Waves of Suburban Economic Development: Outer Western Sydney’s next ride

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The advantage of cities lies in the positive externalities of agglomeration, with economies of scale providing impetus for specialised labour markets and concentrations of industrial activity. However, increasingly there are claims that our cities have places of employment deficits, where population growth outstrips the development of the local labour market.

The importance of local labour markets is reinforced by the growing footprint of our metropolitan cities and an increasing focus on poly-centric cities, and away from mono-centric city patterns. This metropolitan planning focus in turn, influences the pattern of public and transport infrastructure provision, which further reinforces the importance of local labour markets or intra-city mobility. Jobs deficits also are not homogenous and can be experienced in terms of total level of employment, but also the type and quality of employment.

This paper explores economic and employment development in outer metropolitan areas of Australian major cities. These areas are absorbing high levels of population growth and are characterised by lower density dwellings and greenfield housing and industrial developments. This paper contributes to the City Economy theme, and specifically asks the question what is the role of government in generating employment in these areas. The paper uses policy analysis and empirical evidence from ten case studies of suburban areas experiencing rapid population growth and employment deficits to assess the constraints and pressure points for accelerating industrial activity in these areas.