

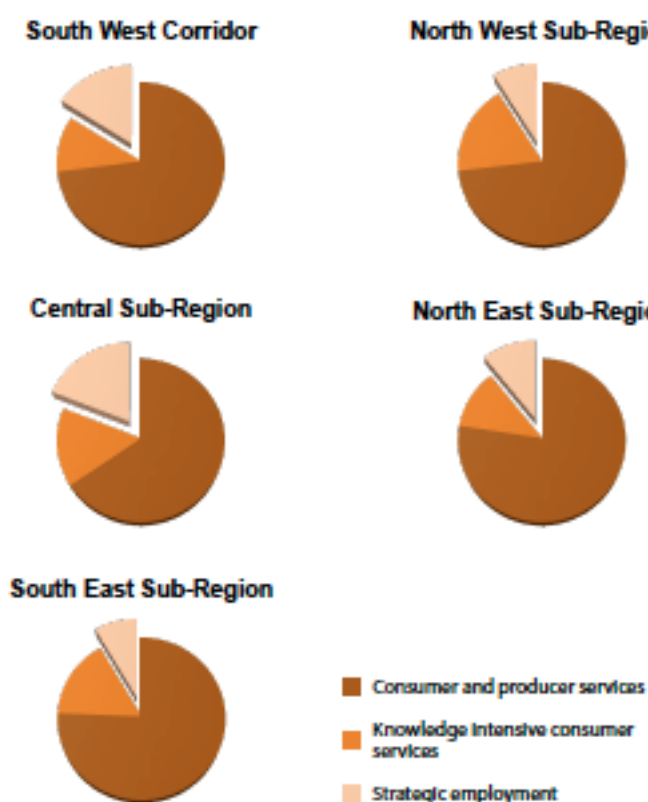
1. Can you identify any examples of outer metropolitan growth areas where diverse employment has been achieved or is currently being planned? If so, what are/have been some of the critical success factors?

The South West and Peel sub-regions of Perth have been comparatively successful in the development of a diverse local economy. This is demonstrated in the breakdown of quality employment with 9,426 knowledge intensive export oriented (KIEO) jobs located within the region (Census 2006). This equates to 17% of total employment, a particularly strong figure by comparison with the North West sub-region of Perth which only contains 9% KIEO jobs. The critical success factor in the presence of this quality employment is the presence of key industrial export-oriented infrastructure including the Australian Marine Complex at Henderson, the Kwinana Industrial Area, and the Pinjarra Alumina Refinery. This industrial infrastructure is partially the result of effective economic development planning (e.g. the shared-use facility at Henderson) and also the result of a natural competitive advantage (e.g. bauxite deposits within the Darling Range). The presence of this quality employment will be further augmented by investment in Perth's 2nd port at Rockingham.

In essence the success of this outer corridor economy has been led by investment in significant industrial infrastructure over an extended period of time. The infrastructure has enabled maturation of industrial activity to produce a number of highly successful agglomerations of export activity. Interestingly this maturation has not been reflected in commercial activity centres within the corridor, with Rockingham and Mandurah still largely being consumer-services oriented population-driven centres.

Figure 1 outlines the comparative breakdown of employment quality within the outer sub-regions of Perth.

Figure 1. Comparative Employment Quality of Sub-Regions within Perth Outer Areas



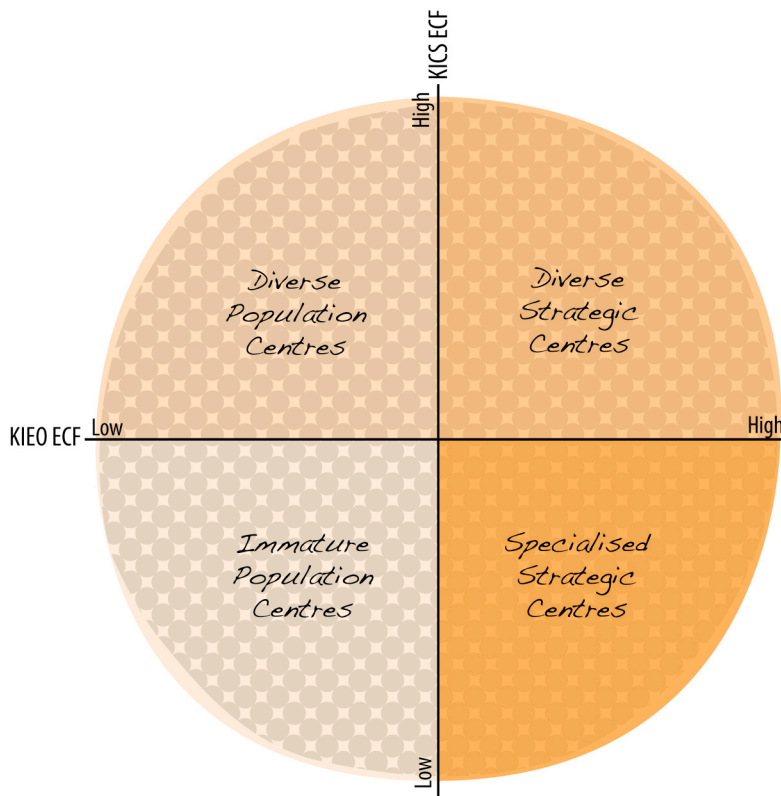
Source: ABS Census (2006), Pracsys (2010)

2. What are some of the barriers to improving employment diversity in outer metropolitan growth areas?

The two biggest barriers are time, and effective integration into supply chains. Activity centres (whether commercial, industrial or specialised) are the functional units of sub-regional economies. Most centres within outer growth areas are either very young (by comparison to inner centres) or have traditionally performed a different function (e.g. as a rural/peri-rural supply town). As such these centres often have had only limited time to mature into the diverse population-drive or strategic centres that inner-city centres have had decades or even centuries to mature into.

Figure 2 outlines an activity centre maturity model that allows for profiling the maturity of an activity centre based upon the proportion of quality employment that exists within a centre, rather than the scale or age of a centre. Activity Centres mature through the matrix based upon the employment composition of the centre, in particular the proportion of Knowledge Intensive Consumer Services (KICS) and Knowledge Intensive Export Oriented (Strategic) employment.

Figure 2. Activity Centre Maturity Matrix



Source: Pracsys 2010

Young activity centres and rural supply towns traditionally perform a consumer services function, providing for the basic goods and services needs of a local population. Over time, population growth may provide the impetus for some centres to develop KICS employment (e.g. higher education and secondary/tertiary healthcare), allowing them to mature into diverse population centres. The development of KIEO employment either occurs over a much greater timeframe as supply chains integrate with the Centre, or due to a competitive advantage existing for firms to locate in the area. This either already exists (as is the case for Pinjarra in WA in the presence of bauxite and an alumina refinery) or needs to be developed.

Outlying activity centres are often disconnected from a city's traditional export-oriented supply chains. Urban growth pressures may force supply chains (in particular industrial activities) into the outer areas, however most activity stays in close proximity to the CBD or key pieces of infrastructure around which firms experience a competitive advantage. This is particularly true for strategic 'knowledge-based' employment that often seeks to locate in close proximity to customers and collaborators, and logistics that locates in proximity to airports and ports. It follows therefore, that drawing diverse employment out from the inner areas

of cities requires the expansion of supply chains out to these areas. This will require considerable intervention strategies including:

- Relocation/duplication/expansion of enabling infrastructure
- Establishment of agglomerations of activity based around competitive advantages (e.g. skilled workforce, shared infrastructure, key partners)
- Investment in structures/initiatives that influence the endogenous growth of firms within outer areas

3. If you were the Federal Minister, what are three major actions you would take to generate sustainable and diverse employment in outer metropolitan growth areas?

- a. Undertake network mapping of economies existing outer growth area to understand existing supply chain characteristics, and identify opportunities for supply chain augmentation/expansion
- b. Allocate funding for skilled workforce development infrastructure that supports the expansion of identified networks
- c. Undertake a review of strategic infrastructure in major cities to identify opportunities for relocation/replication off infrastructure that enhances city-wide supply chains

4. What are some of the future opportunities available in the outer metropolitan growth areas you are familiar with – in the short, medium and longer term?

- a. Name of growth area: Keralup (Department of Housing development of 90,000 residents within the City of Rockingham and Shire of Murray)

Opportunities

- Development of economic development governance structure resourced by per-lot development contributions that is empowered to invest in the greater south-west corridor
- Attraction of in-kind funding for investment in enabling transport infrastructure linking Keralup Centres with the broader sub-regional economy
- Supply chain linkages between commercial centres in Keralup, and strategic industrial and primary production activity at Nambeelup (adjacent future industrial area)

5. Please briefly describe your areas of expertise and focus for your contributions to the upcoming workshop

Activity centre analysis and economic planning, economic development strategy development, strategic infrastructure economic impact assessment.

6. Where will you be joining us from?

Pracsys Economics, Perth WA