

# Great South Coast Regional Partnership

## 2023 Priority Submission

The Great South Coast Regional Partnership's submission to the Victorian Government focuses on several key areas of priority that require focused effort and attention to unlock the regions potential. These priorities are based on evidence and research generated from past studies in the region.



# Unlocking the Potential of the Great South Coast






The Great South Coast Regional Partnership (GSC) presents this priority submission to the Victorian Government with the collective goal of fostering prosperity and sustainability in our region. Strategic investments in key areas will unlock our region's untapped potential and contribute to the broader economic growth and social well-being of Victoria as a whole. By working collaboratively and aligning efforts, we can create an environment that encourages private sector engagement, attracts investments, and supports the development of vital infrastructure projects. This submission outlines the necessary steps to foster economic growth, address priority areas, and ensure a prosperous future for the GSC region.

The population distribution across the local government areas (LGAs) in the GSC region is relatively even, except for the City of Warrnambool, where just over a third of the region's residents reside.

While the region has experienced population growth in the past decade, it has been lower than the average for regional Victoria.

Future projections indicate a subdued pace of population growth in Warrnambool and Moyne, while the LGAs of Glenelg, Corangamite, and Southern Grampians are expected to see a decline in population. This low population growth is primarily driven by a net outflow of residents in the age group of 15-44 years.



Local Government Area	Population (2022)	Projected Growth (2022-36)
 Corangamite	16,000	-6.8%
 Glenelg	20,000	-6.3%
 Moyne	17,500	9.0%
 Southern Grampians	16,400	
 Warrnambool	35,500	12.4%

\$6.8	<b>Gross regional product (billion)</b> (2022)
105,300	<b>Population</b> (2022)
2.9%	<b>Population growth</b> (2013-2022)
45	<b>Median age</b> (2021)
59.6%	<b>Working age (15-64)</b> (2021)
23.0%	<b>Population aged over 65</b> (2021)
2.1%	<b>Are Aboriginal and/or Torres Strait Islander</b> (2021)
3.8%	<b>Speak a language other than English at home</b> (2021)
9.0%	<b>Were born overseas</b> (2021)



## Our Priorities



### Investment in our nationally significant road infrastructure

- ✓ Investment in our road network is vital, future growth of industries like agriculture, the visitor economy, and clean energy rely on well-developed road infrastructure.
- ✓ The current state of our roads has been under invested in resulting in deteriorating infrastructure and compromised safety.



### Key Worker Housing

- ✓ The region is facing a severe housing shortage for long-term rental accommodation (LTRA) due to increased demand for regional living and domestic tourism.
- ✓ Vacancy rates for LTRA remain consistently below 2%, indicating a pressing need for additional housing supply. The limited availability of housing is hindering economic growth and expansion of our growth industries.



### Equitable Economic Participation

- ✓ Poverty and inequity in the GSC are significant obstacles to economic progress, hindering education, skills and capability development, and restricting pathways to employment for vulnerable individuals and families.
- ✓ The lack of equitable economic participation leads to low household incomes and affects schools, health services, housing, community amenities, as well as the growth potential of small to medium enterprises and services in the region.



### Water Access

- ✓ To sustain and grow our region's agriculture sector and support our emerging renewables industry, policy reforms and infrastructure improvements are needed to address water allocation and usage.
- ✓ Strengthening the agricultural sector through effective water management can lead to significant economic growth, employment opportunities, and increased household incomes, while also enhancing resilience and self-sufficiency in the state.



### Growing our Clean Energy Sector

- ✓ The GSC region faces challenges in obtaining social acceptance for expanding renewable energy infrastructure hindering its ability to fully utilise the economic and environmental advantages of renewable energy development.
- ✓ Failure to implement policy and regulatory reforms that build social acceptance and incorporate community benefits will put the State Government's decarbonisation targets at risk.
- ✓ The region is strategically poised to expedite investment for clean energy objectives but requires policy to support subsidised access to green electrons to ensure consistent supply in the industry development phase.



### Regional Private Sector Enablement Fund

- ✓ A Private Sector Enablement Fund will catalyse investment in new and expanding high-value and value-add projects to spur economic growth and drive industry diversification, improving regional resilience and long-term sustainability.



## Creating an Investment Environment

The Great South Coast (GSC) region has enormous potential for economic growth and prosperity. To unlock this potential, it is necessary to establish an enabling environment for investment that fosters private sector engagement and collaboration.

The GSC Regional Partnership acknowledges the importance of addressing the region's needs and advocating for change where it is most required. Rather than fragmented responses, a coherent and carefully planned approach is recommended to address high-priority areas. This approach involves defining, brokering, implementing, and reviewing various priorities within an enabling environment for investment.

A fundamental shift in mindset is needed, moving away from allocating defined funding for individual projects towards a more flexible model that strategically allocates resources where they are most needed.

This approach can leverage other funding sources, particularly private sector insights and expertise. By involving the private sector as a key player in infrastructure development, this sharing of benefits helps create a social license for investors, which in turn builds favourable conditions for investment by encouraging local support.

The advantages of the GSC region are significant. With strategic investment platforms and underpinning conditions, the region has a solid foundation for strong economic growth.

Our growth sectors in the region include agriculture, forestry and fishing, the visitor economy and clean energy. These sectors leverage the region's natural environment, cultural and visitor assets, and human capital.

	Workers	Male	Female
<b>Agriculture, forestry and fishing</b>	8,500	69.2%	30.8%
<b>Healthcare and social assistance</b>	8,100	18.4%	81.6%
<b>Retail trade</b>	4,700	40.3%	59.7%
<b>Manufacturing</b>	4,600	74.7%	25.3%
<b>Education and Training</b>	4,300	26.0%	74.0%

Source: National Institute of Economic and Industry Research, 2022 and ABS Census, 2021

The Great South Coast region is facing significant challenges in the form of a scarcity of affordable housing options and workforce shortages, which pose a considerable obstacle to the region's economic growth and development. It requires proactive measures to support key worker housing, involving collaboration between developers, employers, and housing providers as well as placed-based employment initiatives. Streamlining regulations and implementing targeted financial incentives are necessary to overcome barriers and stimulate the development of affordable housing solutions and labour supply.



## Investment in our national significant road infrastructure

Investment in our region's nationally significant road infrastructure is a pressing need that demands attention and action. By recognising the untapped potential of our growth industries, including agriculture and forestry, the visitor economy, and the clean energy sector, we can propel them to new heights through strategic investments in our road network.

Despite the remarkable output and extensive utilisation of our roads, investment in necessary upgrades and maintenance has not been sufficient. Continued feedback in LGA community surveys indicates road condition is the number one priority for regional communities across GSC LGAs.

A comprehensive analysis, the Barwon South West Regional Dairy Supply Chain Study Investment Prospectus, has exposed the areas where our roads fall short in safely accommodating larger and heavier vehicles. By addressing these challenges, we can enhance productivity, efficiency, and safety.

An investment program of \$317 million has been proposed to target areas that require immediate attention, such as road condition improvements, addressing road cross-section challenges. The program addresses surfacing rehabilitation, widening of key assets, and bridge enhancement or replacement.

Without these essential upgrades, we risk missing out on countless opportunities and losing potential gains in productivity. The adverse ripple effects on our economy could impede employment growth and undermine our region's competitiveness, stifling the very growth that our promising sectors depend on.

The state average of road fatalities per 100,000 people is 81.6, while Corangamite (261.6), Moyne (194), and Southern Grampians (156.8) exhibit even higher rates, highlighting the urgent need for improvement.



The freight task needed to transport production inputs, milk, and final goods to market is significant and costs industry around **\$345 million per annum**, around 29% of total expenditure.



**72.2%** of the commodities produced within the agriculture sector in the GSC are exported out of the region as raw product.



Road fatalities per 100,000 people:

State average: 81.6

**Corangamite 261.6**

**Glenelg 133**

**Moyne 194**

**Southern Grampians 156.8**

**Warrnambool 118.9**

These numbers equate to significant physical and emotional trauma experienced by families and communities, accentuating the importance of preventive measures.

Timber harvest and transport levels have increased in the GSC region since 2010. The hardwood plantation estate has matured and the Port of Portland is now the largest woodchip export facility in the world.

The wood transport dynamics in the region are now well understood but the very large freight task on concentrated routes means that an additional \$1.5 million for timber haulage network renewal has also been identified as a high priority. More than 20 million tonnes of wood will be transported across a road network of 1,395 km during the forecast period. TIRES Study 2023- 2027.

### Implementation ready actions

Prioritised investment in the Great South Coast's **nationally significant road network** including:

1. **Years 2&3 Dairy Supply Chain Road funding** - \$31.5 million per year over 2 years.
2. **Narrow Roads Program** - \$100 m per year for 4 years.
3. **Princess Highway West and Great Ocean Road inland** - \$300 million over 4 years joint investment between State and Federal.
4. **Timber Industry Road Evaluation Study (TIRES)** – include forward estimates 2024 - 2027 funding in the budget for works identified in the TIRES report.



## Equitable Economic Participation

In the pursuit of higher-value industry development, securing the commitment of investors and developers is essential in the global competition for capital and talent. Regions dedicated to building strong communities with active, engaged, and skilled citizens are strategically positioned to access the development resources needed for a sustainable future.

Poverty and inequity are significant obstacles to economic progress, hindering education, skills, and capability development in various local towns. These challenges give rise to elevated and persistent costs for government and restricts pathways to employment, condemning vulnerable individuals, families, and older people to low household incomes. The ripple effects of these challenges extend throughout the region, affecting schools, health services, housing, community amenities, as well as the growth potential of small to medium enterprises and services.

To address these issues and promote social equity in the Great South Coast, collaborative efforts involving local and regional organisations working with the Victorian Government are recommended. Key initiatives include enhancing social procurement benefits to the region through the inclusion of place-based priority cohorts targeted for employment.

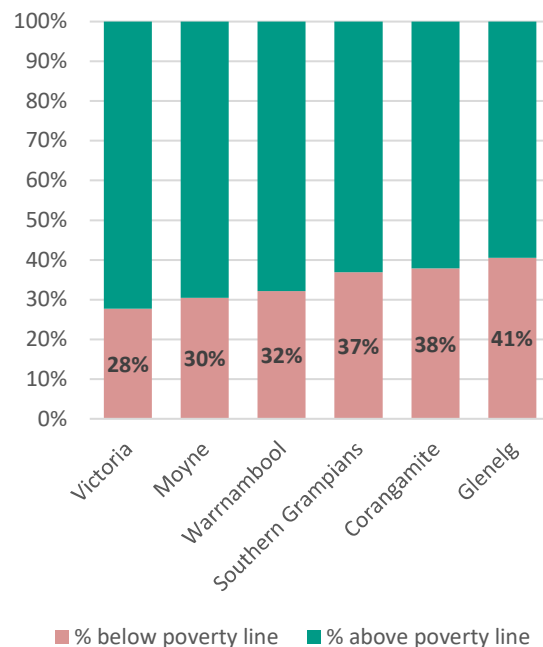
Accountability through regular reporting on the social benefits delivered through the Social Procurement Framework will help understand where change is needed.

Evidence gathered could be used to coordinate place-based support in GSC towns with high poverty factors, specifically targeting vulnerable populations not engaged in work or learning, those in precarious employment situations, and groups such as young people, Indigenous job seekers, people with disabilities, and women re-entering the workforce.

It's important to address the challenges associated with the Victorian Government's Social Procurement Framework to ensure that its targets can be met within the region and that local suppliers are not disadvantaged. There are often difficulties to meeting the targets leading to local businesses losing out to large national corporations that often sidestep the obligations by opting to pay fines when they inevitably fall short of meeting the targets.

Ensuring better economic participation is necessary for regional growth and realising the region's full potential. By involving local organisations, promoting social equity, and supporting vulnerable groups, we create a thriving community where everyone contributes and benefits.

Proportion of households below poverty line 2021



### Implementation ready actions

1. Review the current Social Procurement Framework through a regional social benefit lens and pilot local changes in a Great South Coast Trial.
2. Provide support to establish GSC BUILD (Business Upskill & Innovate for Local Development) - a local business capability building initiative to support SMEs in recruiting vulnerable individuals, offer career pathways through skills development, and help equip local industry to win competitive contracts.



## Key Worker Housing

Our region is confronted by a severe housing shortage for long-term rental accommodation (LTRA). The situation stems from the increased demand for regional living and a surge in domestic tourism since 2017-2018. Despite extensive work and research conducted by the region to tackle this issue, little progress has been made in addressing the problem effectively.

The vacancy rates for LTRA have consistently remained below 2%, indicating an acute housing market with a dire need for additional supply. While there is an abundance of short-term rental accommodation (STRA) catering to holidaymakers, the region lacks sufficient housing options to accommodate the seasonal tourism workforce. Certain areas within the region are witnessing a notable surge in housing demand and prices, exacerbating the challenge.

The limited availability of housing stands as one of the most serious obstacles hindering the region's economic growth. A well-supplied workforce is vital for facilitating industry expansion. Despite recognition and discussions at various levels of government, tangible progress on the ground has been limited.

Current data shows a decline in GRP over time, and yet forecasts suggest strong potential for growth.



**0.6 – 1.6 %**

Rental Vacancy rate range across GSC LGAs



**2.5%**

Unemployment rate Warrnambool and South West region June 2023



**\$6.8b**

GSC Gross Regional Product 2022

Between 2011 and 2021 period, the seven local government areas included in this analysis added approximately 13,300 new jobs at an annual average employment growth rate of 2.2%.

Replicating the 2011 to 2021 rate of employment growth over the 2021 to 2031 period would result in the region's employment base growing to 86,000 jobs, representing an increase of 17,000 jobs over the ten-year period including 12,500 key worker jobs. The region needs to boost its housing supply by an average of 290 dwellings per annum to replicate historic rates of employment growth both for key workers and other workers.

### Implementation ready actions

Ensuring the **\$150 million Regional Worker Accommodation Fund** includes the following:

1. Prioritised investment to deliver key and essential worker housing in line with evidence and solutions identified in the Barwon South West Key Worker Action Plan (see table 1, p12).
2. Prioritised investment for use of crown land and caravan parks to deliver a Summer Workforce Accommodation Program (see table 2, p12).
3. Leverage partnerships with private developers to address market failures in rural areas.
4. Provide funding for master planning; community consultation; and site works to advance projects
5. Low-cost loans or government grant scheme to unlock pioneer infrastructure.
6. Activate unutilised government land for keyworker housing and affordable housing projects.

**Planning and Regulatory Reform** to Support Affordable Housing and Key Worker Housing:

1. Incentivise "2 lot" subdivisions to increase land and accommodation supply to existing town footprints and nearby rural properties.
2. Reinstate Secondary Dwelling Code for selected rural townships across the region.
3. Establish expedited assessment processes for projects addressing affordable housing shortages.
4. Accelerate zoning changes to increase long-term land supply.
5. Trial a five-year expansion of the permit exempt status from rural workers to workers essential to the local economy in the Great South Coast region. For example: construction, hospitality, tourism, teachers, childcare and healthcare workers. (Amendment VC202 Planning & Environment Act 1987).



## Water Access

The GSC region has significant comparative advantage in agriculture that is bolstered by its higher rainfall levels and access to potential water resources. These strengths face challenges from a shifting climate, triggering supply concerns, and the surge in demand from emerging energy sectors.

The Great South Coast Economic Futures plan identifies new opportunities in high-value agriculture and green hydrogen, both sectors have the potential to be large users of water.

Food and Fibre Great South Coast report our region is Australia's top agricultural production region, delivering over \$4.6 billion in output annually. Food and fibre is our region's largest sector, contributing 60% of the region's GRP and 21.6% of all jobs.

The Victorian Renewable Hydrogen Industry Development Plan identifies our region as having the right ingredients for establishing a renewable hydrogen economy.

This observation correlates with significant on-ground interest from proponents that see our region as one of the best locations in Australia to establish green hydrogen facilities due to the combination of existing and future renewable energy (ie onshore and offshore wind energy and solar developments), access to deep water port, high voltage transmission line connections, and importantly, the availability of water resources.

**10% augmentation in productive water usage** could translate to an impressive **Gross Regional Product Growth of around \$39.3 million.**

This expansion would cascade through the economy, generating employment opportunities and **augmenting household incomes by approximately \$21.7 million.**

- Independent research, utilising the Vic Gov RISE model projections

To secure our region's future across key sectors we need to address water allocation, usage, and conservation. Despite possessing abundant, high-quality water resources, they remain largely underutilised. Many license holders reserve unused allocations instead of trading.

In addition to leveraging existing water rights, we need clear water policy settings for access to new water.

A comprehensive water strategy will help the region to better understand water availability and enable the provision of right infrastructure to support afford quality water for long term resilience.

By investing in effective water management policies that addresses both supply and demand and embraces emerging opportunities, the region can position itself for sustainable growth leading to economic vitality.

### Implementation ready action

1. Develop a functioning water trading platform in the GSC region.
2. Fast track the development of a South West Region Sustainable Water Strategy.





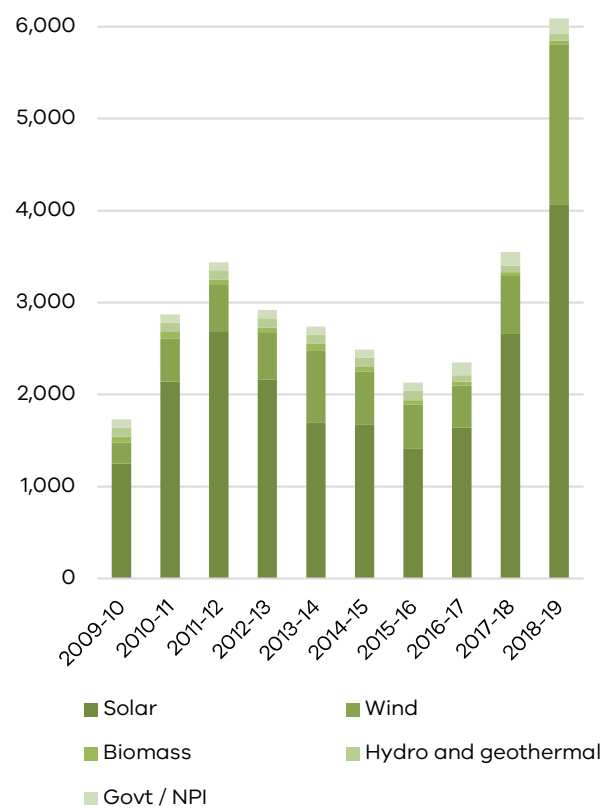
## Growing our Clean Energy Sector

The Great South Coast region is witnessing a growing surge of interest and activity in its emerging clean energy industry, driven by the recognition of its competitive strengths. These strengths encompass the forestry sector, strategic proximity to a renewable energy zone and a potential offshore wind zone, a deep-water port, and essential freight routes. These factors encompass the growth-driving elements that have contributed to the region's early success in hydrogen including increasing industry activity, strong research and development capability, the establishment of skills and training pathways to support industry growth.

In addition to putting measures in place to further activate this growth, a drawback that needs to be addressed is the limited social acceptance to expand renewable energy infrastructure.

This lack of social acceptance may impede the region's ability to fully harness the economic and environmental benefits associated with renewable energy development. Without improved social license that captures community benefits there is risk to meeting the ambitious renewable energy targets that are in place.

Annual direct FTE Employment in Renewable Energy activities by Renewable Energy type, Victoria



### Implementation ready action

To accelerate investment opportunities, provide certainty for industry and help build social acceptance the following is recommended:

- Provide funded support to de-risk projects and reduce commercial gaps, including grants and network exemption charges for grid-connected renewable hydrogen projects.
- Explore policy mechanisms for establishing a government-supported renewable hydrogen hub or zone in the region.
- Regulate community investment schemes for renewable energy developers, benefiting the local community.
- Offer energy cost offsets via subsidies for renewable energy systems and community battery schemes.
- Provide scholarships for disadvantaged students and those pursuing studies in agriculture, clean energy, or STEM fields.
- Support a collaboration between Deakin University and SW TAFE to establish a Centre of excellence for clean energy. Stage 1 requires \$20 million for a clean energy vocational training facility.



# Regional Private Sector Enablement Fund

To ensure regional economic sustainability and accelerate private sector investment, we recommend the establishment of a Regional Victorian Private Sector Infrastructure Enablement Fund. This fund would serve as a catalyst, providing financial assistance and support to infrastructure projects from early planning stages to implementation.

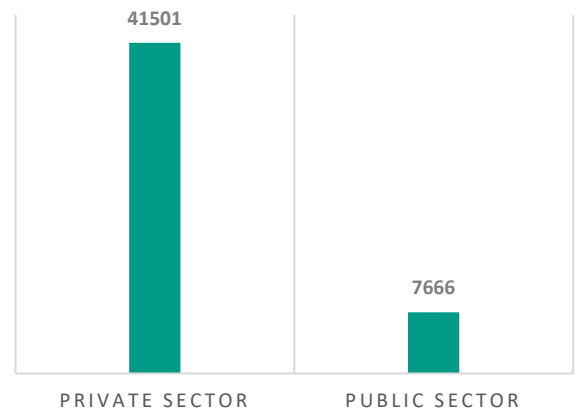
The fund could have the following objectives:

- Create an enabling environment that attracts private sector investment in regional infrastructure projects by offering financial incentives, streamlined processes, and regulatory support. This will encourage private entities to participate in regional development initiatives.
- Stimulate economic growth in regional areas by supporting infrastructure projects that generate employment opportunities, attract businesses, and enhance productivity.
- Improve regional connectivity through infrastructure projects that enhance transportation networks, digital connectivity, and logistics capabilities.

The fund can support the following streams:

- Financial Assistance: Offer grants to bridge funding gaps, facilitate project implementation, and leverage additional private sector investments.

GREAT SOUTH COAST  
RESIDENTIAL EMPLOYMENT BY  
SECTOR 2021



- Regulatory Support: Streamline regulatory processes, assist with permits, approvals, and compliance requirements, reducing delays and administrative burdens for private sector entities and local governments seeking investment in regional infrastructure projects.
- Technical Expertise: Provide access to technical expertise, consultancy services, and project management support for effective project planning, feasibility studies, and implementation strategies. This ensures successful project delivery, long-term sustainability, and operational efficiency.

## Implementation ready action

Establish a Regional Victorian Private Sector Infrastructure Enablement Fund to accelerate private sector-driven regional growth. It should provide financial support to infrastructure projects that enable industry growth from early planning stages, pioneer infrastructure to implementation.



# Unlocking the Region's Full Potential through Private Sector Investment and Economic Diversification



## The opportunities

Through targeted initiatives, collaborative efforts and supportive policies, government can attract private sector investment and position the Great South Coast region as a prosperous and sustainable region for business and communities.

This includes investment in:

- Innovative agribusiness technology to revolutionise farming practices, enhance productivity, and drive sustainable growth.
- High-value horticulture opportunities to tap into lucrative markets and capitalise on the region's agricultural strengths.
- Unique accommodation, attractions, and experiences that cater to diverse markets, fostering overnight stays and increasing overall economic yield.
- Offshore wind and green hydrogen ventures that contribute to clean energy targets, while also diversifying the region's economy.



## The role of government

Fostering long-term regional economic sustainability relies on the enabling private sector investment. By cultivating a diverse portfolio of private sector investments across the region (not just in Warrnambool), the burden on the government to directly fund provisions is alleviated.

Government can play a support role in identifying the infrastructure and policy settings that create a strong investment environment, while the private sector helps to build a sustainable and prosperous regional economy.

Supporting the region's growth opportunities in agriculture, the visitor economy and the clean energy sector will help move towards sustainable economic progress. Priority investment in water, roads, housing, and social equity are essential first steps that will pave the way for a greater future for the Great South Coast region.

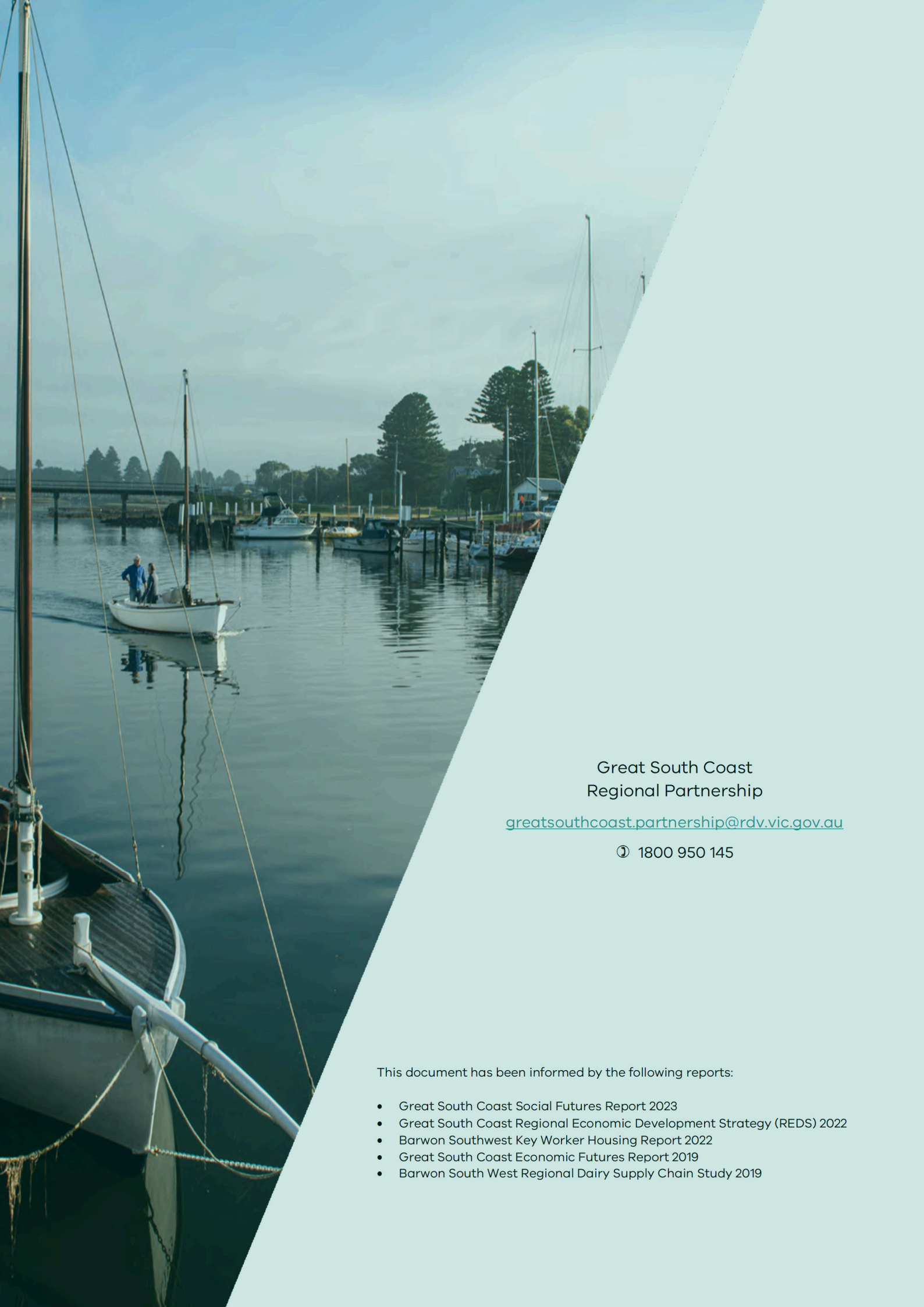
**Table 1 - Barwon South West Key Worker Housing Action Plan  
2022 and GSC Workforce Pilots**

LGA	Project name	KWH beds	Industry/s	Project Readiness
<b>Glenelg Shire</b>	Portland Key Worker Accommodation Hub	<b>24</b>	Hospitality, Health, Construction, Energy	Feasibility to deliver 10-unit worker housing developments in Portland. Will leverage \$0.908 million CHP co-contribution.
<b>Moyne Shire</b>	Port Fairy Key Worker Accommodation Hub	<b>30</b>	Hospitality, Construction, Energy	Feasibility required to deliver 30-unit worker housing development in Port Fairy. Will leverage \$4.04 million CHP co-contribution.
<b>Southern Grampians Shire</b>	Hamilton Lakes Edge Key Worker Housing Project	<b>40</b>	Health, Education, Childcare, Agriculture, Hospitality	Council owned land within Lakes Edge Housing Development – implementation ready with funding support.
<b>Warrnambool City Council</b>	Warrnambool Key Worker Accommodation Hub	<b>20</b>	Construction, Health, Hospitality	Feasibility required to deliver 11-unit work housing development in Warrnambool. Will leverage \$1 million CHP co-contribution.
<b>Corangamite Shire</b>	Next stage/s of GSC Workforce Pilots across 3 sites	<b>40+</b>	Agriculture, Hospitality, Construction, Health	Planning and/or enabling works under way – projects need funding support to progress to implementation.

**Table 2 - GSC Seasonal Worker Projects**

LGA	Project name	KWH beds	Industry/s	Project Readiness
<b>Glenelg Shire</b>	Portland KWH Village	<b>10</b>	Construction	Investment ready
<b>Moyne Shire</b>	Make it Moyne Key Worker Housing project	<b>30</b>	Hospitality, Construction, Energy, Local Industry	Investment ready with existing proven model in place
<b>Warrnambool City Council</b>	Shipwreck Bay Holiday Park Cabins	<b>25</b>	Health, Hospitality, Construction	Investment ready subject to MACA consent
<b>Great Ocean Road region (inc Corangamite Shire)</b>	Seasonal and Indigenous Worker Accommodation – Great Ocean Road Region	<b>160</b>	Seasonal and Indigenous Worker Accommodation – Great Ocean Road Region	Crown land, funding for master planning required, MACA consent. Led by GORCAPA

\* Tables not for further distribution



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Regional Partnership

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This document has been informed by the following reports:

- Great South Coast Social Futures Report 2023
- Great South Coast Regional Economic Development Strategy (REDS) 2022
- Barwon Southwest Key Worker Housing Report 2022
- Great South Coast Economic Futures Report 2019
- Barwon South West Regional Dairy Supply Chain Study 2019