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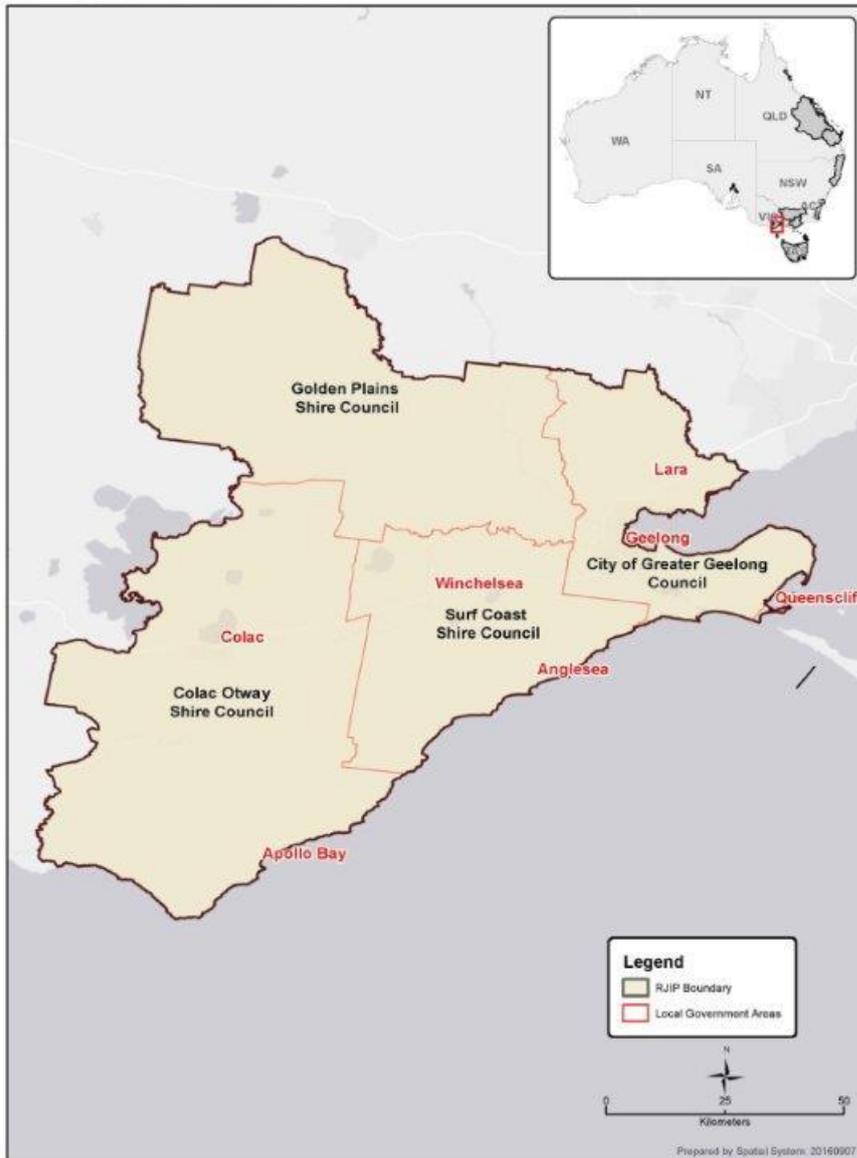
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Regional Jobs and Investment Packages

Geelong Region Local Investment Plan

May 2017

GEELONG RJIP BOUNDARY



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1 Introduction

Formation

The Geelong Local Planning Committee (LPC) was formed by the Department of Infrastructure and Regional Development in mid-February 2017.

Meetings of the full committee have been held at Deakin Geelong Waterfront Campus:

- Meeting 1 Wednesday 8 March 2017
- Meeting 2 Monday 20 March 2017
- Meeting 3 Monday 3 April 2017
- Meeting 4 Wednesday 19 April

Community Consultations occurred as follows:

- **Colac Otway Shire:** Ms Calvert and Mr Gorman, both appointed committee members, are well known in their region and consulted widely in the community.

The notes of this consultation have been provided to the Department of Infrastructure and Regional Development.

- **Geelong CBD:** Professor Jane den Hollander led a session for members of the wider community on 29 March at Deakin University Waterfront Campus.

The notes from the consultation have been provided to the Department of Infrastructure and Regional Development.

Presentations to the LPC:

The Committee received formal presentations at its first and second meetings, from the following organisations and people:

- Regional Development Victoria (Barwon South West)
- G21, an Alliance of South West regional Victorian Councils
- Geelong Chamber of Commerce
- Ms Calvert and Mr Gorman as representatives of the Colac Otway region

Reports and Data Sources received by the LPC

- ABS, Counts of Australian Businesses, including Entries and Exits (Cat. No. 8165.0)
- ABS Regional Population Growth 2017 (Cat. No. 3218.0)
- BITRE estimates based on Tourism Research Australia, presented within the DIRD 2016 Yearbook
- Department of Employment, 2016 Employment Projections, five years to November 2020.
- G21 Regional Growth Plan, April 2013, [G21 Regional Alliance](#). (accessed 17 April 2017).
- Geelong Business Trends Survey 2016, Dimovski et al, Deakin University, [Geelong Chamber of Commerce](#). (accessed 17 April 2017).
- [Geelong Economic Futures 2017](#), Deakin University Centre for Regional and Rural Futures, G21 Regional Alliance, City of Greater Geelong and Juturna Infrastructure. (accessed 17 April 2017)
- [Golden Plains Food Production Precinct Concept Plan](#), Golden Plains Shire, 2014. (accessed 17 April 2017).
- [Greater Geelong and the Bellarine Tourism Development Plan](#), Tourism Greater Geelong and the Bellarine, 2016. (accessed 17 April 2017)

- [Great Ocean Road Market Profile Year Ending December 2014](#), Tourism Victoria. Downloaded from (accessed 17 April 2017)
- [Infrastructure Victoria Announcement](#), (accessed 17 April 2017)
- National Aged Care Data Clearing House, Population Projections, 2012 (base) to 2027.
- National Institute of Economics and Industry Research (NIEIR) modelling, Deloitte Access Economics Analysis 2016.
- Remplan Economic Model of G21 Region 2017, Enterprise Geelong.
- Strategic Master Plan for the Great Ocean Road Region Visitor Economy 2015-2025, [Great Ocean Road Regional Tourism Limited](#). (accessed 17 April 2017)
- [Winning from Second: What Geelong Can Learn from International Second Cities](#), Committee for Geelong 2016. (accessed 17 April 2017).

2 Overview and analysis from Geelong Local Planning Committee

The Geelong Regional Jobs and Investment Package (RJIP) region aligns with the boundaries of G21, the Geelong Region Alliance of Councils, to the south west of the Melbourne metropolitan area and includes five local government areas: Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast. The original inhabitants of the G21 region are the Wathaurong and Coladjin Aboriginal people.

In 2016, the region had an estimated resident population of 309,900 as follows:

Local Government Area	Population 2011	Population 2016p	2011-2016 average annual growth rate
Colac-Otway Shire Council	20,799	20,294	-0.5%
Golden Plains Shire Council	18,958	21,355	2.4%
Greater Geelong City Council	215,837	235,343	1.7%
Borough of Queenscliffe	3,061	3,069	0.1%
Surf Coast Shire Council	26,666	29,839	2.3%
Geelong RJIP region	285,321	309,900	1.7%
Victoria	5,537,817	6,069,636	1.9%
Australia	22,340,024	24,128,876	1.6%

Source: ABS Regional Population Growth 2017 (Cat. No. 3218.0);

Note: Population estimates are final for 2011, but preliminary for 2016 (p)

The population projections of the region demonstrate an average 1 per cent annual rate of growth to 2027 against Victorian and Australian annual averages of 1.6 per cent for the same period.

Local Government Area	Population 2012	Projected population 2027	Projected Population Growth, 2012-2027	Average annual growth rate, 2012-2027
Colac-Otway Shire Council	20,722	23,030	2,308	0.7%
Golden Plains Shire Council	19,426	23,488	4,062	1.3%
Greater Geelong City Council	218,378	251,738	33,359	1.0%
Borough of Queenscliffe	3,089	3,494	405	0.8%
Surf Coast Shire Council	27,360	33,601	6,242	1.4%
Geelong RJIP region	288,975	335,351	46,376	1.0%
Victoria	5,629,122	7,187,419	1,558,297	1.6%
Australia	22,710,363	28,980,243	6,269,880	1.6%

Source: National Aged Care Data Clearing House, Population Projections, 2012 (base) to 2027

The region has good proximity and road and rail connections to Melbourne, bringing it within commuting distance for many residents. The local government area of Greater Geelong is home to three quarters of the region's residents, making Geelong the second largest city in Victoria. Geelong plays a role in the region as the principal service centre for industry and business, health and education, and a wide range of higher order commercial and community services and facilities.

Other major towns in the Geelong RJIP region include Colac, the coastal towns of Anglesea, Apollo Bay, Lorne, Ocean Grove and Torquay, and the inland rural centres of Bannockburn and

Winchelsea. Colac is the major service centre for the smaller settlements and rural areas in the western part of the region.

The Geelong RJIP region encompasses a total land area of approximately 8,950 square kilometres and includes large areas of land used for farming as well as National Parks, Marine National Parks and other conservation areas. Key rural uses in the area are timber-getting, farming, grazing, cropping, dairying, mining, viticulture and intensive agriculture. The expansive rural areas in the central and western parts of the region are highly productive and have relatively high rainfall compared to other parts of Victoria.

The region is rich in natural features and highly valued landscapes, such as the Great Ocean Road, coastal reserves and the Otway Ranges, all of which underpin the region's tourism appeal.

2.1 Current labour market conditions

The Geelong Statistical Area Level 4 (SA4) is most closely aligned with the five local government areas that form the basis of the Geelong RJIP. In line with strengthening labour market conditions across Victoria, the local labour market appears to have strengthened in terms of both employment and participation rates as demonstrated by the following table:

	Geelong SA4	National
Unemployment Rate February 2016	6.0%	5.8%
Unemployment rate February 2017	5.6%	5.9%
Participation rate February 2016	58.4%	65.7%
Participation rate February 2017	64.5%	64.6%

It would be inadvisable to place emphasis on the region's low unemployment rate, as labour force data for Geelong has been exhibiting considerable volatility over recent months and should be viewed with extreme caution. In this regard it is important to note the following:

- The proportion of the population aged 15-64 on income support in Geelong was 14.2 per cent in February 2017, well above the 12.3 per cent recorded for Australia.
- The population in Geelong has a below average level of educational attainment, with only 53.6 per cent of persons aged 15-64 in the region having completed year 12 or equivalent (compared with 59.0 per cent for Australia), and just 21.6 per cent have attained a Bachelor Degree or above (compared with the 24.4 per cent recorded nationally).

2.2 Employment by industry

At February 2017, the top five employing industries in the Geelong SA4 were:

Industry	Number employees	% of total employment
Health Care and Social Assistance	21,300	15.3
Retail Trade	16,200	11.7
Education and Training	14,700	10.6
Construction	13,000	9.4
Public Administration and Safety	11,600	8.3

Change to employment by industry sector five years to February 2017

Employment gain by industry		Employment fall by industry	
Industry	Participation increase	Industry	Participation decrease
Health care and social assistance	3,900	Manufacturing	2,500
Education and training	3,800	Media and telecommunications	1,400
Public administration and safety	3,100	Arts and recreation services	1,100
Transport, postal and warehousing	3,000	Construction	600

Looking forward to November 2020, employment in the Geelong SA4 is expected to increase by 9,600 (or by 7.7 per cent) which is a lower rate of growth than the 8.3 per cent projected nationally[1]. The region's manufacturing sector is projected to fall by a further 800 jobs (6.5 per cent) during this period.

Projected growth by industry sector five years to November 2020

Industry	Participation increase
Health care and social assistance	4,100 (22%)
Construction	1,500 (11.1%)
Education and training	1,200 (10.0%)
Retail trade	900 (6.0%)
Accommodation and food services	900 (6.5%)

Key Enablers

The LPC notes three key enablers essential for successful regional economic development and job creation. These enablers were viewed as essential to all future growth and jobs creation:

- ICT
- Education, training and retraining
- Infrastructure

2.3 Additional Issues Noted as central to future growth and investment in the Geelong RJIP region

1. Small and Medium Sized Business

In its presentation to the LPC, the Geelong Chamber of Commerce highlighted the significance of small and medium sized business to the continuous growth of the regional economy. This is highlighted by the growth of Actively Trading Businesses in the region as follows:

Local Government Area	2013 businesses	2014 businesses	2015 businesses	2013-2015 average annual growth
Colac-Otway Shire Council	2,252	2,232	2,256	0.1%
Golden Plains Shire Council	1,621	1,646	1,670	1.5%
Greater Geelong City Council	15,655	15,864	16,139	1.5%
Borough of Queenscliffe	330	318	319	-1.7%
Surf Coast Shire Council	3,031	3,093	3,131	1.6%
Geelong RJIP region	22,889	23,153	23,515	1.4%
Victoria	533,350	541,347	549,934	1.5%
Australia	2,048,203	2,074,154	2,095,116	1.1%

Source: ABS, Counts of Australian Businesses, including Entries and Exits (Cat. No. 8165.0)

The LPC recognises the importance of small business (employing fewer than 19 staff) as a source of employment growth for the region and notes the regional rate of Actively Trading Businesses is increasing at 0.4 per cent per annum above the national average. The Chamber of Commerce's presentation to the LPC highlighted the contribution of the region's small businesses in terms of innovation, value creation and workforce participation. Evidence suggests that the education, training and skilling of business owners increases the capacity of small business to grow and employ staff. The relocation of Government departments and agencies to the region creates a favourable environment to establish and grow small businesses and start-ups within the sectors of professional, scientific and technical services (including med tech and social insurance) and health and community services.

Program Guidelines will allow 'clusters' or consortiums of small businesses to apply for funding whereby a registered business acts as the lead applicant

2. Colac Workforce

Employers in the Colac region have reported difficulty in recruiting local workers to roles that have been created by the growth of local manufacturing and food processing businesses. This local workforce shortage risks becoming an impediment to future growth of those businesses who currently undertake out-of-region recruitment in order to meet the demands of the business. G21 has developed a collective impact project (GROW) to support local workers to secure sustainable employment within local businesses. Programs to increase the job-readiness of local people are needed as is increasing the attractiveness of Colac as a place to live and work to increase the employment base.

3. Socio-Economic Disadvantage

Unemployment rates within the region are broadly in-line with Victorian and national averages. However, these statistics mask areas of significant disadvantage in Corio/Norlane, Whittington and Colac. Within these areas, there are very low levels of educational attainment, very high levels of unemployment, including youth unemployment, and high rates of vulnerability to extreme disadvantage for very young children. The region needs to ensure there are strategies in place that develop the employment aspirations, employability skills and levels of educational attainment within these communities. The provision of realistic employment opportunities for people from these communities is central to hope for their future wellbeing.

4. Retrenched Workers

Over the last three years approximately 2,500 manufacturing jobs have been lost in the Geelong economy through large-scale retrenchments with further retrenchments from Ford when the prototype project finishes midyear. It has been reported Viva Energy may be retrenching workers

during 2017 and there continues to be a number of small-scale reductions in the manufacturing workforce that will see a continuing decline in the number of manufacturing jobs in the region over the coming years. In December 2016 Target announced that its headquarters will be relocated from North Geelong to Williams Landing (outer metropolitan Melbourne). This will result in the loss of several hundred jobs to the Geelong region's economy.

The following Structural Change Index for the Geelong RJIP region does not capture recent retrenchments but indicates that the rate of industry transition experienced across the region is well above national and Victorian averages:

Local Government Area	2006-2011 index
Colac-Otway Shire Council	6.3
Golden Plains Shire Council	6.6
Greater Geelong City Council	5.3
Borough of Queenscliffe	6.1
Surf Coast Shire Council	5.6
Geelong RJIP region	5.1
Victoria	4.1
Australia	3.8

Source: ABS 2006 and 2011 Census, presented within the DIRD 2016 Yearbook

Note: Structural Change Index based on the methodology used in the Productivity Commission, Aspects of Structural Change in Australia, Research Paper, 1998.

The LPC has chosen to focus its strategic priorities around its understanding of the regional key enablers detailed above. The Geelong LPC is also of the view that applicants should, where possible, address workforce issues for small business and Colac and issues of disadvantage that have arisen as a result of structural change.

2.4 Directions for New and Continuing Growth

Since the publication of the G21 Regional Growth Plan in 2013, the region has continued to reduce its dependence on traditional manufacturing and the following new directions and opportunities have emerged.

1. World-class Tourism

The region is a major tourism destination, a valuable competitive advantage that contributes to the region's economy through a wide range of opportunities from the coast, food and wine, nature and walking/cycling experiences and events. The region has two tourism organisations covering the Great Ocean Road and Greater Geelong and the Bellarine, each has well developed strategies for growth and investment as follows:

- Strategic Master Plan for the Great Ocean Road Region Visitor Economy 2015-2025, Great Ocean Road Regional Tourism Limited.
- Greater Geelong and the Bellarine Tourism Development Plan, Tourism Greater Geelong and the Bellarine, 2016.

Tourism Victoria estimates that in 2013-14, the tourism industry contributed an estimated \$1.9 billion to the Great Ocean Road economy (10.8 per cent of gross regional product) and employed approximately 20,700 people (12.0 per cent of regional employment) including those employed indirectly through retail, hospitality and transport.

The ratio of overseas visits to residents indicates the extent of economic engagement with international visitors in the region. Overseas visitors are those people visiting Australia for less than 12 months for holidays, businesses, visiting friends and relatives, and education. The following table is of international visitors for the Geelong RJIP region and show a significant increase between 2011 and 2015.

Local Government Area	2007 visits per 1,000 residents	2011 visits per 1,000 residents	2015 visits per 1,000 residents
Colac-Otway Shire Council	2,628	2,961	4,123
Golden Plains Shire Council	55	35	28
Greater Geelong City Council	216	222	272
Borough of Queenscliffe	1,213	542	1,279
Surf Coast Shire Council	1,718	1,266	1,846
Geelong RJIP region	534	510	674
Victoria	451	457	623
Australia	732	639	724

Source: BITRE estimates based on Tourism Research Australia, presented within the DIRD 2016 Yearbook

2. Advanced Manufacturing

The Geelong region is well known as a 'City of Makers and Innovators' with a manufacturing heritage that dominated local industry throughout the twentieth century. In excess of 10,500 people continue to be directly employed in local manufacturing and the region's manufacturers are undergoing transition from traditional to high-value advanced manufacturing. The innovation of the sector has been supported by the region's university, which has above world-standard capabilities in many relevant disciplines including robotics, haptics, intelligent systems, data analytics, artificial intelligence and cyber security.

Of particular note, is the location of the world's leading carbon fibre research facility, Carbon Nexus, at Deakin's Geelong Waurm Ponds Campus. A partnership between Deakin and CSIRO on development of a 'Wet Spinning Line' at CSIRO's Waurm Ponds facility now enables Australia to carry out research across the whole carbon fibre value chain: from molecules, to polymers, to fibre, to finished composite parts. The Intellectual Property developed in the region has the potential to disrupt the global carbon fibre manufacturing industry.

Carbon fibre manufacturing in Geelong would also accelerate the growth of the city's 'carbon cluster' of businesses producing a range of automotive, defence, sporting and leisure related parts and products. The ten founding Cluster members employ approximately 500 staff.

3. Food, Fibre and Agribusiness

Current development plans outlined under the Golden Plains Food Production Precinct Plan (Golden Plains Shire, 2014) are likely to offer more local job opportunities and reduce the share of locals who commute to other areas for work. The Food Production Precinct is expected to generate \$160 million of investment and support an additional 775 jobs over the next ten years. This investment is earmarked for infrastructure to support intensive agriculture and associated agribusiness activity in the area. The Golden Plains Shire already supports a strong agriculture industry with a third of the local workforce being employed within the sector. This is a significant over-representation (approximately 10 times) of the average for the G21 region.

The Colac Otway Shire is another region where agribusiness is predicted to grow and where there will be opportunities for jobs growth. In many instances, this may be connected economic growth in

the Agri-Tourism sector, which will require employees with a mixture of technical and customer facing skills. The Colac Otway Shire is one of the most productive agricultural regions, producing more than 3 per cent of Victoria's annual agricultural output and employing approximately 2,300 workers.

The Geelong Economic Futures 2017 report identifies a high-security, low-cost water infrastructure project to drive an expanded and export-focussed, higher-profit regional farming sector.

4. Professional, Scientific and Technical Services (including Med Tech and Social Insurance)

Alongside the existing Traffic Accident Commission (TAC), another two public sector insurance agencies are locating in Central Geelong - the National Disability Insurance Agency (NDIA) and the Victorian WorkCover Authority (WorkSafe Victoria). These agencies will collectively employ over 1,500 staff and their location in Geelong makes it now undisputedly Australia's social insurance capital.

5. Health and Community Services

The health and community services sector has the strongest projected employment growth potential as the region must manage the arrival of the NDIA and the rapidly aging population. There is potential for major investment in aged and disability care facilities and service providers are estimated to require 4,100 new staff by 2020. The LPC notes in particular the urgent need for training in both work and employment skills for unemployed local residents to fill a significant proportion of these positions.

6. Transport and Logistics

In 2016 the Federal Government announced, as an election commitment, that Avalon Airport, approximately 20 kilometres north of Geelong, would be reclassified as a regional airport. This reclassification is significant for both tourism and for high value export trade in that it enables the introduction of international flights to the airport. In addition to the airport, the Port of Geelong is Victoria's largest soft bulk commodity seaport.

Whilst Geelong is currently well situated for food production distribution to the Melbourne markets as well as for air and sea export through Tullamarine airport's freight centre and the Port of Melbourne container terminal respectively, the Geelong Economic Futures 2017 report

'proposes the Avalon site – 60 kilometres south-west of Melbourne adjacent Avalon International Airport - as the most efficient long-term inland freight terminal for Melbourne and Victoria, the southern terminal of any viable Inland Rail and (eventually) the land component of an efficient new successor to the Port of Melbourne and associated freight operations.'

The LPC notes that a decision on the location of a future Port of Melbourne is some way off. Infrastructure Victoria announced on 17 April 2017 that the Victorian Government has requested advice

'on the merits of developing a potential second Victorian container port, and options for the location of this facility, including at the Port of Hastings and the Bay West location.'

2.5 Key Competitive Advantages

A strong agricultural sector surrounds Geelong with potential for growth in both exports and value-added manufacturing.

1. The Avalon Airport precinct is suitable for further development as a major intermodal freight hub. The region has well-established transport and freight infrastructure: road, rail, airport including Geelong Ring Road and new dual lane highway between Geelong and Colac.

2. The Port of Geelong is Victoria's largest bulk commodity port.
3. A strong education and innovation offering including the headquarters of Deakin University, the Australian Animal Health Laboratory, Marcus Oldham Agricultural College, CSIRO Manufacturing, Fisheries Victoria Management and Science Branch (Queenscliff), Gordon Institute of TAFE and leading schools.
4. The City of Greater Geelong is Australia's social insurance capital and is a 'full-service' regional capital city with excellent proximity to metropolitan Melbourne.
5. World-class tourism attractions underpin a strong visitor economy with significant growth potential.
6. The region is one of 'makers and innovators' with world-leading expertise in advanced manufacturing.
7. A vibrant and flourishing small business and start-up community.
8. Capacity for population growth and economic development including availability of residential and industrial land close to transport links.
9. Lifestyle, cultural and sporting infrastructure, a strong sense of community.

2.6 Summary

The LPC has reached two primary conclusions.

Firstly, the Geelong RJIP region has a number of competitive advantages in which strategic investment will facilitate job creation. These are:

- Investment in our visitor economy associated with tourism and leisure, particularly along the Great Ocean Road and its hinterland.
- Further growth in advanced manufacturing and energy.
- Further growth of regional food, fibre and agribusiness.
- Investment in professional services and products to support Geelong's social insurance sector and those people it supports.
- Investment to support the growth of health and community services, particularly with respect to aged and disability care.

Secondly, there is an issue of entrenched disadvantage in a number of communities throughout the region. A focus on job creation, training and retraining to ensure these communities can access newly created jobs will be a valuable outcome of this program.

As such, the LPC views the provision of education and training as the necessary bridge between jobs in new or expanding sectors and jobseekers from areas badly affected by structural change. Jobs and investment growth will also be assisted via the education, training and skilling of small business operators.

3 Investment sectors and strategic priorities

3.1 Investment Sector 1: Visitor economy including tourism, creative industries, major events and cultural attractions

Evidence

This sector is an amalgam of activities from various industry sectors including retail, accommodation, hospitality, creative industries and recreational services. The visitor economy contributes over 7 per cent of the RJIP region's employment with 8,187 jobs and approximately 5 per cent of gross regional product - \$514 million. There are currently 1,104 operating businesses in the region.

Key attractions are the Great Ocean Road (GOR) and its hinterland the Otways, the Surf Coast and the Bellarine Peninsula. Geelong's arts and cultural attractions, including the Geelong Performing Arts Centre (GPAC), Geelong Gallery and the Geelong Library and Heritage Centre have created a destination in central Geelong for domestic visitors.

The Strategic Master Plan prepared by Great Ocean Road Regional Tourism Ltd states 5.2 million visitors visit this region annually, significantly more than competitors such as the Blue Mountains, the Australian Capital Territory, the Mornington Peninsula and the Great Barrier Reef. The primary objective of the Plan is to increase the yield generated from tourism visitation through the provision of quality visitor experiences, providing significant economic benefits to local communities. The Plan, if implemented, anticipates that by 2020 the Great Ocean Road region's visitor economy will support 7,660 jobs from the direct impacts of visitor expenditure, plus over 5,000 jobs from the indirect impacts of visitor expenditure. This will position the visitor economy as the dominant industry sector for employment in the region, with the total impacts of visitor spending representing 17 per cent of the region's expected employment and 21 per cent of its Gross Regional Product.

For Geelong and the Bellarine, it is estimated that visitation will grow to close to 7 million visitors and expenditure will total \$1.145 billion by 2030, a change of 25 per cent between 2015 and 2030. Employment is also predicted to increase by 1,175 people between 2015 and 2030. Forecast projections for visitors to Greater Geelong and The Bellarine shows that visitation will grow significantly over the next 15 years by between 1.2-1.7 million visitors.

The LPC heard evidence that the region as a whole leverages off the GOR and if tourist offerings are to be improved in the region there must be a corresponding strategy to ensure that businesses have access to a suitable workforce during the periods of peak demand. The GOR traverses regions with a limited labour market with low levels of unemployment. The LPC also heard via the Apollo Bay Chamber of Commerce that infrastructure is in urgent need of upgrade along the GOR to cope with increasing tourist numbers.

Another source of stimulus to the visitor economy is international education as Deakin University's offshore student markets continue to grow.

Strategic priorities

- Enable a skilled workforce through training and reskilling of hospitality and leisure staff, including international cultural awareness.
- Attract investment in jobs and infrastructure through high value adding businesses that extend the length of stay, quality and range of visitor experiences available for domestic and international tourists across the region.

Evidence

1. Strong visitor growth to the region, within the context of what is described by Great Ocean Road Regional Tourism Ltd as 'a decade of comparative investment drought.' Growth in visitors from China to Victoria was 8 per cent in 2016.
2. State government investment in tourism infrastructure projects may occur over the short to medium term that will stimulate further investment from the private sector. Projects under consideration include the Geelong Convention and Exhibition Centre and the Shipwreck Coast Master Plan.
3. Master Plans exist to manage projected tourist growth and maximize economic development opportunities along the Great Ocean Road Region and in Geelong and the Bellarine.

3.2 Investment Sector 2: Advanced manufacturing and energy

Evidence

The manufacturing sector in the RJIP region represents 9.2 per cent or 10,500 highly productive jobs. Whilst traditional manufacturing jobs will continue to decline, significant transition to advanced manufacturing is occurring.

The region enjoys a reputation as a centre of excellence for high value-add advanced manufacturing activities. The region's competitive manufacturing strengths include food and agribusiness, engineering, textiles and agricultural and industrial chemicals. Local know-how delivers engineering design solutions for purpose built composite materials, precision engineering, electromechanical systems, customised steel and fibreglass fabrication and heat transfer technology.

The region's expertise is of global significance with respect to the advanced fibre and composites segment which is experiencing exponential global growth. The region holds significant competitive advantage and intellectual property through the world's leading carbon fibre research facility, Carbon Nexus, at Waurin Ponds.

Annual estimated expenditure in assistive technologies will exceed \$1 billion by the three social insurance agencies located in Geelong and the region is in the formative stages of exploring innovation and manufacturing opportunities in this developing manufacturing segment.

A number of local businesses are already key players in the defence sector e.g. Winchester, QuickStep, Marand, RPC and Chemring. Many high value/low volume manufacturers are small businesses, employing fewer than 19 staff.

Strategic priorities

- Enable a skilled advanced manufacturing workforce through training and upskilling.
- Encourage further investment in jobs and infrastructure in advanced manufacturing throughout the region.

Evidence

1. ManuFutures is a commercially based, advanced manufacturing accelerator currently under construction and adjacent to both Carbon Nexus and wheel manufacturer Carbon Revolution. It will host up to fifteen new enterprises and 150 people working in advanced manufacturing. Significant expressions of interest have already been received for tenancies.
2. A Master Plan has been commissioned to expand the Geelong Innovation Precinct as a result of demand for new and expanded advanced manufacturing facilities.
3. Geelong has above world standard research capabilities in assistive technology disciplines and a record of accomplishment of translating these into industrial and social applications.

4. A regional defence alliance has been created to maximise the opportunities that may flow to the region as a result of renewed government commitment to local industry content in defence contracts and procurement programs.
5. The Advanced Fibre Cluster has been formed to accelerate the growth of the existing carbon fibre and advanced fibre industry in the Geelong region. There are currently ten founding members employing hundreds of skilled manufacturing workers and experiencing export success.
6. The Geelong Economic Futures 2017 report details the presence in Geelong of the following key inputs for sustainable carbon fibre manufacturing. Many of these will support other advanced manufacturing processes such as those required by the defence industry and new energy sectors.
7. Global leadership in industrial carbon fibre research and development
 - Globally leading skills in construction and development of industrial carbon fibre carbonisation production lines.
 - Established local customer base to drive sales revenue and innovative product development.
 - Access to a highly skilled workforce.
 - Access to industrial scale power supplies.
 - Access to a nearby chemical refinery for precursor product.
 - Access to scalable industrial land.
 - Proximity to competitive logistics.
 - Proximity to agglomerated service providers and startups.
 - Supportive government policy settings for advanced manufacturing in the region.
 - A stable investment environment for global capital.
 - A compelling standard of living to attract and retain high technology workers.

3.3 Investment Sector 3: Food, fibre and agribusiness (including aquaculture)

Evidence

Food, fibre and agribusiness represents 5 per cent of RJIP region's regional employment with 6,233 jobs and 7 per cent of Gross Regional Product - \$804 million per annum. There are currently 635 food, fibre and agribusiness operating businesses in the RJIP region. Section 2 details current development plans and significant growth potential for agribusinesses operating in the Golden Plains and Colac Otway Shires.

The region has a strong agricultural base producing dairy milk, grapes, livestock, seafood, timber, wool, cereals, poultry and eggs and this competitive advantage sees the region as a geographical hub for value-adding to these primary products. Bulla Dairy Foods, Australian Lamb Colac, Herds Geelong, Golden Farms, Happy Hens, Malteurop Geelong, Little Creatures, Meredith Dairy, AKD, Godfrey Hirst, Boundary Bend, Irrewarra Sourdough and many small emerging food and beverage businesses are based in the region.

Local Colac food and fibre businesses AKD, ALC, Bulla and Irrewarra Sourdough are growing and have evidence of shortages of skilled and unskilled labour. Sector skills must continue to evolve with the adoption of more technology and automation. Businesses need to continue to develop new products, new processes and new technology to maintain their market competitiveness. Colac's labour shortage in the agribusiness sector is, at least in part, due to the lack of affordable housing stock. To deliver a step change in food and fibre production in Colac, a significant investment in

housing is required. It is recognised this is beyond the scope of the RJIP, but if a holistic approach is to be taken, this issue needs to be considered.

Strategic Priorities

- Enable a skilled food, fibre and agribusiness workforce through training and upskilling.
- Encourage further investment in jobs and infrastructure in food, fibre and agribusiness throughout the region.

Evidence

1. There is strong market demand from Asia for Australian-branded food and fibre products.
2. The region's soil composition and temperate coastal climate is rated as mostly medium quality and in places very good for farming. The Geelong Economic Futures 2017 report references a major project to deliver low-cost, secure recycled water to facilitate major investment in horticulture.
3. Efficient transport logistics. Geelong is a major logistics centre and the Port of Geelong is Victoria's largest soft bulk commodity seaport. Geelong is well situated for food production distribution to the Melbourne market as well as for air and sea export through Tullamarine airport's freight centre and the Port of Melbourne container terminal. As detailed in Section 2 above, Geelong Economic Futures 2017 identified Avalon Airport as potential major intermodal transport hub for national and international trade.
4. Trained Workforce. The region possesses a talented farming workforce which is already well-versed in agriculture and which plays a prominent role in the region backed by leading centres of training, research and education, such as Marcus Oldham Agricultural College, the Gordon Institute of TAFE, Deakin University's Centre for Regional and Rural Futures and Southern Farming Systems' research centre.
5. Importance to Tourism. The quality of food and beverage product for local consumption and as farm gate or cellar door attractions is cited by Tourism Victoria as an important element of visitor experience in the GOR and Greater Geelong and Bellarine regions.

3.4 Investment Sector 4: Professional, scientific and technical services, including MedTech and Social Insurance

Evidence

Professional, scientific and technical services contributes over 8 per cent of the RJIP region's employment with 8,772 jobs plus an additional 2,000 working in the public administration and safety employment category. This will grow with the relocation of Worksafe to new headquarters in Geelong alongside the establishment of the NDIA headquarters.

As detailed above in Section 2, Geelong is now indisputably Australia's social insurance capital.

The sector represents 12 per cent of gross regional product, estimated at \$1,329 million with 1,354 operating businesses in the RJIP region. The Committee for Geelong in its Winning from Second report argues that Geelong's quotient of workers in this sector is higher than elsewhere in regional Victoria and thus,

'although Geelong is not as intensely linked to the global financial and professional sectors as Melbourne, it is nonetheless supplying an important share of such higher order professional services...to the southwest of Victoria.'

Strategic priorities

- Enable a skilled workforce through training and retraining for support services and the social insurance sector.
- Encourage investment in jobs and infrastructure for support services and the social insurance sector.

Evidence

1. Substantial investment in human capital and national program delivery has already been focused on Geelong. Growth in this sector in 2018 and 2019 will include NDIA and DHS (850 jobs) and WorkSafe Victoria (another 550 jobs).
2. Professional supply chain companies to the social insurance sector such as ICT, financial, legal and medical support and advice are already seeing the advantage of establishing a regional headquarters in central Geelong.
3. Geelong is already successfully used as a test bed to trial innovation in this industry sector. For example, the TAC, the City of Greater Geelong and Samsung have partnered with DSTIL to trial a sensor enabled 'smart' home for people living with disability or as an alternative to aged care.

3.5 Investment Sector 5: Health and community services, including aged and disability care

Evidence

Approximately 14.9 per cent of the RJIP region's workforce is employed in the health care and social assistance sector. This equates to 14,608 jobs. Barwon Health is the single largest employer in the region.

The region as a whole is fully serviced from Geelong by leading medical and allied health providers and the Health Faculty offering at Deakin University includes highly ranked medical and nursing schools, allied health services, optometry and sports science. Major employers aside from Barwon Health include St John of God and Epworth Geelong Hospitals.

Between 2011 and 2026, the age structure forecasts for the Barwon Region indicate a 52.7 per cent increase in the retirement population.

With an aging demographic demand will continue to grow for aged care services.

The Committee noted the capacity of this sector to provide employment for members of the community with relatively low levels of educational attainment and those resident in communities experiencing disadvantage.

Strategic priorities

- Addressing labour force shortages through training and retraining, particularly in areas of social disadvantage and smaller communities surrounding Geelong.
- Creation of jobs and social infrastructure through investment in aged and disability care facilities and services.

Evidence

1. In July 2016 Epworth Hospital was opened at Waurin Ponds. This \$250 million private teaching hospital with over 170 in-patient beds was constructed to service the growing southern suburbs of Armstrong Creek and the Surf Coast.

2. There are over 50 aged care facilities in the region provided by a range of not for profits and commercial providers.
3. There are over 400 NDIS registered serviced providers in the region.
4. This sector has the highest rate of growth of any employment sector in the region and is forecast to grow by 22 per cent or 4,100 new jobs by 2020.