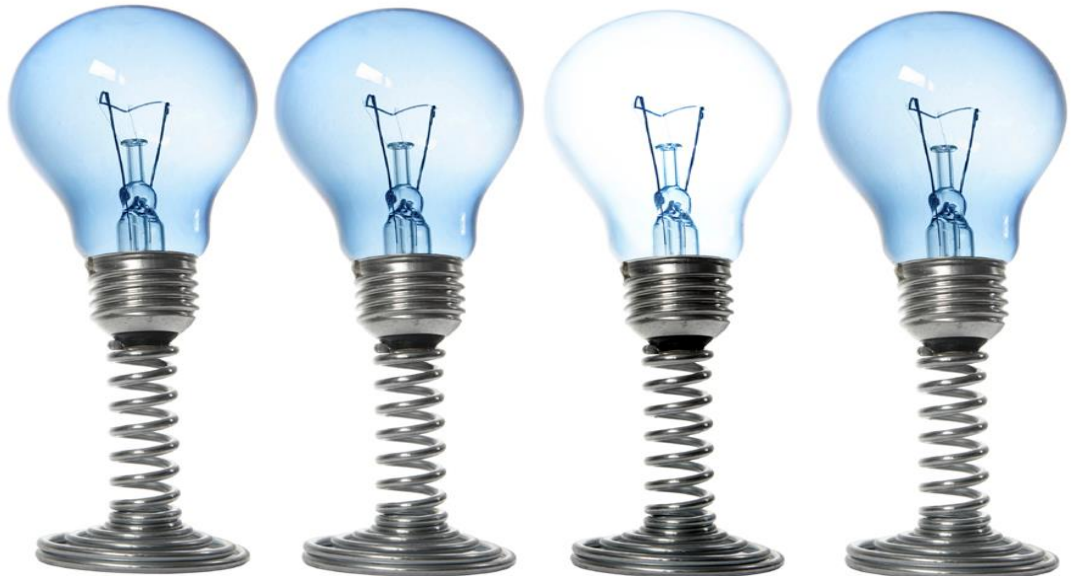


Wollongong Location Analysis

A Case for Shared Services

05-Nov-2015



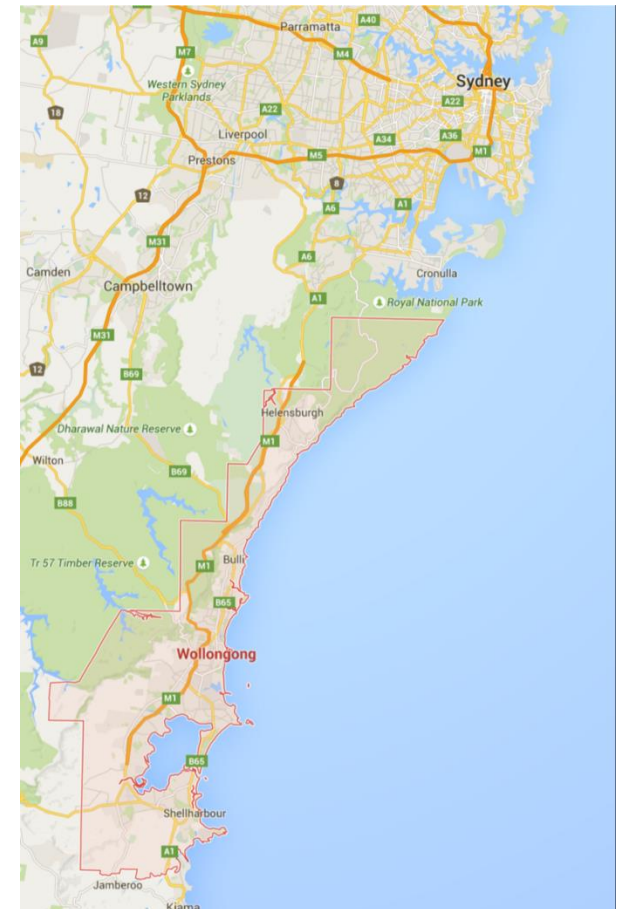
Wollongong Overview

Case for Shared Services

Recently Wollongong has been the location of choice for many organisations setting up Shared Service Centres including NEC, Pacter, Peopelcare and the ATO. Back office facilities recently established include activities in Finance, Accounting, HR, IT, call centres and IT support desks.

Wollongong's location is compelling for companies looking to set up shared services and looking for a stable and skilled workforce, lower business costs than Sydney, modern business infrastructure and advantageous connectivity.

Wollongong is a coastal region located in the Illawarra region of NSW. It is located ~80kms south of Sydney CBD. It's population of ~246,000¹ makes it the third largest in NSW behind Sydney and Newcastle (10th in Australia). Over the past decade population growth has on average been ~0.9% pa.



Wollongong is located close to Sydney, a 1 hour drive from Sydney airport or a 1½ hour train from Central Station on the South Coast line.

1 – ABS 2011 - http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/UCL103001

Wollongong Overview

Key Highlights

Salary Costs

Salary costs in Wollongong are ~85% of Sydney salary costs



Wollongong



Sydney

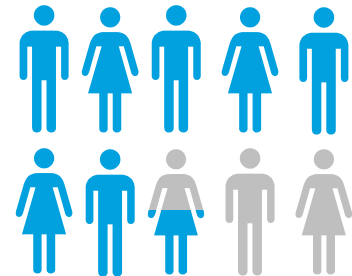
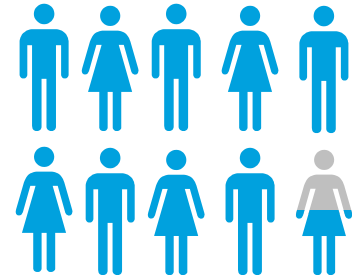
Average Net Lease Cost

Rent costs in Wollongong CBD are ~50% of Sydney CBD rent costs



Staff Retention Rates

Attrition rates in Wollongong are 5%; compared to 25% in Sydney








Shared Services in Wollongong

Shared Services in Wollongong

Shared Service Presence

Wollongong has an established and growing Shared Service culture. Currently there are 72 Shared Service operations that employ ~4,900 staff. These include a range of single and multi function centres as well as BPO facilities.

Company	Year of investment	Size (FTE)	Scope	Destinations served
 	2014	110	IT	NSW
	2013	35	IT	Asia
	2010	20	IT	Asia
	2007	70	IT / Wealth Management	Global
	2000	700	HQ & Funds Administration	NSW & VIC

Some other companies operating Shared Service Operations include:



Stellar



Australian Government
Australian Taxation Office



Shared Services in Wollongong

ICT Services

Wollongong is home to an innovative, vibrant, diverse and growing ICT sector. It features large and small organisations, multinational and local companies which work on both local and global projects.



Wollongong's strong IT presence is supported by ~1,500 IT Professionals and one of the largest university based ICT research facilities in Australia. The ICT Research Institute provides in-depth expertise in the fields of communications technology, multimedia processing, signal processing, data mining, immersive multimedia, and information security to our government and industrial partners.



The University of Wollongong is also the second largest source of IT/Computer science graduates in Australia, with 559 graduates domestically in 2014.

Infrastructure:

- The NBN has been rolled out in Wollongong, making it one of Australia's first regions. This complements the city's existing high-quality fibre-optic and broadband technology
- One of NSW's two Tier 3 Data Centres is located in Wollongong, servicing both public and private sectors



Shared Services in Wollongong

Business Services

Wollongong provides compelling reasons for companies who are looking to establish Shared Service Centres in Australia. Recently Wollongong has experienced strong growth in Shared Services including companies such as: IMB, Australia Health Management, IAG, WIN corporation and Stellar. Business Services in the area currently employ over 4,900 people and include:

- Back office functions: IT, Finance, HR
- Administration offices
- Outbound customer facing call centres
- IT help desks and support centres

With over 5,800¹ domestic students graduating annually from the University of Wollongong there is always a strong stream of labour entering the Wollongong workforce that companies can tap into and benefit from.

Wollongong provides a lower cost² near-shore location for companies looking to establish a business service centre. Only an hour from the Sydney CBD it allows employees to travel between offices easily if required.



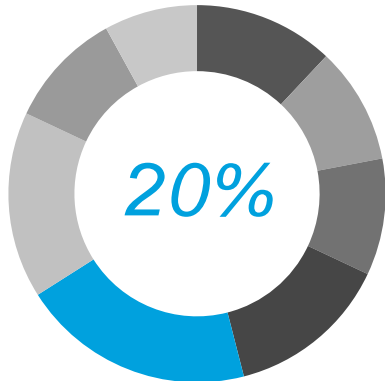
1 – University of Wollongong
2 – In comparison with Sydney

Human Resources

Human Resources

Overview

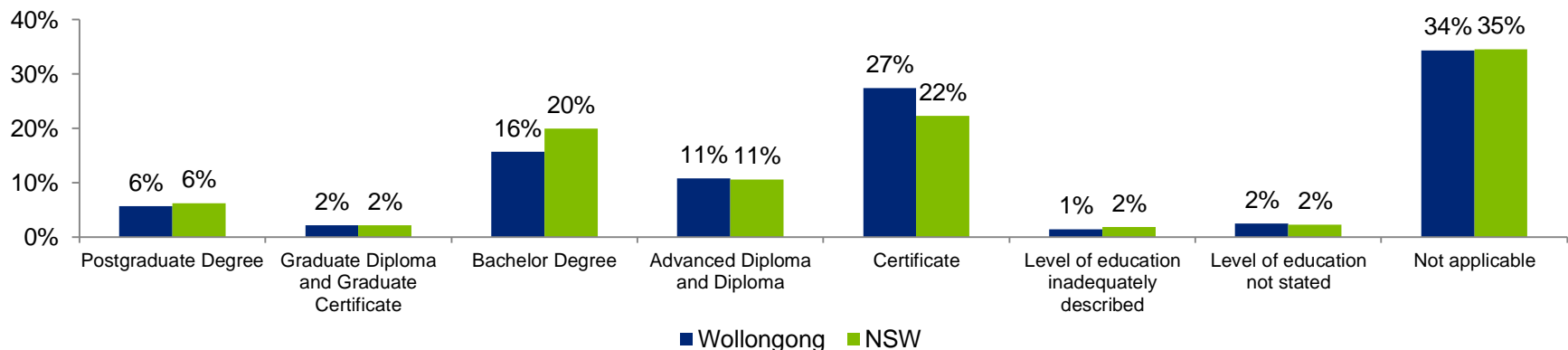
Wollongong has a deep, diverse and talented pool of skilled individuals. There is a strong workforce including a working population (>15 yrs) of 200,000¹ and a labour force of 115,000¹ living in Wollongong. Further, there are over 1m potential workers that live less than an hours drive from Wollongong CBD. The unemployment rate in Wollongong is 5.9%¹ (March 2015).



The most common occupation in Wollongong is in Professional Services, 20% of the work force (21,000¹), which is in line with the NSW average of 23%.

It is estimated that approximately 9,000² of these Professionals commute daily to Sydney for work.

The level of education in Wollongong, depicted below, is broadly aligned with the average across NSW.



1 – ABS 2011 - http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/UCL103001

2 – Profile ID - <http://profile.id.com.au/wollongong/residents>

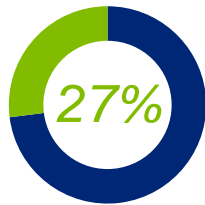
Human Resources

The University of Wollongong

Wollongong is home to one of Australia's premier universities, the University of Wollongong, and annually provides a strong source of new graduates to the local work force. With employee satisfaction levels of graduates from the University of Wollongong ranked in the top 100 globally, there is a continual source of quality graduates available for employers in the Wollongong region.

20,000

The approximate number of students at the University of Wollongong in Australia.

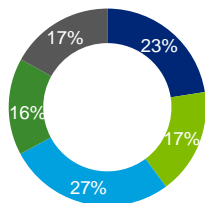


■ Undergraduate
■ Post Graduate

- Around 27% of these students are postgraduate students

5,845

The number of students who graduated locally from the University of Wollongong in 2014.



■ Social Science
■ Engineering and Information Science
■ Business
■ Law, Humanities and the Arts
■ Science Medicine and Health

- 1,569 Business students graduated domestically in 2014
- 559 Information Science students graduated domestically in 2014

Wollongong Infrastructure

Wollongong Infrastructure

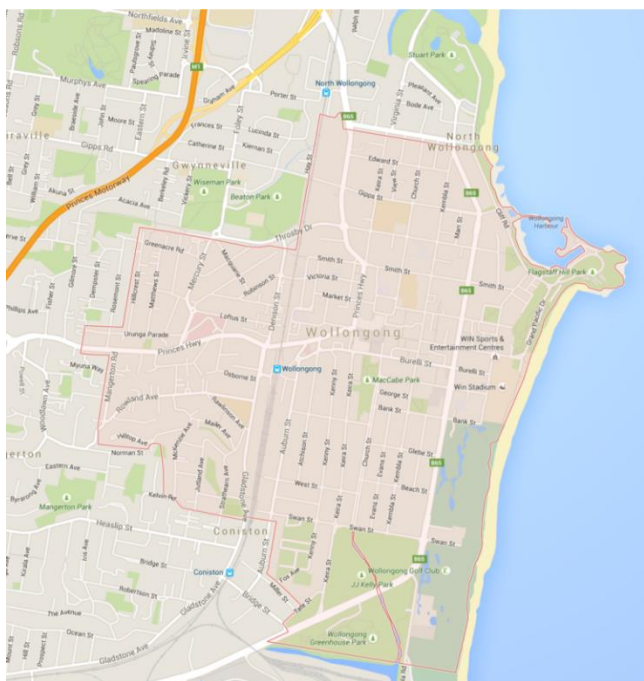
City Centre Overview

Wollongong is continuing its economic transformation, with over \$1 billion worth of investment in major development projects either completed or under construction over the past year.

Wollongong City is sufficiently served by transport options including the bus and train (which is part of the Sydney Train Network). Road infrastructure is well developed with no evident constraints.

Wollongong is one of the first Australian regions to have early roll-out of the NBN, with the City Centre network already complete. Wollongong has an office vacancy rate of 13.7%¹ with vacancy rates in the CBD currently 11.1%².

There is approximately 112,000m² of DA approved commercial floor space and awaiting development.



Market	Grade	Gross Face Rent (lower) (\$/sqm) ³	Gross Face Rent (upper) (\$/sqm) ³
Wollongong	Prime	\$350	\$450
	Secondary	\$250	\$350
Macquarie Park / North Ryde	Prime	\$390	\$450
	Secondary	NA	NA
Parramatta	Prime	\$430	\$500
	Secondary	\$390	\$430
North Shore	Prime	\$480	\$800
	Secondary	\$350	\$460

1 – Office Market Report (Jan 2015)

2 – Increase from 6.6% last year as a result of the relocation of the ATO to a new premises in the CBD

3 – Herron Todd White (2014)

Wollongong Infrastructure

The Innovation Campus

The University of Wollongong's newly established Innovation Campus provides a unique opportunity for business to co-locate and collaborate and leverage world-class research teams and state-of-the-art facilities. In 2011 it was awarded Australia's Best Business and Industrial Park Development in the National Innovation & Excellence Awards by the Property Council of Australia.

The University of Wollongong's research is defined by 5 themes:

- Information and Mathematical Sciences
- Environmental Sustainability
- Innovative Materials
- Engineering and Manufacturing
- Science, Policy and Culture



Companies currently located on the Innovation Campus include:



Wollongong Infrastructure

Existing A Grade Premises Available



Address: 5 Edney Lane, Coniston
Area: 5,000m²
Rent: \$382/m² pa gross + GST
Parking: 300 onsite parking spots



Address: 93 – 99 Burelli St, Wollongong
Area: 400 – 6,600m²
Rent: \$465/m² pa gross + GST
Parking: 50 basement parking spaces and 42 secured podium spaces



Address: Squires Way, North Wollongong
Area: 582m²
Rent: \$428/m² pa gross + GST
Parking: Secure onsite parking at additional cost

Our Team

Our Team

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