



HOUSE OF REPRESENTATIVES

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**Standing Committee on Infrastructure, Transport, Regional
Development & Local Government Committee**

Chair: Catherine King MP

The Global financial crisis and regional Australia

Regional Australia suffered during the global financial crisis, with declines in business activity, job losses and resulting social problems, according to Catherine King, Chair of the House Standing Committee on Infrastructure, Transport, Regional Development and Local Government.

In tabling *The Global Financial Crisis and regional Australia* report last night, Ms King said the crisis had presented regional Australia and governments with an opportunity to examine the impact of change on regional Australia and to test policy responses.

“Regional Australia has been described as the economic backbone of the nation’s prosperity,” Ms King said.

“The regions are home to major export industries as well as small and medium-sized businesses. Many of these have struggled during the crisis and behind each of these businesses are owners and employees, some of whom have faced the prospect of business closure, reduced working hours and job losses.”

Ms King said the Rudd Government’s Economic Stimulus package had been “crucial” in cushioning Australia against the effects of the global financial crisis.

“It was apparent to the committee from many submissions we received that the Rudd Government’s stimulus package provided crucial support throughout rural and regional Australia,” Ms King said.

“The effects of the global financial crisis would have been far worse if not for the direct and immediate stimulus provided by the Rudd Government.”

Additionally, the committee found support for small business in regional Australia was “particularly important” during periods of financial difficulty.

“Should unemployment continue to rise, a national unemployment mortgage assistance program may be appropriate,” Ms King said.

Also among the report’s 12 recommendations were:

- That the National Long-Term Tourism Strategy should consider how states and regions can further improve their cooperation through identifying key tourism markets and setting priorities for marketing those locations.
- That the Government evaluate the work of the Local Employment Coordinators with particular focus on their ability to act as a conduit between local, state and the Commonwealth Government.
- That the Department of Human Services receives increased funding to increase local service provision activities.
- That the Government examines options for locating government departments and functions into regional areas.

- That the Government examines the uptake of its Small Business Support Line and Small Business Advisory Service, with the intention of continuing funding for this initiative.
- That the Government increases the number of AusIndustry representatives in regional Australia.