

# Economic Development Framework

DISCUSSION PAPER

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## Community Vision 2041

From its flowing hills to its wild unspoiled coastlines, the Bass Coast is a source of celebration for all who live in and visit the region.

Our townships are vibrant, rich with culture and full of life, each with its own distinct character. Drawing on our creativity, innovation and resilience we've created a thriving and diverse economy that supports sustainable agriculture and industry.

We live proudly on Bunurong Country, and build on learnings from our First Peoples and their knowledge. We coexist in harmony with our environment, and are prepared for future challenges and changes.

**We are the people of the Bass Coast.**  
**Experience our cultures and history, and contribute to our story.**



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## Acknowledgement of Country

Bass Coast Shire Council acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

Bass Coast Shire Council celebrates the opportunity to embrace and empower the Aboriginal and Torres Strait Island Communities in their diversity. Bass Coast Shire Council will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and Torres Strait Islander Peoples.





## Introduction

Bass Coast Shire Council is creating a new Economic Development Framework, which is a plan to: increase opportunities for business activity and investment; facilitate participation in employment and education; build the competitiveness, diversity and resilience of our economy, and; support the ongoing economic wellbeing of the community.

To prepare our new Framework, we've produced this Discussion Paper. The Paper is intended to prompt conversations and will guide the development of the draft Economic Development Framework.

### Council's role in economic development

Economic development is the intentional practice of improving a community's economic well-being and quality of life. This is a collaborative effort involving government, education providers, business and a range of community stakeholders.

Economic development in Bass Coast focuses on improving economic opportunities, enhancing our natural world, and ensuring that the benefits of economic growth are shared across the community.

Bass Coast Shire Council is committed to creating the right conditions for positive economic activity while balancing the character and liveability of our region to enhance our natural world.

We look to the Bunurong people, the Traditional Owners and Custodians of land and waters that lie within the boundaries of Bass Coast, for ways to protect the Country on which we sit, learn from their culture and traditions and walk the path towards meaningful reconciliation together.

“No single definition incorporates all of the different strands of economic development. As there is no single definition for economic development, there is no single strategy, policy, or program for achieving successful economic development.”

— International Economic Development Committee



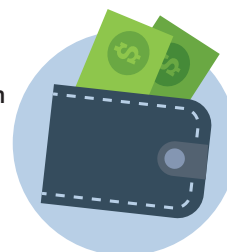
## What We Know



Population: **40,789** (2021),  
growing at average 4.45 per cent  
per year over the last five years

Consumer  
Economy: **\$800m**

Gross Regional  
Product: **\$1.8b**



Labour Force  
participation rate:  
**49.5 per cent**



Yearly average for  
domestic expenditure:  
**\$480 million\***

International visitor  
annual expenditure:  
**\$20 million\***  
(\*pre Covid)



We have a dynamic  
visitor economy that  
ranges from  
**\$20m per month**  
**in off-season**  
to  
**\$70m in peak**

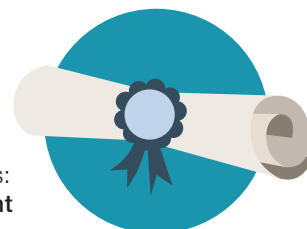
Largest growth in age structure  
**70 to 84 year-olds** and **60 to 69 year-**  
**olds**, accounting for 47 per cent of  
change (2016 to 2021)



Yearly average for  
domestic expenditure:  
**\$480 million\***

International visitor  
annual expenditure:  
**\$20 million\***  
(\*pre Covid)

University  
qualifications:  
**17.8 per cent**



Construction  
industry accounts  
for **21.9 per cent**  
of economic  
output

Bass Coast residential property value  
increased **120 per cent** in the  
five years to January 2022,  
ranking it number two  
in Australia





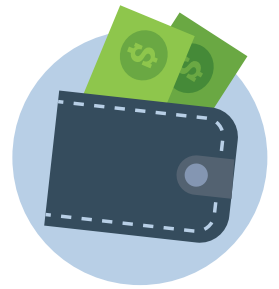
## Population

- Bass Coast's population skews slightly older, with a significantly lower share of residents aged 15-39. The median age is 50 compared to Victoria's median age of 37.
- Bass Coast is subject to development pressures that can create land-use conflicts between traditional industry and sea/tree-change led residential development.
- Bass Coast is well positioned to take advantage of work-from-home trends by encouraging more professional workers to live and work locally.
- Bass Coast has a relatively high number of lower income households. This is due to the high number of retirees and significantly lower number of residents aged 15-39.
- The Department of Social Security payment mix in Bass Coast is close to double the Victorian average for both Pension Concession Card and Age Pension payments.
- Looking towards 2036, Bass Coast is expected to add almost 10,000 residents, mainly in "Couple Family without Children" and "Lone Person" households.



## Spend

- Bass Coast's consumer economy is worth around \$800 million per annum.
- Visitor local spend is extremely dynamic: winter months average \$20 million per month compared to peaks in December and January of \$55 to \$70 million per month.
- Resident online spending is growing significantly faster than Gippsland and Victoria.
- Bass Coast total spend peaks in January compared to the typical December peak, due to visitor numbers, while resident local spend is relatively stable and peaks in December.
- Bass Coast residents spend a higher share of their income outside of Bass Coast and is growing at a faster rate than Gippsland and Victoria. If this could be reduced to the Gippsland average, an additional \$37 million per annum could be spent with our local traders. This is in part due to high outward-commuting numbers.
- Bass Coast experiences troughs in total local spending during the month of February.



## Labour Force

- Bass Coast's work participation rate is 49.5 per cent compared to 62.7 per cent for Victoria.
- Youth disengagement (15 to 24 year-olds who are not employed and not studying, full or part time) is 9.5 per cent in Bass Coast compared to 7.5 per cent for Victoria.
- We have an undersupply of higher income, skilled jobs for the skilled resident workforce and we are an exporter of skilled workers to other LGAs.
- The population with university qualifications in Bass Coast is 17.8 per cent, significantly down compared to Victoria 29.2 per cent.
- Bass Coast experienced a shift in the number of work-from-home residents increasing by 7 per cent following the pandemic.





## Business and Industry

- The construction industry is driving a significant part of the economy, accounting for the highest economic output at 21.9 per cent, and the largest count of businesses by industry with over one quarter of all businesses.
- While agriculture accounts for just 6 per cent of economic output, it is the second largest count of business by industry at 13 per cent.
- 76 per cent of Bass Coast's land mass is occupied by agribusiness activity which is dominated by beef and dairy cattle.
- In Bass Coast during 2020 and 2021 a total of \$168 million was lost due to a reduction of spending during the pandemic.



## Tourism

- Most visitors to Bass Coast are day trippers.
- Converting day trippers to overnight visitors matching East Gippsland could generate an additional \$113 million per year.
- Tourism is critical to Bass Coast's economy, bringing valuable 'export' revenue that is not dependent on population growth.
- Tourism spending in Bass Coast is inconsistent creating challenges for long-term business planning.
- There are 3,300 short-term rental properties that help meet visitor economy demand.
- Visitor spend is more inconsistent than resident spend. During the week it is three times more inconsistent and season by season it is twice as inconsistent.
- Pre-COVID the yearly average for domestic expenditure was \$480 million, international visitors accounted for \$20 million annual expenditure.



## Land and Housing

- Bass Coast has retained a high share of its rural and conservation land, with urbanisation relatively concentrated.
- Industrial land is concentrated into seven precincts with the 'Wonthaggi Inverloch Road' precinct accounting for 40 per cent of available industrial land. This precinct presents challenges due to land ownership fragmentation, available services, and access infrastructure.
- 16 per cent of industrial land is occupied by self-storage; a population servicing, low-value industry land use.
- Bass Coast residential property value increased 120 per cent in the five years to January 2022, ranking it number two in Australia.
- Housing affordability is a challenge in Bass Coast as many workers, particularly lower income workers (essential for sectors like tourism), are likely to find it difficult to purchase or lease their own property in Bass Coast.
- Rental affordability and availability is declining; in the two years to December 2021 the number of rental properties dropped by 496.





# Megatrends

In determining the future aspirations of our economy, we must consider broader trends and how they will impact our region.

Megatrends are trajectories of change that typically unfold over years or decades and have the potential for substantial and transformative impact. These changes will continue to have substantial impact on businesses, communities and governments in Australia and present new risks and opportunities for Bass Coast.

The CSIRO releases the Our Future World report every ten years which identifies the global megatrends that hold the key to the challenges and opportunities ahead.

“Australia is at a pivotal point. There is a tidal wave of disruption on the way, and it’s critical we take steps now to get ahead of it.”

— CSIRO Chief Executive Dr Larry Marshall

- 1. Adapting to a changing climate** – the protection of livelihoods, infrastructure and people’s quality of life as the climate changes.
- 2. Leaner, cleaner and greener** – the global push to reach net zero and beyond, protect biodiversity and use resources efficiently.
- 3. The escalating health imperative** – the promotion of health in the face of rising demand, demographic ageing, emerging diseases and unhealthy lifestyles.
- 4. Geopolitical shifts** – the increase in efforts to ensure global stability, trade and economic growth.
- 5. Diving into digital** – the rapidly growing digital and data economy.
- 6. Increasingly autonomous** – the rise of artificial intelligence and advanced autonomous systems to enhance productivity and outputs across all industries.
- 7. Unlocking the human dimension** – the importance of diversity, equity and transparency in business, policy and community decision making.





## Regional context

Bass Coast's proximity to Melbourne, natural landscapes and our coastal environment have been identified as our key strengths. Bass Coast, as one of six Gippsland Local Government Areas, has tended to identify and seek opportunities more closely aligned with the broader Gippsland region. This continues to evolve as the south-east of Melbourne grows at a rapid rate, as does our population with more people from Melbourne with connections through work and family moving to Bass Coast.

### Melbourne

Melbourne's population is predicted to overtake Sydney's, and is forecast to reach 6 million by 2031-32. Over the next 35 years, it is estimated Melbourne will need 1.5 million new jobs. Bass Coast's location, combined with improved road connection with Melbourne, makes it an ideal holiday location and a destination for those looking to sea-change or downsize their living arrangements. A relatively new trend, linked closely with increased hybrid and remote working becoming more popular, are working holidays.

### Cardinia

Neighboring Bass Coast is Cardinia Shire, one of the fastest growing regions in Australia. Recognised by the State Government as one of four growth corridors across Melbourne. With a current catchment of over 112,000 residents, and the population projected to grow to 200,000 people by 2041.

### Gippsland Regional Economic Development Strategy

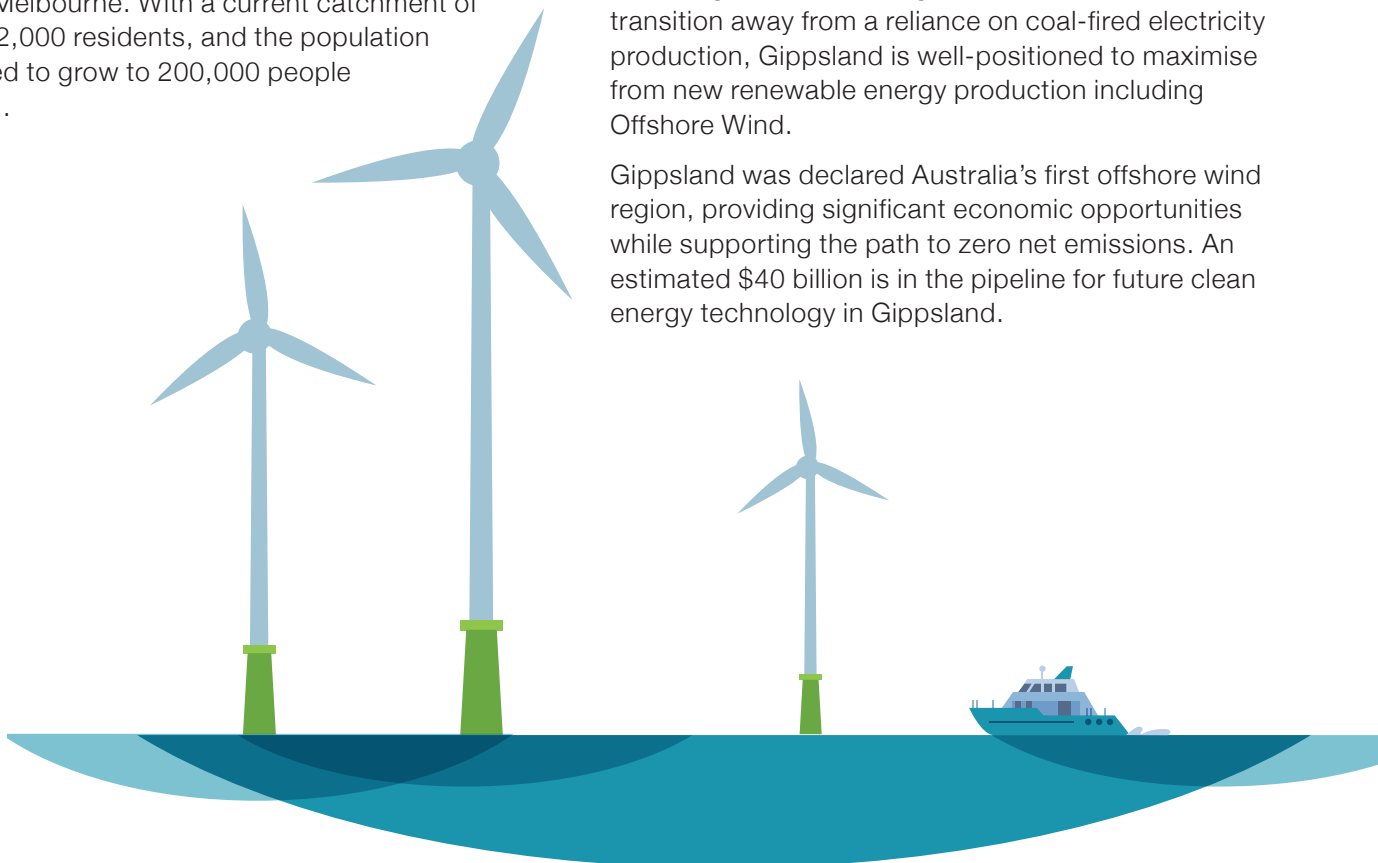
The Gippsland REDS defines the State Government's five strategic directions for economic development in the region, based on data analysis and review of existing policies and strategies. It is important to consider opportunities identified through State planning to ensure we are positioned to maximise benefit to our region.

1. Maximise the role of the food and fibre industry in the local economy.
2. Accelerate advanced manufacturing capabilities in the region.
3. Pursue opportunities emerging from energy industry transition, including clean and renewable energy and earth resources.
4. Support growth and diversification in the visitor economy.
5. Enhance regional specialisation in health care and social assistance.

### Gippsland energy industry in transition

The Gippsland region is the historical energy powerhouse of Victoria, previously accounting for over 90 per cent of Victoria's energy production and exporting to the national grid. As we continue to transition away from a reliance on coal-fired electricity production, Gippsland is well-positioned to maximise from new renewable energy production including Offshore Wind.

Gippsland was declared Australia's first offshore wind region, providing significant economic opportunities while supporting the path to zero net emissions. An estimated \$40 billion is in the pipeline for future clean energy technology in Gippsland.



## What We Heard

To support the evidence-base gathered through the State of the Shire report it is critical to incorporate feedback from business and community. Results from the business and industry survey, targeted engagement with business leaders and engagement with community will shape the creation of the Economic Development Framework.

### Strengths

- Good rainfall, deep topsoil, comparatively well positioned for changes in climate.
- Environmental/natural world asset and difference to other regions. Coastline and image of being a clean and green place to live and work.
- At only 90 minutes from Melbourne's 'inner band', city dwellers can work two days in Melbourne and rest from region, people moving to region as safe, leaders in climate change.
- The lesser-known Great Southern Reef that stretches along Bass Coast and the incredible opportunity it presents both ecologically and through tourism.
- Existing international events and a drive to develop our events calendar.
- Seafood produce, direct from boats. Other food and wine boutique producers.
- An active and engaged community.
- Access to health care and the increase of public and private investment in the health sector locally.
- Existing industry and business leaders.

### Challenges

- Balance of environment and economy; for example the perceived impact of tourism on wildlife on Phillip Island.
- Impact of industries that have a negative effect on the environment and a wider sense of place, such as sand mining.
- Access to a reliable workforce, affected by the following factors:
  - Housing affordability, particularly the conflict of short-term rentals v long-term.
  - Limited public transport.
  - Low education attainment.
  - Ageing population.
  - Access to reliable childcare.
- Infrastructure including utilities, transport, and marine infrastructure.
- Digital connectivity and regional disadvantage.
- Recognition of the importance of tourism and the need to service visitors.
- Opposition to any form of development.
- Limited access to public transport.
- Available industrial land and office space.
- Ageing farming population and the challenge the sector faces in attracting new talent to industry.
- Local trade and training facilities underutilised and underinvested.
- Meeting consumer needs of growing population when critical mass to support investment is not met.
- The industry maturity of the late night economy is a detractor for attracting and retaining talent in region.
- Impact of changing climate on public infrastructure and natural assets.





## Opportunities

Below is a range of opportunities identified that might drive a range of our future economic activity.

- Capitalise on existing and new talent moving to the region, including the knowledge class and the growing creative class.
- Leverage Bass Coast's significant natural environment and existing tourism offering to target international engagement through film production, research, sporting bodies, and the like.
- Build a sense of place through township activation:
  - Plan, build and invest in Bass Coast to be a park and ride/walk destination, and explore greater use of micromobility.
  - Reduce spend leakage through targeted commercial offerings, upskill local enterprise in online trading and customer experience.
  - Drive public investment to enable industrial and commercial land development.
  - Strategically plan our townships.
- Agriculture:
  - Regenerative agriculture.
  - Understanding local agriculture opportunities including; plant-based protein (replacing meat), short-cycle biomass, aquaculture and emerging technologies.
  - Agritourism linking back to sustainability through food miles and local produce.
- Building new tourism opportunities:
  - Continue to build on growing arts and culture tourism.
  - Leverage opportunities the most diverse range of polar dinosaur fossils and unique prehistoric fauna in the world presents.
  - Develop partnerships to grow and sustain regional, national and international events.
  - More accommodation to diversify our short-term rental offerings.
  - Wellness as an emerging tourism and health opportunity.
  - Enhancing our natural environment through regenerative practices.
  - The benchmark for re-wilding, conservation tourism, and volunteer tourism.
  - Growing opportunity for mountain bike experiences.
- Phillip Island as a global conservation experiment capitalising on the restoration of the natural world in harmony with people.
- Tracks and trails and the important role of active transport for the visitor experience.
- Look to the Bunurong people and Aboriginal community members for ways to protect the Country on which we sit, learn from their culture and traditions and walk the path towards meaningful reconciliation together.
- Partner with our Traditional Owners to ensure our rich indigenous history and its connection to land and sea is widely known and recognised amongst our community.
- Explore the opportunity how we can utilise the empty or under-utilised houses in our region.
- Growing community interest and the economic opportunities that align with circular economies.
- Recent investment in community arts and culture infrastructure.
- Ageing population and the increase of investment and services required to support an ageing population.
- Positive benefits of decoupling from fossil fuel energy mix, including offshore renewable projects and the employment opportunities that will stem from renewable energy.
- Career pathways and working closely with education providers will build the capacity and capability of our youth.



## Pulling it together

Bass Coast Shire's Council Plan 2021-25 has been developed to address six strategic objectives that demonstrate our commitment to developing a Bass Coast that is recognised for its natural environment and healthy, inclusive communities.

The work Council undertakes to deliver positive economic outcomes for our community is not in isolation to other key works we deliver. The Economic Development Framework will integrate and align with Council's Plan and the following key strategic works:

- Bass Coast Unlocking Rural Tourism Strategy
- Industrial Land Use Strategy
- Wonthaggi North East PSP
- Wonthaggi Opportunity Unlocked
- Dinosaur Trail
- Climate Change Action Plan
- Access and Inclusion Strategy
- Arts and Culture Strategy
- Housing Strategy
- Social and Affordable Housing Strategy
- Advocacy Strategy
- Health and Wellbeing Plan



## Emerging Pillars for Our Economy

As we create the Economic Development Framework, key pillars are emerging from the evidence-base, and community and industry feedback that can underpin our economic development. These pillars will guide and help shape the Framework.



### Living + Working

- Workforce development
- Housing
- Education
- Remote working
- Wonthaggi North-East
- Place based activation
- Prosperity for all



### Natural World + Visitor Economy

- Regenerative agriculture
- Regenerative tourism
- Circular economy
- Off-peak event activation
- Community capacity building
- Wellness



### Industry Diversification + Innovation

- Offshore wind opportunity
- Industry development
- Investment attraction
- Data analytics for investment and business nous



### Place Shaping

- Digital connectivity
- Movement and public transport
- Sense of place
- Vibrant townships
- Active transport





## Economic Development Framework DISCUSSION PAPER

This paper is designed to provoke thought and discussion on how Council can best influence and help shape our economic future. To get involved please visit:

[engage.basscoast.vic.gov.au/edf](http://engage.basscoast.vic.gov.au/edf)

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