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## Perth's centralised employment hinders outer region growth

Since the 1970's successive strategic plans have attempted to decentralise economic activity and encourage businesses to locate themselves out of Perth's CBD in an effort to reduce commuting issues and increase employment opportunities across the region. The latest FACTBase report released by the Committee for Perth has found that despite decades of this kind of planning, the Perth and Peel region retains its centralised metropolitan structure of its early economic and planning history.

"The last Census showed that 124,679 people worked in the Perth City, most of whom either drive or caught public transport into the CBD. While this number of people coming into the city might simplify transport linkages and support economies of agglomeration, such as having a concentration of people and knowledge networks, the sheer number of businesses operating in the city comes at the expense of industry developing in Perth's outer regions," said Committee for Perth CEO, Marion Fulker.

"Despite decentralised activity centres in outer suburbs providing lower cost land and in some cases better infrastructure, these appear to be outweighed by the ongoing advantages of doing business in or near the CBD. There is the view within many businesses that being in the CBD is essential, mainly because it's easy for their employees to get in and out of and it's important for their brand.

"This is particularly true of listed and headquartered companies in Western Australia with 411 or more than 58% of firms having their offices in the CBD. When headquarters and branch offices are examined, the inner metropolitan corridors between Fremantle and the city to Perth Airport contain 87% of all ASX offices."

Breaking down the industries that employed the most people in the CBD, 29,110 worked in professional, scientific and technical services. 19,188 in public administration and safety, 14,063 in mining, 12,736 in financial and insurance services, 10,518 in health care and social assistance and 7,802 in accommodation and food services.

The report also found that there is an imbalance in employment distribution with larger industry clusters and job opportunities south of the river compared to the north and east.

"This appears to be a reflection of the long-term investment in manufacturing which is mostly concentrated in the corridor between the ocean and the airports made up of Henderson, the Kwinana and Bibra Lake industrial areas, Canning Vale and Welshpool," added Mrs Fulker.

"When you look at other employment clusters, healthcare and social assistance workers are employed in Fremantle, Nedlands-Dalkeith-Crawley, Subiaco-Shenton Park and Wembley-West Leederville-Glendalough and Joondalup in the north. This is most likely the result of employees working close to hospitals and other community services, as well as education and research and development carried out at The University of Western Australia, QEII and Edith Cowan University."

Joondalup, Midland-Guildford, Mandurah, Cannington, Morley as well as the outer metropolitan light industrial area of Madeley-Darch-Lansdale are all high retail employment areas. Public administration and safety is clustered in Rockingham and South Perth-Kensington; transport, postal and warehousing at the Perth Airport and Forrestfield-Wattle Grove; education and training at Bentley-Wilson-St James thanks to Curtin University and arts and recreation services at Victoria Park-Lathlain-Burswood as a result of Crown Perth.

“Despite a large concentration of globally oriented businesses in the CBD pointing to low industry competitiveness in outer and middle metropolitan activity centres, there are also strategic advantages in having it this way. That’s why state and local government plans need to leverage industry competitiveness and complementariness to maximise future employment opportunities,” Mrs Fulker added.

“If there is purely a focus on increasing job numbers it could escalate the employment disparities between Perth’s inner and outer regions. And any emphasis on short-term quantity rather than long-term quality could hinder the development of knowledge-based and skilled employment opportunities in Perth’s outer regions.”

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