

28 February 2017

Senate Finance and Public Administration Committees  
PO Box 6100  
Parliament House,  
Canberra ACT 2600

Chair, References Committee

### **Australian Senate Inquiry - Relocation of Government Bodies to Regional Areas**

The Illawarra is proximate to both Sydney and Canberra. Wollongong, as the capital of the Illawarra region, is well positioned for the relocation of government bodies. Decentralisation initiatives can provide the federal government with reduced operating costs as well as reduced cost of living for employees.

The relocation of government administration bodies to regional areas over time can provide substantial cost savings for government and improve labour force participation and unemployment in regional centres.

The relocation of government administrative services presents an opportunity to assist in ameliorating cost of living pressures faced by government employees living in major urban centres.

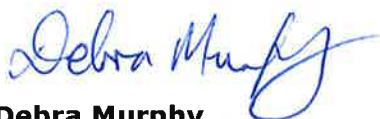
Advantage Wollongong, an initiative of Wollongong City Council, University of Wollongong and the NSW Government Department of Industry, outlines the advantages of Wollongong, a city transformed, in its [2016 Investor Prospectus](#). Advantage Wollongong states that the Lease costs in Wollongong are 50% less than Sydney and retention rates are 95% compared with 75% in Sydney.

An example of a federal government decentralisation is the Australian Taxation Office which has over 400 employees working out of Wollongong. Wollongong City is 80 kms from Sydney CBD and an hour from both Sydney International Airport and the proposed Badgery's Creek Airport. The region benefits from a world-class university, the expanding capacity of the Port of Port Kembla, a tier 3 Data Centre and lower property prices than Sydney. It is a globally connected, innovative city with superb liveability and a transformed CBD precinct.

It is important for the Committee of Inquiry to appreciate the transformation taking place in the Illawarra as it transitions from a predominately manufacturing economy to a diverse economy built on knowledge services, advanced manufacturing, trade and logistics and an increasing defence sector capability. Education and health remain significant sectors for employment growth.

The decentralisation of federal or state government administration to the Illawarra region should be considered as it would provide a win-win to the Illawarra's transformed economy as well as providing cost-effective solutions to government.

Yours sincerely



**Debra Murphy**  
Chief Executive Officer