



SURF COAST SHIRE

Economic Insights 2018

Contents

Introduction	3
Location	4
Travel times	4
Surf Coast living is exceptional	4
The Surf Coast Economy Profile	6
Gross Regional Product (GRP)	6
The Industry and Jobs Mix	7
All about Surf Coast Businesses	8
Business Count	8
Business Size	8
Business Entries and Exits	9
The Tourism Economy	10
Tourism Visitation and Expenditure	10
Regional Visitation	10
Visitor Type	10
Tourism Industry Output	11
Part Time and Visitor Population	11
Peak Overnight Population	11
The Surfing Economy	12
Surf Coast, riding the economic wave of a global industry	12
The Social value of Surfing	13
The Hinterland Economy	14
Land use and production values	14
Agribusiness snapshot	14
Strategic work in the hinterland	15
Climate Ready	15
Top 10 – Number of Businesses in the Surf Coast Hinterland	15
Demographics (People)	16
Unemployment rate	17
Development and growth	18
Top 15 Growth areas of Victoria	18
Regional population growth forecast comparison	18
Construction activity	19
Median House Price	19

Introduction

The Surf Coast economy is unique and it's growing. Powered by sectors including surfing, tourism, construction and retail, it generates over \$1 billion annually.

The Surf Coast Economic Snapshot provides an overview of the economic and demographic aspects of the Surf Coast Shire, measuring these trends against other regions and municipalities for benchmarking purposes.

Using a variety of data sources the publication identifies the distinctly different economic composition of the Shire and the opportunities that extend as a result.

The key data sources include

- RemPlan
- Forecast ID
- Profile Id
- Census (June 2016)
- www.rdv.vic.gov.au/information-portal

Population

30,445

LGA Size

1560

No of properties

20,864

GRP

\$1.248B



Location

The Surf Coast Shire, one of the most liveable locations in Victoria, is only 20 minutes from Geelong and 75 minutes from Melbourne. It retains the charm and values of a coastal lifestyle, making it an ideal place to live, work and enjoy an exceptional quality of life.

With regular V/Line trains the commute to Melbourne is easy, convenient and quick with an approximate travel time from Geelong Station of one hour.

The Shire is home to nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

Source: Surf Coast Shire



Surf Coast living is exceptional

- Close & easy access to Melbourne and Geelong
- 55km of breathtaking coastal scenery
- Exceptional beaches around every corner
- Mighty rainforests, booming waterfalls and fertile farmland
- Relaxed, active, healthy lifestyle
- Safe, welcoming community
- Buzzing coastal towns with strong sense of belonging
- Flourishing tourism, construction and unique retail sectors
- Thriving arts and cultural communities
- Plentiful locally grown, sustainable wholefoods
- Original, quality cafés and restaurants
- Abundant wildlife and nature
- Broad selection of clubs, sporting and community facilities

Travel times

	MELBOURNE	AVALON AIRPORT	TORQUAY	LORNE	WINCHELSEA
MELBOURNE		42mins	1hr 13mins	1hr 4mins	1hr 40MINS
AVALON AIRPORT	56km		37mins	1hr 14mins	41mins
TORQUAY	96km	41km		47mins	35mins
LORNE	142km	89km	47km		41mins
WINCHELSEA	111km	57km	44km	46km	



The Surf Coast Economy Profile



The Surf Coast townships and the rural hinterland support over 3,227 businesses which drive an economy shown to be worth nearly \$1.25 billion annually.

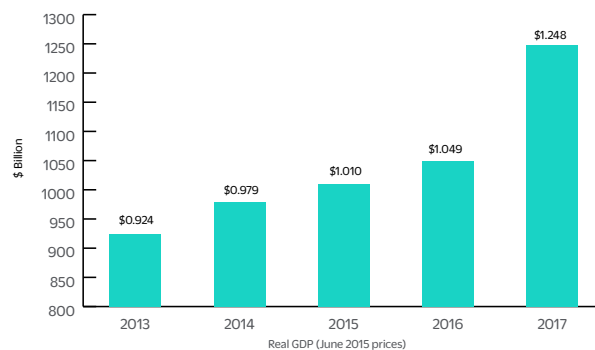
The economy is unique, dominated by surfing, tourism, construction and retail sectors. Traditional and emerging sectors of agriculture and health compliment to create a distinctly different economy to that of Geelong and surrounding regions.

Gross Regional Product (GRP)

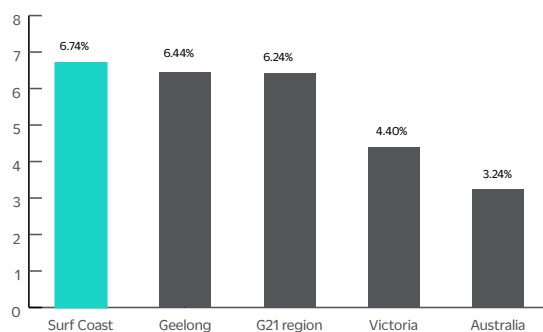
GRP is the net measure of wealth generated by the region and represents the total value of goods and services produced in a year.

Surf Coast's Gross Regional Product in 2017 is estimated at \$1.248 billion.

Surf Coast Gross Regional Product Trend



Regional Comparison GRP 5 year average growth



Over a five year period, the Gross Regional Product of the Surf Coast Shire grew by an average of 6.74%.

This is higher than the average growth for the G21 region, Victoria and Australia.

The Industry and Jobs Mix

The total employment estimate for the Surf Coast is 9,293 jobs.

The Accommodation & Food Services sector provides the highest percentage (16%) of all jobs in the Surf Coast.

The construction industry provides 22.9% of the total output and is very strong in terms of output, value add, local sales and regional exports. It is dominated by residential construction.

Rental, hiring and real estate services is one of the highest performing sectors in terms of output and value add, however it accounts for very few jobs (1.9%).

The Retail Trade is the second largest employment sector but is the seventh largest sector ranked in order of output.

Agriculture represents the fifth largest sector in terms of output and value-add and the seventh largest in terms of jobs.

Industry Sector	Output \$M	Output %	Value Add \$M	Value Add %	Jobs	Jobs %
Construction	\$547.58	22.90%	\$157.92	14.10%	1,350.00	14.50%
Rental, Hiring & Real Estate Services	\$326.22	13.60%	\$226.59	20.20%	180.00	1.90%
Accommodation & Food Services	\$224.41	9.40%	\$94.10	8.40%	1,486.00	16.00%
Manufacturing	\$173.88	7.30%	\$28.25	2.50%	366.00	3.90%
Agriculture, Forestry & Fishing	\$156.86	6.60%	\$71.50	6.40%	544.00	5.90%
Professional, Scientific & Technical Services	\$147.98	6.20%	\$70.18	6.30%	595.00	6.40%
Retail Trade	\$118.79	5.00%	\$72.57	6.50%	1,135.00	12.20%
Wholesale Trade	\$117.09	4.90%	\$58.28	5.20%	337.00	3.60%
Health Care & Social Assistance	\$96.01	4.00%	\$71.21	6.40%	854.00	9.20%
Public Administration & Safety	\$86.34	3.60%	\$49.33	4.40%	430.00	4.60%
Financial & Insurance Services	\$85.27	3.60%	\$52.47	4.70%	148.00	1.60%
Administrative & Support Services	\$82.97	3.50%	\$42.06	3.80%	414.00	4.50%
Education & Training	\$67.54	2.80%	\$51.21	4.60%	646.00	7.00%
Other Services	\$42.19	1.80%	\$24.66	2.20%	336.00	3.60%
Arts & Recreation Services	\$38.69	1.60%	\$15.39	1.40%	254.00	2.70%
Information Media & Telecommunications	\$31.00	1.30%	\$11.88	1.10%	67.00	0.70%
Transport, Postal & Warehousing	\$25.28	1.10%	\$10.61	0.90%	109.00	1.20%
Electricity, Gas, Water & Waste Services	\$16.42	0.70%	\$8.48	0.80%	22.00	0.20%
Mining	\$9.69	0.40%	\$3.94	0.40%	20.00	0.20%
Total	\$2,394.20		\$1,120.64		9,293.00	

All about Surf Coast Businesses

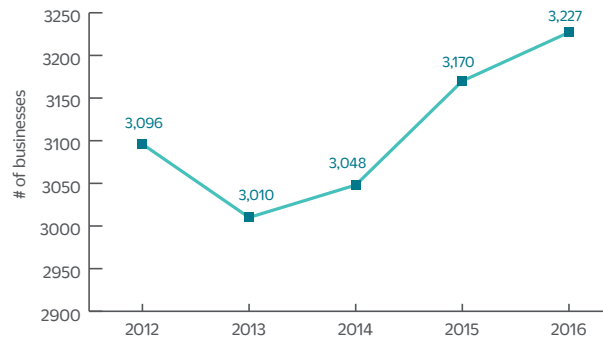
Business Count

The total number of businesses in the Surf Coast in 2016 was 3,227.

Business Counts are based on snapshots of actively trading businesses as at June 2013, 2014 and 2015 from the Australian Bureau of Statistics Business Register (ABSR). The ABSR contains counts and rates of business entries and exits from the Australian economy as well as counts and rates pertaining to the survival of businesses. This count only includes businesses which actively traded in goods or services during the reference period.

The number of businesses has grown at a rate of 3% overall on average over the past three years.

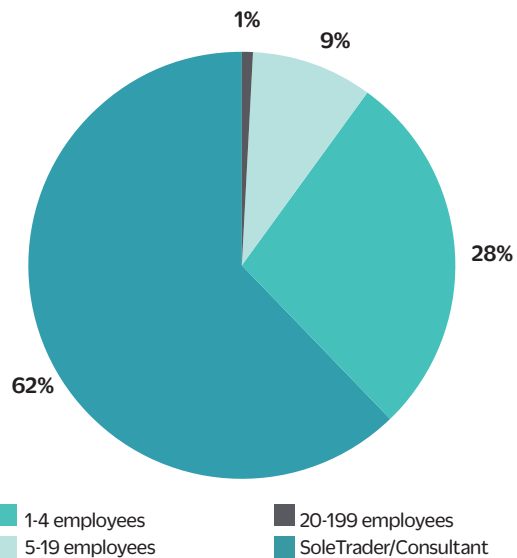
Number of businesses 2012-2016



Business Size

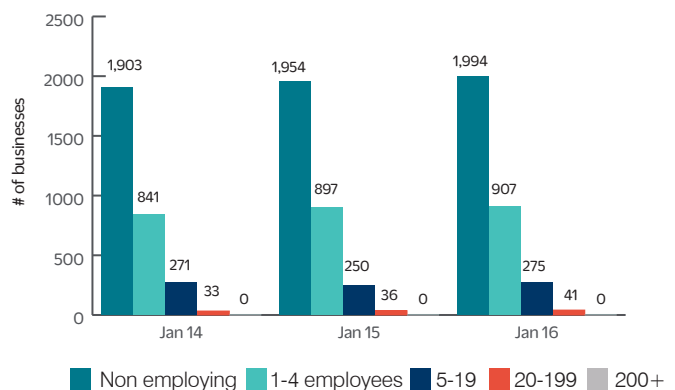
90% of businesses in the Surf Coast Shire are micro to small businesses employing 4 people or less.

Number of employees per business	
SoleTrader/Consultant	1,994
1-4 employees	907
5-19	275
20-199	41
200+	0
Total	3,217

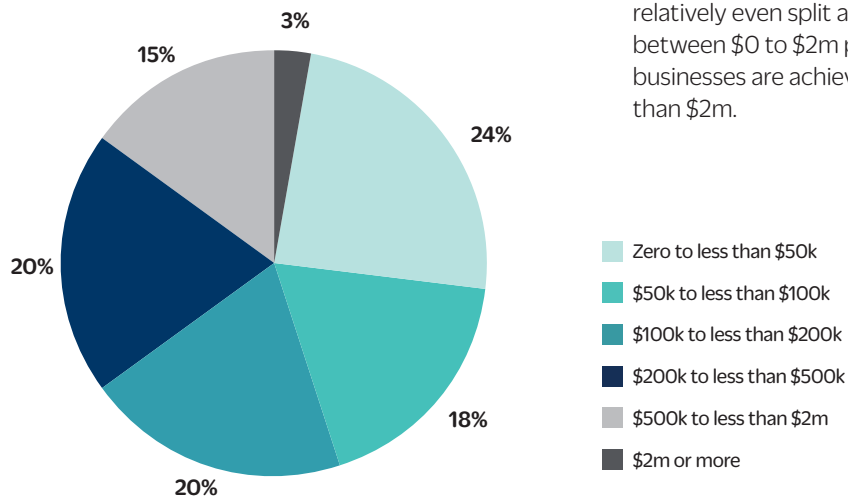


The largest recent growth has been in the 20-199 employees with 11.5% growth, followed by 1-4 employees at 3.5% growth and non employing at 2.35% growth.

Surf Coast Businesses by size 2014-2016



Turnover of business (%)

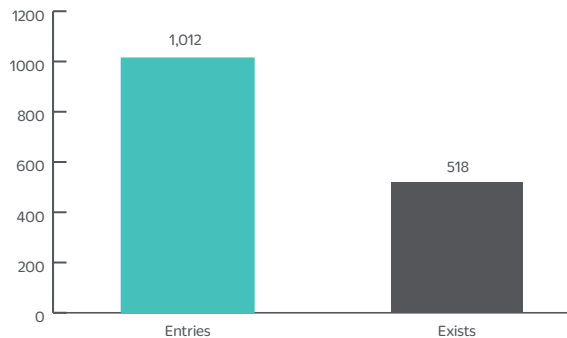


The amount of turnover per business is a relatively even split across all categories between \$0 to \$2m per year. Only 3% of businesses are achieving a turnover higher than \$2m.

Business Entries and Exits

In 2017, the number of Surf Coast businesses increased by 494. There were 1012 new businesses actively trading businesses during the period and 518 that ceased to be active.

The largest growth sector was in professional, scientific and technical services, followed by construction and financial & insurance services.



Business Entries and Exits – Top 10 Growth sectors			
Professional, Scientific & Technical Services	157	80	16%
Construction	165	95	14%
Financial & Insurance Services	119	69	10%
Health Care & Social Assistance	61	13	10%
Administrative & Support Services	78	32	9%
Retail Trade	70	25	9%
Other Services	54	22	6%
Arts & Recreation Services	40	11	6%
Rental, Hiring & Real Estate Services	53	25	6%
Education & Training	44	18	5%

The Tourism Economy

Tourism Visitation and Expenditure

The Surf Coast with its proximity to Melbourne, its beaches, National Parks, many recreational opportunities, major events and beautiful natural environment make it a tourism drawcard of Regional Victoria.

Surf Coast	Visitor Numbers	Visitor Nights	Average Nights	Ave. Expenditure Per Day	Tourism Expenditure (\$M)
Day Visitors	1,235,000			\$84	\$ 103.7
Overnight Visitors	938,000	2,434,000	2.6	\$127	\$ 309.1
International Visitors	51,792	268,684	5.2	\$111	\$ 29.8
	2,224,792	2,702,684			\$442.7

In the last financial year the Surf Coast attracted over 2.2 million visitors who expend over \$442 million in the local economy.

Domestic overnight visitors stayed 2.6 nights on average and spent the most money per day (\$127). This visitor segment generates that highest level of tourism expenditure (\$309m).

International visitors by comparison stayed 5.2 nights and spent \$111 per day. Although the number of international visitors is comparatively small, they are the highest yielding visitor type as

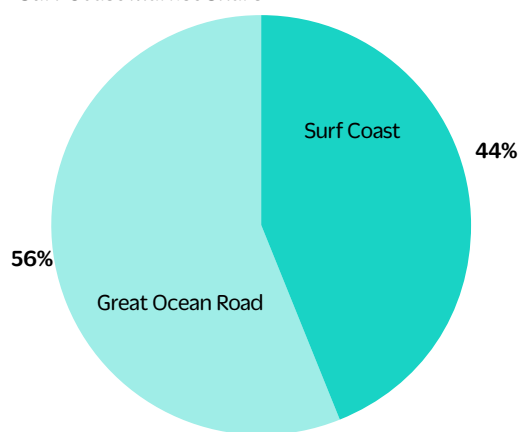
they stay the longest and spend the most money per trip. A domestic overnight visitor will typically spend \$330 per trip compared to an international visitor who will spend \$577.

Day visitors provide the least amount of yield with an average expenditure per day of \$84 generating \$103m in total. An ideal scenario for the Surf Coast is to identify ways to encourage day visitors to stay overnight and to provide overnight visitors with a reason to stay longer for the benefit of the region.

Regional Visitation

The Great Ocean Road (which starts in Torquay) further cements Surf Coast Shire's status as an internationally renowned tourism destination. The Surf Coast region attracts 44% of the 5.1m visitors to the Great Ocean Road.

Surf Coast Market Share

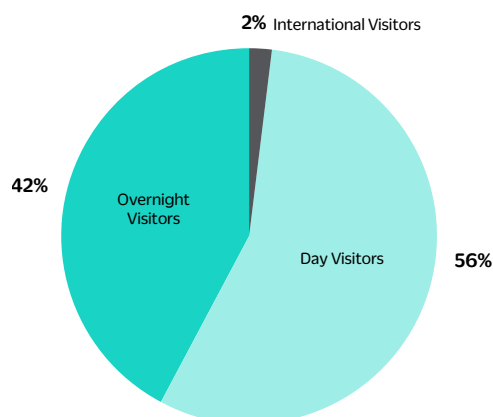


Visitor Type

56% of all visitors to the Surf Coast are day visitors, followed by domestic overnight visitors (42%) and international visitors (2%).

Summer and Spring are the most popular times to visit the Surf Coast with both quarters accounting for 65% of total visitation.

Year-round, off-beach and all weather activities are needed to encourage more visitation during the Autumn and Winter quarters.



Tourism Industry Output

The tourism sector is not considered a traditional industry, it is an amalgam of activities across various industry sectors such as retail, accommodation, cafes & restaurants, cultural & recreational services. In the Surf Coast, accommodation & food services accounts for 86.3% of total output in this sector followed by arts and recreation services (17.4%).

When consolidated, the tourism sector is the second largest sector in the Surf Coast economy.

Selected industry sectors in Surf Coast (\$) ranked by Output

	Surf Coast (\$) (Dec 2017)	
Industry Sector	\$M	%
Construction	\$547.575	22.9%
Tourism	\$271.631	11.3%
Ownership of Dwellings	\$205.950	8.6%
Manufacturing	\$159.944	6.7%
Agriculture, Forestry & Fishing	\$156.061	6.5%
Sub-Total	\$1,341.161	56.0%

Part Time and Visitor Population

In addition the growing permanent population, part time and visitor populations are significant. This is due to the attractiveness of the Surf Coast as a tourist destination and also to the large number of non-permanent residents living in the Surf Coast part-time or owning a holiday home.

- 47% OF PROPERTIES within Surf Coast Shire are owned by people residing outside the Shire.
- 26% OF HOLIDAY HOUSE OWNERS have a future intention of moving permanently to Surf Coast Shire
- 37.5% of these intend to do so within 2-5 years and a further 30% between 5-10 years.

Source: .id forecast, Hugo, G. and Harris, K (2013) "Time and Tide: moving towards an understanding of temporal population changes in coastal Australia" (prepared for the National Sea Change Taskforce)

Peak Overnight Population

During peak visitation periods, the population of Surf Coast Shire is estimated nearly triple from its usual population of approx. 29,402 to over 86,000. A peak night would typically be experienced during the highest levels of tourism visitation in Summer combined with good weather and major events.

Peak Overnight Population

Area	Permanent Population	Population Holiday Homes	Population Caravan Parks, Cabins & Camping Sites	Population Hotels, Motels, Apartments, Units & B&Bs	Peak Overnight Population (i)
SURF COAST SHIRE					
Aireys Inlet/Fairhaven/Moggs Creek	1,191	5,749	362	237	7,539
Anglesea	2,548	9,986	1,676	205	14,415
Deans Marsh	265	344	N/A	15	624
Jan Juc	3,681	3,079	1,441	38	8,239
Lorne and District	1,111	7,562	4,650	1,948	15,271
Torquay (Including Bellbrae & Bells Beach)	14,259	10,461	4,722	1,763	31,205
Winchelsea (Including Winchelsea South)	2,127	683	0	46	2,856
Rural Balance	3,441	2157	206	124	5,928
Total Surf Coast Shire	29,402	40,022	13,057	4,376	86,077

Source: Enterprise Geelong

The Surfing Economy

Surf Coast, riding the economic wave of a global industry

As the location of choice for one of the world's premier annual professional surfing events - the Rip Curl Pro at Bells Beach - and home to internationally marketed retail surf brands, Surf Coast Shire is a location of historical and contemporary significance to the global surfing community.

Similarly to the tourism industry, although surfing is not a traditional sector, the concentration of businesses that are inspired by surfing is significant.

If the Surfing industry is considered as a sector, it represents almost 27% of all jobs (over 2,000) and 26.5% (\$217 million) of all Value Add activity. This makes it the number one driver of the Surf Coast economy above even construction and tourism.

Home of the Torquay Boardriders Club – one of Australia's largest and most active clubs of its type.

The only accredited surfing museum in the world.

Global headquarters for Rip Curl, Quiksilver, Modom, Bellroy, Strapper and many more.

Attracting exciting new small businesses and start-ups





The Social value of Surfing

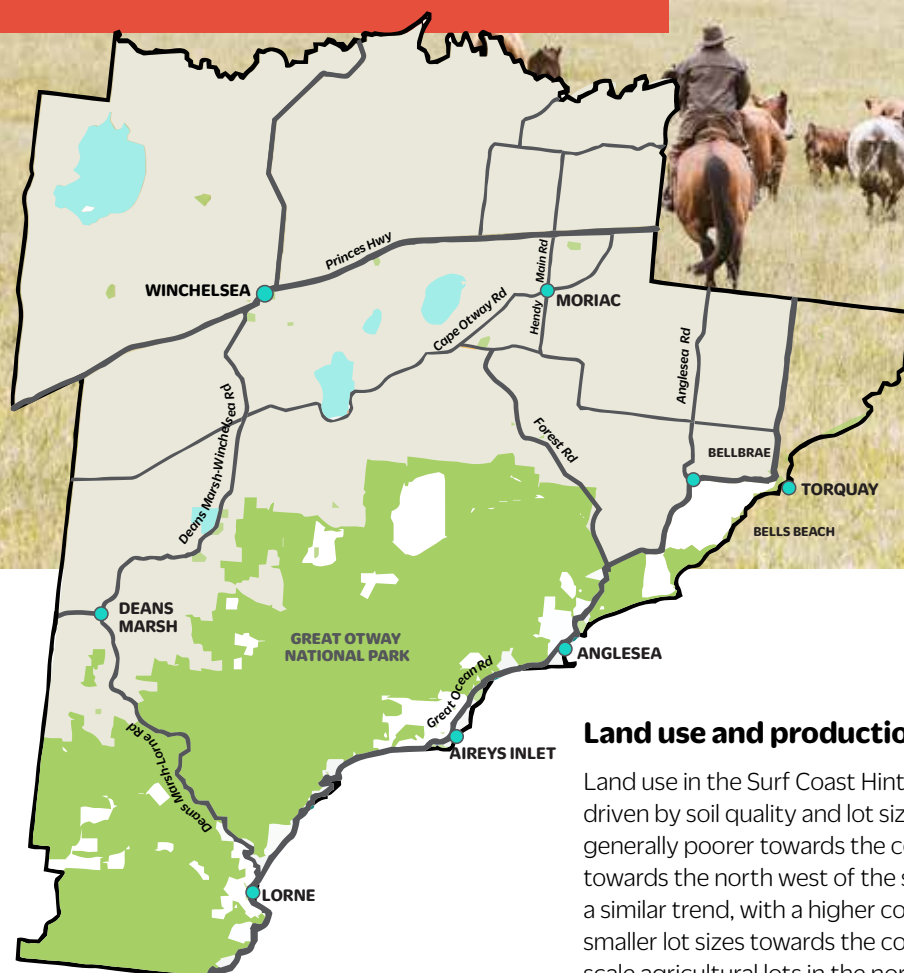
While surfing is an identifiable aspect of the community the uniqueness of surfing has been difficult to capture. On the one hand, it is considered a sport, yet many individuals express that their experience of surfing goes beyond that of a sporting pursuit.

KEY FINDINGS

- Surfing strengthens family relationships - 88% of respondents highly value or value time spent surfing with their family
- Surfing creates and enhances opportunities for strong social connections and relationships within the community to exist
 - 79% of respondents have a high or moderate percentage of personal relationships that have been formed through surfing
 - 34% of respondents have been given opportunities for employment through networks established by surfing
- Surfing creates a sense of surf community: social cohesion, feeling secure in the community and a sense of belonging with likeminded people
- Surfing creates an opportunity for people to feel connected to the environment and to be involved in conservation efforts
 - 99% of respondents stated that surfing strengthened their connection to the environment
 - 89% of respondents are highly influenced or influenced to conserve and protect the environment through their involvement in surfing
- Surfing promotes a healthy and holistic lifestyle and contributes to an overall feeling of wellbeing and happiness - 88% of respondents are influenced by surfing to live a more healthy and holistic lifestyle
- Significant value of surf clubs: 78% of surfing club members highly value or value their involvement within a surfing club.

The Hinterland Economy

The Surf Coast Hinterland refers to all areas of the Surf Coast Shire excluding the coastal townships and National Parks areas. The hinterland includes the townships of Moriac, Bellbrae, Deans Marsh and Winchelsea. Over 4,400 businesses operate in the Surf Coast Hinterland, with the top three sectors based on annual output being Construction, Agriculture, Forestry & Fishing, and Financial and Insurance Services.



Land use and production values

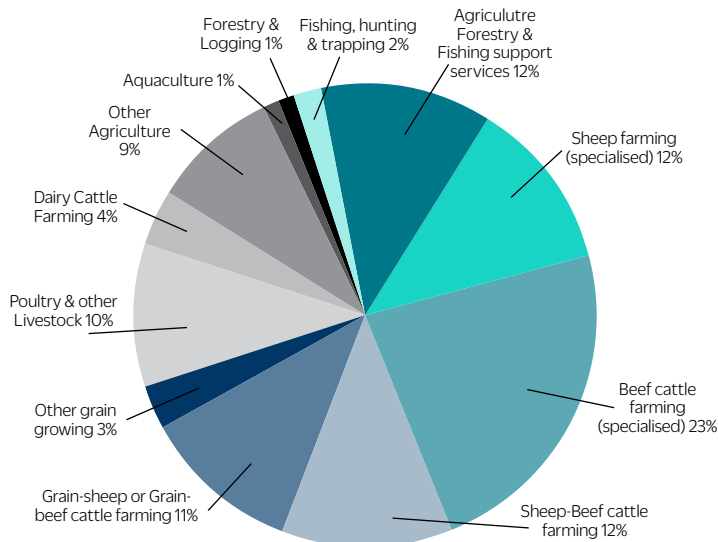
Land use in the Surf Coast Hinterland is largely driven by soil quality and lot size. Soil quality is generally poorer towards the coast and improves towards the north west of the shire. Lot sizes follow a similar trend, with a higher concentration of smaller lot sizes towards the coast and larger, broad scale agricultural lots in the north west.

Agribusiness snapshot

Agriculture is the second largest employer and has the second largest output of Surf Coast Hinterland, contributing 512 jobs (15.9%) to total employment. More than half of the agricultural businesses in the Surf Coast involve livestock production, including dairy and beef cattle, sheep, alpacas, pigs and poultry.

Top 10 – Number of Businesses in the Surf Coast Hinterland

Sector	Count	%
Construction	737	16.74%
Financial & Insurance Services	620	14.08%
Agriculture, Forestry & Fishing	563	12.79%
Professional, Scientific & Technical Services	502	11.40%
Rental, Hiring & Real Estate Services	317	7.20%
Other Services	230	5.22%
Health Care & Social Assistance	218	4.95%
Retail Trade	210	4.77%
Administrative & Support Services	181	4.11%
Manufacturing	136	3.09%



Strategic work in the hinterland

The Surf Coast Shire values the hinterland and has a number of programs and strategies underway in order to support the hinterland region and assist businesses

- Hinterland Futures Strategy – Guiding the planning and development of the hinterland in line with our community's values
- The Local Food Program – Supporting the vision of the Surf Coast Shire as a healthy food production region
- The Agribusiness Strategy for the G21 Region 2017 – 2022 – working in conjunction with the City of Greater Geelong, Colac Otway Shire, Golden Plains Shire and The Borough of Queenscliff

Climate Ready

The Barwon South West region has already become warmer and drier – a climate trend likely to continue into the future. Local residents, businesses and communities are changing the way they do things in response.

The impact of climate change on primary production may include:

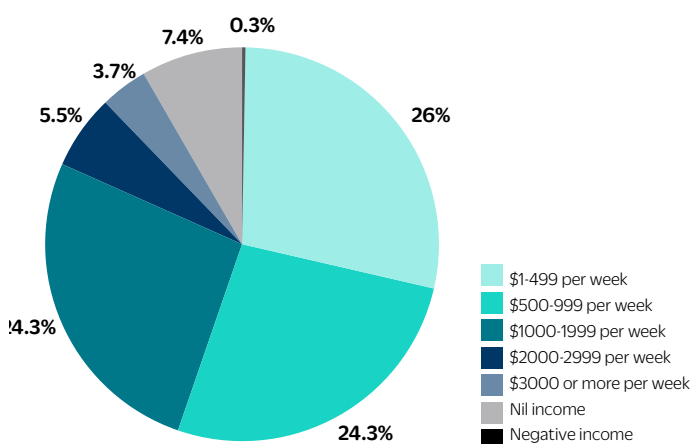
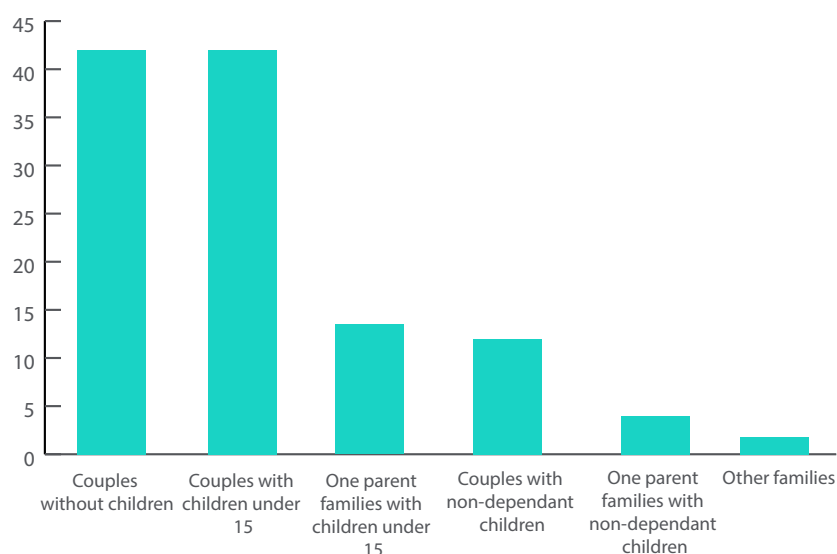
- Changed fodder or pasture production pattern
- Changed distribution of pests and diseases
- Heat stress on livestock and crops
- Farm business affected by bushfire
- Reduced water security
- Reduced area suitable for forestry

Demographics (People)

The estimated resident population as at 30 June 2016 was 30,445

Median age	41.5 years
Median Income (weekly)	\$938
Post School Qualifications	63.5%
Average household size	2.6
Average monthly rental payment	\$1519
Average monthly mortgage payment	\$1971

The most common type of family group in the Surf Coast are couples without children (41%) and couples with children under 15.



48.6% of Surf Coast residents earn \$500 - \$1999 per week on average.

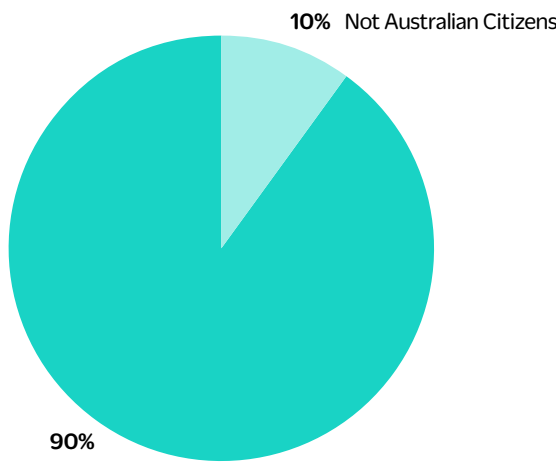
Employment location of resident workers

Surf Coast Shire	2016	
Location	Number	%
Live and work in the area	5,859	41.7
Live in the area, but work outside	7,399	52.7
No fixed place of work	789	5.6
Total employed residents in the area	14,047	100.0

7,399, or 52.7% of Surf Coast Shire's working residents travel outside of the area to work.

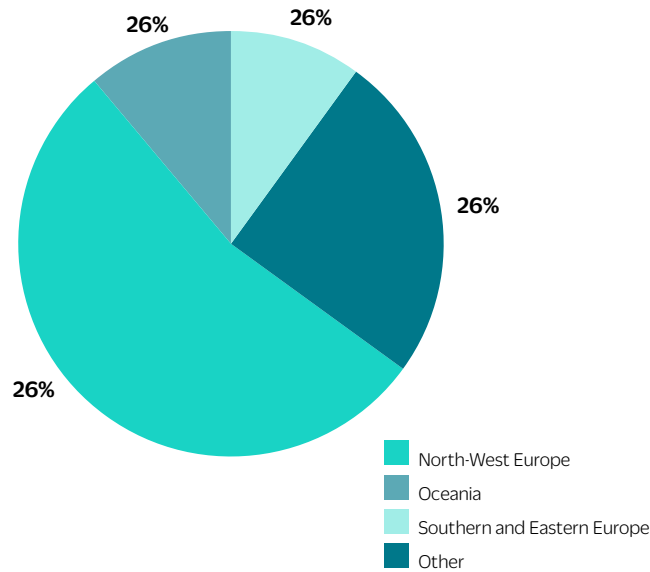
51% of Surf Coast Shire residents over the age of 15 participate in unpaid work. The majority of these people volunteer for an organisation or group (54%) while 46% provide assistance, care or help to others.

Australian Citizenship

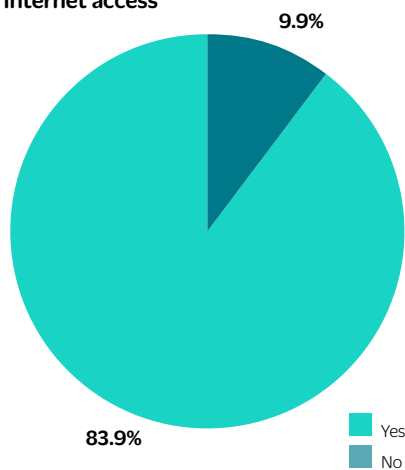


90% of Surf Coast residents are Australian citizens. 54% of non-australian residents were born in north west Europe.

Overseas Born Australians

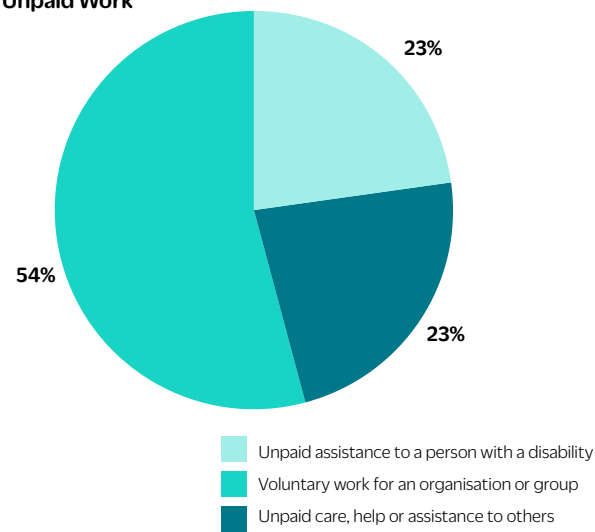


Internet access



83.9% of Surf Coast residents have internet access.

Unpaid Work



Unemployment rate

The Surf Coast unemployment rate is currently 2.7%. This is well below the unemployment rate for Regional Victoria and Victoria overall. A measure in the Surf Coast Shire Council Plan is to maintain unemployment below 3.5%.

Development and growth

Matching economic growth, proximity and lifestyle continue to contribute to the Shire being one the fastest growing municipalities in Victoria. Since 2006 the permanent population of the Shire has grown from 22,333 to 30,445 in June 2016 and is forecast to grow to nearly 45,717 by 2036.

Population summary							
Surf Coast Shire	Forecast year Change between 2016 and 2036						
Area	2016	2021	2026	2031	2036	Total change	Avg. annual % change
Torquay North	7,379	8,980	11,021	13,154	14,691	+7,312	3.50
Torquay	13,771	16,428	19,364	22,348	25,129	+11,358	3.05
Old Torquay - Torquay West	6,392	7,448	8,342	9,195	10,438	+4,046	2.48
Winchelsea	2,089	2,335	2,632	2,928	3,216	+1,127	2.18
Jan Juc - Bellbrae - Bells Beach	4,856	5,380	5,593	5,913	6,448	+1,592	1.43
Lorne - Aireys Inlet	2,545	2,724	2,856	2,973	3,100	+556	0.99
Anglesea	2,660	2,806	2,854	2,878	2,918	+258	0.46
Deans Marsh and Moriac Districts	4,525	4,558	4,648	4,761	4,906	+382	0.41

Top 15 Growth areas of Victoria

Considering the level of population growth in Victorian regions, if Torquay was a municipality it would be Victoria's 6th fastest growth area.

Over the past 5 years Surf Coast Shire has been Victoria's 10th fastest growing municipality by percentage growth of population.

Outside of metro Melbourne, Surf Coast is Victoria's third fastest growing municipality over the past 5 years.

Regional population growth forecast comparison

According to State Government forecasts Surf Coast Shire will be in regional Victoria's top 5 fastest growing municipalities from 2011 to 2031.

In the next 20 years, the majority of population growth in the Surf Coast Shire is expected in Torquay. Winchelsea is the second highest forecast growth area.



Median House Price - 2016		
	Prelim 2016	Growth PA
Locality	Median	
AIREYS INLET	\$ 797,500	4.9
ANGLESEA	\$ 730,000	4.7
FAIRHAVEN	\$ 947,500	4.9
JAN JUC	\$ 825,000	7.2
LORNE	\$ 1,125,000	0.8
MOGGS CREEK	\$ 959,000	6.5
TORQUAY	\$ 705,000	5.6
WINCHELSEA	\$ 305,000	2.4

Source: Property and Land Titles Office, June Quarter, released December 2017.

Construction activity

The total value of building approvals in the Surf Coast to June 2016 was \$267 million.

Although the Surf Coast Shire is considered a 'rural council', the value of construction is on par with Victorian cities of Bendigo, Ballarat and Latrobe and exceeds any of the Victorian regional cities including Mildura, Wodonga, Warrnambool and more.

Residential construction accounts for 77% of the total construction in the Surf Coast worth \$192m while non-residential building and heavy/civil engineering is only 23% of construction activity with a value of \$57.4m.

Construction services is the largest component of the sector worth \$297.7m. This category includes all of the associated trade activity such as land subdivision, site preparation, concreting, plumbing, electrical, carpentry, glazing, etc.

Median House Price

The Median House price in the Surf Coast Shire was \$811,250 as at June 2016. Lorne has the highest median house price followed by Moggs Creek and Fairhaven. Winchelsea had the cheapest median house price at \$305,000.

The highest growth per annum in the past 10 years has been in Jan Juc (7.2%) followed by Moggs Creek (6.5%) and Torquay (5.6%). Lorne had the lowest median house price growth.

Economic Development Unit

Council's Economic Development and Tourism unit has collated a range of statistics to assist businesses in making strategic decisions about expanding or relocating to Surf Coast Shire including:

- Economic Snapshot
- Surf Industry Mapping
- Visitor Insights
- Economic Impact of Events

Contact the unit for business support and information.

Surf Coast Shire Council

1 Merrijig Drive (PO Box 350)

Torquay VIC 3228

p. 03 5261 0600

e. info@surfcoast.vic.gov.au