:** Technologies can help to overcome barriers to access services and economic or social opportunities.
-  **Industry efficiency, capacity and capability:** Community engagement in decision making is inadequate.
-  **Passenger transport:** Access to public transport is generally low, and not seen as a real alternative to a car, except where it leverages the legacy network of a larger neighbour.
-  **Freight transport:** The complexity of the freight sector means leveraging investments to maximise regional development can be challenging.
-  **Social infrastructure:** Demand for school infrastructure, health and aged care services is increasing. Arts and cultural infrastructure is generally low quality. Green, blue and recreation infrastructure can be difficult to maintain, while access to social housing and justice infrastructure can be low.
-  **Energy:** As the penetration of renewables increases, additional investment will be required to manage reliability and service levels.
-  **Telecommunications:** Access to telecommunications services is vital for the sustainability of smaller communities and economic growth.
-  **Water:** Some water, wastewater and stormwater assets in these areas are ageing. Failure to address ageing infrastructure now is likely to add to costs or compromise service quality.

Principle challenges and opportunities

Opportunity: Smaller capitals and satellite cities have capacity to grow, and in turn take pressure off infrastructure in our fast-growing cities.

Satellite cities can support growth by leveraging the infrastructure of their fast-growing neighbours and smaller capitals, through leveraging infrastructure designed to support their surrounding region.

Challenge: Developments in the economy, regulation, technology and service delivery mean our infrastructure needs are changing, leaving some regional centres at risk of being left behind. Lags in infrastructure quality and access to services in smaller cities and regional centres could lead to a growing gap in productivity and liveability, relative to larger cities.

Challenge: A historical underspend on preventative maintenance, short budgetary and funding cycles, a lack of data and incentives, and inadequate reporting have contributed to a maintenance funding backlog across infrastructure sectors.

Challenge: Public transport service levels and access is lower in the outer suburbs and regional centres. This results in lower public transport mode share, and a reliance on cars in these areas. Without action, people who live in these areas will continue to be reliant on their cars.