



# **Response to Australian Senate inquiry on the relocation of government bodies to regional areas**

## **City of Greater Geelong**

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## 1.0 Introduction

The City of Greater Geelong is pleased to make a submission to the Australian Senate inquiry on the relocation of government bodies to regional areas. This submission is made in collaboration with key local stakeholders including Deakin University, the Geelong Chamber of Commerce, G21 (Geelong Region Alliance) and the Committee for Geelong.

## 2.0 Background

G21 (Geelong Region Alliance) brings together government, business and community organisations across five municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast.

The G21 Region covers an area of 8,972 sq km situated to the south-west of the state capital Melbourne.

The Region has a vibrant economy with \$11.4b gross regional product (GRP), 23,000 businesses and an average unemployment rate over the past 12 months of 6.0% (slightly above the Australian and Victorian averages). There are over 300,000 residents and a local labour force of 160,000. Geelong, is the economic centre of the Region.

Geelong is a University City as the headquarters for Deakin University who have a strong local presence with a campus along the Geelong waterfront and another other at Waurin Ponds. Deakin University is a leading institution for graduate and post graduate education as well as delivering cutting edge innovation in a variety of scientific, research and development disciplines.

Geelong is a base for the CSIRO Australian Animal Health Laboratory (AAHL), a high-contamination facility carrying out scientific research to protect Australia's livestock and aquaculture industries. It is also the base for the Geelong Centre for Emerging and Infectious Diseases, a multidisciplinary research partnership between Deakin University, Barwon Health and CSIRO AAHL to research infectious diseases that pose a direct hazard to human and animal health.

The Region has world class infrastructure not typically found outside capital cities – Avalon Airport (Victoria's second airport), Port of Geelong (bulk handling facility), is located on the national highway network and access to the national standard gauge rail network.

## 3.0 Economy in transition

Traditional manufacturing was the mainstay of the regional economy for almost a century. Geelong enjoyed a reputation as a Centre of Excellence for a range of value-add activities including wool processing, textiles,



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clothing and footwear, automotive and agricultural vehicle components, aluminium manufacture, petroleum refining, fertilisers, timber products and food processing.

By the late 1970s / early 1980s almost 25% or 1:4 workers in Geelong were employed in the manufacturing sector; higher than the Victorian state average. The skills base of the local labour market reflected this with higher levels of trade qualifications and non-skilled labour.

Since the 1990s structural changes in the Geelong economy have reflected trends of other Australian manufacturing centres. Changes to Federal Government trade policies, the rise of and competition from international markets, a downturn in the economy and increased industrial automation practices have contributed to downsizing of Geelong's traditional manufacturing sector.

Today 10% or 1:10 workers are employed in manufacturing. The sector continues to play an important role in the local economy with a renewed focus on advanced manufacturing, precision engineering and food processing. Structural adjustment of this sector is still evident with recent closures of Alcoa Australia's Point Henry aluminium smelting plant and Ford Australia's stamping plant at North Geelong.

Over recent years Geelong has reinvented itself with new areas of competitive advantage including health and social assistance, research and innovation, education and training, retail trade and the visitor economy.

The G21 region is also a thriving base for horticulture, viticulture, dairy production, cattle grazing and wool. Agribusiness, food processing (including boutique foods and beverages) accounts for 11% of the regional labour force and contributes significantly to the lifestyle and environment of the region.

## 3.2 Relocation of Government Agencies

A number of Commonwealth and State government agencies have been relocated from Melbourne or new facilities established in Geelong to support the diversification of Geelong's economic base. These facilities have been the catalyst for stimulating growth in new sectors within the economy. The introduction of these agencies commenced in the 1990s with more significant commitment over the past 5 years.

- Australian Taxation Office – National telephony centre.
- Centrelink – including a 24 hr national call centre.
- Transport Accident Commission – headquarters.
- National Disability Insurance Agency – headquarters underway.
- Australian Bureau of Statistics - Survey Design Office.



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- WorkSafe – headquarters underway.

REMPPLAN Economic Modelling outlines the total impact to the regional economy of these agencies each year (when fully operational mid 2018).

- Support 6,858 local jobs (2,771 direct jobs and 4,087 indirect jobs as a result of the flow on industrial and consumption effects).
- Increase local wages and salaries by \$612m.
- Inject \$2,622m of direct and indirect revenue into the local economy.
- Contribute \$1,213m value-added or Gross Local Product.

### 3.3 Importance of Regional Growth

The Federal Government has acknowledged for some time the importance of addressing growth within regional Australia and supported this with a range of policies to encourage and stimulate activity outside capital cities. In 2015 the new Cities and Built Environment portfolio was created and the *Smart Cities Plan* is in progress as a funding vehicle.

At a Victorian Government level *Plan Melbourne 2017-2050* provides a strategic framework for accommodating and capitalising on the strong population and economic growth earmarked for Metropolitan Melbourne to 2051. Forecasts predict the current population of State Capital will grow from 4.5 million to 7.9 million people, with regional Victoria set to grow to 2.0 million people over the same period. The majority of the growth outside Melbourne is expected to occur in the State's existing regional cities.

*Plan Melbourne* specifically refers to growing Geelong as Victoria's second city by prioritising land-use strategies that position the G21 region for accelerated growth and becoming a centre of employment for the State. The G21 Region is ideally placed to accommodate significant growth into the future and is capable of playing a pivotal role in easing population, development and infrastructure pressure on Melbourne.

### 3.4 Outcomes for Geelong – a case study

The benefits of relocating or establishing government based entities to Geelong has been significant.

The direct and indirect economic value to the local economy is outlined in section 3.2 of this report.



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Research by the Department of Environment, Land, Water and Planning suggests that people migrate for a range of reasons, the main one being jobs and family connections. Other factors such as lifestyle and affordable housing are considered to be secondary factors.

### **Growing our workforce**

The relocation or establishment of government based entities to Geelong has been instrumental in assisting the economy to transition its workforce into new sectors by

- Attracting new workers and broadening local skill-sets;
- Delivering a range of new occupations and job types;
- Providing opportunities for career advancement; and
- Stimulating greater workforce participation through staggered work starts, flexible hours and part-time or casual employment.

### **Physical impact**

The physical relocation of newly relocated or established government based entities to Geelong has focused predominately on Central Geelong. These entities have been a catalyst for kick-starting regeneration of the City's commercial precincts by repurposing existing buildings or undertaking purpose-built state-of-the-art facilities. They have also increased the daytime worker population of Central Geelong supporting a range of retail businesses and increasing pedestrian movement to inner city laneways and dining precincts.

Geelong's housing market offers greater value for money than Metropolitan Melbourne. The current housing market is robust and there is currently strong demand and capacity for further development.

### **Creative and cultural impact**

The relocation or establishment of government based entities to Geelong has resulted in the attraction of a greater diversity of workers and new residents to Geelong.

The City of Greater Geelong is currently delivering a 30-year vision for the City *Geelong Our Future*. Extensive consultation of residents has found that the environment and lifestyle are what they believe is the differentiator for Geelong. Specifically, the natural environment (beaches, parks, river, open space), the sense of community and identity, the lifestyle and recreation options and the City's education opportunities and cultural assets.

There has been reinvigorated demand and participation in the local creative, arts and culture sector as well as leisure sport, dining and retail precincts.



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### **New sector development opportunities**

On the back of the establishment of the TAC, WorkSafe and NDIA all operating in the social, injury and disability insurance space, the City of Greater Geelong together in collaboration with key stakeholders has undertaken a strategic study to explore further opportunities that may result from a cluster of these activities in the same place.

### **Impact on Small Business**

97% of businesses in Geelong are small to medium enterprises. The impact of government departments relocating to Geelong provides opportunities for these businesses to do more business, delivering goods and services locally, and opportunities to grow their business and employ more people in downstream sectors that has a positive impact on regional GRP and long term small business sustainability.



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### 3.5 Ongoing case for relocation of Government entities.

In the Australian Government's report *Reform of Australia's Biosecurity System*, it outlines the need for ongoing reforms to deliver a modern biosecurity system that is responsive and targeted. Population growth, climate change, international travel and trade volumes, as well as increasing demand from trading partners for quality assurance of exports, heightens the need for Australia to champion an adaptive, efficient and effective biosecurity system.

The CSIRO Australian Animal Health Laboratory (AAHL) located within the G21 Region, is able to play a major role in leading biosecurity and infectious disease response in the Asia Pacific region and broader international markets. AAHL provides an optimal environment for dealing with new and unknown threats to biosecurity and is one of a few of its kind high-contamination facilities that exists globally. Further Government investment in AAHL would position the facility be a world leader in this field.

The Geelong Centre for Emerging and Infectious Diseases (GCEID) is a collaboration between Barwon Health, Deakin University and CSIRO AAHL. The Centre, opened in 2015, was strongly supported by the Australian Government and the City of Greater Geelong.

GCEID is a research hub for collaborative multi-disciplinary research to strengthen the Region's position on the global infectious diseases map. Core programs address important emerging infectious diseases that pose a threat to human and animal health.

Leading world expertise in biosecurity and related scientific sectors, as well a unique array of local infrastructure already exists with the G21 Region.

There are opportunities and competitive advantages for the G21 Region and Geelong as its economic centre, to play an important role in assisting and supporting biosecurity reform within Australia. This role could include as a destination for any new "headquarters" to drive biosecurity or as a hub to cluster scientific research in this field.

As Geelong repositions itself as a 21<sup>st</sup> Century world class city, it has never been more important to leverage opportunities for continued investment and development. The Region has a proven track record of working with and accommodating government entities which has had positive impacts on diversifying our economic base and building skills and capacity in new areas.

Ongoing Government investment in a range of major infrastructure assets that contribute to economic, social, cultural and built environment are paramount to the quality of lifestyle and amenity of the Region.





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## 4.0 Regional Hearing

The City of Greater Geelong would welcome the opportunity to host a consultation hearing by the Senate Committee in Geelong. We are keen to explore the G21 Region case study of how an injection of government investment can drive regional economic growth.

### References:

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