

Geelong, Victoria, Australia

Geelong, located 75km south west of the State Capital of Melbourne, is Victoria's largest regional City and Australia's eleventh largest urban centre.

The City of Greater Geelong has a population of 208,201 residents and the broader Barwon Region has a population of 273,389 residents.

Geelong is one of Australia's leading commercial cities. The Region is a major centre for investment with over 13,000 businesses, state-of-the-art infrastructure, a highly skilled workforce and a diverse mix of business support services.

Geelong's key growth sectors include advanced manufacturing, knowledge, innovation & research, health, tourism and food & horticulture.

2007/2008 The Year in Review

Regional Highlights

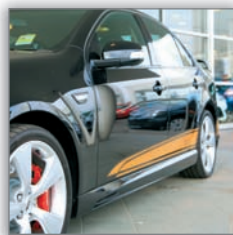
The Barwon Region has experienced impressive growth across a range of economic indicators in 2007/2008.

- **Labour market conditions are strong**, with an unemployment rate of 3.8% as at June 2008 compared to 4.4% for Victoria.
- **Building activity reached an unprecedented \$1 billion** and there has been sound growth in median house prices.
- **The population grew to 273,389 residents**, an annual growth rate of 1.3%.
- The industry structure and broad range of education and training opportunities, highlights the **continued diversification of the regional economy**.
- **The Gross Regional Product (GRP) of the Barwon Region reached \$10.5 billion in 2008**, an increase of \$4.3 billion since 2005.

Business confidence and investor interest in the Region remained strong with a number of major projects completed or announced during 2007/2008.

Completed Developments

Some of the major investment projects completed during the year include Westfield's \$150m redevelopment in central Geelong, Torquay's \$80m Crown Plaza hotel, the \$35m redevelopment of the Waurin Ponds Shopping Centre, Ford's \$27m Research and Development Centre, the \$23m Rural and Regional Medical School at Deakin University, a \$25m aged care centre in Grovedale, another \$19m aged care centre in North Geelong, the \$16m Waurin Ponds Plaza and the \$4m expansion of Avalon Airport's domestic terminal.



Commenced Developments

Construction commenced on the \$16.5m expansion of the St John of God Hospital, the \$40m second stage of the Promenade Tower apartments along Waterfront Geelong and demolition work commenced at the site for the \$80m residential development in Rippleside.

Approved Developments

Some of the significant projects approved during the year include an \$80m redevelopment of the Torquay Golf Club, a \$30m medical centre adjacent to Geelong Private Hospital, the \$28m stage two redevelopment of Skilled Stadium, a \$25m office development in Gheringhap Street, a \$12.5m office and retail development in Geelong West and another \$9.5m office development in Ryrie Street.

Announced Developments

A major announcement during the year was Indian IT company, Satyam Computer Services', intention to build a \$75m software development, training and research centre at Deakin University's Waurin Ponds campus, which will create 2,000 skilled jobs over the next eight years.

Other major investment projects unveiled include Linfox's plans to build a \$30m international terminal at Avalon Airport, Barwon Health's and Deakin University's plans to establish a \$24m medical research and training precinct at Geelong Hospital and Deakin University's \$13m expansion plans for the Geelong Technology Precinct.

Major Business Expansion

Business confidence was evidenced by a number of announced expansion plans, including a \$15m expansion of Chemring Australia and an \$8m expansion of Boomaroo Nurseries, which are both located in Lara.

The first round of funding from the \$24m Geelong Investment and Innovation Fund (GIIF), will also assist the following companies with their expansion plans: Mako Craft Pty Ltd (80 new jobs); Air Radiators (44 new jobs); Challenge Meats (45 new jobs) and Modern Olives (24 new jobs).

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Employment Trends

Regional employment indicators for 2007/2008 continue to show a strong labour market.

Labour market conditions are generally stronger in the Barwon Western District compared to Victoria. The Australian Bureau of Statistics (ABS) unemployment rate for the Barwon Western District as at June 2008 was 3.8% compared to 4.4% for Victoria. Over the past five years the unemployment rate for the Region has dropped by 3.1% compared to 1.4% for Victoria.

Data from the Department of Education, Employment and Workplace Relations (DEEWR) supports the ABS data, as it also shows a decrease in the unemployment rate in the Barwon Region to 3.9% (from 6.0% the previous year) and all five municipalities in the Region experienced a significant decline in the unemployment rate. The unemployment rate for the City of Greater Geelong dropped to 4.3% (from 6.7%), the Surf Coast Shire fell to 2.2% (from 3.6%), the Borough of Queenscliffe fell to 1.9% (from 3.4%), the Golden Plains Shire fell to 2.3% (from 3.9%) and the Colac Otway Shire dropped to 3.3% (from 4.5%).

Data from the 2001 and 2006 Census of Population and Housing shows that the Barwon Region has experienced employment growth of 11.7% compared to 8.7% for Victoria. Journey to Work data from the Census also indicates strong employment growth, as it shows that the number of people travelling from the Barwon Region to Melbourne for work has declined over five years, while the number of people travelling from Melbourne to the Barwon Region for work has increased. This goes against historical trends and may suggest that there are more jobs available locally.

Also supporting this conclusion, is the fact that demand for labour in the Region (measured by the average number of job vacancies in the Geelong Advertiser) grew by 10.5% in 2007/2008 with 243 vacancies advertised each week. While the number of people requiring unemployment allowances from Centrelink has dropped by 8.9% over the past two years.

Building Activity

Total building activity in the Barwon Region reached an unprecedented \$1 billion in 2007/2008, a \$254.8m or 33.9% increase on the previous year.

Non-Residential Building Activity

Non-residential building activity reached an all time high of \$451.1m in 2007/2008, a 45.2% increase on the previous year.

Retail investment accounted for \$190.8m of non-residential construction, with the majority of work being undertaken on Geelong's Westfield redevelopment and the Pakington Strand development in Geelong West.

Another \$139.3m was invested in commercial developments including the new TAC offices, the expansion of Jetstar's domestic terminal, major office developments in Geelong and Geelong West and major warehouse and showroom developments in Corio, North Geelong, Newcomb, Grovedale and Breakwater.

Public buildings accounted for \$85.7m of construction. Some of the larger projects include the expansion of Deakin University's Waterfront campus and new Rural and Regional Medical School at the Waurin Ponds campus, a new fire station in Herne Hill, the new Bellarine Aquatic Centre in Ocean Grove and numerous school facility upgrades.

A total of \$25.9m of construction was undertaken on health related projects, with the majority of spending on aged care facilities. While a further \$9.3m of construction was carried out on industrial projects, primarily on factories in Corio, North Geelong and Breakwater.

Residential Building Activity

A total of 2,505 new dwelling approvals were issued in the Barwon Region in 2007/2008, an increase of 34.5% on the previous year. The value of residential building activity reached an unprecedented \$556.3m.

There were 1,611 new dwelling approvals issued in the City of Greater Geelong valued at \$338.0m, an increase of 44.2% on the previous year.

The majority of new residential development occurred in the City's southern suburbs of Highton (151 approvals), Grovedale (106), Belmont (86) and Waurin Ponds (44). Followed by the northern suburbs of Norlane (69 approvals), Corio (57), Lara (57), Bell Park (54) and Lovely Banks (32).

The eastern suburbs of Geelong also experienced strong growth, particularly in Leopold (102 approvals), Newcomb (30), St Albans Park (30) and Whittington (24). Urban infill development occurred predominantly in Newtown (53 approvals), Geelong City (18) and Geelong West (18).

Significant growth on the Bellarine Peninsula occurred in Ocean Grove (148 approvals), Drysdale (108), Barwon Heads (83), St Leonards (67) and Portarlington (53).

Residential development in the Surf Coast Shire increased by 39.4% on the previous year, with 541 new dwelling approvals issued valued at \$133.2m. The majority of approvals were issued in Torquay (338 approvals).

A total of 66 new dwellings were approved in the Borough of Queenscliffe worth \$22.2m, an increase of 13.8% on the previous year.

A further 139 approvals valued at \$27.9m were issued in the Golden Plains Shire, a slight decrease of 8.6% on the previous year. The majority of development occurred in Bannockburn (58 approvals).

The number of dwelling approvals issued in the Colac Otway Shire remained the same as last year, with 148 approvals worth \$34.9m. The majority of approvals were issued for Colac (58 approvals).



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Median House Prices

Data from the Department of Sustainability and Environment shows continued growth in the residential property market for 2007. The majority of municipalities experienced sound growth in median house prices between 2006 and 2007.

Median house prices in the City of Greater Geelong increased by 4.0% in 2007 reaching \$275,000. Over the past ten years, median prices have increased by 11.2% per annum. Urban suburbs with the highest median sale prices were Newtown (\$410,000), Wandana Heights (\$382,500), Moolap (\$367,500), Geelong City (\$358,000), Waurin Ponds (\$352,750), Highton (\$345,000) and Lovely Banks (\$327,500). The townships that attracted the highest median sale prices on the Bellarine Peninsula include Barwon Heads (\$432,500) and Ocean Grove (\$355,050).

Median house prices in the Surf Coast Shire reached \$440,000 in 2007, an increase of 11.0% on the previous year. Prices have increased by 13.0% per annum over the past ten years. The highest median sale prices were recorded in Lorne (\$767,000), Fairhaven (\$678,000) and Aireys Inlet (\$450,000).

Median prices in the Borough of Queenscliffe decreased by 3.0% in 2007 to \$500,000, however the ten year growth rate for the Borough is 12.4% per annum.

The Golden Plains Shire experienced 7.0% growth in median sale prices reaching \$220,000, with the highest prices recorded in Haddon (\$280,000) and Bannockburn (\$271,000).

Median house prices in the Colac Otway Shire increased by 8.0% to reach \$235,000. The Shire has experienced a 10.7% per annum growth rate over the past ten years. The towns that attracted the highest median prices were Wye River (\$440,000) and Apollo Bay (\$417,500).

Estimated Resident Population

The Australian Bureau of Statistics estimates that the Barwon Region grew by 1.3% in 2007 to reach 273,389 residents.

Between 2006 and 2007 the City of Greater Geelong grew by 1.1% to 208,201 residents, the Surf Coast Shire grew by 3.2% to 23,524 residents, the Borough of Queenscliffe grew by 0.8% to 3,176 residents, the Golden Plains Shire grew by 1.2% to 17,285 residents and the Colac Otway Shire grew by 0.8% to 21,203 residents.

Barwon Region Workforce Characteristics

The Australian Bureau of Statistics' 2006 Census shows that the Barwon Region has a workforce of 114,488 people, an increase of 11.7% or 11,951 people since 2001.

The Barwon Region's economic base has continued to diversify. The manufacturing sector employs the largest percentage of the workforce at 13.5%, however ten years ago this figure was 18.2%. During this time other sectors such as: Construction; Health Care & Social Services; Retail Trade; Education & Training; and Public Administration & Safety have grown considerably.

Industry Structure of the Workforce

The industry sectors that employ the largest proportion of the Barwon Region workforce include: Manufacturing (15,492 people or 13.5% of the workforce); Retail Trade (14,920 people or 13.0%); Health Care & Social Services (13,251 people or 11.6%); Construction (10,248 or 9.0%); Education & Training (9,684 people or 8.5%); Accommodation & Food Services (7,566 or 6.6%); Public Administration & Safety (6,365 people or 5.6%); Transport, Postal & Warehousing (4,890 people or 4.3%); and Professional, Scientific & Technical Services (4,710 people or 4.1%).

Compared to Victoria the Barwon Region has a greater proportion of its workforce employed in Construction, Retail Trade, Health Care & Social Services and Manufacturing. Whereas, the Victorian workforce as a whole has a larger proportion of the workforce employed in Professional, Scientific & Technical Services, Financial & Insurance Services and Information Media & Telecommunications.

For more detailed information on the industry structure see page 21.

Industry Structure Time Series Data (2001-2006)

The following analysis is based on the 1993 Australian and New Zealand Standard Industrial Classifications (ANZSIC), rather than the latest 2006 classifications, to allow comparisons between the 2001 and 2006 Censuses.

The industry sectors that have experienced the largest increases in employment numbers since the 2001 Census include: Construction (+2,226 people or 28.5%); Health & Community Services (+2,167 people or 19.1%); Retail Trade (+2,021 people or 12.0%); Government Administration & Defence (+1,861 people or 61.6%); Education (+1,247 people or 15.2%); Property & Business Services (+864 people or 10.1%); and Transport & Storage (+752 people or 20.5%).

The industry sectors that have experienced losses in employment numbers include: Manufacturing (-545 people or 3.3%); Agriculture, Forestry & Fishing (-149 people or 3.8%); and Communication Services (-107 people or 7.5%).

Occupation Structure of the Workforce

The Barwon Region's workforce is made up of the following occupations: Professionals (17.9% of the workforce); Technicians & Trades Workers (16.4%); Clerical & Administrative Workers (12.6%); Managers (12.2%); Labourers (11.8%); Sales Workers (10.6%); Community & Personal Service Workers (9.5%); and Machinery Operators & Drivers (7.2%).

For more detailed information on the occupation structure see page 26.

Occupation Structure Time Series Data (2001-2006)

The following analysis is based on the 1997 Australian Standard Classification of Occupations (ASCO), rather than the latest 2006 classifications, to enable comparisons between the 2001 and 2006 Censuses.

The occupations that have experienced the largest increases in employment numbers include: Intermediate Clerical, Sales & Services Workers (+2,971 people or 19.1%); Professionals (+2,839 people or 16.5%); Associate Professionals (+1,368 or 11.5%); and Elementary Clerical, Sales & Service Workers (+1,346 people or 12.8%).

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Journey to Work Data

Journey to work data monitors the movement of people from where they live (origin) to where they work (destination).

Where Does the Barwon Region Workforce Come From?

At the 2006 Census there were 93,006 people working in the Barwon Region. Of the 93,006 regional workforce, 95.0% (or 88,395 people) live in the Barwon Region, 3.4% (or 3,153 people) come from Melbourne, 1.3% (or 1,237 people) come from elsewhere in Victoria and the remaining 0.2% (or 221 people) come from elsewhere in Australia. Since the 2001 Census, the number of people travelling from Melbourne to the Barwon Region for work has increased by 27.0%.

On a typical day, 24,147 people (or 26.0% of the total workforce) work in central Geelong suburbs and another 17,596 people (or 18.9%) work in Geelong's northern suburbs.

Where Do Barwon Region Residents Work?

At the 2006 Census there were 114,489 employed people living in the Barwon Region. Of this resident workforce, 88,395 people (or 77.2%) work within the Barwon Region, 11,100 people (or 9.7%) work in Melbourne, 9,334 people (or 8.1%) work elsewhere in Victoria, 565 people (or 0.5%) work elsewhere in Australia and 5,095 people (or 4.5%) did not state a place of work. Since the 2001 Census, the number of people travelling to Melbourne from the Barwon Region for work has decreased by 3.5%. This goes against the historical trend and suggests that there are more jobs available locally for the resident labourforce.

For more detailed journey to work data see page 32 to 35.

Annual Production in the Barwon Region

Gross Regional Product

The Gross Regional Product (GRP) of the Barwon Region in 2008 was \$10.5 billion or \$40,000 per capita. GRP is the total value of final goods and services produced in the region over a one year period. This measure includes regional exports but subtracts imports of goods and services into the region.

It is estimated that GRP has increased by \$4.3 billion or 69% since 2005 (basic prices without adjustment for CPI). This increase reflects the diversity of the regional economy and a move towards more efficient technologies. It also suggests that employment growth in the region is towards more productive jobs that generate more output and offer higher wages.

Annual Output

Estimated total output for the Barwon Region in 2008 was \$26.1 billion. Output refers to gross revenue generated by businesses and organisations in the region. Manufacturing is the largest contributor to total output as it generated \$10.6 billion or 41% of total output, followed by Property & Business Services (\$2.4 billion), Construction (\$2.1 billion), Retail Trade (\$1.9 billion), Wholesale Trade (\$1.4 billion), Health & Community Services (\$1.2 billion) and Transport & Storage (\$1.0 billion).

Annual Exports

It is estimated that the Barwon Region exported \$9.5 billion in 2008. The Manufacturing sector exported \$6.6 billion or 69% of total exports, followed by Wholesale Trade (\$465m), Construction (\$367m), Transport & Storage (\$328m) and Retail Trade (\$322m).

Annual Imports

The Barwon Region imported an estimated \$8.3 billion in 2008. Once again the Manufacturing sector was the largest contributor with \$6.0 billion or 72% of total imports, followed by Wholesale Trade (\$345m), Construction (\$312m), Property & Business Services (\$288m), Retail Trade (\$280m) and Transport & Storage (\$186m).

Trade Through the Port of Geelong

Total trade through the Port of Geelong was 10.8 million tonnes in 2007/2008, a slight decrease of 5.3% on the previous year. Total imports reached 7.1m tonnes, the majority of imports being crude oil and petroleum products (4.7m tonnes) and fertiliser (1.2m tonnes). Total exports reached 3.7m tonnes, the majority of exports being crude oil and petroleum products (1.8m tonnes) and woodchips (1.5m tonnes).

Education and Training

During 2008, there were 44,537 students enrolled in primary and secondary education, a slight decrease of 0.3% on the previous year. Another 19,700 people were undertaking courses at the Gordon Institute of TAFE and 13,301 students were enrolled at Deakin University's Geelong campuses.

During 2008, 4,647 people were completing a traineeship and 3,199 people were completing an apprenticeship. The diverse nature of education and training being undertaken in the region reflects the increasing diversity of the regional economy.

The traineeships with the largest number of enrolments include Retail Operations (908 enrolments), Hospitality (470 enrolments), Customer Contact (166 enrolments), Business Administration (159 enrolments), Disability Work (150 enrolments) and Transport & Distribution (106 enrolments).

Apprenticeships with the largest number of enrolments include General Construction – Carpentry (532 enrolments), Hospitality – Commercial Cookery (306 enrolments), Electrotechnology Systems – Electrician (284 enrolments), Plumbing (270 enrolments) and Hairdressing (175 enrolments).

Tourism

The Geelong Otway Region is one of Australia's premier coastal and hinterland tourist destinations. The Region offers a unique range of attractions including the vibrant Geelong Waterfront, the Bellarine Peninsula and the Great Ocean Road.

The City of Greater Geelong estimates that the population of the Region on a peak holiday night (such as New Years Eve) swells to 451,923 people, an increase of 70% or an additional 186,071 people compared to the permanent population.