

In response to Senator McKenzie's question, "Could you expand on your comment that it is "cheaper to operate in a regional areas than cities"? I would like to provide the following information:

My comments were given in the context of the Sydney Labour Market Region which has costs that seem to be greater than other areas in the nation. Furthermore these costs do not get expressed as disadvantages to organisations delivering Employment Services within this geography when Star Ratings are calculated. To illustrate the differential

- *APM employs 330 staff in the key operational roles of Employment Consultant, Front Line Managers and Regional Management.*
- *26% of these staff work within the Sydney Labour Market Region.*
- *All these roles show a premium cost over the average cost for the other geography we delivery services within:*
 - *Employment Consultants +9%*
 - *Front Line Managers +5%*
 - *Senior Managers 21%*

Given Salaries are approximately 60% of the cost of most Employment Services, these differentials make a great difference to the way in which Employment Service Models can be operated in Sydney by comparison to other regions.