GREAT OCEAN ROAD VISITOR ECONOMY WORKFORCE DEVELOPMENT STRATEGY

JANUARY 2020

Acknowledgements

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VICTORIA State Government

GREAT OCEAN ROAD REGIONAL TOURISM LIMITED

Surf COAST SHIRE

CORANGAMITE SHIRE

Colac Otway SHIRE

Executive Summary

This Workforce Development Strategy aims to address the visitor economy workforce needs in the Local Government Areas (LGAs) of Surf Coast Shire, Colac Otway Shire and the Corangamite Shire (referred to in this Report as the Study Area). These LGAs form part of the Great Ocean Road (GOR) tourism region.

Great Ocean Road Regional Tourism (GORRT) has commissioned the development of this Workforce Development Strategy with funding from Regional Development Victoria (RDV).

Visitation is concentrated in key destination towns

The towns along the Great Ocean Road extending from Torquay in the East, including Lorne and Apollo Bay, the Otway hinterland, and through to Port Campbell in the West, experience the majority of the visitation to the Study Area with the Surf Coast LGA receiving more than 60% of visitors. These towns are the Study Area's key tourism destination towns.

Forecast Increased in visitation to the Study Area

A forecast based on recent visitation trends shows that the Study Area will experience an increase of more than 970,000 visitors through to 2024. Population growth in Greater Melbourne, the Study Area's primary catchment drives much of the growth as does as an increase in international visitation. This visitation will consist of domestic daytrips, domestic overnight and international visitors and varies across the three LGAs in the Study Area. The analysis of visitation trends has also highlighted the significant seasonality in visitation experienced across the whole region.

Estimated impact on employment

The forecast growth in visitation will generate increased demand for goods and services from the Study Area's businesses and is estimated to create more than 630 direct jobs and almost 240 indirect jobs. The growth will also drive an expected increase of more than $185m in businesses revenues in the Study Area's visitor economy.

A current shortfall in workers

A survey of GORRT industry members indicated that a significant percentage of businesses could never fill, or frequently cannot fill the staff positions that they have available. Transposing the experience of members across the 600 plus businesses in the Study Area's visitor economy suggests a shortfall of between 400 to 600 jobs. Filling 400 of these visitor economy jobs is estimated to generate more than $100m in business revenue for the Study Area's visitor economy.

Proposed investment in the Study Area's visitor economy

Significant tourism developments are proposed across the Study Area. The investors project a need for some 1,300 jobs, a considerable increase in employment on what has already been forecast.

The combination of these investments will have a significant positive impact on the Study Area's tourism offer and drive a steeper trajectory in the forecast visitation growth to the Study Area, including a substantial increase in overnight stays and visitor spending.

Uncertain timeline for proposed investments

Many of these proposed investments are yet to receive the planning approval required to commence development. The timeline for the finalisation of the necessary planning approvals, construction and commencing operations is unsure. This Report has assumed that this impact is at least four years away.

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Growing the visitor economy workforce

The Study Area faces some significant challenges in meeting projected growth in the size of its visitor economy workforce and is already experiencing a shortfall. Factors contributing to this include:

- Destination towns have small resident populations from which to service growth, the exception is Torquay. These populations have a limited capacity to supply additional workers.
- Destination towns are already dependent on workers from outside of the Study Area, particularly from Greater Geelong, which is also experiencing significant employment growth.
- The Study Area has experienced a contraction of its working-age population – particularly younger workers.
- There is increasing competition for scarce labour due to growth in other industry sectors including food manufacturing, construction and health. Attracting workers from outside of the Study Area is problematic as there is an acute shortage of affordable accommodation – particularly in the key tourism destination towns.
- There is limited land available for further residential development in the destination towns, with a premium for such land.
- Affordable high-density housing is challenging to deliver in the destination towns with Bushfire Management Overlays and the high likelihood of substantial opposition from communities.
- Delivering more affordable housing requires the development of housing assets that are not subject to the demands of the private residential market.
- The absence of available accommodation requires many workers to have to travel from larger towns.
- The vast majority of visitor economy businesses are small and highly reliant on local networks, these networks have minimal capacity to provide the growth in workers. This 'business as usual' model has contributed to the current shortfall in workers.
- Many business operators have little experience or expertise concerning strategic workforce recruitment or working collaboratively with other businesses to attract workers and share workforce resources.

A way forward

The Workforce Development Strategy has identified the opportunity to leverage some of the visitor economy's workforce key characteristics. The visitor economy employs a large percentage of young workers, many of whom work less than 15 hours per week. These workers will be a crucial recruitment target with a focus on supporting the peak season demand.

In the absence of accommodation options in key tourism destinations, the strategy proposes to use dedicated and direct service to transport workers from urban locations, i.e. Geelong, Colac, Torquay and Warrnambool to the key tourism destinations. Workers will pay a fare that is commensurate with public transport costs.

Workers will be required to undertake training that supports their work readiness – including the Responsible Serving of Alcohol and basic food hygiene practices.

The strategy seeks to engage expertise in workforce recruitment through an appropriate Service Provider. The provider will develop and deliver a Change Management and Communication Strategy that aims to change the 'business as usual' model and engage businesses, workers, communities and institutions in a different approach to workforce recruitment than is currently the case.

The Service Provider will charge a fee for the provision of workers and grow this revenue to become commercially sustainable. The Service Provider's service fees modelled for Year 1 represent less than 0.05% of the visitor economy's total business revenues.

The Service Provider will be encouraged to expand its market to other opportunities, including targeting the range of major events in the Study Area and servicing businesses in Geelong and The Bellarine, the neighbouring tourism region.

Finally, the selection and start-up of the Service Provider will be subject to appropriate governance lead by GORRT and will have input from the State Government and regional industry.

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The Ask

GORRT would be seeking $1.74m in total funds over the next 5 years to fund the implementation of the plan laid out in the Workforce Development Strategy. Key to the implementation of the strategy is the procurement of:

- An appropriate Service Provider that can lead the recruitment of the workers needed;
- Charter bus services to transport workers from larger urban centres to key tourism destinations.

The funding will support the establishment of the Service Provider's operation, along with providing a transport subsidy to help recruited workers getting to the Study Area's key tourism destinations.

The workforce recruitment component of the operation will become revenue positive in Year 4 of the Strategy by generating revenue via a fee for service to the some 600 plus employing businesses in the Study Area's visitor economy (and by potentially servicing other 'markets'). The transport subsidy will be an ongoing cost.

Workforce Development Strategy – Financial Model

Financial Year	Revenue	Operational Costs	Totals (Revenue less Costs)
2020/2021	337,442	$1,343,823	$1,006,381
2021/2022	735,419	$1,322,519	$587,100
2022/2023	1,053,423	$1,395,086	$341,663
2023/2024	1,474,657	$1,538,146	$63,489
2024/2025	1,942,343	$1,678,393	$263,950
		Total Ask	**1,734,684**

Revenue

- Fees charged to businesses for use of recruitment service
- Fares paid by workers for use of bus services.

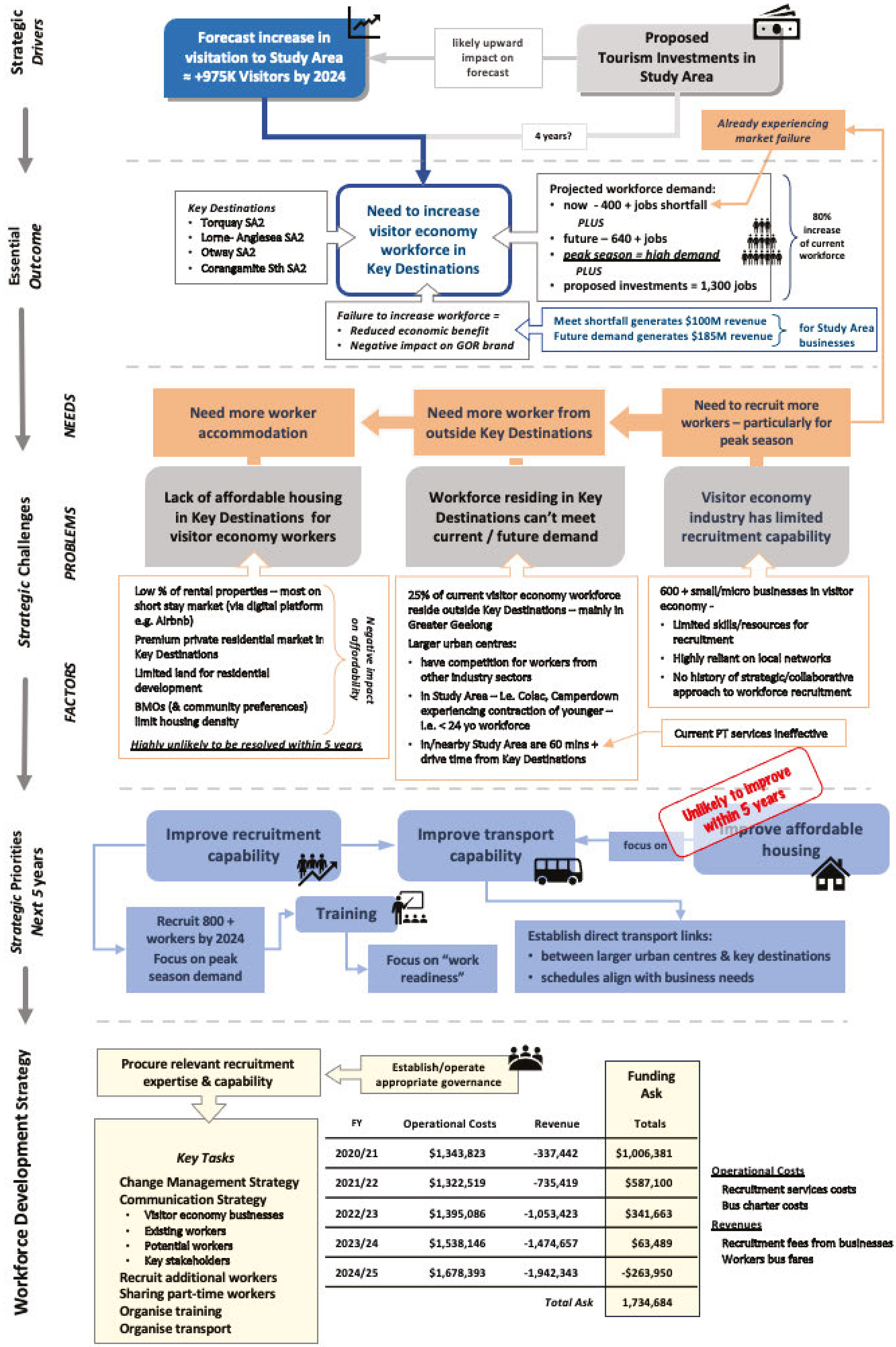
Operational Costs

- Cost of establishing and operating recruitment services
- Cost of bus charter to transport workers to key tourism destinations.

Cost Benefit

The requested project funding of $1.74m over 5 years will deliver over 3,000 seasonal workers into the Study Area and is conservatively estimated to deliver a benefit to cost ratio (BCR) of 4.8.

WORKFORCE DEVELOPMENT STRATEGY OVERVIEW



FY	Operational Costs	Revenue	Funding Ask Totals
2020/21	$1,343,823	-337,442	$1,006,381
2021/22	$1,322,519	-735,419	$587,100
2022/23	$1,395,086	-1,053,423	$341,663
2023/24	$1,538,146	-1,474,657	$63,489
2024/25	$1,678,393	-1,942,343	-$263,950
		Total Ask	1,734,684

Contents

PART A

Overview of Findings and Workforce Development Strategy

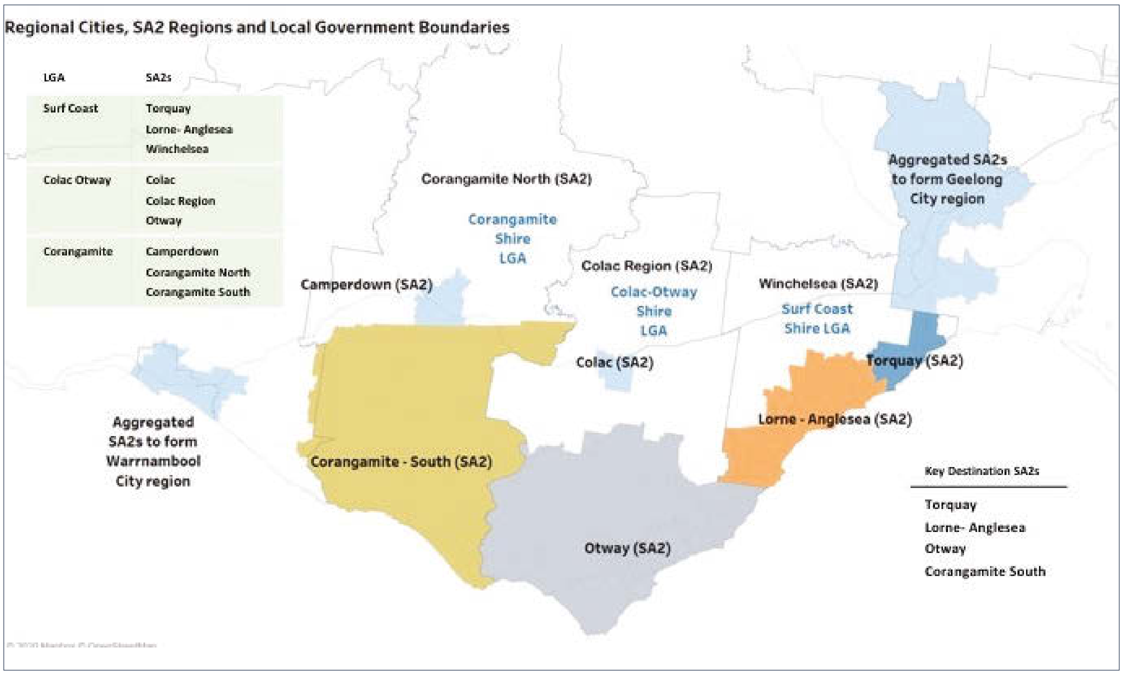
Introduction

Great Ocean Road Regional Tourism (GORRT) commissioned this Report with funding from Regional Development Victoria (RDV). The Report has involved an analysis of the workforce needs of the visitor economy operating across the three Local Government Areas (LGAs) of the Surf Coast Shire, Colac Otway Shire and, the Corangamite Shire (the Study Area).

The Study Area

The Study Area forms part of the wider Great Ocean Road tourism region, includes large urban areas such as the towns of Torquay, Colac and, Camperdown. The major centres of Geelong, Victoria's largest regional city, and Warrnambool adjoin the Study Area. The report has also considered the differences between the range of ABS SA2* areas within the three LGAS as noted in the following diagram.

FIGURE 1 – STUDY AREA LGAS AND SA2S



***Note:** ABS Statistical Areas Level 2 (SA2s) reflect functional areas that represent a community that interacts together socially and economically.

Key Inputs

The critical inputs for the development of this Report have included:

- A review of relevant documentation
- Analysis of relevant data – the key data sources for this report have been:
  - ABS Census data
  - REMPLAN data for each of the LGAs in the Study Area
  - Tourism Research Australia (TRA) data
- Stakeholder feedback – this includes a range of stakeholders including:

Private Sector	Local & State Government
Tourism operator	Council Officers – from the LGAs in the Study Area
Major investors	State Government – RDV, Dept of Transport, Office of the Victorian Skills Commissioner
Real estate agents	

Interviews and a survey of GORRT members also provided feedback.

This Report

This Report includes:

- A forecast of visitation to the Study Area – including the key tourism destinations within the Study Area
- A review of the potential impacts of proposed significant tourism related investments within the Study Area
- The impact of the visitation forecast on employment in the Study Area's visitor economy
- An analysis of the Study Area's workforce and its capacity to supply the workers needed by the visitor economy
- An analysis of the Study Area's capacity to accommodate additional workers – particularly in the key tourism destinations
- The tourism industry's recruitment capability and its ability to attract additional workers.

The Report also includes a Workforce Development Strategy which addresses the workforce needs of the Study Area's visitor economy over the next five years. The Workforce Development Strategy also identifies the Government investment needed to enable its implementation.

The Report is in three parts:

PART A Overview & Workforce Strategy	PART B Detailed Analysis	APPENDICES
▪ Workforce Development Strategy	▪ An overview of the findings ▪ Strategic implications ▪ Detailed analysis	▪ Analysis of Visitor Trends and Visitation Forecast ▪ Financial Modelling Assumptions ▪ Comparison of Cabins vs Transport

Visitation to the Study Area

The Study Area has experienced substantial growth in visitation of the last ten years according to data from Tourism Research Australia's National and International Visitor Surveys (NVS and IVS). This visitation includes a combination of daytrip visitors, domestic overnight visitors and international visitors.

There have been local, regional and global events that have impacted visitation to the Study Area over the last ten years – for example the Wye River bushfire in 2015 – that have caused fluctuations in visitation. Despite such fluctuations, there has been an upward trend in the overall visitation of the last ten years.

The review of trends has also highlighted the:

- Surf Coast LGA as receiving the largest number of visitors of the LGAs in the Study Area – with more than 2.5 million visitors which is some 950,000 more visitors than the other LGAs combined
- Substantial peaks in visitation in the first quarter of each year – the aptly named 'peak summer season'; and
- That there is a high concentration of visitation to Study Area's into the southern SA2s of Torquay, Lorne – Anglesea, Otway and Corangamite South, all of which have the Great Ocean Road running through them.

An extrapolation of the last ten years visitation trends sees a forecast increase of more than 970,000 additional visitors to the Study Area by the end of 2024 – some five-years in time.

The forecast does not include the potential impact of the proposed significant investments in the Study Area. These include:

- Major visitor accommodation facilities nearby the Twelve Apostles, Apollo Bay and in Torquay
- A substantial sports facility – which will also include accommodation
- The redevelopment of the former Alcoa site near Anglesea; and
- Major improvements to The Great Ocean Road and other public infrastructure – some of which is already underway.

Should the private sector investments proceed they will have a substantial impact on the Study Area's 'tourism offer' and a likely further upward influence on the forecast trajectory for visitation to the Study Area.

The Visitor Economy Workforce Characteristics

The growth in visitation to the Study Area has created a substantial visitor economy which is estimated to generate almost 2,900 jobs across a range of industry sectors – most notably in Accommodation and Food Services as well as in the retail, recreation, transport, and domestic services.

Younger workers form a substantially larger percentage of the visitor economy workforce than that of the Study Area's overall workforce as do the number of workers who work 15 hours or less per week. The large percentage of people who work 15 hours or less per week reflects a large number of part-time and casual roles in the visitor economy.

The visitor economy workforce is largely concentrated in the towns that experience the most visitation. These towns are mainly along the southern end of the Study Area and including Torquay, which has the highest number of workers, Lorne, Anglesea, Apollo Bay and Port Campbell.

The analysis of visitation trends also highlights that there is a higher demand for workers in the peak season – which is consistent with feedback from industry stakeholders.

The Demand for Employment in the Study Area's Visitor Economy

The visitor economy is already experiencing a shortfall in the number of workers that are required.

Feedback from several businesses in the visitor economy (via a survey of GORRT members) has indicated that many of them are unable to fill their workforce needs. An estimate based on the more than 600 businesses the Study Area's visitor economy suggests that there is already a shortfall of some 400 or perhaps more workers to support the growth the Study Area has already experienced.

The forecast increase in visitation of more than 970,000 visitors is estimated to generate some 640 direct and 240 indirect jobs. More than 60% of these direct and indirect jobs will be in the Surf Coast LGA and will primarily be in Torquay, Anglesea and Lorne. Based on the current composition of the visitor economy workforce it can be expected that some 75% of the direct jobs will be in the Accommodation and Food Services sector – while the indirect jobs will fall across a range of industry sectors.

Should the proposed private sector investment proceed, this may generate a demand for an additional 1,300 ongoing jobs plus indirect and construction employment. These projects are unlikely to be completed within the next 3 to 4 years.

A range of other industry sectors in the Study Area including the health and construction, are also experiencing a growth in demand for workers.

Influence on Employment	# **Jobs**
Current Estimated Visitor Economy Employment	2,850
Estimated current shortfall	400
Projected direct jobs impact of visitation growth	640
Total	**940**
% Change from present	*33%*
Potential workforce for new investments	1,300
% Change from 2024	34%
Estimate workforce size	6,100
% Change from present	79%

The Supply of Workers for Study Area's Visitor Economy

Except for Torquay, which has the largest population of towns in the Study Area, the other towns that feature highly in the visitor economy have considerably smaller populations. These towns have a very limited if any capacity to supply additional workers.

Some 25% of the current visitor economy workforce resides outside of the Study Area – with the majority of these workers residing in the Greater Geelong LGA and working in Torquay, Anglesea and Lorne.

Accommodating Additional Workers in the Key Destination Towns

There is a need to attract additional workers who reside outside of the key visitor destination towns in the Study Area given the combination of the:

- Estimated shortfall and the projected demand for visitor economy workers; and
- The limited ability of the population of the key destination towns to address the existing gap and meet the forecast demand.

Attracting these additional workers would require accommodating them in, or nearby the key visitor destination towns.

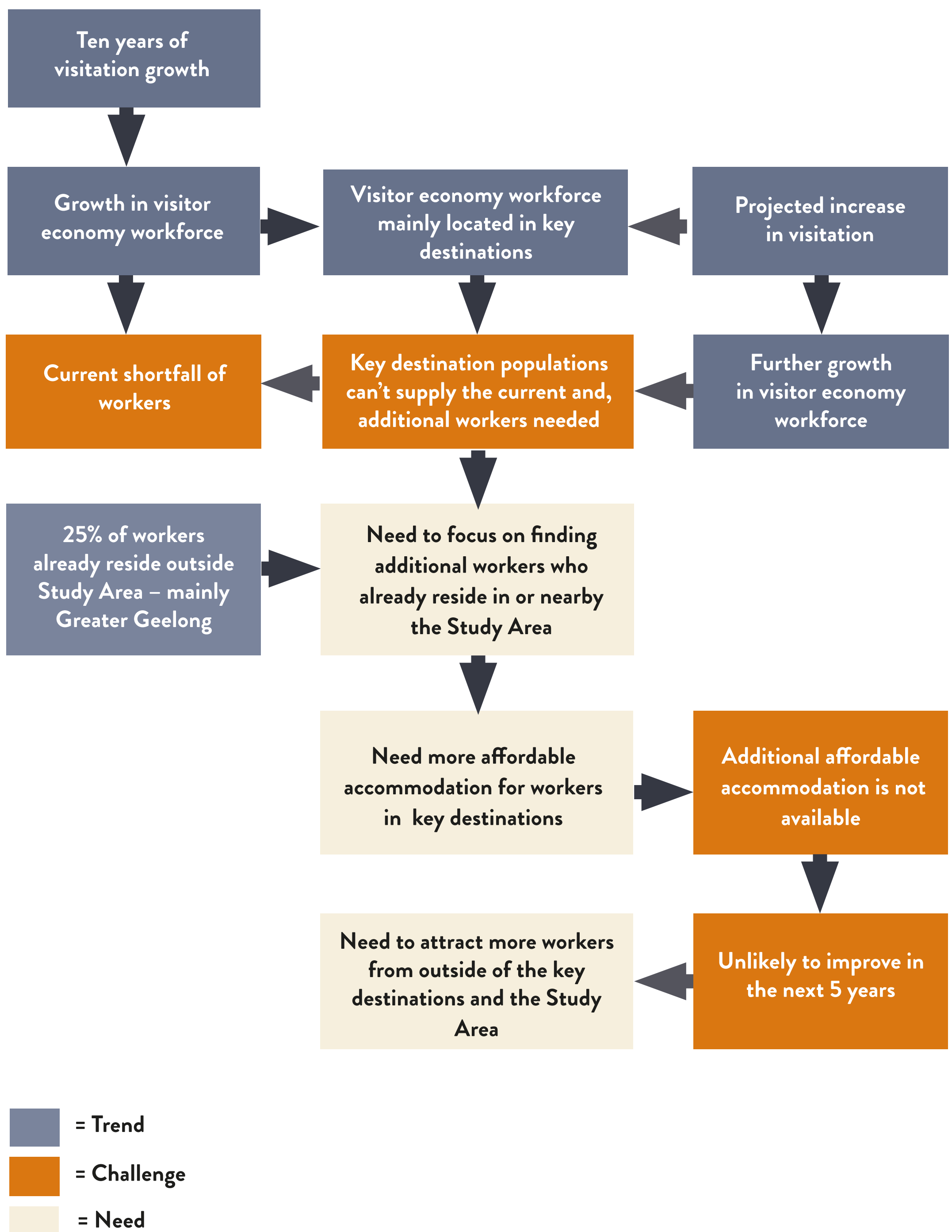
A Lack of Affordable Accommodation in Key Destination Towns

An analysis of available, affordable accommodation for people working in the visitor economy has identified that, beyond what is already being used by workers, that there is virtually no such accommodation available. The lack of affordable accommodation is due to a range of factors including:

- Premium value for residential properties and land,
- A limited supply of land for further residential development,
- Limited opportunities to develop medium or high-density housing which is due to a combination of cost/availability of residential land, Bushfire Management Overlay requirements and community preferences
- A large number of properties being available for short term or even short-stay use only – which is facilitated by a range of online platforms.

The lack of affordable accommodation is highly unlikely to be resolved by either not for profit (e.g. housing associations) or private investment (e.g. build to rent developments) within the next five years.

The lack of affordable accommodation points to the need for alternative strategies to access more workers who already reside other towns in the Study Area or nearby the Study Area.



Additional Workers from within and Nearby the Study Area

The challenge is to find workers who have potential availability to work in the visitor economy – particularly during the peak season. This study has identified the following cohorts as key recruitment targets:

1. Younger workers – particularly those that are engaged in other endeavours such as study and are available during the summer months of the peak season
2. Workers seeking to work additional hours – these workers may already work in the Accommodation and Food Services sector but could also be working in other industry sectors.

An analysis of people working 15 hours or less per week shows that there are:

- Almost 2,000 workers reside in the Study Area's SA2s in which the key destination towns are located – 40% of these workers are aged 15 to 24 years
- More than 15,700 workers residing in Colac, Camperdown, Greater Geelong and Warrnambool – 50% of these workers are aged 15 to 24 years – and 80% of these workers reside in Greater Geelong.

The Report has modelled being able to attract more than 400 workers from the above cohorts in Year 1 rising to some 800 workers by Year 5 through the use of an effective marketing and recruitment campaign.

	Number of Workers				
Source	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Key Destination SA2s	145	167	186	205	229
Larger Urban Centres	291	362	425	507	571
Annual Total	**436**	**529**	**611**	**712**	**800**

Travel Times to Key Destinations

An analysis of travel times – by car – to the key destinations in the Study Area from larger towns in the Study Area – Colac and Camperdown, and nearby regional cities – Geelong and Warrnambool – shows driving times of 60 minutes or more.

People who are working part-time or casually for typical hospitality wage rates are likely to find such drive times to be a disincentive to take up employment opportunities, and younger workers may not even have a car.

Provision of Alternative Transport Services

The public transport services within the Study Area do not meet the needs of workers or business. The services are unable to get workers to key destinations from larger urban centres at times required by hospitality businesses (i.e. early starts/late finishes) and return workers in a timely fashion.

There is a need to provide more cost-effective transport alternatives, and therefore attractive to workers to use. This report has modelled the use of chartered bus services that:

- Provides a direct route from larger urban centres to key visitor destinations
- That operate at times that meet the needs of workers and visitor economy businesses
- Would be available to workers for a fare that commiserates with the cost of using public transport.

Recruitment capability of the Businesses in the Study Area's Visitor Economy

Attracting additional workers will be highly dependent on effective recruitment processes, including the communication of employment opportunities to the targeted cohorts.

The current shortfall of workers required by businesses in the visitor economy reflects, at least in part, the current recruitment practices employed by the more than 600 small or micro-businesses operating in the Study Area's visitor economy.

Feedback from industry indicates these practices are mainly informal and are characterised by:

- High dependence on the use of 'local networks' from around the key destination towns which are already struggling to supply the workers needed
- Little use of the external communication of employment opportunities – this contributes to many employment opportunities being unseen or unknown to potential workers
- Little experience with the use of external recruitment expertise, and
- No history of a coordinated or a collaborative approach to recruitment across the businesses in the visitor economy.

This range of practices has culminated in a 'business as usual' recruitment model which will need to change if the recruitment of workers is to become more productive and successful.

Training of the Visitor Economy Workforce

The feedback from the industry strongly points to a priority of getting the workers needed more so than the training of staff.

A focus attracting younger workers or workers that have no prior experience in the visitor economy points to a need for training that would improve their readiness to take up roles with businesses including training related to RSA, food handling and an appreciation of the importance of customer service.

A Workforce Development Strategy

The Workforce Development Strategy has a focus on:

- Improved recruitment of workers from the key destinations and larger urban centres within and nearby the Study Area
- Improved transport services to enable cost-effective access to employment opportunities
- Provision of work readiness training.

The Workforce Development Strategy seeks to engage an appropriate Service Provider with expertise and experience in workforce recruitment – this provider would undertake the following tasks:

- The development and implementation of a:
  - Change Management Strategy that seeks to change the current business as usual recruitment model in Study Area visitor economy
  - Communication Strategy that aims to provide businesses, workers and stakeholders with a better understanding of the challenges, opportunities and benefits associated with the forecast growth in visitation to the Study Area; and the benefits associated with a strategic approach to workforce recruitment
- Recruitment of additional workers from the target cohorts – including working with tertiary education providers
- The organisation of 'work ready' training for recruited workers
- The organisation of transport for recruited workers that utilises chartered bus services.

The Workforce Development Strategy assumes that the:

- Service Provider will generate revenue through charging businesses a fee for the use of recruitment services – and have the opportunity to market their services to adjoining tourism regions and major events in the Study Area.
- Workers will pay:
  - A fare commensurate with the cost of public transport costs for using the chartered bus services
  - For training – so that there is not a cost advantage for businesses who access these workers.

The Ask

GORRT would be seeking some $1.74m in total funds over the next 5years to fund the implementation of the plan laid out in the Workforce Development Strategy. Key to the implementation of the strategy is the procurement of:

- An appropriate Service Provider that can lead the recruitment of the workers needed;
- Charter bus services to transport workers from larger urban centres to key tourism destinations.

The funding will support the establishment of the Service Provider's operation, along with providing a transport subsidy to help recruited workers getting to the Study Area's key tourism destinations. The workforce recruitment component of the operation will become revenue positive in year 4 and self-funding there onwards by generating revenue via a fee for service to the some 600 plus employing businesses in the Study Area's visitor economy (and by potentially servicing other 'markets'.)

Financial Year	Revenue	Operational Costs	Totals (Revenue lees Costs)
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		Total Ask	**1,734,684**

Revenue

- Fees charged to businesses for use of recruitment service
- Fares paid by workers for use of bus services.

Operational Costs

- Cost of establishing and operating recruitment services
- Cost of bus charter to transport workers to key tourism destinations.

There is a need for GORRT and other key stakeholders as desired by GORRT to advocate for this funding to the State Government. The findings of this Report will support this advocacy.

1. Workforce Development Strategy

The Workforce Development Strategy aims to meet the shortfall, and the projected demand for employment that is generated by the forecast increase in visitation over the next five years.

1.1 Key Elements of the Workforce Development Strategy

The Workforce Development Strategy has estimated the need for some 900 plus additional workers. The focus is on supporting the peak season's workforce demand.

The Workforce Development Strategy does not address the recruitment of the workers for the proposed tourism investments in the Study Area, as this Report has assumed that this demand will not eventuate within the next four years.

1.1.1 A limited supply of workers in the Study Area

The analysis of the Study Area's population and workforce shows that the Study Area has limited ability to supply the required number of workers to the visitor economy. The workforce demands from other industry sectors that are experiencing similar difficulties in finding workers exacerbates the problem of a limited supply of workers. The areas nearby the Study Area's key visitor destinations have a minimal ability to supply more workers.

The Study Area already has a significant dependency on workers who reside elsewhere. The analysis has shown that more workers from outside of the Study Area will be needed to meet the demands.

1.1.2 Target cohorts of potential workers

The analysis has identified both a potential source of workers and the possible number of workers that could be recruited into the visitor economy workforce over the next five years. There is a focus on:

- Younger workers who are not currently engaged with the workforce and are mostly free of study commitments during the peak season; and
- Workers who are likely underemployed and are seeking additional work which the peak season generates.

1.1.3 Limited access to affordable accommodation

Ideally, the key tourism destinations would accommodate the workers who reside away from these destinations and make them readily available to work for local visitor economy businesses and spend some of their earnings on local goods and services. The analysis has shown that affordable accommodation (i.e. that accommodation and food services workers can afford) is not:

- Readily available in the key tourism destinations;
- Likely to become more available without significant investment in social housing and changes to government policy that make the building of affordable rental properties attractive to investors – such investment, should it occur, is likely to take some years to eventuate.

The analysis considered a small-scale opportunity to potentially house workers in holiday accommodation (i.e. cabins) on public land. However, the investigation determined that the number of workers this would accommodate is a tiny percentage of the overall demand and that a transport option is more cost competitive. Subsequently, the Workforce Development Strategy has not included this option.

1.1.4 Key focus on transport

Given the lack of access to accommodation options for workers, the focus turns to transporting them from where they live to key tourism destinations and back. Many workers already travel within and from beyond the Study Area to work in the Study Area visitor economy. In the main, this travel is by the use of private cars.

Public transport services to the Study Area are ill-equipped to meet the demands of the businesses in the visitor economy concerning working hours. The focus in the Workforce Development Strategy has turned to the development of dedicated transport services that can move workers from near where they live to key tourism destinations throughout the Study Area. This system will be of importance to recruiting younger workers who may not have a car license or for whom running a private car is beyond their financial means.

1.1.5 Need for improved recruitment processes and ability

The recruitment of a significantly expanded workforce presents a key challenge for current recruitment practices for some 600 plus businesses that make up the Study Area's visitor economy.

For most business owners recruiting staff is one of the many functions that they perform as a small business operator, and many rely on local networks and relationships to find workers for their businesses. The analysis of local workforce populations shows that these networks have 'dried-up' and that this underpins the significant shortfall in workers that already exists. This limited supply of workers contributes to the ongoing competition between businesses for workers.

Most visitor economy businesses are small, or micro businesses and many business owners have little or no experience in undertaking a strategic approach to the recruitment of a workforce. Additionally, there is no history of a collaborative approach between businesses to the recruitment and retention of workers.

1.1.6 Supporting work readiness of recruits

The characteristics of the potential source of workers suggest that many of these workers will have no or little experience in the tourism industry (other than as consumers). This likely inexperience highlights a need to supply some 'work ready' training that will provide workers with some insight and the necessary certification. From this point, businesses can readily induct them into their specific workplace processes and procedures.

1.1.7 Introducing a dedicated and capable service provider

Given the relative absence of capability and collaborative history about recruitment, the analysis has found that there is a need to insert some expertise and relevant experience. This expertise will take the form of a dedicated Service Provider that will be engaged to drive the recruitment processes and coordinate the transport and training required.

The Workforce Development Strategy seeks funding to support the establishment of the Service Provider's operation over the first two years. The Service Provider will operate on a 'fee for service' basis initially. The Service Provider will migrate their service to a form of a 'labour-hire' model which employs works and pays their wages over time. The service provider will seek to become commercially sustainable into the fourth year of their operation and beyond.

The Strategy recognises that installing a commercial arrangement for recruiting and supplying staff will be seen by many businesses as an added cost that they will not welcome or indeed pay. The financial modelling undertaken in the development of the Strategy shows that the fees to be charged represent less than 0.05% of the Study Area's visitor economy Output (i.e. business revenue). The challenge for the service provider will be to communicate the benefit to the Study Area's visitor economy businesses of having reliable access to workers, particularly during peak season.

Finally, the Strategy envisages that there will be opportunities for the service provider to widen its operations by supplying recruitment and workforce development services to other relevant markets, including the:

- Wide range of major events that take place in the Study Area; and the;
- Adjoining Geelong and The Bellarine tourism region.

The Workforce Development Strategy envisages that the service provider will have developed relationships and capabilities that will be of benefit to the investors proposing to develop significant tourism facilities in the Study Area. These capabilities will position the Service Provider to be engaged by these investors should their projects proceed.

1.2 Overview of Key Tasks

The delivery of the Workforce Development Strategy involves the following key tasks.

1.2.1 Development and Implementation of a Change Management Strategy

Delivering the Workforce Development Strategy is a change in the way that the:

- Study Area tourism industry undertakes workforce recruitment and, in particular changing the 'business as usual' approach to recruitment;
- Workers find employment opportunities within the visitor economy;
- Key stakeholders (e.g. Deakin University) work with the tourism industry and workers.

The development of a Change Management Strategy will involve the identification of the:

- Fundamental changes required by the various elements of the Study Area's visitor economy – and in particular businesses within the visitor economy;
- Roles key player can take to support the desired change;
- Information that is required to support desired change – this will include access to/and provision of data relevant to the workforce and the visitor economy;
- Indicators and behaviours from each of the key elements that will signify that the changes required are occurring e.g.
    - Businesses registering their interest to participate in the recruitment process;
    - Businesses providing their employment requirements in a timely fashion;
- Providing rewards to acknowledge when changes have occurred and reinforce such changes.

1.2.2 Development and Implementation of a Communication Strategy

A Communication Strategy will aim to provide businesses, workers and stakeholders with a better understanding of the:

- Challenges and opportunities associated with the forecast growth in visitation to the Study Area; and the
- Benefits associated with a strategic approach to workforce recruitment and development and the problems with maintaining a 'business as usual' approach to workforce recruitment.

1.2.2.1 Communication with Study Area Visitor Economy Businesses

The Communication Strategy will need to leverage channels that will engage businesses, direct them to relevant digital platforms, and that:

- Effectively communicates how:

Potential workers:	▪ Will be identified as wanting to work in the visitor economy ▪ Can be qualified to enable them to work in the Study Area visitor economy
Businesses:	▪ Can provide information regarding their needs for staffing ▪ Access such workers and choose whom they wish to work in their operations

- Promotes the benefits of participating in relevant processes to businesses including the sharing of workers.

1.2.2.2 Communication with the Existing Workers

There is a need to engage existing visitor economy workers in the processes being developed and implemented to:

- Recruit additional workers and how this will impact employment opportunities for existing workers
- Facilitate access to additional employment opportunities for existing workers.

1.2.2.3 Communication with Potential Workers in the Region

The initial focus is on recruiting more workers who already live or have access to accommodation within, or nearby the Study Area. This focus is due to the immediate challenges associated with accommodating workers in the Study Area's key destinations.

Such recruitment will require an effective Communication Strategy that uses channels that will engage potential workers and, in particular, young people – this will include:

- Engagement with secondary schools throughout the Study Area
- Partnerships with tertiary institutions
- Cooperation with the Government's Job Provider network.

The Strategy will communicate potential benefits, including opportunities to generate income and the development of experiences and skills that support improved employability for workers.

1.2.2.4 Communication with Key Stakeholders

There is a need to garner support for recruiting more workers from within the region from a range of stakeholders, including local communities, secondary schools, Councils, as well as local business and tourism associations. Gaining this support will include promoting the benefits of growing the workforce for a range of stakeholders and the use of appropriate public relations activities.

1.2.3 Development of a Process for Sharing Part-Time Workers

The analysis has identified that there are opportunities for workers to work in more than one part-time role and for different businesses to share the same worker.

The Service Provider will develop and implement a process for 'sharing workers' that will extend the capacity of the existing workforce, and that will attract new workers who can work in more than one part-time position.

1.2.4 Recruit of Additional Workers

Workers are to be sourced from across the Study Area, as well as Greater Geelong and Warrnambool. The Workforce Development Strategy assumes that the number of workers recruited will grow on an annual basis and has made assumptions regarding the rate of growth of recruits and for the demand for workers.

The service provider conducting the recruitment will work with key partners including regional secondary schools, tertiary institutions and the Job Provider network.

1.2.5 Training

The Workforce Development Strategy has assumed that many of the workers will be inexperienced in working in a 'tourism' environment. The Service Provider will organise training to support the work readiness of the new workers, including:

- An overview of working in a tourism environment, including the need to be able to work evenings and weekends
- Gaining an RSA certificate, it assumed that workers or the businesses engaging them would pay for the associated cost
- Overview of safe food handling – this will emphasise the importance of safe food handling and the obligations that businesses have. The Workforce Development Strategy assumes that workplaces will have particular food handling procedures and that recruited workers will learn through induction or on-the-job training.

1.2.6 Transport

The accommodation of workers at the key tourism destinations is problematic as there are no clear short to medium term (1 to 4 years) accommodation options. Therefore, workers will need to travel to work in the key visitor destination.

Support for the required travel will be in the form of dedicated bus services. This service use charter buses and the timing of the transport will support workers early starting times and late finishes as well as half-day shifts. The bus service will provide a more cost-effective travel solution for workers rather than the use of a private car and will support the Service Provider's attraction of workers.

The project funding includes the estimated cost of bus charter services. Workers will pay a fare that will be consistent with current public transport rates to offset the costs of the bus charter partly.

1.2.7 Engagement of Workers by Businesses

The recruitment and training will form a pool of workers that are available to be engaged by Study Area visitor economy businesses.

The service provider will supply information to Study Area visitor economy businesses regarding the availability of workers. Businesses will pay a fee to the service provider for access to the worker pool.

Award rates will be paid to workers, and initially, the businesses will make this payment. The Strategy envisages that this arrangement will migrate to a labour-hire model over time.

1.3 Implementation

The following sections describe the key elements of the implementation of the Workforce Development Strategy.

1.3.1 Advocacy for Required Funding

GORRT would be seeking some $1.74m in total funds over the next 5years to fund the implementation of the plan laid out in the Workforce Development Strategy. Key to the implementation of the Strategy is the procurement of:

- An appropriate Service Provider that can lead the recruitment of the workers needed;
- Charter bus services to transport workers from larger urban centres to key tourism destinations.

The funding will support the establishment of the Service Provider's operation, along with providing a transport subsidy to help recruited workers getting to the Study Area's key tourism destinations. The workforce recruitment component of the operation will become revenue positive in Year 4 and self-funding there onwards by generating revenue via a fee for service to the some 600 plus employing businesses in the Study Area's visitor economy (and by potentially servicing other 'markets').

Financial Year	Operational Costs	Less Revenue	Totals
2020/2021	$1,343,823	-337,442	$1,006,381
2021/2022	$1,322,519	-735,419	$587,100
2022/2023	$1,395,086	-1,053,423	$341,663
2023/2024	$1,538,146	-1,474,657	$63,489
2024/2025	$1,678,393	-1,942,343	-$263,950
		Total Ask	**1,734,684**

Operational Costs

- Cost of establishing and operating recruitment services
- Cost of bus charter to transport workers to key tourism destinations.

Revenues

- Fees charged to businesses for use of recruitment service
- Fares paid by workers for use of bus services.

There is a need for GORRT and other key stakeholders as desired by GORRT to advocate for this funding to the State Government. The findings of this Report will support this advocacy.

1.3.2 Development of a Service Specification

The tasks identified in the Workforce Development Strategy and the requirements of the funding body will dictate the terms and specification for the Service Provider. The service specification will include:

- Agreed targets for the recruitment of additional workers
- Completion of the key tasks
- A timeframe for the development of the Service Provider's commercial sustainability.

The Service Provider should supply:

- Demonstrable expertise and experience in workforce recruitment – including the ability to access relevant digital platforms for recruiting visitor economy workers
- Experience in working in regional and rural situations
- Explicit knowledge of the tourism industry and its significant opportunities and challenges
- Demonstrated ability in building relationships with business operators – and in particular small business owners
- Demonstrated proficiency in the development of relationships with major institutions including universities and TAFEs
- Demonstrated proficiency in strategic communications.

1.3.3 Procurement of a Dedicated Service Provider

A dedicated Service Provider will be selected via a procurement strategy that is approved by the funder (i.e. State Government). The procurement strategy will include an assessment against the service specification.

1.3.4 Governance Arrangements

The procurement and establishment of the service provider will require proper governance through the five year funding period. This governance will include a regular review of the performance of the Service Provider, monitoring of relevant indicators, including financial performance relative to the anticipated costs and revenues. The Workforce Development Strategy anticipates that the governance will consist of representatives from GORRT, the State Government and advice from the Study Area's visitor economy business community.

1.4 Key Risks

The significant risks for the Workforce Development Strategy are:

Risk 1

Given the traditional nature of many of the businesses in the Study Area there is the possibility that a portion of the business community will not commit to participating in the initiative and will continue with a 'business as usual' approach.

Consequently, these businesses will likely continue to experience market failure concerning the supply of a required workforce; and that the Service Provider will experience some restraint in their ability to generate revenues that enable commercial sustainability.

These outcomes would likely see the project cease to operate and a likely return to the shortfall of workers currently being experienced.

Risk 2

The project may fail to deliver the required workforce. Therefore, as visitation continues to grow, there is a high probability that businesses will be unable to provide the level of service that consumers are expecting.

The lack of service provision will harm the Study Area's reputation as a key tourism region destination, drive a

- Downward change to the current trajectory of visitor growth; and
- Reduce the economic value generated by the region's visitor economy.

Risk 3

There is a critical need for workers in other industry sectors in the Study Area economy, which is exacerbated by the shrinking workforce.

Consequently, businesses in the Study Area could likely become locked into a spiralling competition for workers. In turn, this may put pressure on wages and see the seasonal cost to tourism businesses rising above CPI.

The likely impact is that the Study Area will become a less competitive region.

1.5 Risk Mitigation

The mitigation for this risk will involve the effective delivery of the Workforce Development Strategy, including the:

- Selection of an appropriate and capable Service Provider
- Development and implementation of an effective Communication and Change Management Strategy
- Provision of effective governance over five years of the operation of the service provider and the funding arrangements.

1.5.1 Accessing a Wider Market

There should also be a focus on making the service available to a broader 'market'. The number of employing 'visitor economy' businesses in Greater Geelong is some 1,200 in number. If the Service Provider can service this market, as well as the Study Area, then this would likely increase the number of businesses that would enter into a 'fee for service' arrangement with the Service Provider, and grow the potential revenue that the Service Provider can generate.

Having a service that provides workers with more diverse opportunities to generate income would also have a positive impact on the number of workers that would be attracted to work through this model. This increased attractiveness to workers would, in turn, provide more confidence to businesses regarding the Service Provider's ability to supply workers when the businesses require them.

1.5.2 Servicing the Workforce Needs of Major Investors

As already noted, a number of the proposed significant tourism investments in the Study Area will require a substantial number of workers. If the Service Provider has been successful in servicing the existing market, then it will be able to offer new entrants' significant benefits through:

- Extensive knowledge of, and existing relationships with, the broader labour market; and a
- A positive reputation with workers regarding its ability to find regular employment.

The Service Provider could leverage this knowledge and relationships to provide recruitment services to the various investors should their projects proceed.

1.5.2.1 Coordinated Government Response

More broadly there needs to be a coordinated response from Government that facilitates improved access to affordable housing and vocational training – particularly in rural towns as opposed to larger regional cities.

There also needs to be a more extensive program of promoting the economic opportunities that exist in rural areas. While this may attract workers to industries other than the visitor economy, it will have the effect of retaining and attracting working-age residents into rural towns and communities. In turn, this will have a positive impact on sectors such as the Accommodation and Food Services sector as it would grow a larger local market for visitor economy related businesses to service.

1.5.3 Regional Tourism Review

The State Government's current Regional Tourism Review has identified that the problems associated with workforce growth and accommodation are widespread across Victoria's regional visitor economy. The advice from the Regional Tourism Review Project Director is that the State Government will develop a strategic response to this issue later in 2020. An assessment of the impact of this response on the Workforce Development Strategy will be needed.

1.6 Cost Benefit Analysis

The requested project funding is $1.74m over 5 years; this will deliver over 3,000 seasonal workers into the Study Area and is conservatively estimated to deliver a benefit to cost ratio (BCR) of 4.8.

1.6.1 Costs and Revenues

The economic analysis has been modelled over a 5-year timeframe and includes the costs and revenues from recruitment, transport and training. Over the 5 years, the total cost is $6.9m. Both recruitment and transport solutions have associated revenues, which collectively add to $5.5m.

		Financial Year 1	Financial Year 2	Financial Year 3	Financial Year 4	Financial Year 5
COSTS						
Governance Sub-Total	**$ 275,000**	$ 195,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Recruitment Sub-Total	**$ 2,439,402**	$ 465,797	$ 524,820	$ 509,595	$ 469,595	$ 469,595
Workers Transport Sub-Total	**$ 3,831,790**	$ 586,960	$ 639,735	$ 738,665	$ 883,750	$ 982,680
Workers Training Sub-Total	**$ 60,000**	$ 20,000	$ 40,000	–	–	–
Total Cost	**$6,606,192**	**$ 1,267,757**	**$ 1,224,555**	**$ 1,268,260**	**$ 1,373,345**	**$ 1,472,275**
Escalation Factor		1	1.02	1.04	1.06	1.08
Escalated Total Cost	**$6,881,596**	**$ 1,267,757**	**$ 1,249,046**	**$ 1,318,990**	**$ 1,455,746**	**$ 1,590,057**
Net Present Value	**$5,476,465**					
REVENUE						
Recruitment – Finders Fee						
Local Market	1,204,798					
Regional Cities	3,330,824					
Non – Transport	154,252					
Finders Fee Sub-Total	**4,689,874**	$ 255,659	$ 622,008	$ 899,507	$ 1,259,726	$ 1,652,974
Escalated Revenue	**4,946,116**	$ 255,659	$ 634,448	$ 935,487	$ 1,335,310	$ 1,785,212
Transport						
Transport Sub-Total	597,168	$ 81,783	$ 100,971	$ 117,936	$ 139,347	$ 157,131
Total Revenue	**5,543,284**	**$ 337,442**	**$ 735,419**	**$ 1,053,423**	**$ 1,474,657**	**$ 1,942,343**
Net Present Value	**4,165,829**					
NETT BENEFIT						
Revenue less Cost	**– 1,338,313**	**– 930,316**	**– 513,627**	**– 265,567**	18,911	352,286
Net Present Value	**– 1,310,637**					
Direct Benefit Cost Ratio	**– 0.24**					
Maximum Cumulative Debt	**– 1,995,495**	**– 930,316**	**– 1,443,943**	**– 1,709,510**	**– 1,690,599**	**– 1,338,313**
Regional Economic Benefit (*Evaluated @ year 2024*)						
Colac Otway Value-Added ($m)	**$ 20,523,000**					
Corangamite Value-Added ($m)	**$ 10,420,000**					
Surf Coast Value-Added ($m)	**$ 56,583,000**					
Gross Regional Benefit	**$ 87,526,000**					
Nett Present Value	**$ 63,156,511**					
Regional Economic Benefit Ratio	**48.2**					
Adjusted Regional BCR	**4.8**					
Escalation Rate	2%	*per annum*				
WACC	8.05%	*per annum*				

1.7 Project NPV

Appendix II details the assumptions that underpin the following analysis.

The net cost of the project is thus $1.4m. Appling, a discount factor of 8.5% the Net Present Value (NPV), is a cost of $1.3m. Therefore, at a gross level, the project will deliver over 3,000 workers at an average cost of $436 per worker.

At the project level, the initiative has a 5 year negative NPV, that is the cost of running the project for the first 5 years exceeds the revenue generated. The primary loss leader is the transport solution which has a loss of $3.2m.

The recruitment service is forecast to raise more revenue than the costs incurred from year 4 onwards. However, this assumes that the recruitment service can find the volume of workers needed.

The risks are that the recruitment process does not yield the number of workers, or that the businesses are not prepared to pay the finder's fee. The finder's fee is modelled at $600 per worker in year 1, i.e. approximately 4% of wages, and increasing to $2,000 per worker by year 5 when the Labour Hire service will assume full responsibility for employment and payment of the staff.

1.8 Benefit Cost Ratio

The negative NPV yields a Benefit Cost Ratio (BCR) of less than 1, in this case, 0.24. Looking beyond the immediate revenue generated by the project at the expected economic Value Add delivered to the Study Area the Benefit Cost Ratio is substantive. The estimated NPV of the uplift in Value Add to the region by year 5 is $63m, which changes the BCR to 48.

The issue in reporting such a BCR is that it is exceedingly difficult to determine just how much of the economic uplift will be exclusively dependent upon the success of the Workforce Development Strategy. Seasonal workers may find their way to the Study Area without the assistance of this project. The question is how many, and to what extent will a remaining lack of workers impede economic growth. Some businesses will work harder and longer hours, while others won't be able to meet the demand. Ultimately, this will impact the quality of the brand and lead to a decline in reputation and visitor numbers. Rather than dismissing the Regional Value Add completely, an alternative is to take a very conservative estimate of what proportion is exclusively dependent upon the outcomes delivered by this Workforce Development Strategy, i.e. the 3,000 new workers.

Assuming only 10% of the Value Add is critically dependent, i.e. if this project does not proceed then 10% of the uplift forecast due to the rise in visitor numbers will be lost. 10% of the $63m is $6.3m, which still gives very substantive BCR of 4.8.

1.9 Cost to Business

The cost modelling for this project has assumed that the Service provider will generate some $243,000 of revenue in Year 1 through a charge to businesses for access to an employee.

This total revenue represents 0.05% of the Output (i.e. revenue) generated by all of the businesses in the Study Area's visitor economy – a very small impost on the sector.

LGA	Estimated Tourism Related Output ($m)
Surf Coast	$279.20
Colac Otway	$166.91
Corangamite	$80.42
Total Output	**$526.52**
Service Charge Year 1	**$0.243**
Service Charge/Output	**0.05%**

PART B

Detailed Analysis

2. Study Area

The Study Area for this report consists of the Local Government Areas (LGAs) of:

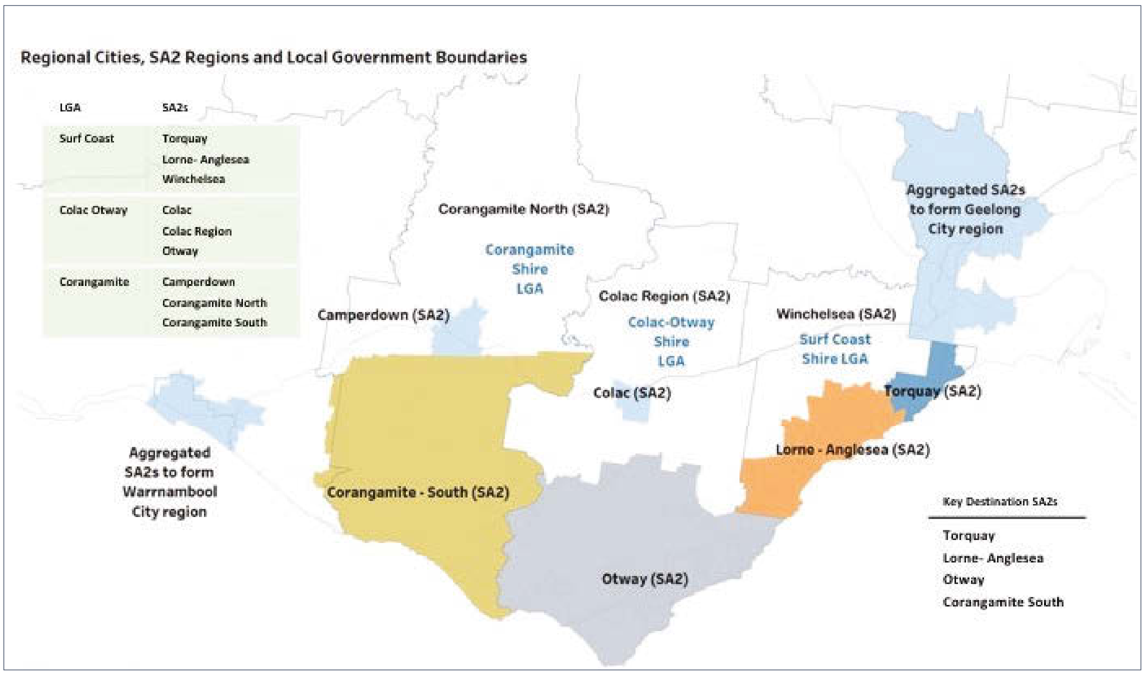
- Surf Coast Shire
- Colac Otway Shire; and the
- Corangamite Shire.

These LGAs form part of the wider Great Ocean Road tourism region. The report has also considered the impact of the nearby regional cities of Greater Geelong and Warrnambool.

2.1 Study Area SA2s

The report has also considered the differences between the range of ABS SA2* areas within the three LGAS that form the Study Area, as noted in the following diagram.

FIGURE 2 – STUDY AREA LGAS AND SA2S



***Note:** ABS Statistical Areas Level 2 (SA2s) reflect functional areas that represent a community that interacts together socially and economically.

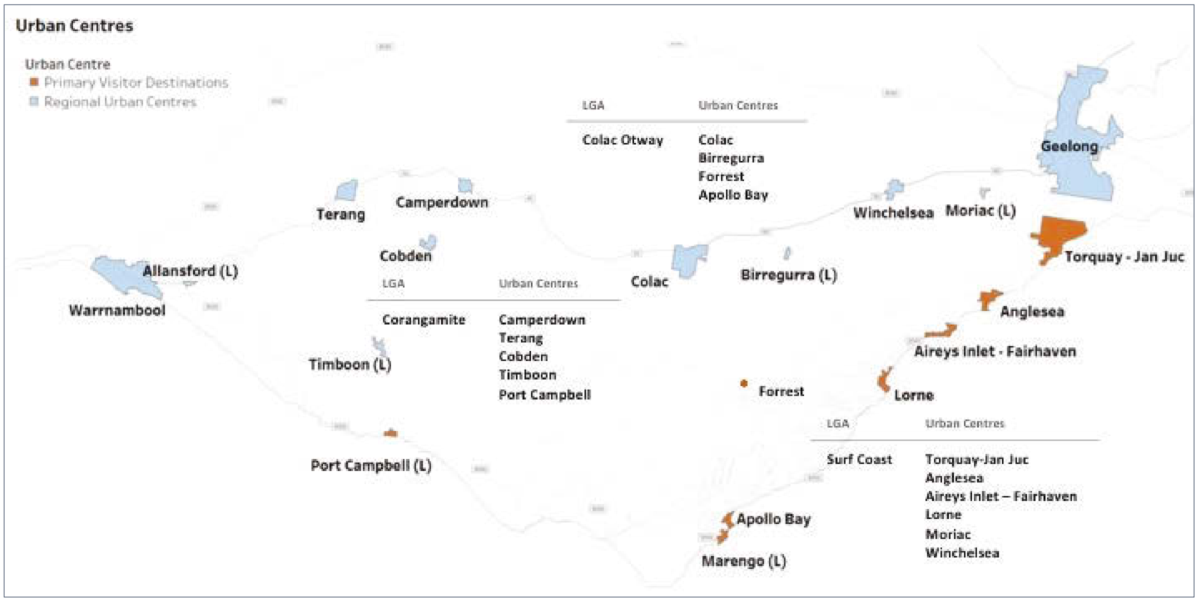
The Report has identified that the vast majority of visitation to the Study Area occurs in the following 'key destination' SA2s:

- Torquay SA2 – includes the towns of Torquay and Jan Juc
- Lorne– Anglesea SA2 – includes the towns of Anglesea, Aireys Inlet and Lorne
- Otway SA2– includes the towns of Apollo Bay and Forrest
- Corangamite SA2 – includes the towns of Port Campbell and Timboon.

2.2 Urban Centres

The Report considered the Study Area's larger urban centres in, and those nearby, and involved an analysis of the workforce in each of these centres noted in the following diagram.

FIGURE 3 – URBAN CENTRES



2.3 Key Inputs

The key inputs for the development of this Report have included:

- A review of relevant documentation
- Analysis of relevant data – the key data sources for this report have been:
  - ABS Census data
  - REMPLAN data for each of the LGAs in the Study Area
  - Tourism Research Australia (TRA) data.
- Stakeholder feedback – from a range of stakeholders including:
  - Tourism operators – including a survey of GORRT members
  - Major investors
  - Real estate agents
  - Council Officers – from the LGAs in the Study Area
  - State Government – RDV, Dept of Transport, Office of the Victorian Skills Commissioner.

3. Forecast Visitation

Visitation to the Study Area has grown substantially over the past ten years and is forecast to continue to grow. The modelling is based on the 'business as usual' and assumes that there are no significant changes in the key drivers, for example, repeated bush fires in the peak season.

Appendix I provides a detailed analysis of the visitation trends.

OVERVIEW OF FINDINGS

Recent Growth in Visitation
Over the period 2013 to 2018 the Study Area has experienced a significant growth in visitation with an 83% growth in daytrips, a 16% growth in domestic visitor nights, and an 80% growth in international visitors.

Current Distribution of Visitation in Study Area
Visitation is highly concentrated in the following SA2s:

- Lorne – Anglesea
- Torquay
- Otway
- Corangamite – South.

The Surf Coast LGA receives some 62% of visitation to the Study Area.

Significant Seasonality
The analysis of visitation trends highlights a significant level of seasonality in visitation across all visitor categories and all locations throughout the Study Area.

Forecast Growth
By 2024 it is estimated that the Study Area will experience an additional 972,000 visitors; this represents a growth of 23% over the period. Domestic visitors are the primary source of visitation.

Proposed Investment
A range of significant tourism investments are proposed in the Study Area. Should these investment proceed they will have a marked positive impact on the Study Area's visitor offer and will likely see a further increase in visitation beyond what has been forecast.

STRATEGIC IMPLICATIONS

The significant forecast growth has wide ranging implications for the development of the visitor economy workforce in the Study Area in terms of the number of workers required and the locations in which they will be required.

Should the major investments proceed there will be a greater demand for management and other professional skills.

3.1 Recent Growth in Visitation

In the five years between 2013 and 2018, the Study Area experienced a quite phenomenal organic growth in visitation. International visitors reached 200,000 growing by over 80%, while international visitor nights grew by over 50%. Domestic daytrips have also increased steeply and is the key driver of the demand for workers. In 2018 the combined number of domestic daytrips reached almost 2m an 83% growth, while the number of domestic visitor nights reached 3.5m - a 16% growth.

3.2 Current Distribution of Visitation in Study Area

The following table provides an overview of the relative distribution of visitors across the Study Area in 2018. The number of visitors is the addition of:

- Domestic Daytrip Visitors
- Domestic Nights i.e. a Domestic Overnight visitor staying for 3 nights can be considered as having visited the area 3 times as they consume goods and services for each day they are in the area
- International Visitor nights i.e. an International Visitor staying for 3 nights can be considered as having visited the area 3 times.

As the table shows the Surf Coast LGA received the majority – 61.9% of all visitors.

The table also shows that the following SA2s received the majority of visitation within their respective LGAs.

- Lorne – Anglesea
- Torquay
- Otway
- Corangamite – South.

LGAs	SA2s	*Visitor Days (000)	% of LGA Visitor Days	% of Region Visitor Days
Surf Coast	Lorne – Anglesea	2,658	63.1%	39.0%
	Torquay	1,499	35.6%	22.0%
	Winchelsea	58	1.4%	0.9%
	Totals	**4,216**	**100.0%**	**61.9%**
Colac-Otway	Otway	1,397	76.5%	20.5%
	Colac	357	19.5%	5.2%
	Colac Region	73	4.0%	1.1%
	Totals	**1,827**	**100.0%**	**26.8%**
Corangamite	Corangamite – South	483	62.4%	7.1%
	Corangamite – North	149	19.3%	2.2%
	Camperdown	142	18.3%	2.1%
	Totals	**773**	**100%**	**11.3%**
Region		6,815		100%

3.3 Future Growth

Forecast modelling based on the past 10 years predicts that this growth will continue over the next 5 years through to the end of 2024. Although not as rapid as the last 5 years it is forecast to grow at around 15% for domestic visitors and 40% for international visitors.

By 2024 it is estimated that the Study Area will experience an additional 972,000 visitors; this represents a growth of 23% over the period.

TABLE 1 – OVERVIEW OF VISITATION FORECAST

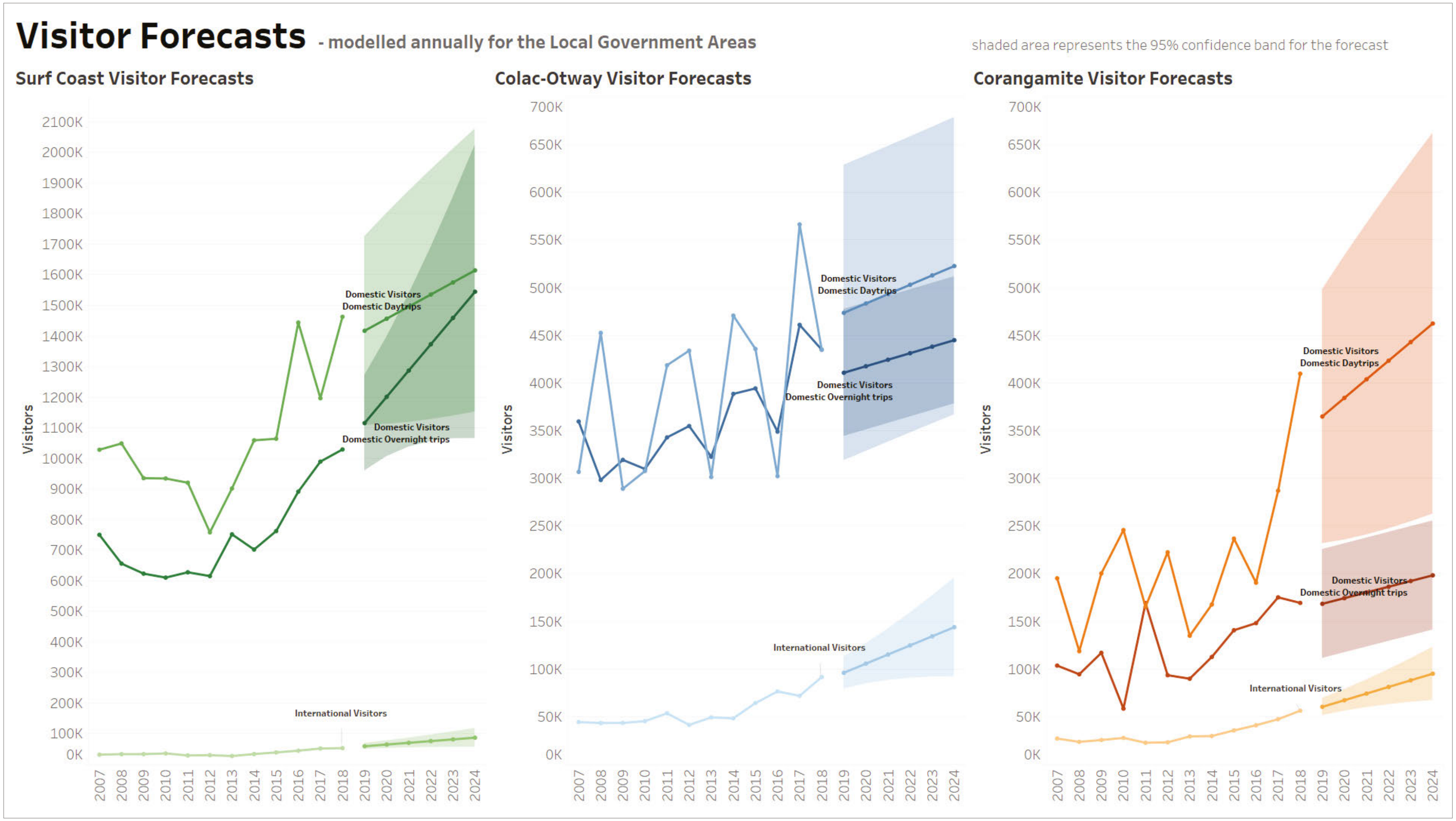
		Visitor Numbers ('000)				
LGA'S		**Daytrips**	**Domestic Overnight Trips**	**International**	**Total**	**% Change**
Surf Coast	Current	1,462.7	1,029.1	52.9	2,544.7	
	2024	1,614.4	1,544.7	87.1	3,246.2	
	Change	**151.7**	**515.6**	**34.2**	**701.5**	**27.6%**
Colac Otway	Current	434.9	435.0	91.6	961.4	
	2024	522.7	445.0	143.9	1,111.6	
	Change	**87.8**	**10.0**	**52.3**	**150.1**	**15.6%**
Corangamite	Current	409.8	169.3	56.2	635.4	
	2024	462.4	198.3	95.1	755.8	
	Change	**52.6**	**28.9**	**38.9**	**120.4**	**19.0%**
	Overall Change	**292.1**	**554.5**	**125.4**	**972.0**	**23.5%**

The Surf Coast LGA is forecast to experience the most substantial growth in visitation. As shown, domestic visitors are the primary source of visitation. The annualised LGA growth models hide much of the critical data about where and when the growth is occurring.

3.3.1 Proposed Investment

There are several significant new investments proposed for the region – **see Section 4.4**. Assuming these investments come online, they have the potential to generate a substantial uplift in the diversity and quality of the visitor experience in the Study Area. They will likely alter the trajectory of the forecast visitation.

FIGURE 4 – VISITOR FORECAST FOR DOMESTIC DAY TRIPS, DOMESTIC OVERNIGHTS & INTERNATIONAL VISITORS – STUDY AREA LGAS



3.4 Seasonal Variation and Forecast Growth – Study Area SA2s

Visitation to the Study Area is highly seasonal, varied and concentrated in the following SA2 areas:

- Torquay SA2 (including Jan Juc)
- Lorne-Anglesea SA2 (including Aireys Inlet)
- Otway (including Apollo Bay and Marengo and the Otway hinterland), and the
- Corangamite South SA 2 (including Port Campbell).

All four SA2s are forecast to experience growth. However, it is Lorne-Anglesea that has the highest growth rate and the largest total number of domestic daytrips, potentially aided by the Geelong Ring Road. Lorne-Anglesea receives over 300,000 visitors during the peak season, serviced by a baseline population of 5,052 persons (ABS 2016). At its peak, visitation will create a ten-fold increase in the number of people in Lorne-Anglesea.

Domestic visitor nights (i.e. overnight stays) escalate the growth in peak season demand for the Lorne-Anglesea SA2 showing a 440% increase in summer compared to winter overnight stays. The overnight stays in Lorne-Anglesea are more than double those of Torquay and Otway and ten times those of Corangamite-South.

Somewhat unexpected was the data showing that Otway had more visitor nights in the peak season than Torquay. Servicing this demand is of concern as Otway has a relatively small population (3,420 compared to Torquay's 18,359 people) and a significant outbound migration of young people – see **Section 5.1.4.** Young people are major element of the visitor economy workforce – see **Section 5.1**.

Otway and Corangamite-South are where the significant growth in international visitors is forecast. Both Otway and Corangamite-South are showing more substantial growth rates in international visitor nights than Torquay and Lorne-Anglesea. Given the contracting population and significant loss of young people; servicing this growth in Otway and Corangamite-South will be a challenge. Note that international visitation is also seasonal peaking in January. This peak adds further to the spike in workers needed during the peak season and continues the lower demand in the offseason, which makes permanent employment challenging to sustain.

Of note, is the relative closing in the gap between peak and low season for Torquay. The demand for workers has become more consistent throughout the year, which should help in promoting a more stable work environment for those persons looking for full-time employment. Conversely, the demand in Lorne-Anglesea grows by 440% that needs to be serviced by a relatively small local working population and hence there is a great need to move seasonal workers to Lorne-Anglesea.

3.5 Peak Season Forecasts

The last graphic in this series looks just at the peak season forecast (quarter 1) for the Study Area SA2 locations. This analysis provides insight into the relative demand for workers in the Study Area SA2 locations during summer.

The domestic visitor nights for Torquay in Q1 appears to have plateaued, although the domestic daytrips are still forecast to grow. It would appear that Torquay is becoming a destination for day visitors more-so than overnight visitors, which will potentially shift the types of jobs required more towards food and retail and less toward accommodation. Population growth in the Greater Geelong and Wyndham LGAs attributes to part of the increase in day trips.

While Otway does not have the volume of daytrips that Torquay has, its peak season demand for domestic beds is higher than Torquay.

4. Visitor Economy Employment

OVERVIEW OF FINDINGS

Current Employment in the Visitor Economy

REMPLAN data for the LGAs in the Study Area estimates that direct employment generated by visitation is more than 2,800 jobs. The Accommodation and Food Services sector forms the substantive part of the Study Area visitor economy with almost of 75% visitor generated employment being in this sector with the next largest being the Retail sector with 9% of tourism-related jobs.

Like visitation, the employment is concentrated in the Torquay, Lorne/Anglesea, Otway and Corangamite South SA2 areas.

Current Gap in Required Workforce

The feedback from GORRT members indicates that there is a shortfall in the number of workers they require throughout the year and in the peak season in particular. Based on the number of 'employing businesses' this shortfall may be between 400 to 600 jobs.

Filling 400 of these jobs with full-time employees would generate an estimated $100m in business revenue.

Estimated Impact on Employment of Forecast Visitation

The forecast growth in visitation has been used to model the impact on employment. By 2024 the visitation growth is estimated to generate more than 630 direct jobs. Most of these jobs will be in the Accommodation and Food Services sector and some 240 indirect jobs across a range of industry sectors.

Proposed Tourism Related Investment

A range of new investments in infrastructure, attractions and accommodation is proposed to occur within the Study Area. Many of these investments are in the planning phase and are yet to receive the approvals required to proceed. Should they proceed, many will likely be at least two years in construction.

Potential Impact on Employment

Feedback from investors suggests that these investments may generate more than 1,300 jobs which is a significant increase in the size of the visitor economy workforce. These jobs do not include the construction-related jobs associated with the development of the investments.

Overall Current and Projected Employment in the Study Area Visitor Economy

A summation of the current and estimated gaps and projected need for employment is some 2,300 jobs which represents an 80% increase in the current workforce. This figure does not include indirect or construction-related jobs.

STRATEGIC IMPLICATIONS

The increased demand for workers has significant implications for how, and from where, additional workers are sourced.

The analysis of the visitation to the Study Area has highlighted the variation in visitation between peak and low season. This variation also highlights the need to increase the visitor economy workforce during peak seasons significantly.

The estimated shortfall of some 400 workers suggests market failure concerning the recruitment of workers.

A failure to meet the current shortfall and projected workforce demand will result in:

- Reduced economic impact – including a reduced expenditure on local goods and services; and
- Likely negative impact on the GOR 'tourism' brand through an inability to meet the expectations of visitors to the GOR. In turn, this will harm the level of visitation to the Study Area, which, in turn, will have a negative economic impact.

4.1 Current Impact of the Study Area Visitor Economy

Table 2 provides an overview of the current estimated economic impact of visitation to the Study Area and how it impacts Output (i.e. revenue generated), Employment and Value Added. As shown, the current visitation to the Study Area is estimated to generate almost 2,850 jobs across a range of industry sectors.

TABLE 2 – TOURISM GENERATED IMPACTS IN THE STUDY AREA

Study Area LGAs	Output ($m)		Employment (Jobs)		Value Added ($m)	
	$m	% of LGA	Jobs	% of LGA	$m	% of LGA
Surf Coast	$279.2	11.0%	1,503	16.2%	$123.6	10.3%
Colac Otway	$166.9	5.5%	896	9.1%	$74.5	5.7%
Corangamite	$80.4	3.4%	450	6.2%	$37.1	3.6%
		Total	**2,849**			

The level of employment generated by tourism in the Surf Coast Shire represents the highest percentage of any 'sector' in the economy of the Surf Coast LGA.

4.1.1 Impact on Employment

The Study Area's visitor economy is an amalgam of activities across various industry sectors including accommodation and food services, retail, and the arts and recreation services.

Table 3 notes the impact of visitation on these sectors and highlights that:

- The Accommodation and Food Services sector is the sector most impacted by tourism
- The impact on various industry sectors varies across the LGAs
- 'Local' demand for goods and services generated by the resident population also contributes to the employment across a range of industry sectors. That tourism-related employment does not account for 100% of the jobs in any industry sector across the LGAs demonstrates this.

TABLE 3 – IMPACT OF VISITATION OF EMPLOYMENT

Industry Sectors	Surf Coast		Colac Otway		Corangamite	
	Jobs	% of LGA VE Jobs	Jobs	% of LGA VE Jobs	Jobs	% of LGA VE Jobs
Accommodation & Food Services	1,175	78.2%	644	71.9%	302	67.1%
Retail Trade	109	7.3%	90	10.0%	58	12.9%
Arts & Recreation Services*	66	4.4%	27	3.0%	14	3.1%
Transport, Postal & Warehousing	10	0.7%	47	5.2%	42	9.3%
Administrative & Support Services*	64	4.3%	32	3.6%		
Manufacturing*	29	1.9%	23	2.6%		
Education & Training ✶	26	1.7%			11	2.4%

Notes

*Includes Sports and Physical Recreation Activities/Amusement and Other Recreation Activities

*Includes Building Cleaning, Pest Control and Other Support Services/Travel Agency and Tour Arrangement Services

*Includes Food and Beverage Manufacturing

✶Includes Sports and Physical Recreation Instruction

4.1.2 Impact on Accommodation and Food Services Sector Employment in the Study Area

Table 4 identifies the impact of visitation on employment in the Accommodation and Food Services sector in each of the Study Area LGAs and compares this against all of Victoria.

TABLE 4 – IMPACT OF VISITORS ON A&FS EMPLOYMENT

LGAs	Total A&FS Employment	Visitor Generated Impact	% of Sector Employment
Surf Coast	1,486	1,175	79%
Colac Otway	876	644	74%
Corangamite	440	302	69%
Victoria	188,890	71,966	38%

***Table 4* also highlights the impact of visitation on employment in the Accommodation and Food Services sectors of the Study Area LGAs and compares this to Victoria. The comparison highlights that the percentage of employment is more than double that of Victoria in the Surf Coast Shire LGA and almost double in the other Study Area LGAs.**

4.1.3 Dispersal of Accommodation and Food Services Sector Jobs in the Study Area

Table 5 shows that tourism-related employment is not homogeneous across the Study Area. Several key towns and areas account for most of the employment. These are the 'key tourism destinations' within the Study Area. Using the number of Accommodation and Food Services jobs as an indicator the table shows that the relative dispersal of tourism-related employment across the region is heavily skewed towards those urban centres along the Great Ocean Road.

TABLE 5 – RELATIVE CONCENTRATION OF AF&S SECTOR EMPLOYMENT IN THE STUDY AREA

LGAs	Towns/Areas	A&FS Jobs	% of A&FS Jobs in LGA	Population	Persons / A&FS Job
Surf Coast	Lorne	256	17.2%	1,026	4.0
	Anglesea/Aireys Inlet	257	17.3%	3,474	13.5
	Torquay SA2	863	53.8%	18,362	21.3
	Balance	110	7.4%	6,535	59.4
	Total	**1,486**	**100%**	**29,397**	**19.8**
Colac Otway	Apollo Bay	227	25.9%	1,336	5.9
	Otway SA2	154	17.6%	3,429	22.3
	Colac SA2	431	34.6%	12,250	28.4
	Balance	64	21.9%	3,957	61.8
	Total	**876**	**100%**	**20,972**	**23.9**
Corangamite	Corangamite South SA2	225	51.1%	7,160	31.8
	Camperdown SA2	104	23.6%	3,496	33.6
	Balance	111	25.2%	8,495	76.5
	Total	**440**	**100%**	**19,151**	**43.5**
Victoria	**Total**	**188,980**	**1.5%**	**5,926,624**	**31.4**

A&FS = Accommodation & Food Services

Surf Coast LGA Tourism-related employment has the most impact in Lorne, Anglesea/Aireys Inlet – and the Person/AF&S Ratio indicates the particular importance of tourism to these towns. Torquay generates more than 53% of all AF&S employment in the Surf Coast LGA and has a ratio well below that for all of Victoria.

Colac Otway LGA Tourism-related employment has the most impact in Apollo Bay and the Otways.

Corangamite LGA Tourism has a far greater impact on employment in Corangamite South SA2 i.e. along the Shipwreck Coast.

Table 5 also provides a ratio of the number of people per an Accommodation and Food Services job in the various towns, areas and LGAs in the Study Area and benchmarks this against the same ratio for Victoria. The lower the ratio, the greater is the impact of visitation on employment generation.

4.2 A Gap in Current Workforce Supply

There is already a gap in the supply of the workforce required by businesses in the Study Areas visitor economy. Based on the GORRT member survey, 72% of all businesses surveyed stated that they experienced difficulty in recruiting staff. Businesses in the Accommodation and Food Services sector appear to experience the most considerable stress.

TABLE 6 – GORRT MEMBER SURVEY – ABLE TO RECRUIT REQUIRED STAFF

Survey Question: Are you able to recruit the number of staff you require?	Business Types										
Responses	Accommodation	Business Services	Café, Restaurant, Food	Dairy Manufacturing	Education	Holiday Park	Local Government	Retail	Unknown	Visitor Experiences	All Businesses
Always-often-sometimes-never	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Often-sometimes-never	72%	50%	92%	100%	100%	75%	75%	67%	47%	57%	72%
Sometimes-never	37%	0%	54%	0%	0%	50%	25%	33%	12%	14%	33%
Never	7%	0%	8%	0%	0%	0%	0%	0%	12%	0%	6%
Always	28%	50%	8%	0%	0%	25%	25%	33%	53%	43%	28%
Often	35%	50%	38%	100%	100%	25%	50%	33%	35%	43%	38%
Sometimes	30%	0%	46%	0%	0%	50%	25%	33%	0%	14%	28%
Never	7%	0%	8%	0%	0%	0%	0%	0%	12%	0%	6%

The situation is more problematic in the peak season with 78% of accommodation businesses reporting difficulties and 100% of food services businesses stating that they have difficulty. 8% of businesses said that staff positions are never filled.

4.2.1 Current Estimated Shortfall in Number of Workers

Given that there are approximately 300 employing businesses generating 2,700 jobs in the Accommodation and Food Services sector, there could be between 400 and 600 unfilled jobs in the Study Area.

It is unclear as to the geographical distribution of the shortfall in workers needed by visitor economy businesses. Based on the current distribution of tourism related employment across the Study Area LGAs, then the 400 jobs required could be distributed across the Study Area as follows:

Possible distribution of the Shortfall of Jobs

Estimated Shortfall of Jobs Low-end estimate	400
LGAs	
Surf Coast	215
Colac Otway	115
Corangamite	65

These jobs would primarily be in the 'key tourism destination' SA2s within the LGAs i.e. Torquay, Lorne–Anglesea, Otway and Corangamite – South.

4.2.2 Estimated Economic Impact of Addressing the Shortfall in Jobs

REMPLAN modelling estimates that filling some 400 jobs across the businesses that are experiencing this shortfall would generate more than $100m in revenue. This estimate assumes that these jobs would be in the Accommodation and Food Services sector.

4.3 Projected Impact on Employment of Forecast Visitation

REMPLAN data for each of the Study Area LGAs estimates the impact on employment from the forecast growth in visitation to be more than 870 jobs as noted in the following table.

TABLE 7 – PROJECTED IMPACT ON EMPLOYMENT OF FORECAST VISITATION

	Employment (Jobs)			
		Indirect Effect		
LGAs	**Direct Effect**	**Supply-chain Effect**	**Consumption Effect**	**Total Effect**
Surf Coast	414	83	72	569
Colac Otway	140	31	29	200
Corangamite	85	12	12	109
Totals	**639**	**126**	**113**	**878**

The 639 direct jobs are on top of the estimated unmet need for 400-600 current jobs, bringing the estimated total number of new workers needed to more than 1,000 persons over the next five years. The indirect jobs would be across a range of industry sectors.

4.3.1 Estimated Economic Impact of Increased Employment

The adjoining table provides the estimated impact on output (i.e. business revenues) of the forecast growth in visitation. This revenue is distributed across the businesses that contribute to the visitor economy within the Study Area.

LGAs	**Estimate Output Direct & Indirect**	**($m)**
Surf Coast	$120.3	
Colac Otway	$43.5	
Corangamite	$21.8	

4.4 Proposed Investment

A range of significant public and private sector investments are proposed for the Study Area as depicted in Figure 5.

FIGURE 5 – STUDY AREA INFRASTRUCTURE, ATTRACTIONS AND PROPOSED INVESTMENTS

4.4.1 Infrastructure Investments

The range of infrastructure investments will improve this visitor experience in the Study Area and, in particular, driving on the Great Ocean Road and the amenity of the trails and viewing areas associated with the 12 Apostles.

The development of Tower Hill and the Budj Bim World Heritage Site while not in the Study Area will add to the wider region's appeal, particularly for Indigenous culture and native wildlife, and provide side trips for visitors staying along the Shipwreck Coast. Until the accommodation facilities proposed for the southwestern end of the Study Area are operating the full value of these improvements will not be realised – see **Section 4.4.3**

4.4.2 Attractions

A range of attractions are proposed for the Study Area and surrounds that will also add value to the visitor experience and provide side trips for people staying in the region.

Until the accommodation facilities proposed for the southwestern end of the Study Area are operating the full economic value of many of these attractions, and in particular, those in the Otway Hinterland will not be realised – see **Section 4.4.3**

More recently there has been discussion about the redevelopment of the former Alcoa site behind Anglesea and the construction of the Anglesea Eden Project which the proponents forecast to generate more than 300 jobs.

4.4.3 Accommodation Investments

A range of accommodation facilities are proposed across the Study Area and are varying stages of planning or the planning approval process.

4.4.3.1 Assumed Timeframe

At this point, it is uncertain as to whether all the proposals will go ahead with a number still to receive planning approval and should they eventuate it is unlikely that many of them will be fully operational within the next three to four years.

This report has assumed that these developments are at least four years away from operating.

4.4.4 Employment Impacts of Proposed Investments

This forecast growth in employment has not considered the impacts of proposed new investments in tourism planned for the Study Area which may add up to 1,300 jobs to the Study Area based on the feedback from the investors.

As already noted in the visitation forecast, the impact of these investments could substantially alter the trajectory of visitation to the Study Area.

The employment forecast should be revised when there is more certainty about the likelihood and timeframe of these investments proceeding and greater clarity regarding the employment they will generate. This revision should also use the most recent visitation data as opposed to the current forecast level of visitation.

4.4.4.1 Shipwreck Coast and Apollo Bay

The proponents of the accommodation proposed for the Shipwreck Coast and Apollo Bay foresee a workforce of some 400 in total when these facilities are in full operation. This demand would almost double the workforce employed in this part of the Study Area – i.e. the Corangamite SA2, Apollo Bay, and the Otway SA2.

Growing the number of overnight visitors in the Shipwreck Coast and Apollo Bay area of the Study Area will likely have a significant flow-on effect to attractions and experiences in the Otway Hinterland including in locations such as Timboon and Forrest and for existing attractions such as the Otway Fly.

4.4.4.2 Surf Coast Shire

The accommodation projects proposed in the Surf Coast – i.e. the CORA Integrated Resort and the 'Indigo Hotel' in Torquay, as well as the proposed Anglesea Eden Project, will also generate a significant number of jobs – estimated to be 900 in total. Assuming that many of these jobs are Accommodation and Food Services, this would see employment in the sector expand by more than 70% in the Torquay SA2 and 16% in the Lorne-Anglesea SA2.

4.4.5 Indirect Impact

The expansion in the direct employment associated with the proposed accommodation investments will also generate a range of indirect employment. Based on the current size of the respective LGA economies – and assuming that the bulk of employment is in the Accommodation and Food Services sector – then the estimate for indirect employment is more than 400 jobs as noted in **Table 8.**

TABLE 8 – ESTIMATED DIRECT AND INDIRECT ACCOMMODATION INVESTMENT EMPLOYMENT

LGAs	Current A&FS Employment	Proposed Direct Accommodation & Food Services Sector Jobs	% change in LGA Sector	Estimated Indirect Jobs
Surf Coast	1,486	900 CORA Indigo Hotel Anglesea Eden Project	60%	290
Colac Otway	876	100 Apollo Bay Resort	11%	45
Corangamite	440	300 12 Apostles Hot Springs & Resort Princetown Eco Lodge Port Campbell West Resort Moonlight Head Accommodation & Restaurant	68%	95

The percentage change is particularly significant in the Corangamite Shire LGA, where the Accommodation and Food Services sector would become the third-largest employment sector behind the agriculture and health sectors.

4.4.5.1 Construction Related Employment

There will be a significant level of construction-related employment associated with the development of the proposed investments should they go ahead. At this point, the scale of this employment has been forecast by some of the investors. When it is more apparent as to the final size of the proposed development and the proposed construction timeframe a more detailed understanding of the construction-related employment can be forecast.

4.4.6 Workforce Accommodation for Proposed Investments

Accommodating an expanded workforce is challenging based on the availability of accommodation that is affordable for workers in the Accommodation and Food Services sector – see Section 6.3.4. Such accommodation is already limited in its ability to house the number of workers in the Study Area economy.

The housing of workers will be particularly challenging along the Shipwreck Coast and Apollo Bay. At least two of the investors are proposing to accommodate their workers either on or off-site. Australian Tourism Trust is proposing to construct worker accommodation facilities in Port Campbell and Apollo Bay that collectively would house some 200 workers.

The CORA Integrated Resort will have onsite accommodation. Still, the availability of this accommodation for workers is unknown, and it is unlikely that the proposed 'Indigo Hotel' in Torquay will house its workers on site. Given these circumstances, these proposed investments may have more than 500 workers that require accommodation or are commuting from other locations in the Study Area or Greater Geelong.

4.4.6.1 Construction Workforce Accommodation

The accommodation of the construction workforce associated with the investment will also place stress on the available accommodation. The Australian Tourism Trust is proposing to provide onsite accommodation for its construction workforce during the period of construction.

4.5 Overall Impact on Employment in the Study Area Visitor Economy

A summation of the current and estimated gaps and projected need for employment is some 2,300 jobs which represents an 80.7% increase in the current workforce. This number of jobs does not include indirect or construction-related jobs.

Current, projected and proposed workforce needs

Influence on Employment	# **Jobs**	Timeframe
Current Estimated Visitor Economy Employment	2,850	present
Estimated current shortfall	400+	present
Projected direct impact of visitation growth	640	By 2024
Total	**940**	
Estimate workforce size – approx.	3,800	By 2024
% Change from present	33%	
Potential workforce for new investments	1,300	From 2024
% Change from 2024	34%	
Estimate workforce size – approx.	6,100	By ?
% Change from present	78.6%	

4.5.1 Potential Impact of Proposed Investments on Forecast Visitation

The proposed investments in infrastructure, attractions and accommodation – see **Section 4.4** can significantly change the overall visitor offer in the Study Area and, in turn, have a significant upward impact of the forecast trajectory of visitor growth. This upward impact would place further demands on the capacity of the visitor economy.

4.6 Strategic Implications for Workforce Development

The analysis of the forecast in visitation and employment has several strategic implications for workforce development.

The forecast growth in visitation has significant implications for the potential growth of existing businesses – and the capability of businesses to be able to leverage such potential.

Key is the significant demand for an increased number of workers which represents a growth of more than 80% in the current workforce. This growth has significant implications for how, and from where, additional workers can be sourced.

The analysis of the visitation to the Study Area has highlighted the significant variation in visitation between peak and low seasons and the need to increase the visitor economy workforce during peak seasons.

Within this demand is a current shortfall in the required estimated to be at least 400 workers. This shortfall indicates a market failure and that the combination of inadequate recruitment capability of businesses, and the unavailability of workers are not able to meet the current demand and there is in this regard.

A failure to meet the projected workforce demand will result in:

- Reduced economic impact – including a reduced expenditure on local goods and services; and
- Likely negative impact on the GOR 'tourism' brand through an inability to meet the expectation of visitors to the GOR – in turn, this will harm the level of visitation to the Study Area.

5. The Visitor Economy Workforce

This section provides an analysis of existing workers and other cohorts that reside in the Study Area that may be a source of potential workers to address the projected demand, this includes:

OVERVIEW OF FINDINGS

The visitor economy workforce is currently estimated to include some 2,800 workers of which more than 75% are in the Accommodation and Food Services sector.

Younger Workers
Younger people i.e. aged 15 to 24 years old – are highly represented in the Accommodation and Food Services sector – far more so than in the wider economy.

More than 2,300 Study Area residents are undertaking some form of tertiary education. This Report assumes that the majority of these residents are young people and that a percentage of them are wanting to generate income or work experience while undertaking their studies.

There are almost 3,000 young people who reside in the Study Area that are not engaged in the workforce. This Report assumes that a percentage of this cohort desire to access employment.

Contraction of the Population of Younger People
Work undertaken by RDV[1] identified a contraction of the population of younger persons in the Study Area LGAs including in the Key Destination SA2s. This contraction is particularly the case in the Lorne/Anglesea, Otway and Corangamite South SA2s.

Older Workers
A potential source of workers are older people who may desire to:

- Change the type of work they do; or
- Work less than full-time equivalent; or
- Re-enter the workforce.

At present, the Australian Government provides wage subsidies of up to $10,000 to businesses who engage older workers – i.e. 50 years plus.

Older workers in the Study Area form a significant percentage of the sectors that are key to the visitor economy and represent some 23% of all workers who work less than 15 hours per week.

Underemployment
Underemployment is a characteristic of the visitor economy. Many of the GORRT members that responded to a survey re workforce needs noted that 'staff not being able to access as much work as they want', impacts the retention of workers.

A percentage of those who work 15 hours or less per week may be considered as underemployed and may be seeking additional work opportunities.

Sharing Underemployed Workers
A process that helps workers to access more than one part-time/casual employment opportunity could:

- Grow the number of workers that are available to the Study Area's visitor economy businesses;
- Foster greater retention of workers.

Accommodation and Food Services Workers who Reside in the Study Area
The analysis of where Accommodation and Food Services Workers who reside in the Study Area live shows that the majority of sector workers who work in a Key Destination SA2 live in that SA2.

cont. next page

[1]Regional Development Victoria 2019, Great South Coast Jobs Led Population Growth, https://eu-west-1a.online.tableau.com/#/site/datainsights/projects/69179, sourced 11/01/2020

Reliance of Workers who Reside Outside of the Study Area
The Study Area economy has a significant dependence on workers who reside outside of the Study Area. In particular, 34% of the Surf Coast LGA's workforce consists of workers that reside outside of the Study Area. This percentage compares to 15% for the Corangamite LGA and 5% for the Colac Otway LGA.

This Report assumes that the vast majority of the more than 600 Accommodation and Food Services workers who reside outside of the Study Area travel to work by car.

International Workers
Businesses in the Study Area do employ Working Holiday Visa holders – i.e. 'backpackers'. The data from the TRA's International Visitor Survey (IVS) shows a sporadic presence of backpackers staying in the Study Area during peak season.

Recruitment Targets for the Recruitment of Visitor Economy Workers
The analysis of the Study Area visitor economy workforce points towards targeting workers who have availability or a desire to work during the periods of high demand – the two key cohorts that are most likely to have such availability are:

- Younger workers – particularly those that are engaged in other endeavours such as study and are available during the summer months of the peak season – and when they are not studying;
- Workers seeking to work additional hours – these workers may already work in the Accommodation and Food Services sector but could also be working in other industry sectors.

There is an overlap of the above two groups – i.e. young people who work 15 hours or less per week.

A Forecast for New Workers
A forecast for new workers based on the assumptions regarding the attraction of current workers from the Key Destination SA2s and the Urban Centres, and that could be accommodated in portable cabins, is provided in the following table:

	Number of Workers				
Source	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Key Destination SA2s	117	139	158	177	201
Urban Centres	291	362	425	507	571
Accommodated	28	28	28	28	28
Annual Total	**436**	**529**	**611**	**712**	**800**

The proposed solution expects to deliver some 400 new workers in Year 1. This figure aligns with the lower end of the deficit identified by the GORRT member survey. By year 5, the proposed solution expects to deliver 800 new workers which align with the number of jobs forecast in the economic analysis. Some 40% of these workers will be likely aged 15 to 24.

STRATEGIC IMPLICATIONS

The growth in employment will require more workers in the Key Destination SA2s – particularly in the peak season. The Key Destination SA2s have a limited capacity to service such a need from the workforce that resides in these SA2s.

The analysis points to needing to engage workers from other Study Area SA2s, and beyond, and given the drive times between these locations and Key Visitor Destinations there is a need to provide a form of affordable worker accommodation to negate the need for travel. Section 6 provides a review of accommodation.

The effectiveness of a recruitment program and the use of recruitment expertise will also be vital in attracting these workers.

5.1 Visitor Economy Workforce Age

Table 9 provides an analysis of the visitor economy workforce age. Given the significant impact that the Accommodation and Food Services sector has on employment in the Study Area visitor economy the table provides an analysis of the age of the Accommodation and Food Services workforce compared to the age of the overall Study Area workforce.

TABLE 9 – WORKFORCE AGE A&FS VS ALL SECTORS

	LGAs								
	Surf Coast			Colac Otway			Corangamite		
	A&FS Sector		All Sectors	A&FS Sector		All Sectors	A&FS Sector		All Sectors
Age Groups	Jobs #	%	%	Jobs #	%	%	Jobs #	%	%
15 – 19	280	18.9%	7.4%	201	22.9%	5.9%	89	20.2%	6.1%
20 – 24	279	18.8%	10.0%	124	14.2%	9.3%	63	14.2%	7.6%
Totals	**559**	**37.7%**	**17.4%**	**325**	**37.1%**	**15.2%**	**152**	**34.4%**	**13.7%**
25 – 84+	926	62.5%	82.6%	550	62.9%	84.8%	288	65.5%	86.3%
Overall Total	**1,485**			**875**			**440**		

5.1.1 Reliance on 15 to 24 year old Workers

The table highlights that, relative to the overall workforce in each of the LGAs, the Accommodation and Food Services sector has a significant reliance on 15 to 24 year old workers. Given the peak season demands of the visitor economy, and the prevalence of part-time and casual roles 5.5in the Accommodation and Food Service sector, see **Section 5.3.** The analysis suggests that such work is attractive, or at least available, to younger people who may be studying full or part-time at either secondary school or in tertiary education and desire to generate income or work experience.

5.1.2 Current Engagement of Young People

A percentage of 15 to 24 year olds in the Study Area who are not engaged in the workforce may be a target for recruitment into the visitor economy, particularly in peak season or other periods of high demand.

5.1.2.1 Current Engagement of 15 – 19 Years Cohort in the Study Area Workforce

Table 10 provides an analysis of the engagement young people aged 15 to 19 years in the region's workforce. The table shows there are more than 2,100 young persons who are not engaged in the Study Area workforce.

TABLE 10 – CURRENT ENGAGEMENT OF 15 – 19 YEARS COHORT IN STUDY AREA WORKFORCE

LGAs	Population of 15 – 19 years	Number of 15 – 19 years employed*		Balance of 15 – 19 years not employed	
	#	#	%	#	%
Surf Coast	1,647	697	42%	950	58%
Colac Otway	1,191	549	46%	642	54%
Corangamite	1,027	428	42%	599	58%
Totals	**3,865**	**1,674**	**43%**	**2,191**	**57%**

***Note:** Includes working in/working out of the LGA

This Report assumes that a percentage of this non-engaged cohort may desire to be employed. The Report also assumes that many of this cohort will be involved in secondary or tertiary study and that their workforce engagement would be on a part-time or casual basis.

5.1.2.2 Current Engagement of 20 – 24 Years Old Cohort in the Study Area Workforce

Table 11 provides an analysis of the engagement young people aged 20 to 24 years in the region's workforce. The table shows there are more than 850 young persons who are not engaged in the Study Area workforce. Of this non-engaged cohort, many will be involved in study at a tertiary institution and will account for a number of the tertiary students identified in Section 5.1.3.

This report assumes that a percentage of this non-engaged cohort may desire to be employed.

TABLE 11 – CURRENT ENGAGEMENT OF 20 – 24 YEARS COHORT IN STUDY AREA WORKFORCE

LGAs	Population of 20 – 24 yos	Number of 20 – 24 yos employed*		Balance of 20 – 24 yos not employed	
	#	#	%	#	%
Surf Coast	1,201	805	49%	396	24%
Colac Otway	1,081	782	66%	299	25%
Corangamite	743	589	57%	154	15%
Totals	**3,025**	**2,176**	**56%**	**849**	**22%**

5.2.3 Tertiary Students Residing in the Study Area

This Report assumes that most tertiary students are aged between 18 to 24 years. Given that there are no tertiary institutions in the Study Area it is assumed that Study Area residents involved in tertiary study are travelling outside of the Study Area to a tertiary institution or are studying, at least in part, online.

This Report assumes that a percentage of tertiary students would be seeking part-time employment or employment during the peak season or on weekends.

TABLE 12 – NUMBER OF TERTIARY STUDENTS RESIDING IN THE STUDY AREA

LGAs	Number of Students #
Surf Coast	1,366
Colac Otway	558
Corangamite	418
Totals	**2,342**

5.1.3.1 Deakin Students

Feedback from industry stakeholders indicated that several businesses had recruited international tertiary students who are residing in Geelong.

5.1.3.2 Need for Transport

Many young people – and particularly those without a car license are reliant on others i.e. parents for transport. The costs and time involved in transport mean that many young people are not able to access employment opportunities outside of their immediate residential locality easily.

The travel costs and time associated with tertiary studies also means that some younger people may not have time or funds to travel for work as well.

5.1.4 A Wider Problem in the Study Area

Regional Development Victoria (RDV) recently completed an analysis of the workforce for the Great South Coast[2] and found that current trends in population growth will not deliver on industry needs and will become a limiting factor for growth.

In most rural areas, the total population, in particular the working-age cohort that makes up the labour force, is either static or in decline. Census data shows a sustained depopulation from most of the rural SA2 areas in the Study Area. This decline is of concern as several of the key growth areas in the visitor economy are in rural areas.

To understand the true scale and nature of the problem, one needs to look a little deeper at what the data is showing, namely:

The working-age population, in particular the youth in rural areas, is where the decline is most pronounced; as shown in *Figure 6, Figure 7, Figure 8, and Figure 9*

FIGURE 6 – TORQUAY SA2 IMPLIED MIGRATION

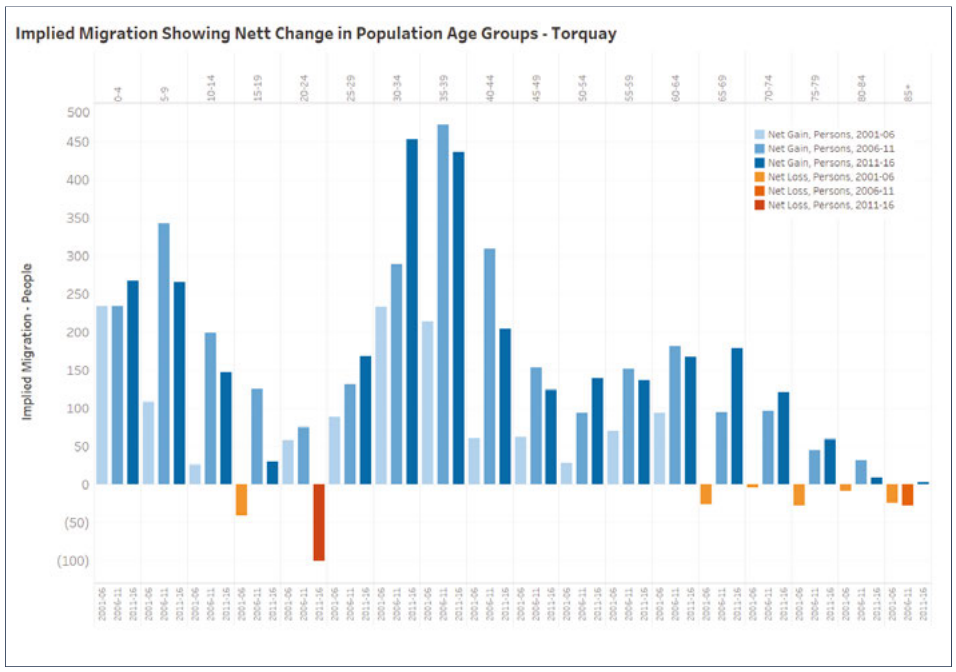
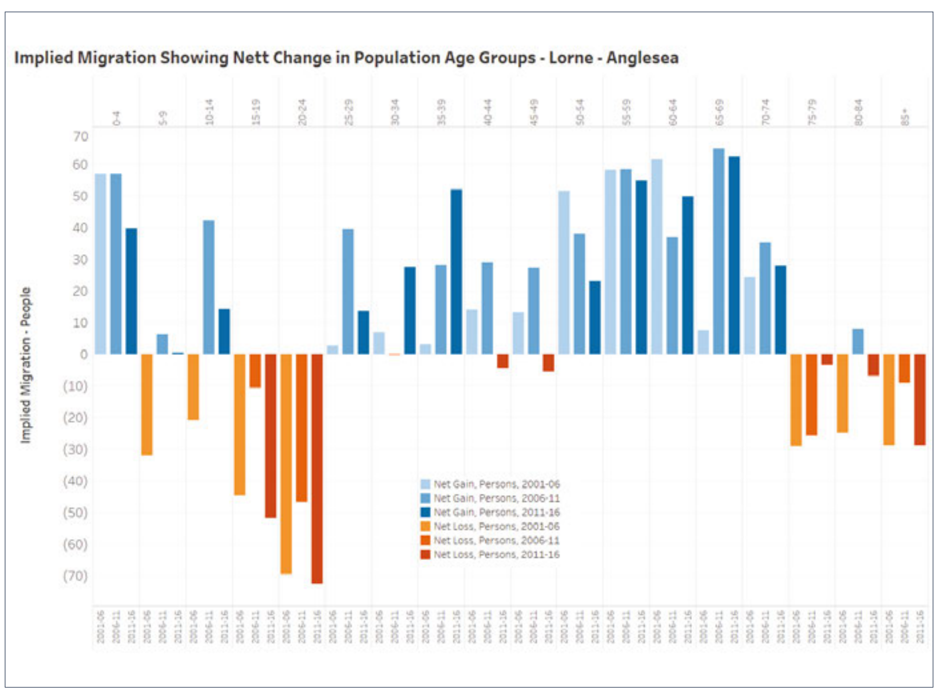


FIGURE 7– LORNE/ANGLESEA SA2 IMPLIED MIGRATION



[2]Regional Development Victoria 2019, Great South Coast Jobs Led Population Growth, https://eu-west-1a.online.tableau.com/#/site/datainsights/projects/69179, sourced 11/01/2020

FIGURE 8 – OTWAY SA2 IMPLIED MIGRATION

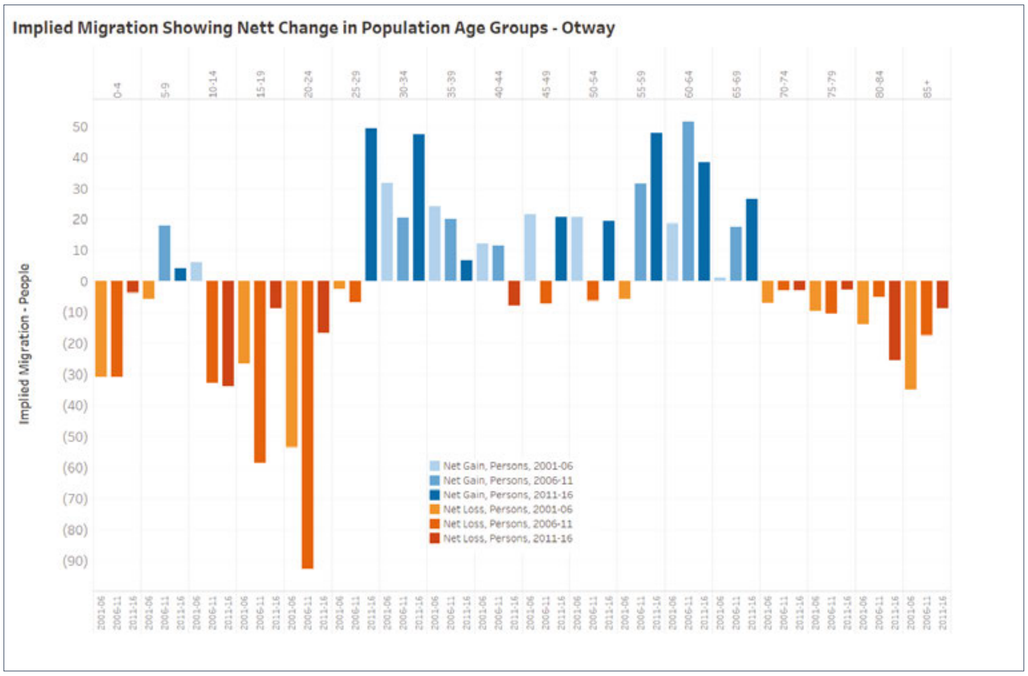
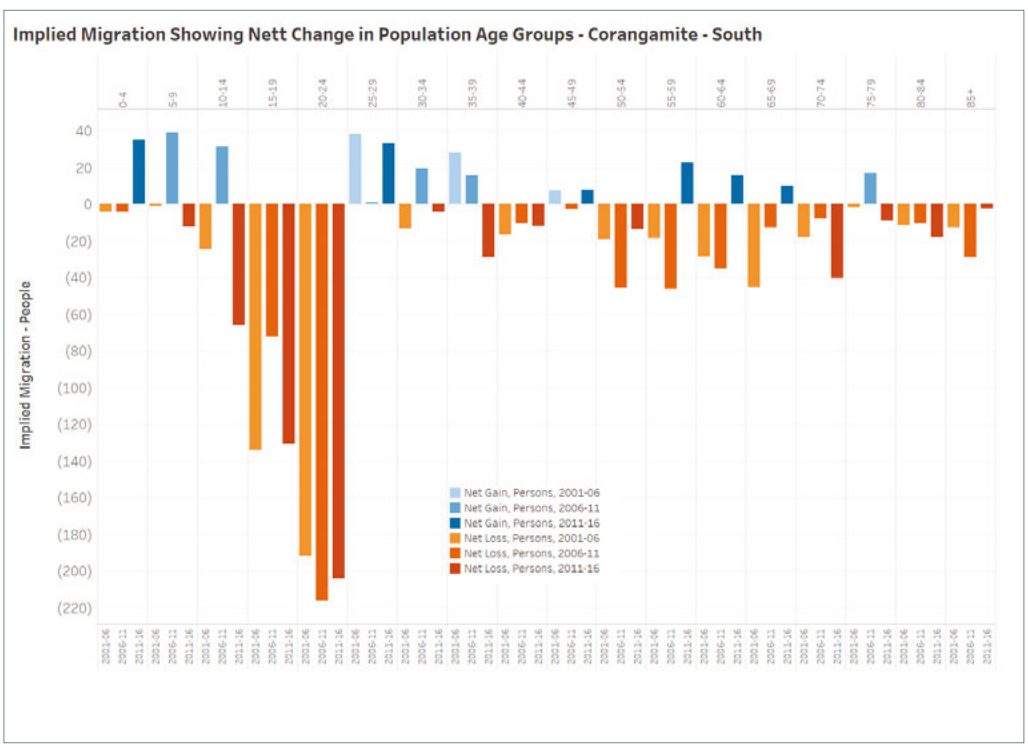


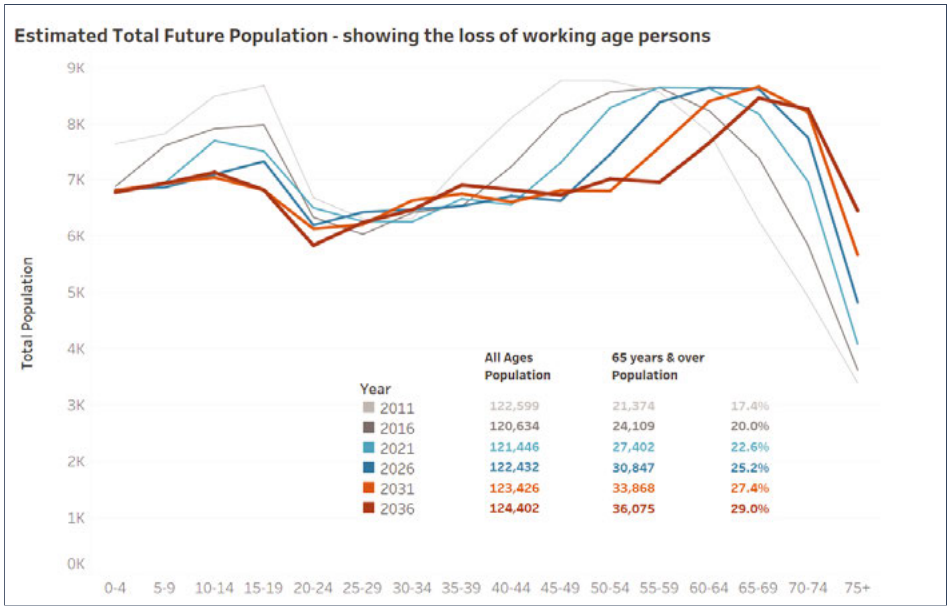
FIGURE 9 – CORANGAMITE SOUTH SA2 IMPLIED MIGRATION



1. The effect of an ageing population has the effect of slowing down the immediate overall decline in the total population – see Figure 10. This growth masks the fact that the working population, especially the 19 to 35 year olds, are leaving the rural areas in large numbers.

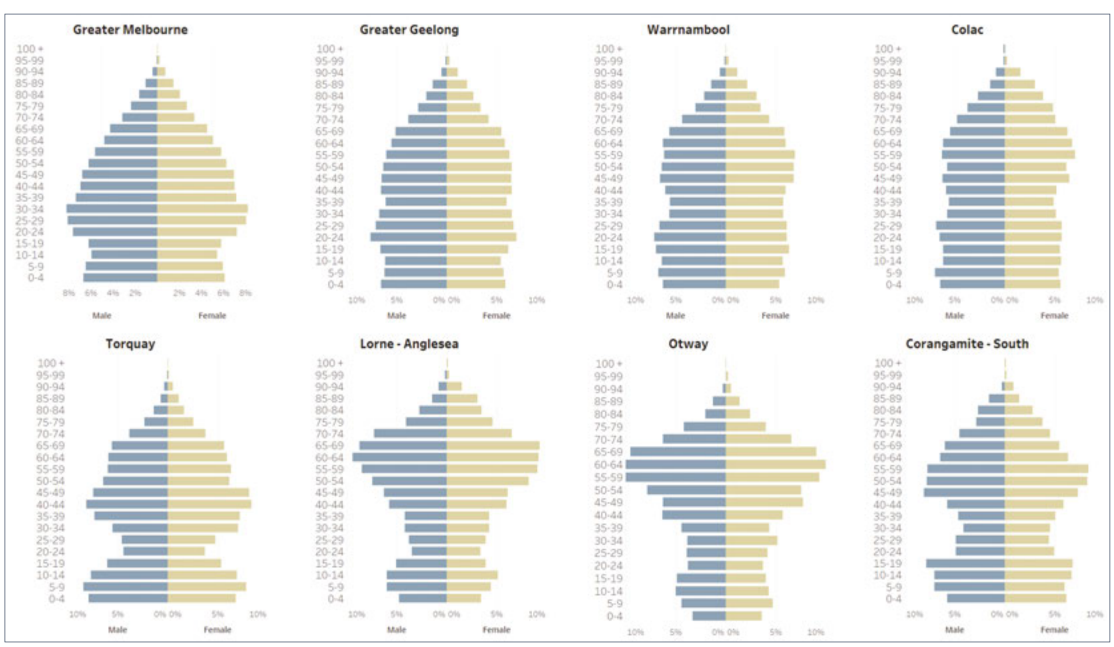
   Note: Population estimates at the SA4 level for Warrnambool and the South West that are generated by DELWP are provided.

FIGURE 10 – POPULATION TRENDS



2. Without a workforce sustained growth in any industry sector, including the visitor economy, across the Study Area will be challenging to achieve. However, the heavy dependence of the Accommodation and Food Services sector on young people[3]) for the peak season demand will ultimately impact the performance of the visitor economy.
3. Other industries, especially healthcare and agriculture will be forced to compete locally for talent, in particular, for the high skilled full-time roles such as business managers, with the potential to undermine the collective economic growth of the region.
4. Opportunities to introduce new visitor economy products will become increasingly dependent on staffing these initiatives with staff sourced from outside of the Study Area.
5. The population profile – see Figure 11 – show that each of the four SA2 locations that service the Study Area visitor economy have substantial deficits in their young working-age people. In contrast, the surrounding regional urban centres of Geelong, Warrnambool and Colac approximates to that of Melbourne[4]. The population profile in the larger regional towns and cities is more balanced than that of the rural towns. This increased balance in younger people has informed the strategy of attracting workers into the region from these surrounding cities.

FIGURE 11 – POPULATION PROFILES



[3]See section 5.1

[4]Greater Melbourne's population profile is the benchmark against which to compare other profiles. For the most part, Melbourne shows a balanced distribution. A large number of students and migrants arriving in Melbourne partially explains the slight dip in younger children

5.2 Older Workers

A potential source of workers are older people who may desire to:

- Change the type of work they do; or
- Work less than full-time equivalent; or
- Re-enter the workforce.

At present the Australian Government provides wage subsidies of up to $10,000 to businesses who engage older workers i.e. 50 years plus – see https://www.employment.gov.au/restart-help-employ-mature-workers-0

5.2.1 Number of Older Workers in the Study Area Visitor Economy

The percentage of people aged 45 to 65 in the Study Area varies slightly between each of the Study Area LGAs as noted in **Table 13**.

TABLE 13 – NUMBER OF OLDER WORKERS IN THE STUDY AREA VISITOR ECONOMY

		Surf Coast	Colac Otway	Corangamite	Victoria
Overall	Population (# people)	8,310	5,972	4,696	
	Working Population (# jobs)	5,886	3,877	3,219	
	% of Population Working	71%	65%	69%	67.3%
Accommodation & Food Services	Workers (# jobs)	297	228	137	
	% of All Older Workers	5%	6%	4%	3.5%
	% of Sector Workers	24%	29%	37%	18.3%
Retail	Workers (# jobs)	360	255	162	
	% of All Older Workers	8%	8%	6%	8.4%
	% of Sector Workers	42%	33%	34%	28.0%
Arts & Recreation Services	Workers (# jobs)	144	46	25	
	% of Older Workers	2%	1%	1%	1.5%
	% of Sector Workers	57%	46%	47%	25.9%

The table indicates that older people working in the visitor economy workforce account for a

- Small percentage of the overall population of older workers – older workers are more prevalent in other sectors including health, manufacturing and construction;
- Significant percentage of the workforce in the key industry sectors that contribute to the visitor economy.

5.2.1.1 Targeting Older Resident Workers for the Visitor Economy Workforce

The comparison of the percentage of older workers in each of the sectors against that for Victoria highlights that the Study Area visitor economy's workforce is considerably older and that targeting additional older workers will be problematic due to the already high levels of engagement of older workers.

5.3 Hours Worked

An analysis of the hours worked by the visitor economy workforce is provided in the following table. Given the impact of the Accommodation and Food Services sector on the visitor economy workforce, the table offers an analysis of the hours worked by workers in this sector.

	LGAs								
	Surf Coast			Colac Otway			Corangamite		
	A&FS Sector		All Sectors	A&FS Sector		All Sectors	A&FS Sector		All Sectors
Hours Worked	**Jobs #**	**%**	**%**	**Jobs #**	**%**	**%**	**Jobs #**	**%**	**%**
0 hours	65	4.4%	**3.0%**	48	5.5%	**3.8%**	17	3.9%	**3.7%**
1 – 15 hours	470	31.6%	**21.1%**	291	33.2%	**14.5%**	161	36.6%	**12.6%**
Totals	535	36.0%	**24.1%**	339	38.7%	**18.3%**	178	40.5%	**16.3%**
16 – 49+ hours	951	63.9%	**76.0%**	536	61.2%	**81.8%**	261	59.5%	**83.8%**
Overall Total	**1,485**			**875**			**440**		

The table highlights that relative to the overall workforce in each of the LGAs that workers in the Accommodation and Food Services sector work fewer hours with a significantly higher percentage working 15 hours or less.

This report assumes that a percentage of all workers who work 15 hours or less are looking to work more hours per week and this cohort is a target for potential workers in the Study Area's visitor economy.

5.3.1 Full Time Equivalent (FTE) Employment in the Visitor Economy

The highly represented industry sectors in the visitor economy – i.e. Accommodation & Food Services, Retail– have Full Time Equivalent (FTE) to a total number of jobs ratio of 0.7 or less. (assuming a 37-hour working week). These ratios are lower than for many other industry sectors in the local economies of the Study Area LGAs.

5.3.1.1 Feedback from GORRT Members

The survey of GORRT members noted the following for full-time, part-time and casual positions. As indicated on the table, at least 65% of roles are part-time or casual.

	% of Full-time roles	% of Part-time roles	% of Casual roles
Peak Season	29%	13%	58%
Off-Peak	35%	15%	50%

5.3.2 Underemployment

The significant percentage of workers working 15 hours or less or working in part-time or casual roles suggests there are many workers who may be underemployed, and who desire to work additional hours per week.

The Reserve Bank of Australia has noted that 'Because there are some part-time workers who want to work additional hours, it is useful to consider underemployment as well as unemployment in measuring labour market spare capacity.'

5.3.2.1 Feedback from GORRT Members

The survey of GORRT members indicated that many businesses believe that workers not being able to get enough work is a barrier to attracting the number or type of staff they require.

Questions		Responses	
		#	%
Staff not getting enough work from us	Off-Peak	33	54.1%
	Peak	9	14.7%
Staff not easily being able to work for us and other businesses to get enough hours of work	Off-Peak	19	31.1%
	Peak	11	18.0%

5.3.3 Potential Number of Underemployed Workers

The Stage 1 report found that more than 900 workers in the key industry sectors in the Study Area's visitor economy that may be underemployed, and these workers may be a source of workers for full-time, part-time or casual roles.

TABLE 14 – POTENTIAL NUMBER OF UNEMPLOYED WORKERS IN KEY VISITOR ECONOMY SECTORS

	Surf Coast	Colac Otway	Corangamite	
Industry Sectors	**Underemployed?**	**Underemployed?**	**Underemployed?**	Study Area Total
Accommodation & Food Services	238	140	70	
Retail Trade	182	150	96	
Arts & Recreation Services	41	16	8	
Totals	**460**	**306**	**175**	**941**

5.3.4 Facilitating Access to Additional Employment Opportunities

Many workers who are working 15 hours or less find it challenging to gain additional work beyond the part-time job they already have.

The development of a process that helps workers access more than one part-time/casual employment opportunity can:

- Grow the number of workers that are available to the Study Area's visitor economy businesses;
- Foster higher retention of workers by enabling them to:
  - Work more hours and generate more income; or
  - Diversify their experience and thereby add to their employability;
- Generate disposable income of which some can be spent in the local economy.

Such a process would need to help:

- Workers find two (or more) compatible part-time jobs i.e. that occur on different days of the week, or different times of day;
- Employers identify that workers are not being overextended and potentially compromising the:
  - Quality of the business's operations and services, and
  - Workplace safety.

The development of this process would require the:

- Expertise and experience associated with the provision of staffing services
- Participation of, and collaboration between businesses.

5.3.4.1 Processes in Use in other Sectors

Other industry sectors have processes and mechanisms that enable people to work for multiple employers, and there is a wide range of businesses that provide staffing services for various industry sectors.

One such example is a Nursing Agency that provides nurses and other health care workers to people who need the services of healthcare professionals. Nurses are generally engaged by the agency on temporary contracts and make themselves available for hire by hospitals, care homes and other providers of care for help during busy periods or to cover for staff absences.

5.4 Place of Residence of Study Area Visitor Economy Workers

The place of residence of people working in the Study Area Visitor Economy provides further insight into the makeup of the workforce.

5.4.1 Place of Residence – Study Area SA2s

Table 15 provides an analysis of the Usual Residence and Place of Work analysis at the SA2 level for Accommodation and Food Services workers across the Study Area. The analysis identifies that the majority of sector employees work in the SA2 in which they reside.

The analysis also shows workers are concentrated in either the larger towns, or in the SA2s where key tourism destinations are located – i.e. Torquay, Lorne – Anglesea, Otway, and Corangamite South. There are a large number of sector workers who live and work in the Colac SA2. Colac is not one of the Key Destination SA2s in the Study Area but does have a large population and people travelling through on the Princes Highway that are being serviced by the Accommodation and Food Services sector.

TABLE 15 – USUAL RESIDENCE AND PLACE OF WORK – SA2

Place of Work – SA2

Usual Residence

LGAs/SA2s	Torquay	Lorne – Anglesea	Winchelsea	Colac Region	Colac	Otway	Corangamite – North	Camperdown	Corangamite – South	Total Residing in SASA2
Surf Coast										
Torquay	459	39	6							**504**
Lorne – Anglesea	11	296				5				**312**
Winchelsea	19	17	61	3	4					**104**
Colac Otway										
Colac Region	4	8	4	30	66	3			3	**118**
Colac		11		13	323	7				**354**
Otway*					4	312				**316**
Corangamite										
Corangamite – North						3	70	20	3	**96**
Camperdown								67	8	**75**
Corangamite – South*								12	181	**193**
Total	493	371	71	46	397	330	70	99	195	**2,072**
Total Sector Jobs in the SA	863	525	99	64	431	381	89	104	257	**2,813**
% Workers Residing in an SA SA2	57%	71%	72%	72%	92%	87%	79%	95%	76%	**74%**
Balance of Non-SA Workers	**370**	**154**	**28**	**18**	**34**	**51**	**19**	**5**	**62**	**741**

Note

SA = Study Area

***** 277 of these jobs are in Apollo Bay

*The majority of these jobs are located along the Shipwreck Coast

The table also identifies that all the SA2s have a reliance on Accommodation and Food Services workers from outside of the Study Area (i.e. the 'Balance of Non-SA Workers'). This reliance is particularly the case for the 'Key Destination' SA2s.

This Report assumes that most workers are travelling between, or within, SA2s by car – see also **Section 7.3**

5.4.2 Place of Residence – Non Study Area Resident Workers

The previous section highlighted a dependence on workers from outside of the Study Area. **Table 16** notes that the highest percentage of workers from outside of the Study Area is from the Greater Geelong LGA. The majority of the Greater Geelong workers are employed in the Surf Coast LGA.

TABLE 16 – PLACE OF RESIDENCE OF STUDY AREA'S ACCOMMODATION AND FOOD SERVICES WORKERS

FROM			TO: Surf Coast		TO: Colac Otway		TO: Corangamite		Totals	% of Sector Workers in SA
FROM	Study Area	Surf Coast	**948**	65%	50	6%	0	0%	**998**	36%
		Colac Otway	41	3%	**779**	89%	7	2%	**827**	29%
		Corangamite	0	0%	0	0%	**373**	83%	**373**	13%
		Total	989	68%	829	95%	380	85%	**2,198**	78%
	Elsewhere	Greater Geelong	469	32%	48	5%	7	2%	**524**	19%
		Warrnambool	0	0%	0	0%	25	6%	**25**	1%
		Moyne	0	0%	0	0%	21	5%	**21**	1%
		Other	34	2%	0	0%	14	3%	**48**	2%
		Total	503	34%	48	5%	67	15%	**618**	22%
Total SA Sector Workers			**1,458**		**877**		**447**		**2,806**	

5.4.2.1 *Place of Residence – All Industry Sectors*

Like the Visitor Economy, all industry sectors across the Study Area employ workers from outside of the Study Area. **Table 17** indicates that 20% of all workers reside outside of the Study Area with the majority being from the Greater Geelong LGA and being employed in the Surf Coast LGA.

TABLE 17 – NON RESIDENT STUDY AREA WORKERS ACROSS ALL INDUSTRY SECTORS

FROM			TO: Surf Coast		TO: Colac Otway		TO: Corangamite		Totals	% of Sector Workers in LGA
FROM	Study Area	Surf Coast	**5,772**	62%	516	5%	0	0%	**6,288**	24%
		Colac Otway	172	2%	**8,067**	82%	228	3%	**8,467**	32%
		Corangamite	0	0%	529	5%	**5,666**	80%	**6,195**	24%
		Total	5,944	64%	9,112	92%	5,894	83%	**20,950**	80%
	Elsewhere	Greater Geelong	3,155	34%	616	6%	29	0%	**3,800**	14%
		Warrnambool	0	0%	9	0%	653	9%	**662**	3%
		Moyne	0	0%	0	0%	491	7%	**491**	2%
		Other	194	2%	120	1%	14	0%	**328**	1%
		Total	3,349	36%	745	8%	1,187	17%	**5,281**	20%
Total SA Workers			**9,293**		**9,857**		**7,081**		**26,231**	

5.4.3 Existing Employment Networks

The analysis of Study Area non-resident workers highlights that there are existing employment networks between the Study Area and adjoining and nearby LGAs. These networks include formal, and informal mechanisms in place to promote/communicate employment opportunities between these areas and for recruiting workers.

5.4.3.1 *Travel to Work*

The non-resident workers are assumed to be travelling by car as do the vast majority of resident workers – **see Section 7.3**

5.5 The Non-Resident Workforce

The analysis of the Study Area's visitor economy workforce has identified that 22% of the workforce resides outside of the region – see **Section 5.4.** This non-resident workforce is already a significant component of the visitor economy as well as of many other industry sectors in the Study Area – see **Section 5.4.2.1**

5.5.1 Workers Residing in the Greater Geelong LGA

Of the non-resident workers in the Study Area's visitor economy, the highest percentage reside in the Greater Geelong LGA – see **Table 16.** Most of these workers work in the Accommodation and Food Services sector.

5.5.1.1 Greater Geelong's Visitor Economy

Greater Geelong has a large visitor economy with tourism estimated to generate almost 7,000 and is forecast to experience significant growth in visitors.

Greater Geelong has also experienced substantial growth in its population. The demand for goods and services associated with the population growth has made a significant contribution to an expansion of employment. Employment in the Greater Geelong LGA has grown from more than 84,800 jobs in 2011 to almost 100,700 jobs in 2016; this includes the Accommodation and Food Service sector which grew from some 5,900 jobs in 2011 to more than 7,700 jobs in 2016.

With forecast growth in both population and visitation, there is, and will continue to be, increased demand for workers across a range of sectors; this will include more employment opportunities for young people who are seeking work during the peak season.

This demand for workers from within Greater Geelong will compete (as it already is) against the needs of the Study Area's visitor economy.

5.5.1.2 Armstrong Creek Retail Development

Armstrong Creek is a fast-growing residential area within the Greater Geelong LGA that is closest to the Study Area and the Surf Coast LGA in particular. The developers of a soon to open major retail complex in Armstrong Creek are forecasting that the complex will generate some 1,100 jobs in a range of areas including retail, food services entertaining and health and wellbeing. These sectors all feature in the visitor economy of the Study Area. This number of jobs exceeds the estimated shortfall and projected future demand in employment for the Study Area's visitor economy.

5.5.1.3 Workers Residing in the Warrnambool City LGA

One percent of workers in the Study Area's visitor economy resides in the Warrnambool City LGA, where the local economy is also striving to develop a workforce to service an expanding local economy.

5.5.2 Non Resident Young People Staying in the Study Area

A distinct feature of the Study Area is the significant number of 'holiday homes'. Section 6.2.5. provides a detailed analysis of these homes. The region is also serviced by Deakin University, with campuses in Geelong and Warrnambool.

5.5.2.1 Holiday Home Residents

The Study Area's substantive number of holiday homes – see **Section 6.2.5** – are used by families that in the main, reside outside of the Study Area and that have young people as family members. A number of these young people work for businesses in the area in which their family's holiday home is located. Engaging more of these young people is a potential source of workers for the Study Area visitor economy.

5.5.3 Non-Study Area Resident Tertiary Students

Deakin University has a large number of students who reside in Warrnambool and Geelong and attracts a range of students from beyond the Study Area who live on campus or nearby.

Many of these students are seeking part-time work. There are Study Area based businesses based that have already tapped into these students as part of their workforce.

Working with the Deakin University Campuses to engage more of these students would facilitate more of these students working in the Study Area.

5.5.4 Non-Resident Older Workers

There are estimated tens of thousands of retired adults travelling independently in Australia at any given time. 'Grey nomad' is a term used to describe Australians over 55 years old who travel for an extended time using caravans or campervans as their accommodation.

Grey nomads often provide labour (such as gardening, house-sitting or their pre-retirement professional skills) in exchange for a place to park or for extra income.

5.5.4.1 Existing Digital Platforms

To this end, several websites broker the relationship between employers and grey nomads that are seeking temporary employment opportunities.

5.5.4.2 Availability of Parks and Campsites

The availability of caravan parks, campsites and public parking reserves is essential to attract the grey nomad to regional towns. These areas are in high demand during the peak season in the Study Area's key destinations.

5.5.5 International Workers

The Study Area's visitor economy workforce also includes international workers and, in particular, people visiting Australia with a Working Holiday Visa. Many such travellers are known as backpackers.

5.5.5.1 Working Holiday Visa

A Working Holiday Visa lets people 18 to 30 years old (inclusive), and Canadian, French and Irish citizens 18 to 35 years old (inclusive), have an extended holiday in Australia for 12 months. The Working Holiday Visa allows the Visa holder to work in Australia to help fund their trip.

An extension to the Working Holiday Visa for a further 12 months is possible if Visa holders have completed 3 months of specified work during their first 12 months. Approved industries for specified work include:

- Plant and animal cultivation
- Fishing and pearling
- Tree farming and felling
- Mining
- Construction.

An extension enables Working Holiday Visa holders to undertake any type of work – including in the tourism sector. A further extension of 12 months is possible if visa holders undertake 6 months of specified work during their second Visa.

5.5.5.2 Stakeholder Feedback

There was commentary through the stakeholder consultation and the survey of GORRT members regarding the use of backpackers as workers. Many businesses acknowledged that the backpacker cohort is:

- An ongoing source of workers who are often proactive regarding seeking employment opportunities;
- Highly networked about informing other backpackers of employment opportunities.

The feedback also suggested that the use of backpackers was opportunistic for many businesses rather than a deliberate or planned recruitment strategy.

Comments from survey respondents included the following:

- *We have a small population and are not able to draw staff for regional centres due to the difficulty in travelling to Apollo Bay. Recent changes making it more difficult for international staff to get 2nd year Visa's is hurting us (however they can work in Colac no problem). We realise neither the State or federal government care at all as we live in a remote region and are not farmers, therefore our business is irrelevant.*
- *I have found over the past two years, that I have far greater success employing backpackers.*
- *It's always been difficult to find managers and highly experienced professionals who want to move from the city. Now we also have the added impact of tighter visa restrictions, so internationals are nearly impossible to employ except on a 6-month basis.*
- *International staff having to leave so they can work somewhere else to qualify for an extended work visa.*
- *Allow international visa staff to work in remote areas in tourism to qualify for 2nd year. It is ridiculous that accommodation, cleaning and customer service jobs are not included in this program.*
- *Relax visa restrictions for tourism in rural areas to enable backpackers to qualify for 2nd year holiday working visa.*
- *The other method would be to grant people on working Visa's a second year if they work in Lorne for 3 months or more in the summer period as it would provide us with a better level of employees to assist with giving tourists great experiences.*
- *Our best method of recruitment has been through overseas staff, and we cannot find people to move to Lorne. (we are) targeting international workers.*

5.5.5.3 Number of Working Holiday Visa Holders Visiting the Study Area

The Working Holiday Visa, unlike other forms of working visas – does not tie visa holders to a particular employer in a specified region and there is no clear data regarding the number of Working Holiday Visa holders that are in the Study Area.

Table 18 has drawn on data from the National Visitor Survey for the Study Area to compare the number of visitors on Working Holiday Visa that have stayed 15 nights or more in each of the SA2s in the Study Area that include the key visitor destinations. A stay of 15 nights or more was selected on the assumption that of the Working Holiday Visa holders staying for that period many be seeking to work during their visit.

The period chosen is the 1Q for the years 2017 to 2019 – 1Q has been selected as it reflects the peak visitor season of the year and when the demand for workers is at its highest.

This data highlights a wide range of variability regarding backpackers, including their frequency of visitation and the areas of the Study Area visited. It is unknown how many of the Working Holiday Visa holders worked during their stay, and if they worked, for how long they worked.

TABLE 18 – NUMBER OF WORKING HOLIDAY VISA HOLDERS VISITING THE STUDY AREA

		Study Area SA2s			
		Corangamite South	**Lorne – Anglesea**	**Otway**	**Torquay**
Period	**Stopover nights**	# **Visitors**	# **Visitors**	# **Visitors**	# **Visitors**
2017 Q1	15 – 30 nights	0	0	0	0
	31 + nights	0	0	0	0
2018 Q1	15 – 30 nights	0	0	113	0
	31 + nights	0	0	113	0
2019 Q1	15 – 30 nights	0	0	0	0
	31 + nights	163	307	0	307
	Totals	**163**	**307**	**227**	**307**

5.5.5.4 High Level of Turnover

The combination of the travelling that backpackers are undertaking and their visa requirements mean that this source of workers while ongoing sees a regular turnover of such workers.

5.5.5.5 Advocacy for Including Tourism Related Employment

Many employers are finding it problematic to find workers. Given that backpackers are already a feature of the Study Area visitor economy workforce it would seem appropriate to advocate to Government to include tourism related work in the specified work required to gain an extension to Working Holiday Visas.

5.5.6 Accommodation for Backpackers

Backpackers are travelling on a small budget and are often seeking low-cost accommodation including camping and 'backpacker hostels'. Some of the hostel-type of accommodation is available in the Study Area – see **Section 6.8.3.** However much of this accommodation is subject to more considerable fees during the peak season.

Backpackers also target camping areas with low or no fees e.g. the Allenvale Mill Camping Area outside of the Lorne township. Sometimes these areas are distant from the town's 'commercial' centre, making it difficult for campers to access employment.

In some cases, backpackers stay in areas where camping is prohibited, e.g. Teddy's Lookout Car Park outside of Lorne or in foreshore areas. Often such camping is undertaken as there is no available and affordable accommodation.

5.5.6.1 Engaging with Backpackers

Backpackers are a feature of the Study Area Visitor economy workforce, and there are opportunities to leverage a range of digital platforms and channels that are relevant to backpackers.

5.5.6.2 Improving Accommodation for Backpackers/Peak Season Workers

Improving the availability of accommodation for backpackers would facilitate the availability of backpackers or peak season workers for businesses in the local economy which in turn support business growth and increased expenditure by backpackers or peak season workers on goods and services from the local economy.

5.5.6.3 Relevant Digital Platforms

Development of a wide range of digital platforms that provide information for backpackers are in operation – some of these are already being used by Study Area visitor economy businesses to promote employment opportunities – see https://www.backpackerjobboard.com.au/jobs-in/geelong/

Engaging backpackers will include leveraging the digital and other networks that have relevance to backpackers – this would need input from backpackers as to the channels they utilise.

5.5.7 Skilled Work Visas

People with Temporary Skilled Work Visas are a source of workers for the Study Area visitor economy. A review of data provided by the Department of Home Affairs regarding the granting of work visas for people with occupations relevant to the visitor economy in the Study Area indicated that eight visas had been issued for the 12 months through to September 2019. This number of Visas represents less than 0.5% of the region's visitor economy jobs.

5.5.7.1 Gaining a Work Related Visa

The Victorian State Government 'welcomes nomination applications from people who meet the eligibility requirements for the varying classes of skilled work visas – see https://liveinmelbourne.vic.gov.au/migrate/skilled-migration-visas/491. The Study Area is eligible for the Skilled Work Regional (Provisional) (subclass 491) Visa. There is a considerable lead time for such visas to be processed i.e. 12 weeks or more and a substantial cost i.e. upward of $20k.

5.5.8 Workers from other Intrastate/Interstate Locations

The demand for workers suggests a need to attract workers from further afield than the larger urban centres highlighted earlier in this Section, including Greater Melbourne, other Victorian regional centres, or from interstate.

Work undertaken by Rural Councils Victoria, of which Colac Otway Shire Council and Corangamite Shire Council are members, has identified many people who reside in such locations and who desire to move to a rural area.

While notionally, this is possible that such workers would need access to affordable accommodation. As noted in **Section 6**, such accommodation is scarce – particularly in the Key Destination SA2s – and there is a long lead time required to increase the availability of such accommodation.

5.6 Securing a Workforce for the Study Area's Visitor Economy

The analysis indicates a need for more than 900 additional workers for the Study Area's Visitor Economy by 2024 – see **Section 4.3.** This estimate does not include the indirect jobs generated by such growth, nor does it include the forecast 1,300 jobs associated with the proposed tourism related investment in the Study Area – see **Section 4.4.4**

5.6.1 Summary of Key Sources of Potential Workers

The following table provides an overview of the potential sources of potential workers for the Study Area's visitor economy.

Source	Pros	Cons
Workers Residing in Key Destination SA2s	Are the largest source of existing workers Are already residing in Key Destination SA2s	▪ The population of younger workers is contracting ▪ Competition for available workers from other sectors ▪ Lack of available work in non-peak season
Workers residing in Larger Urban Centers ▪ Colac ▪ Camperdown ▪ Geelong ▪ Warrnambool	Already form more than 20% of the current workforce Have accommodation	▪ The population of younger workers is contracting in Study Area SA2s – i.e. Colac, Camperdown ▪ Some workers may need accommodation ▪ Long travel times are a major disincentive, and in the case of the Apollo Bay area, Colac is the only viable source of workers. ▪ Much competition for workers from other industry sectors in the Larger Urban Centres
Workers residing in Greater Melbourne, other regional centres	Many people living in these areas are looking to 'sea/tree change.'	▪ Need access to affordable accommodation ▪ Employment networks with other locations are minimal/non-existent
Non -resident older workers	May have accommodation via 'campervan – caravan.'	▪ Need access to 'camping areas' that are not available/at a high cost – in the peak season
Backpackers	Many travel through the Study Area Are an opportunistic source of workers for many businesses	▪ Sporadic presence ▪ Need access to low-cost accommodation that is not available/at a high cost – in the peak season
Skilled Work Visa	Available for an extended period in the same geographic area	▪ Hi cost process to undertake for a business or worker ▪ Need access to affordable accommodation ▪ Very few in the Study Area

5.6.2 Recruitment Targets for the Recruitment of Visitor Economy Workers

The analysis of the Study Area visitor economy workforce points towards some likely targets for recruiting workers to address both current gaps and projected needs for workers.

The high level of seasonality experienced in the Study Area's visitor economy points towards targeting workers who have availability or a desire to work during these periods of high demand – the two key cohorts that may have such availability are:

1. Younger workers – particularly those that are engaged in other endeavours such as study and are available during the summer months of the peak season and when they are not studying;
2. Workers seeking to work additional hours – these workers may already work in the Accommodation and Food Services sector but could also be working in other industry sectors

There is an overlap of the above two groups i.e. young people who work 15 hours or less per week.

There are no clear guidelines as to what a realistic 'target' or expectation is for the further engagement of such workers. It should also be recognised there are a number of:

- Indirect jobs that will be generated across a wide range of industry sectors and this demand will also place pressure on the capacity of the local workforce:
- Other industry sectors seeking additional workers – some of these sectors, like the visitor economy, are characterised by part-time and casual work, i.e. health; administrative services (which includes domestic and commercial cleaning services)
- People work 15 hours or less who do not desire to work additional hours;
- People work 15 hours or less who are unable to work additional hours due to other commitments – e.g. academic study.

5.6.3 Potential Workforce Residing in Key Destination SA2s

Section 3.4 demonstrated that the vast majority of the visitor driven demand occurs in the SA2s, which includes the key visitor destinations.

Table 19 notes that the total pool of persons working 15 hours or less in the Key Destination SA2s is 1,995. 40% of this 'population' is between 15 and 24 years of age.

TABLE 19 – PERSONS WORKING LESS THAN 15 HOURS PER WEEK AND RESIDENT IN KEY DESTINATION SA2S

	Age Cohorts (Years Old Groups)										
Key Destination SA2s	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**45-49**	**50-54**	**55-59**	**60-64**	**Total**
Torquay	357	144	59	95	117	137	99	56	79	86	**1,229**
Lorne – Anglesea	60	38	14	10	10	25	15	15	18	41	**246**
Otway	41	12	6	14	8	10	12	29	24	39	**195**
Corangamite – South	124	24	6	31	17	25	26	19	23	30	**325**
Total	**582**	**218**	**85**	**150**	**152**	**197**	**152**	**119**	**144**	**196**	**1,995**

5.6.3.1 Potential Engagement of Locally Resident Workers

If 5% of the persons working 15 hours or less that reside in the 'Key Destination' SA2s could be attracted to work in the Accommodation and Food Services sector in Year 1, this would see more than 117 potential workers, over 40% of whom would be under 25 years of age.

TABLE 20 – ATTRACTION OF 5% OF PEOPLE WORKING < 15 HOURS PER WEEK

	Age Cohorts (Years Old Groups)										
Key Destination SA2s	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40-44**	**45-49**	**50-54**	**55-59**	**60-64**	**Total**
Torquay	18	8	3	5	6	7	5	3	4	5	**64**
Lorne – Anglesea	3	2	1	1	1	2	1	1	1	3	**16**
Otway	3	1	1	1	1	1	1	2	2	2	**15**
Corangamite – South	7	2	1	2	1	2	2	1	2	2	**22**
Total	**31**	**13**	**6**	**9**	**9**	**12**	**9**	**7**	**9**	**12**	**117**

Given the above, the Key Destination SA2s will be unable to supply the additional workers needed.

5.6.4 Securing Workers from Larger Urban Centres

This report has already identified that the workforce in Key Destination SA2s is already supplemented by workers that reside in larger urban centres both within the Study Area and nearby regional cities. Given that the workforce growth cannot be serviced by workers residing in the Key Destination SA2s alone, there will be a need to secure more workers from these areas.

Within the surrounding regional cities of Geelong and Warrnambool and larger urban centres in the Study Area of Colac and Camperdown, there is collectively a pool of some 15,700 workers currently working 15 hours or less, 50% of whom are under 25 years of age. 80% of these workers are resident in Geelong.

TABLE 21 – PEOPLE RESIDING IN MAJOR URBAN CENTRES WORKING < 15 HOURS/WEEK

Larger Urban Centres	Age Cohorts (Years Old Groups)										
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	Total
Geelong	3,849	2,429	922	830	849	859	731	679	663	667	**12,478**
Colac	248	62	44	59	58	58	53	35	56	45	**718**
Camperdown	39	15	6	14	29	18	9	6	21	16	**173**
Warrnambool	864	306	160	152	181	155	150	127	146	131	**2,372**
Total	**5,000**	**2,812**	**1,132**	**1,055**	**1,117**	**1,090**	**943**	**847**	**886**	**859**	**15,741**

5.6.4.1 *Percentage of Workers Engaged – Key Assumptions*

Not all of these workers will be available to work in the A&FS in the target SA2 locations. Table 22 notes the assumptions made concerning the level of attraction of workers 15 hours or less that reside in a Larger Urban Centre.

TABLE 22 – PERCENTAGE OF WORKERS ENGAGED – KEY ASSUMPTIONS

Larger Urban Centres	Year 1	Year 2	Year 3	Year 4	Year 5
Geelong	2.00%	2.50%	3.00%	3.50%	4.00%
Colac	2.00%	2.20%	2.40%	2.60%	2.80%
Camperdown	0.00%	0.00%	0.00%	0.00%	0.00%
Warrnambool	0.60%	0.75%	0.75%	1.50%	1.60%

Assumptions of the percentage of people working < 15 hours/week that would be attracted to work in the Study Area visitor economy.

From the assumptions noted in **Table 22**, it is forecast that some 290 workers would be attracted to the Study Area visitor economy workforce in Year 1 through an effective marketing and recruitment campaign.

TABLE 23 – TARGET NUMBER OF EMPLOYEES FROM MAJOR URBAN CENTRES - YEAR 1

Major Urban Locations	Age Cohorts (Years Old Groups)										
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	Total
Geelong	77	49	19	17	17	18	15	14	14	14	**254**
Colac	5	2	1	2	2	2	2	1	2	1	**20**
Camperdown	-	-	-	-	-	-	-	-	-	-	**-**
Warrnambool	6	2	1	1	2	1	1	1	1	1	**17**
Total	**88**	**53**	**21**	**20**	**21**	**21**	**18**	**16**	**17**	**16**	**291**

5.6.4.2 *Camperdown Based Workers*

The location of Camperdown relative to the key destination SA2s provides a challenge to engaging the local workforce in the visitor economy workforce see **Section 7.1** The key opportunity for the local workforce is the proposed investment along the Shipwreck Coast for which the investors are noting the need for some 300 jobs. At present, there is uncertainty regarding the likelihood and timeframe of these investments proceeding.

5.6.5 A Forecast for New Workers

A forecast for new workers based on the assumptions regarding the attraction of current workers from the Key Destination SA2s and the Urban Centres is provided in the following table:

	Number of Workers				
Source	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Key Destination SA2s	117	139	158	177	201
Larger Urban Centres	291	362	425	507	571
Accommodated*	28	28	28	28	28
Annual Total	**436**	**529**	**611**	**712**	**800**

***Note:** see **Section 6.8.1**

In Year 1, the proposed solution is expected to deliver some 400 new workers which align with the lower end of the deficit identified by the GORRT member survey. By Year 5, the proposed solution is expected to deliver 800 new workers which align with the number of jobs forecast in the economic analysis. Some 40% of these workers will be likely aged 15 to 24.

6. Affordable Accommodation for the Study Area's Visitor Economy Workforce

The lack of appropriate or affordable accommodation for workers is a barrier to growing the Study Area visitor economy. This report has identified several significant challenges to expanding the availability of such accommodation in the next five years.

OVERVIEW OF FINDINGS

Diversity of Housing
The diversity of housing types is less than that for Victoria in general – and, in particular, the small percentage of semi-detached homes and apartments. A range of factors, including community priorities and the requirements of Bushfire Management Overlays (BMOs) drive this lower density.

Significant Presence of Holiday Homes
There is a substantial presence of holiday homes (i.e. unoccupied residential dwellings) throughout the Study Area – many of these properties are offered via online platforms for short stay rental – and are not available for short or long term rental.

Lower Percentage of Rental Properties
The percentage of properties across the Study Area that are tenured via rental is much lower than is the case for all of Victoria i.e. the availability of properties for rent is much lower. Many properties that were available for long term rental are being offered on the short term/short stay rental market. Online platforms, such as Airbnb are facilitating this change.

Accommodation and Food Services Workers Inability to Afford Current Rent
The average wages and salaries of people working in the Accommodation and Food Services sector suggest that many would require more than 30% of the average weekly income to pay the majority of leases associated with rental properties in the Study Area.

Long Lead Time to Develop Affordable Housing
There is an undersupply of affordable rental properties. The ‘not for profit’ (e.g. Housing Associations) that operate in Victoria would be likely to take several years to be established and deliver rental properties that can be afforded by people on low to moderate incomes in the Study Area. The ‘for profit’ (e.g. build to rent investments) mechanisms that operate in other countries would also take several years to eventuate.

Use of Camping Areas on Public Lands
A range of camping areas located on public sector land operate across the Study Area. Some of these sites could be appropriated or developed for the use of people working in the visitor economy. There may also be opportunities to build affordable hostel-like accommodation on public land in some of the key tourism destinations.

Proposed Worker Accommodation for Major Investments
A number of the investors proposing to develop facilities in the south-west of the Study Area, which includes the Shipwreck Coast and Apollo Bay, are planning to establish onsite and offsite accommodation facilities for their workforce to support the operation of their investments. These developments would be subject to planning approval.

cont. next page

STRATEGIC IMPLICATIONS

There is a need to foster greater availability of rental properties that outside of the short term/short stay rental market and that have rents that can be afforded by many workers in the visitor economy.

However, it is highly unlikely that affordable housing options in the Key Destination SA2s will become available in the short term i.e. within the next three years.

There will be a need to monitor the outcomes of the:

- VPA Key and Essential Worker Housing Supply Action Plan
- Review the recommendations of this project with respect to opportunities for visitor accommodation workers – particularly in key tourism destinations
- Regional Tourism Review:

  Review how the recommendations of the Regional Tourism Review concerning workforce development and worker accommodation can be leveraged to support these issues in the Study Area

Short Term Priorities 1 – 2 years

Business Case for Hostel Development on Public Land.

This Business Case would involve the identification of opportunities to develop hostel-type accommodation on public land including the development of processes to prioritise such accommodation for workers in peak season and other periods of high demand.

Medium Term Priorities 3 – 5 years

Identify how the development of worker accommodation being proposed by major investors in the Shipwreck Coast and Apollo Bay will impact the opportunities for affordable worker accommodation.

Depending on the recommendations/findings of the VPA housing project, there may be opportunities to pursue the development of affordable housing.

Transport Services for Workers

The likelihood of not having access to affordable accommodation within the next few years indicates a need for improved transport services for workers to access the Key Destination SA2s from other Study Area SA2s and nearby regional cities such as Geelong and Warrnambool.

6.1 Feedback from Stakeholders

Feedback from industry stakeholders reinforces the lack of housing for workers both year round and during the peak season. In particular, there is a lack of affordable rental accommodation that is available all year round.

6.1.1 GORRT Member Survey

The survey of GORRT members noted that access to affordable accommodation was affecting their ability to recruit and retain workers.

Questions	Responses	
Potential staff being able to afford accommodation near our workplace	Off-Peak	**33%**
	Peak	**39%**
Potential staff being able to find accommodation near our workplace	Off-Peak	**31%**
	Peak	**39%**

Question	Responses	
Access to affordable accommodation for workers	Off-Peak	**33%**
	Peak	**41%**

Comments made by survey respondents included the following:

- *Affordable housing is an issue with lower level staff being able to live in our towns*
- *It's extremely challenging to find staff, as there are so little rental units available on our coast. All rentals have become Airbnb's, making it challenging for summer staff to find accommodation, therefore making it hard for us to find staff.*
- *The quantity and quality of staff available in Lorne is very poor due to the size of the tourism industry and the lack of housing and then affordable housing. For instance, I couldn't employee a chef who has a family as they will not find accommodation, or it will be well outside of their ability to pay.*
- *Recruiting is challenging because there are not enough part-time rentals in Apollo bay. Retaining workers is not an issue.*
- *Recruitment is difficult due to our location (1100 permanent residents with a median age of 52), then to add the cost of accommodation or lack of it even for peak season and the volume of travellers we have on the Great Ocean Road during this time makes it extremely difficult. Most of all, it also means that the quality of people we get providing services for guests is also hampered. As a result, it's not the best advocacy for tourism.*
- *Accommodation is the biggest issue, and the next would be the ability to find the same type of role closer to home with no travel required, e.g. Airey's Inlet, Torquay, Anglesea.*
- *Access to affordable accommodation to attract staff from out of town so they might decide to stay longer or ongoing.*
- *Affordable housing for full-time employees and their families to grow the town and most of all then assist with the off-peak season in both employment but also trade through the local shops. Lorne needs around another 500 people in the town to make it work from a town, tourism perspective.*
- *Assistance for workers to find housing Apollo Bay, focus on providing affordable housing for staff of local businesses.*

6.1.2 Feedback from Real Estate Agents

Real estate agents noted:

- There is a shortage of rental properties and that they had many people on waiting lists
- There are many rental properties available for:
  - Short term rental outside of the peak holiday season
    - In the main, these are holiday homes are being made available for rent when not being used by the owners
    - Builders working on a project in the town or nearby are taking up the short term rentals
  - Available during the peak season at high weekly rentals
    - Often there are permanent homes whose owners make available for rent during the peak season while they live elsewhere. Usually, this in accommodation that is less costly than they the rent the owners are charging for their properties, e.g. camping/caravan sites
- Many properties that had been previously available for long term rental lease are now only available for short term rental through online platforms such as Airbnb
- Property owners who have rental properties are removing them from the long-term rental market as they are concerned or unsure as to what their obligations will be due to recent and mooted changes to the Residential Tenancy Act
- Companies involved in construction projects in the region, e.g. wind farm construction, are bringing in workers who are highly subsidised for their accommodation costs by the construction companies. This demand is impacting both the:
  - Availability of rental properties; and the
  - Rent being asked for rental properties.

6.1.3 Feedback from Operators

The feedback from operators varied regarding worker accommodation:

- Many operators play no active role in finding accommodation for workers
- Some operators
  - Provide accommodation within the footprint of their operation
  - Rent properties that they make available to workers – at least in the short term
  - Utilise their local networks to identify accommodation for their workers.

6.1.4 Feedback from Key Investors

Some investors have recognised that there is a need to provide accommodation for workers. This recognition is particularly the case for those investors that are seeking to establish developments along the Shipwreck Coast. Their approach varies from:

- Relying on an operator that they will appoint to manage the proposed development to resolve the accommodation requirements
- Utilise their local networks to identify accommodation for their workers
- Provide accommodation within the footprint of their operations
- Developing separate accommodation facilities that can accommodate up to 100 workers in both Port Campbell and Apollo Bay.

6.1.5 Feedback from Local Government Stakeholders

The Local Government stakeholders support accommodation outcomes that foster the growth of the visitor economy workforce, and that grow the population of workforce age people residing in the respective LGAs.

6.2 Residential Dwellings in the Study Area

This section provides an analysis of ABS Census data for residential dwellings across the Study Area

6.2.1 Number of Residential Dwellings

Table 24 notes the total number of dwellings in each of the Study Area LGAs. It highlights the significant percentage of unoccupied private dwellings compared to Victoria as a whole. Section 6.2.5 provides a detailed discussion regarding unoccupied private dwellings.

TABLE 24 – NUMBER OF RESIDENTIAL DWELLINGS

	Surf Coast		Colac Otway		Corangamite		Victoria
Type	**Dwellings**	**%**	**Dwellings**	**%**	**Dwellings**	**%**	**%**
Occupied private dwellings	11,029	59.9%	8,662	73.8%	6,484	83.6%	88.8%
Unoccupied private dwellings	7,337	39.9%	3,012	25.7%	1,211	15.6%	11.0%
Non-private dwellings*	43	0.2%	68	0.6%	58	0.8%	0.2%
	18,409		11,742		7,753		

***Note:** Non-private dwellings provide a communal or transitory type of accommodation and include hotels, motels, guest houses, prisons, religious and charitable institutions, boarding schools, defence establishments, hospitals and other communal dwellings. Most non-private dwellings in the Study Area are assumed to be hotels, motels, or guest houses.

6.2.2 Average Person per Household

The average person per household varies slightly across each of the Study Area LGAs as indicated in **Table 25.**

TABLE 25 – AVERAGE PERSON PER HOUSEHOLD

	Surf Coast	Colac Otway	Corangamite	Victoria
Average Persons per Household	2.6	2.3	2.4	2.6

The average person per household indicates that to support an additional 50 people living in the Surf Coast LGA that there would need to be 50/2.6 = 19.2 additional residential dwellings.

This need for additional residential dwellings has implications for supporting the attraction of workers to live and work in the Study Area visitor economy through expanding the availability of affordable housing.

6.2.3 Housing Density

The analysis of dwelling structure highlights that there is a lower housing density in the Study Area LGAs than is the case for Victoria as a whole as identified in **Figure 12 – Study Area Housing Density.**

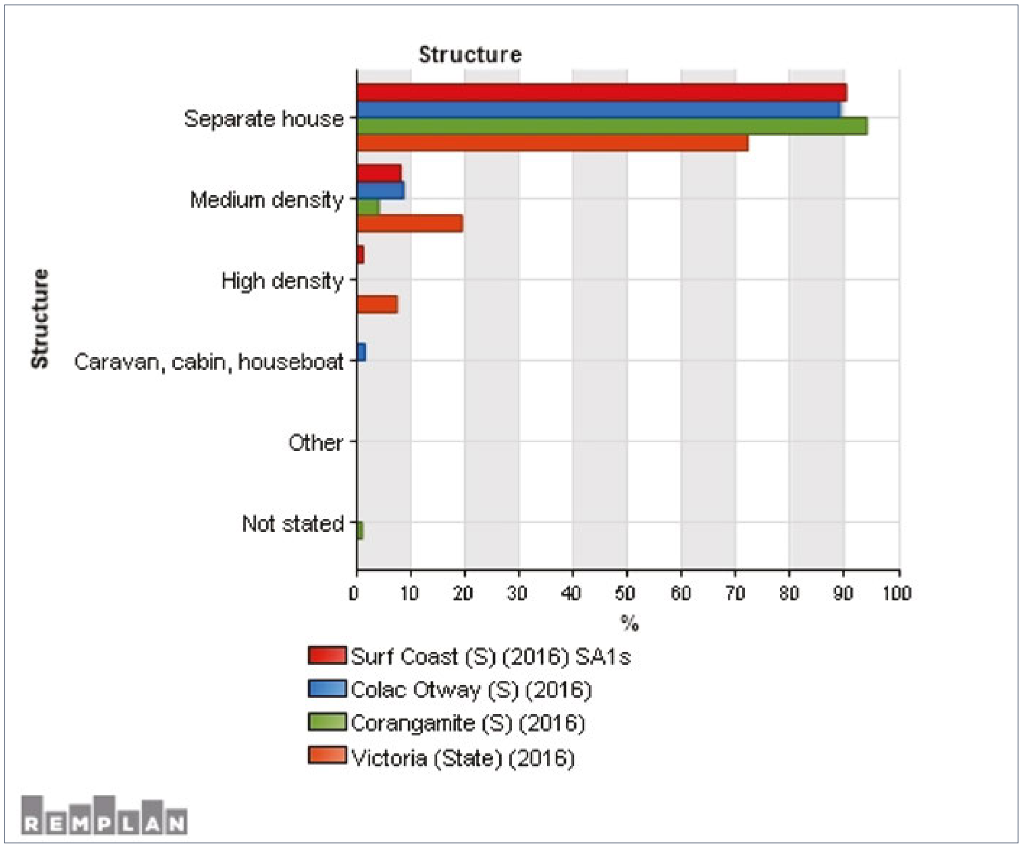
Housing density has implications for the development of affordable housing in that medium/high-density housing:

- Often has a lower cost in the private residential market
- Enables more people to reside within the same footprint of land.

The analysis indicates:

- A higher concentration of Separate Houses in each of the Study Area LGAs than is the case for Victoria as a whole. Across the all Study Area LGAs the percentage of Separate Houses exceeds 88% which contrasts to 73% for Victoria
- A lower percentage of medium and high density housing in all Study Area LGAs than is the case for Victoria as a whole.

FIGURE 12 – STUDY AREA HOUSING DENSITY



The lower density housing profile of the LGAs reflect:

- Community preferences for lower density housing
- A large number of holiday homes that often accommodate extended families and friends
- Extensive rural areas with few or no residential dwellings

Many of the coastal towns along the Study Area that are popular with visitors and therefore have active visitor economies that require workers also have limited residential zone land for the development of housing due to:

- Local planning schemes that have Structure Plans with town boundaries outside of which there can be no residential development other than what the planning scheme for rural zoned land allows; and or
- Being, at least in part bordered by National Parks and State Forests
- Bushfire Management Overlays (BMO) which may restrict the footprint allowed for residential dwellings on properties– much of the Study Area is subject to BMOs.

6.2.3.1 Housing Density in Study Area Towns and Areas

Table 26 provides data regarding the mix of housing density of Occupied Residential Dwellings in the towns and areas of the Study Area that experience high levels of visitation. The mix of housing density reflects the broader LGA profiles

TABLE 26 – HOUSING DENSITY IN STUDY AREA TOWNS AND AREAS

LGAs, Areas & Towns	Total Dwellings	Occupied Residential Dwellings – Type					
		Separate House		Medium Density		Hi Density	
	#	#	%	#	%	#	%
Surf Coast	18,213	9358	92.1%	586	5.8%	134	1.3%
Torquay SA2	9,035	5,588	90.2%	543	8.8%	51	0.8%
Anglesea	2,922	908	92.3%	24	2.4%	37	3.8%
Aireys Inlet	1,579	417	98.1%	0	0	4	0.9%
Lorne	1,806	304	85.2%	13	3.6%	24	6.7%
Winchelsea SA2	2,453	1,963	98.1%	3	0.1%	9	0.4%
Colac Otway	11,675	7,262	90.7%	567	7.1%	52	0.6%
Apollo Bay	1,447	433	80.9%	50	9.3%	30	5.6%
Otway SA2	3,652	1,205	89.6%	56	4.2%	30	2.2%
Corangamite	7,697	5,697	94.4%	107	1.8%	133	2.2%
Port Campbell	226	73	84.9%	0	0	3	3.5%
Victoria			**73.2%**		**14.2%**		**11.6%**

6.2.4 Unoccupied Residential Dwellings

The data provided in Table 27-confirms what is already widely understood regarding the significant number of Unoccupied Residential Dwellings which number more than 23,300 across the region. As a percentage of all residential dwellings Unoccupied Residential Dwellings is well above that for Victoria as a whole.

Surf Coast Shire has the highest percentage of Unoccupied Residential Dwellings within the Study Area with:

- Anglesea, Aireys Inlet/Fairhaven and Lorne having the highest percentages in the Study Area
- Torquay SA2's percentage of Unoccupied Residential Dwellings being higher than that for Victoria but also reflecting the towns larger residential population.

Colac Otway Shire LGA has a significant percentage of Unoccupied Residential Dwellings in areas of high visitation – i.e. the Otway SA2 (which includes Forest) and Apollo Bay in particular.

Corangamite Shire has the lowest percentage of Unoccupied Residential Dwellings within the Study Area – but with Port Campbell having more than 50% of its residential dwellings being unoccupied

6.2.4.1 Comparison with other Tourism Regions

The percentage of Unoccupied Residential Dwellings across the Study Area is consistent with that for other major 'coastal/hinterland' tourism regions in the Bellarine Peninsula and the Mornington Peninsula.

The Bass Coast LGA, which includes Phillip Island, has a higher percentage of Unoccupied Residential Dwellings than the Study Area and also has a similar number of such properties as the Study Area. The significant presence of Unoccupied Residential Dwellings was leveraged for housing the workforce during the construction of the Wonthaggi Desalination Plant – see **Section 6.9.4**

TABLE 27 - UNOCCUPIED RESIDENTIAL DWELLINGS

LGAs	Areas & Towns	All Dwellings	Unoccupied Residential Dwellings	
		#	#	%
Surf Coast		18,213	7,332	41.9%
Colac Otway		11,675	3,015	27.4%
Corangamite		7,697	1,210	16.7%
		Total	**11,557**	**30.7%**
Surf Coast	Lorne	1,806	1,363	79.2%
Surf Coast	Aireys Inlet	1,579	1,154	73.1%
Surf Coast	Anglesea	2,922	1,826	65.0%
Colac Otway	Apollo Bay	1,447	826	60.7%
Colac Otway	Otway SA2	3,652	2,067	60.6%
Corangamite	Port Campbell	226	88	50.6%
Surf Coast	Torquay SA2	9,035	2,497	28.7%
Corangamite	Corangamite Nth SA2	2,502	477	19.1%
Colac Otway	Colac Region SA2	2,311	351	15.2%
Surf Coast	Winchelsea SA2	2,453	345	14.7%
Colac Otway	Colac SA2	5,295	602	11.4%
Corangamite	Camperdown SA2	1,587	180	11.3%
Bellarine Peninsula (SED)			8,834	28.6%
Mornington Peninsula			27,890	32.6%
Bass Coast			11,423	46.4%
Victoria				11.7%

6.2.4.2 Areas of Lower Visitation

When contrasted against areas of the Study Area that do not experience relatively high levels of visitation the percentage of Unoccupied Residential Dwellings reflects the lower *direct impact of the visitor economy in these towns and areas within the Study Area e.g. Winchelsea SA2, Colac, and Camperdown.

6.2.5 Holiday Homes

The high percentage of Unoccupied Residential Dwellings can largely be attributed to the significant number of 'holiday homes' across the Study Area. The feedback from stakeholders is that many of these homes are made available for:

- Construction firms utilise short term rental particularly in the 'low season' to accommodate their workers for construction projects such as wind farms or residential and commercial buildings
- 'Short stays' – with many property owners are utilising online platforms such as Airbnb to facilitate the availability of their properties for short stay rental.

6.2.5.1 Peak Season Rentals

Many owners of residential dwellings rent their properties for a time during the peak season typically during January. These property owners can attain weekly rentals significantly above that for long term rental, e.g. using Lorne as an example.

Short term rental	4 weeks @ $4,500/week = $18,000
Long term rental	52 weeks @ $350/week = $18,200

In such a scenario, property owners can generate rental revenue and still have access to the property during significant periods of the year. Many property owners use this revenue to help fund their purchase of the property (via mortgage repayments).

6.3 Analysis of ABS Rental Data for the Study Area

Table 28 provides a summary of 2016 ABS Census data relating to rental tenure for the LGAs and key tourism towns in the Study Area.

TABLE 28 – RENTED TENURE OF OCCUPIED DWELLINGS

LGAs, Areas & Towns	# Residential Dwellings	Rented Tenure of Occupied Dwellings	# Rented Dwellings	% of all Dwellings Rented
Surf Coast	**18,213**	**20.6%**	**2,180**	**12%**
Torquay SA2	9,035	22.2%	1,430	16%
Anglesea	2,922	20.8%	213	7%
Lorne	1,806	30.7%	115	6%
Winchelsea SA2	2,453	14.8%	310	13%
Colac Otway	**11,675**	**22.8%**	**1,933**	**17%**
Apollo Bay	1,447	36.1%	205	14%
Otway SA2	3,652	24.2%	348	10%
Corangamite	**7,697**	**21.8%**	**1,398**	**18%**
Port Campbell	226	38.8%	43	19%
Totals	**37,585**	**Total**	**5,511**	**15%**
Bellarine Peninsula (SED)		19.3%		14%
Mornington Peninsula		20.8%		14%
Bass Coast		25.2%		14%
Victoria		28.7%		25%

6.3.1 Occupied Residential Dwellings with Rental Tenure

As an overall percentage, the number of occupied residential dwellings that are occupied by rented tenure is less in each of the Study Area LGAs than that for all of Victoria.

This percentage varies for Lorne, Apollo Bay and Port Campbell, which all have a higher percentage than their respective LGAs and for all of Victoria. These towns also have a high number of holiday homes and the higher percentage of rental tenure may suggest that many holiday homeowners are supporting the funding of the purchase of their holiday home through rental income.

6.3.2 Low Level of Rented Properties

The percentage of all residential dwellings that have long term rental leases (i.e. 12 months plus) is less in each of the Study Area LGAs than for all of Victoria.

This rate has implications for the low availability of rental properties – this low availability is consistent with feedback from stakeholders who have noted that:

- There are no rental properties available in some areas
- Many properties are only available for short stays; this is facilitated by online platforms such as Airbnb
- There is an active market for short term rentals (i.e. less than 12 months) – much of this market are builders who are working on a local project
- Many property owners are withdrawing their properties from the rental market as they are unsure of their obligations under current/mooted changes to the Residential Tenancies Act and are making their properties available for short stays.

6.3.3 Median Weekly Rent

Table 29 provides a breakdown of the median weekly rents across the Study Area and a comparison with that for Victoria. The median weekly rent represents the midpoint at which 50% of the number of properties is less than the median value, and 50% are more. The suggests that for the Surf Coast, which has the highest median rental value of the Study Area LGAs, that there would be some 1,000 properties for which the rent is less than $363 per week.

TABLE 29 – MEDIAN WEEKLY RENT – STUDY AREAS

LGAs, Areas & Towns	Median Weekly Rent
Surf Coast	$363
Torquay SA2	$400
Anglesea	$320
Lorne	$348
Winchelsea SA2	$240
Colac Otway	$210
Apollo Bay	$250
Otway SA2	$245
Corangamite	$170
Port Campbell	$240
Bellarine Peninsula (SED)	$305
Mornington Peninsula	$310
Bass Coast	$250
Victoria	$325

6.3.4 Affordability of Rental Properties for Accommodation and Food Services Workers

Table 30 provides a comparison across the Study Area of median weekly rents with the average weekly income for Accommodation and Food Services workers across the region. The comparison identifies that Accommodation and Food Services workers are in the main unable to afford rentals in most of the areas of high visitation (i.e., where they predominantly work).

TABLE 30 – AFFORDABILITY OF RENTAL PROPERTIES FOR ACCOMMODATION AND FOOD SERVICES WORKERS

LGAs, Areas & Towns	Average Weekly Income (AWI) for A&FS Sector	% of Sector Workers with income < / = to AWI	Median Weekly Rent	30% of AWI	30% of AWI – Median Weekly Rent
Surf Coast	$770	71.4%	$363	$230	($133)
Torquay SA2	$800		$400	$240	($160)
Anglesea	$760		$320	$230	($90)
Lorne	$800		$348	$240	($108)
Winchelsea SA2	$760		$240	$220	($20)
Colac Otway	$760	77.5%	$210	$230	$20
Apollo Bay	$790		$250	$240	($10)
Otway SA2	$800		$245	$240	($5)
Corangamite	$760	79.7%	$170	$230	$60
Port Campbell	$770		$240	$230	($10)
Victoria	$730	73.3%	$325	$220	($105)

6.4 Availability of Residential Land

The development of accommodation for workers is a function of the availability of land zoned for residential development and use.

There is a high demand for residential land, particularly in areas and towns that are key tourism destinations across the Study Area. This demand generates premium prices for such land, which impacts the cost of housing and the availability of affordable housing options.

6.4.1 Distinctive Area and Landscape – Surf Coast

The Victorian Government has declared the Surf Coast as a Distinctive Area and Landscape – see https://engage.vic.gov.au/distinctive-areas-and-landscapes-program. This program is to protect the significant economic, environmental, cultural and community values found in the peri-urban areas surrounding Melbourne, Geelong and other regional cities. They have unique environments with productive and scenic landscapes, and due to their proximity to Melbourne and other regional cities, they are under pressure from urban encroachment and growing visitor numbers.

The process to prepare a Statement of Planning Policy (SPP for land within the declared area to coordinate decision making for land use and development is underway. The SPP will Introduce the opportunity for protected settlement boundaries for townships – like Melbourne's urban growth boundary. The SPP will likely see a definite limit to residential development within the Surf Coast LGA.

6.4.2 Corangamite Shire – Residential Rezoning

Corangamite Shire Council is currently undertaking a process to rezone land in both Timboon and Simpson for residential use. This Report assumes that this will take a minimum of two years to make the amendments to the local planning scheme required to accommodate the rezoning.

From the perspective visitor economy perspective, the demand for additional workers in the Corangamite Shire LGA will largely coincide with the development and establishment of the significant investment proposed along the Shipwreck Coast – see Accommodation Investments.

One of the key investors on the Shipwreck Coast is proposing to accommodate most of the workers they require in Port Campbell and Apollo Bay. However, there will likely be some workers who have a preference to reside in Timboon or Simpson for a range of reasons including access to schools for children (there is no school in Port Campbell), and other work locations for other family members.

This Report assumes that there will be demand for this residential land from people who are working locally or in Warrnambool, which is experiencing significant growth in employment.

6.4.2.1 Housing Affordability

The 2016 ABS Census notes that some 25% of occupied residential dwellings in Simpson are subject to rental tenure and that median rent in Simpson is $100 per week which is highly affordable should such properties be available.

The 2016 ABS Census notes that some 21% of occupied residential dwellings in Timboon are subject to rental tenure and that median rent in Simpson is 215 per week which is highly affordable should such properties be available. The feedback from a Timboon real estate agent was that there were no rental properties available in Timboon, and there is a high demand for rental properties.

This Report that market forces will apply in either Simpson or Timboon about the demand and that the availability of additional residential land may not deliver affordable housing.

6.5 Australian Housing and Urban Research Institute (AHURI)

AHURI has recently released research into the availability of rental housing – The supply of affordable private rental housing in Australian cities: short-term and longer-term changes see https://www.ahuri.edu.au/research/final-reports/323 The research notes that:

1. There is an urgent need to develop additional rental housing affordable by Q1 households that is, below 2016 $202 per week—as the private rental market does not generate rentals at this level even when there is an overall increase in supply. It is also essential that rents be kept at affordable levels for the Q1 households.

   The only practical means of doing this appears to be a substantial capital investment in new social housing supply with appropriate management models for allocation to households and to retain affordable rents. AHURI's research suggests that at least 200,000 additional units are currently needed, requiring a minimum program of 20,000 new units a year for ten years.

2. Policy development is required to improve the increasing problems of availability of affordable dwellings for Q2 renter households who can afford rents up to $355 per week.

   This would appear to be the market for new types of affordable housing and could include a variety of:

   - Not-for-profit models (such as housing associations, community housing providers) – see **Section 6.6**; and
   - For-profit models (such as Build to Rent) – see **Section 6.7**

6.6 Social and Community Housing

Social housing addresses a range of acute and ongoing housing needs, including access to affordable housing options for people and families with low incomes.

6.6.1 Demand for Social Housing – Victorian Housing Register

The Victorian Housing Register – see https://www.housing.vic.gov.au/victorian-housing-register – identifies at September 2019 there were more than 3,000 applications for social housing in the Barwon region, which includes Study Area LGAs.

Area (office)	Priority Access	Register of Interest	Total
Barwon (Geelong)	2,004	1,065	3,069

The Council for Homeless Persons has identified that 1,260 properties must be built in the next three years to meet Geelong's demand for social housing.

6.1.1.1 Social Housing Fund

The Victorian Government has announced its intention to 'develop around 6,000 social housing homes and apartments'. – see https://www.vic.gov.au/our-plan-create-more-social-and-community-housing The housing will be a program of developing new homes, renewing existing homes and improving the management of social housing. The Government has announced the creation of a $1 billion social housing growth fund. The fund will support innovative partnerships between the Victorian Government and other sectors. The State Government has noted that is will work with the community housing sector, private developers, not for profit organisations and local government.

6.6.2 Housing Associations

Housing associations are larger, more complex businesses with the skills, expertise and resources to manage, maintain and grow a viable social housing portfolio. They expand new housing through construction, purchase or acquisition, using a mix of government funds and private sector investment. They also manage housing properties owned by them or leased from other parties, such as the Director of Housing.

Housing Associations have to register with the State Government, and there are currently ten registered housing associations in Victoria – see http://www.housingregistrar.vic.gov.au/Who-we-regulate/Housing-associations. Collectively these registered associations own or manage more than 20,300 properties and have a turnover of more than $191.5m.

6.6.2.1 *National Rental Affordability Scheme (NRAS)*

The National Rental Affordability Scheme (NRAS) is a partnership between the Australian, state and territory governments to invest in affordable rental housing for low and moderate income earners

The properties are owned and managed privately by non-government organisations, like private developers. They are not government property. The properties are rented to people who are eligible and registered for the scheme. There are properties in most metropolitan areas and some regional towns in Victoria.

There are no properties or tenancy managers in the Study Area.

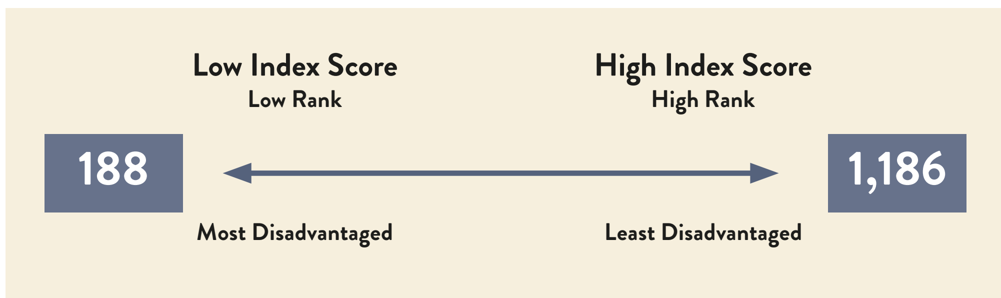
6.6.2.2 *Housing Providers*

Housing providers range in size and primarily manage rental housing portfolios for other parties, such as the Director of Housing (DoH). Some housing providers own properties; however, their growth is small scale compared with housing associations. Housing providers often specialise in particular client groups which may include disability housing, aged tenants and youth housing.

The Registered Housing Sector has 29 registered providers, including BAYSA, which operates across the Barwon South-Western Region. These providers target groups include young people who are homeless or at risk of homelessness and low income earners at risk of being unable to maintain accommodation in the private rental market.

6.6.3 SIEFA Scores

Socio Economic Indexes for Areas (SEIFA) is a suite of indexes that have been created by the Australian Bureau of Statistics (ABS) from social and economic Census information. Each index ranks geographic areas across Australia in terms of their relative socio-economic advantage and disadvantage.



A low score indicates a relatively greater disadvantage in general. For example, an area could have a low score if there are (among other things): many households with low income, many people with no qualifications, or many people in low skill occupations.

A high score indicates a relative lack of disadvantage in general. For example, an area may have a high score if there are (among other things): few households with low incomes, few people with no qualifications, and few people in low skilled occupations.

The SEIFA score for the Study Area LGAs indicate that the Colac Otway LGA is the most disadvantaged of the three LGAs

TABLE 31 – LGA SIEFA SCORES

LGA	SIEFA Score	Rank*	No of LGAs more that are more disadvantaged
Surf Coast	1,077	518/544	517
Colac Otway	961	221/544	220
Corangamite	977	277/544	276

***Note** – rank amongst the 544 LGAs in Australia

6.6.3.1 *Families Living in State or Community Housing*

2016 ABS Census data relating to 'landlord type' indicates that the Colac Otway LGA has a higher percentage of families residing in properties operated by the State Government or by a form of a housing association.

TABLE 32 – FAMILIES LIVING IN STATE OR COMMUNITY HOUSING

LGAs	State Housing Authority		Community Housing	
	No of Families	% of All Families	No of Families	% of All Families
Surf Coast	47	2.0%	18	0.8%
Colac Otway	245	12.8%	68	3.6%
Corangamite	128	9.0%	9	0.6%
Victoria		8.3%		1.6%

6.6.3.2 *Most Probable Location for Social Housing in Study Area*

Should social housing be developed in the Study Area, then the SEIFA scores indicate that it is most likely to be in the Colac Otway LGA and most likely in the Colac urban area. This location is some distance from key tourism destinations in the region. It would require residents to travel to likely Apollo Bay, Forrest or Lorne to work in the visitor economy.

6.6.4 G21 Addressing Disadvantage Through Affordable Social Housing

G21 includes the Surf Coast and Colac Otway Shire Councils. The G21 Addressing Disadvantage Through Affordable Housing position paper highlighted a looming crisis in the supply of affordable social housing across the G21 region and was released in 2016. The G21 position paper makes several recommendations, including that:

- The Commonwealth Rent Assistance Scheme be recognised as vital for delivering future growth of social and affordable housing
- The state government develop a long-term strategy for the stainability and growth of public housing stock
- All levels of government urgently examine funding opportunities to develop new social housing in the G21 region.

6.6.5 Requirements for a Housing Association Accommodation Solution for the Study Area

The development of affordable housing for workers in the Study Area is possible through the work of a housing association model – such an approach would require:

- Attracting the investment needed to undertake the development of affordable housing options

  Given the undersupply of affordable options – see **Section 6.5** – there is a high level of competition for funds for the development of affordable options
- The acquisition or 'gifting' of land that to be used for residential development
- The availability of such land is problematic particularly in the locations within the Study Area where there are high levels of visitation – see **Section 3.2**
- Time to development the volume of housing required

  The forecast demand for employment in the visitor economy, as well as in other industry sectors, suggests a significant amount of affordable housing is needed.

6.6.6 Lorne Community Housing Concept

The Committee for Lorne is considering the use of the land on the Lorne Golf Course for the development of medium density affordable housing; included in this concept is the:

- Land, and the residential properties on the land would remain in the ownership of a 'community trust' and not become subject to the private residential market i.e. similar to a community housing scheme – see **Section 6.6.2**
- A percentage of the rent paid by tenants of the properties would be held in trust for the tenants and used as a contribution towards the tenant's purchase of housing elsewhere
- The land provided on the golf course for the housing development would be offset by the redevelopment of land adjoining the current golf course to enable the golf course to continue as a nine-hole golf facility.

The actual funding required for this development, and the source the funding concept is yet to be identified.

6.6.6.1 Key Assumptions

While the Committee has provided no costings for Lorne, this Report makes the following assumptions regarding the development of the concept (assuming that it meets planning requirements and the local community supports the development).

Cost of Land	**Gifted to the Development**	**$0**
Development of site services	water, sewer, power, paths	$500,000
Construction of 2 bed units	30 @ $250,000/unit	$7,500,000
Development of new golf hole	replace gifted land	$150,000
	Total	**$8,150,000**

The development would generate a rental income based on what is affordable for the average weekly income for Accommodation and Food Services workers. The 30 units would generate some $380,000 in rental income per annum. It is assumed that the is housing development would pay annual rates to the Surf Coast Shire Council.

6.6.7 Key Assumptions for a Social Housing Solution for Visitor Economy Workers

This strategy makes the following assumptions regarding social housing and its impact on accommodation for the Study Area visitor economy workers.

- There is no clear indication that social housing is to be developed in the Study Area in the next 5 years
- Social housing will be developed and not within the timeframe of this Strategy i.e. within the next 5 years
- Social housing is unlikely to be developed in the key tourism destinations.

Given the above, it is not considered to be a strategic priority for implementation.

6.7 Build-to-Rent

AHURI notes that 'Build to rent' is the process whereby developers and their financiers build multi-unit buildings and, instead of selling the units, retain them to rent to tenant households. Rents may be set at market rent or, for affordable and social housing, at an appropriate discount to market rents. see https://www.ahuri.edu.au/policy/ahuri-briefs/could-build-to-rent-create-affordable-rental-housing

'Build to rent' is an established practice in both the UK and USA but has yet to be fully taken up in Australia. In 2002, AHURI research identified a number of barriers for institutional investment in the Australian market, which reflected the market conditions at the time of the published research in the early 2000s, included low returns, high risk and no track record

All these reasons meant that, at the time of the AHURI research, the risk-adjusted rate of return was insufficient to attract institutional investors into providing rental housing. However, recent media coverage suggests that market conditions have changed and 'build to rent' has become a more attractive development option.

6.7.1 Key Conditions for Affordable Build to Rent Housing

While such developments will increase the overall rental supply, they may not necessarily target rental properties for lower income households. To increase the supply of affordable rental and social housing, governments at all levels will need to provide economic support to developers, such as through tax incentives, discounted ex-government land or changes to planning laws that allow developers to increase site densities.

6.7.2 Key Assumptions for a Build to Rent Solution for Visitor Economy Workers

This strategy makes the following assumptions regarding a Build to Rent solution and its impact on accommodation for the Study Area visitor economy workers.

- There is no clear timetable for the development of policy required to facilitate the development of Build to Rent. This Report assumes that this will not occur within the timeframe of this Strategy i.e. within the next five years
- The availability of discounted land, either private or government owned, is unlikely in the key tourism destinations
- The housing densities required to make a Build to Rent development feasible are unlikely to be achieved in key tourism destinations – see Section 6.2.3

6.8 Camping Areas and Hostels

The Study Area has several camping areas located in key tourism destinations; these areas cater for a mix of cabins, caravan/campervan sites and camping sites and are operated by a mix of:

- Commercial operators on privately held land
- Committee of Management – i.e. Great Ocean Road Coast (GORC) – on public land
- Councils on public land.

6.8.1 Cabins for Worker Accommodation

This Report has considered the option of using cabins in these parks for worker accommodation during the peak season. This option assumed that the cabins:

- Are provided to workers for low season rates – or less
- The cabin operator would be willing to forgo some rental revenue during high season
- Would be located on public land; in this instance, the decision to offer lower rates is more of a policy decision to forgo revenue Rather than strictly a commercial decision as would be the case if these cabins were on privately owned land
- Be used by visitors when not being used by workers at the seasonal rate.

6.8.1.1 Purchase of Additional Cabins

The option also considered the cost and benefits associated with the purchase of additional cabins that could be located at camping parks that operate on 'public land' in key destinations. This concept also assumes that cabins that are portable and are likely to be permissible under BMO requirements. The advice from Great Ocean Road Coastal Committee that the cost of a 2 bedroom cabin was between $80 and $120k.

6.8.1.2 Possible Sites for Cabins for Worker Accommodation

While all key destination towns would benefit from the additional availability of accommodation options, the Report considered Lorne as a potential location for this option due to the combination of:

- A small working age population
- The distance of Lorne from larger populations, e.g. Torquay, Colac, Geelong, accommodation would negate the need to travel
- A significant number of 'camping' sites on public land that could be used to site the cabins.Apollo Bay would also be a high priority for this option due to its relative distance from larger urban centres, see Section 7.1.1 However, there appears few, if any, available camping sites on public land within the town precinct.

6.8.1.3 Cabin Rental Rates

Cabins vary in daily/weekly costs according to peak and low season, weekends and public holidays – e.g.

Park	Lorne Foreshore Caravan Park – 2 bedroom cabin
High season rate	$245/night – equates to $1,715 per week
Low season rate	$160/night – equates to $1,120 per week
Median rent – Lorne	$348/week – see Section 6.3.3

When compared to median rent, the cabins would need to be provided at a rate far less than the low season rate to be of a similar cost for workers.

A rental property may house at least two or more people making the occupant's share of the weekly rent. This contrast is particularly stark when it is assumed that a rate much less than the cost of the share of using a cabin with one other person.

6.8.1.4 Financial Modelling of the Option

The financial modelling of this option considered the implications of the addition of 12 cabins rented at a 'low' season rate. The detailed financial modelling is provided in Appendix III.

The modelling identified a significantly higher cost per worker than the cost of transporting workers.

6.8.2 Conclusion

The Report has not recommended the option of using cabins to accommodate workers for the following reasons:

- The financial modelling notes a significantly higher cost per worker – the cabins would need to cost in the vicinity of $20-25K to be comparable in cost with the transport option
- The likely net loss of spend in the local economy, i.e. loss of high season income to the operator (and the spend of the visitors using the cabin) far exceeds the discretionary spend of the workers using the cabins
- The option meets a very small percentage of the overall demand for workers, i.e. 12 cabins that accommodate 28 workers over the peak season; the option is not scalable for a range reasons including:
    - The significant capital required to acquire more cabins
    - The limit of space in parks operating on public lands available to site additional cabins
    - The likely objection to the loss of camping/caravan space from regular visitors.

6.8.3 Hostel Accommodation

Several hostel facilities that provide 'low cost' accommodation are operating in a key tourism destination across the Study Area. A mix of private and not for profit operators e.g. Youth Hostels Australia operate the hostels. The room rates for the hostels vary across locations and the time of year.

6.8.3.1 Potential Options

Additional hostel facilities may provide options for worker accommodation. As with 'cabins', operators of hostels located on public land could make a policy decision to forgo high season revenue and accommodate workers at low season rates.

Potential sites for the development of such hostels may include:

- Lorne – Queens Park; this option has been considered before by GORC but was objected to by nearby residents and subsequently not pursued
- Forrest – Forrest Recreation Reserve; the development of this facility could leverage the amenities available at the existing change rooms.

6.9 Other Relevant Studies and Projects

There is wider recognition of the need for increased access to affordable housing options.

6.9.1 Rural Councils Victoria Workforce Development Plan

The Rural Councils Victoria Workforce Development Plan recommending support for more housing options for workers seeking to relocate to rural Victoria – see https://s3-ap-southeast-2.amazonaws.com/dutchmedia-static-ruralcvic/wp-content/uploads/2019/06/28162316/Rural-Workforce-Development-Plan-Final.pdf

6.9.2 Key and Essential Worker Housing Supply Action Plan

The Key and Essential Worker Housing Supply Action Plan being undertaken by the Victorian Planning Authority in collaboration with the Moyne, Corangamite, Colac Otway and Surf Coast Shire Councils.

The purpose of the Key and Essential Worker Housing Supply Action Plan is to identify mechanisms to increase the supply of rental and permanent accommodation for workers from a range of industries across the Great South Coast and Barwon Regions.

The project will deliver a report in mid-2020 and is considering a range of options including:

- Development bonus to incentivise the provision of housing and infill development opportunities
- Market education of housing needs and deliberative co-design with the workplace or key workers to reduce development risk
- Construction of granny flats and tiny homes and increased utilisation of vacant holiday homes – see **Section 6.9.4**
- Better utilisation of supply in surrounding smaller settlements in commutable distance to key employers
- Utilisation of community enhancement funds from major energy companies to fund the supply of key and essential work housing
- Utilisation of government land (leased, gifted or sold) at a reduced price to provide a mixture of housing for key and essential workers
- Reform to National Rental Affordability Scheme, Homes for Victoria Shared Equity Schemes, Inclusionary Zoning by uplift or universal, Remote Area Employer Concessions and Fringe Benefit Concessions.

6.9.2.1 Increased Utilisation of Vacant Holiday Homes

The VPA project will consider greater infill opportunities and the utilisation of holiday homes, including the use of granny flats/tiny houses on unused land – see also **Section 6.9.4**. This infill will be challenging in the BMO regime, which has a limitation on the density of development that is allowed on residential land.

6.9.2.2 National Rental Affordability Scheme

The VPA project is to explore reforms to the National Rental Affordability Scheme. There are no homes in this scheme in the Study Area – see **Section 6.6.2.1**

6.9.2.3 Homes for Victoria Shared Equity Scheme

The VPA project has noted possible reform to the Homes for Victoria Shared Equity Scheme. At present this scheme – which is available to a maximum of 400 houses, does identify Torquay as a priority location but does not identify any other towns in the Study Area LGAs as a priority – see https://www.vic.gov.au/homesvic-shared-equity-initiative

6.9.2.4 Impacts on Worker Accommodation for the Visitor Economy Workforce

The project may identify opportunities that are relevant to the needs of the visitor economy workforce. However, such opportunities will likely take some time to eventuate.

6.9.3 Regional Tourism Review

The Victorian Government is undertaking a review of regional tourism in Victoria. It has identified that both workforce development and worker accommodation are key issues impacting the growth of Victoria's regional visitor economy. The Review's Project Manager expects that the review process will make recommendations and seek funding later in 2020 to address these issues.

6.9.4 Victorian Desalination Project (VDP) Housing Accord

During 2009 in the lead-up to the construction of the Wonthaggi Desalination Plant the Bass Coast Shire Council established the Victorian Desalination Project (VDP) Housing Accord that sought to:

- Accommodate the large construction workforce associated with the project
- Minimise the impacts on:
  - Tourism accommodation (the visitor economy is a significant element of the Bass Coast local economy)
  - Low income renters.

This approach sought to leverage the considerable numbers of unoccupied residential dwellings in the Bass Coast LGA, which are a higher percentage than the LGAs in the Study Area.

The VDP Housing Accord was an agreement between key stakeholders i.e. Government Departments, the successful tenderer of the desalination plant, and real estate agents.

The agreement recognised that there was a need to implement a housing strategy to ensure that the rental market remained available to permanent residents of the Bass Coast region and existing holiday accommodation remains available to drive the local tourism economy.

The accord sought to source an entirely new market of accommodation, i.e. the holiday homes used for holiday accommodation (publicly rented for tourism purposes).

6.9.4.1 VDP Housing Accord Objectives

The VDP Housing Accord sourced a new market of accommodation that would minimise adverse housing and accommodation impacts for visitors and residents of the Bass Coast region. The objectives of the VDP Housing Accord were to ensure that:

- Long term affordable rental properties were available to the permanent community;
- Rental prices did not substantially increase creating pressure on low income renters and crisis accommodation;
- Accommodation for workers was sourced from 'new market entrants', e.g. new residential accommodation and holiday lettings previously not available as long term rentals;
- The supply of holiday rentals was maintained during peak periods and events;
- Housing for the workforce was provided via a central coordination point (which was the successful construction tenderer;
- Accommodation options for stays of over three to six months would not include non-standard residential options such as Caravan parks, B&Bs, Construction Camps
- The best housing option for workers in the first instance.

6.9.4.2 Survey of Non-Resident Ratepayers

The Bass Coast Shire Council conducted a survey (that was funded by the (then) Department of Sustainability and Environment) of its ratepayers to gauge their interest in using their holiday homes for long term rental over two years. The survey targeted 4,500 non-resident ratepayers within a 20 km radius of the plant site and excluded areas of disadvantage.

Where owners consented that their property and personal information is released, this information was passed onto the successful tenderer and participating real estate agents to manage these properties.

6.9.4.3 Real Estate Agents

Bass Coast Shire real estate agents had a significant role to play in the success of the VDP Housing Accord. It was important that estate agents provided accommodation solutions for the workforce but also protected the rental market for the Bass Coast community.

Estate agents needed to build and maintain relationships with the successful Wonthaggi Desalination Plant construction consortia and be able to provide housing options, which included the packaging of the following services:

- Rental accommodation;
- Property management including maintenance, gardening and cleaning services; and
- Linen and furniture rental.

The VDP Housing Accord recognised that in Victoria, there is no industry standard for Licensed Real Estate Agents to charge a commission for their services.

Due to minimal regulation, there was a need to identify an appropriate standard for such a unique project as there was a significant price difference between commissions charged for long term compared to short term accommodation.

The scheme recognised that there were significant economic benefits for agencies that participated in providing suitable accommodation options to the desalination plant workforce. It was important that the participating agencies acknowledged this opportunity and did not compromise the affordability of their services (i.e. price gouge the market).

6.9.4.4 Impact of the Global Financial Crisis (CFC)

The impact of the GFC in 2008 would likely have had an impact on some holiday homeowner's decision to make their properties available for rent and use the additional income to address the financial demands that owning an additional property can generate.

6.9.4.5 Online Rental Platforms

The development and operation of the VDP Housing Accord in 2009 was before the advent of the online platforms that are in widespread use today. These platforms:

- Facilitate the ability of property owners to make their 'holiday homes' available for a short stay and short term rental
- Have no regulation regarding the prices that property owners charge for the use of their properties
- Have driven a contraction of properties being made available for long term rent.

A review of the Airbnb site for properties available in the Bass Coast shows more than 300 options.

7. Transport for Visitor Economy Workers

OVERVIEW OF FINDINGS

Need for Improved transport services

The lack of affordable accommodation in key tourism destinations requires workers to travel from where they reside to these destinations, much of the travel is by car. This travel requirement will grow as the number of visitor economy workers who live outside of the key tourism destinations likely grows.

This need for travel points to a need for transport arrangements that workers see as being effective for travel times and costs and that align with the operating times of businesses in the visitor economy.

Drive Times

There are some considerable drive times between key locations throughout the Study Area and in particular between the larger towns and the key tourism destinations. These drive times have an impact on the ability or desire of workers to travel between these locations.

The closest large town to Apollo Bay is Colac at some 90 minutes drive time. The distance from Apollo Bay to other centres highlights a need for more affordable accommodation for workers to be available in Apollo Bay.

Impact on Worker Retention

Industry stakeholders noted that the drive times have a negative effect on worker retention and that there is a need for improved transport arrangements.

Public Transport

The current public transport services in the Study Area are ineffectual for the movement of workers that makes them available at the times visitor economy businesses require them.

Key Investor – Proposed Transport Service

An investor that is proposing significant investments in the south-west of the Study Area is proposing to provide a transport service to move workers between these investments as well as bring guests from Melbourne.

Use of Private Vehicles

More than 600 workers who reside outside of the Study Area travel in a private vehicle (as a driver or a passenger) to their work location in the Study Area. It is highly likely that more than 80% of the 2,200 plus workers who reside in the Study Area also use a private vehicle to travel to work.

STRATEGIC IMPLICATIONS

The will be an increased dependence on workers who:

- Reside outside of the Study Area, or
- Who live in larger towns within the Study Area that are some distance from the key tourist destinations.

Given such there is a need to provide improved transport arrangements to enable these workers to take-up employment opportunities in the key tourist destinations within the Study Area. This improvement can be achieved through the provision of dedicated bus services that:

- Operate from point to point – i.e. they travel directly from a central location in towns where workers reside to a central location in key tourism destinations
- The deliver workers at times when visitor economy businesses are opening/operating and pick-up workers at a time when businesses are closing
- Are not cost-prohibitive for workers to use – i.e. they are less costly than the use of private vehicles
- Are safe and reliable.

This transport would involve the charter of a privately operated bus service(s).

7.1 Drive Times to Key Tourism Destinations

The question becomes what a reasonable drive time is to expect a worker living in a Key Population location to drive to a Key Destination location and how much does this affect the mobility of workers.

Table 33 provides the estimate drive times between the 'Key Population' SA2 and the 'key destination ' SA2s in the Study Area. The only connections of 30 minutes or less are within the Torquay SA2, Torquay to Anglesea, and Colac to Forrest.

TABLE 33 – DRIVE TIMES WITHIN THE STUDY AREA

			Key Study Area Population SA2s			Key Regional Centres	
			Camperdown	**Colac**	**Torquay**	**Geelong**	**Warrnambool**
Key Destination SA2s	**SA2s**	**Towns**	*Drive Time (mins)				
	Torquay	Torquay	90	60	–	25	135
	Lorne/Anglesea	Anglesea	90	60	20	40	140
		Lorne	80	50	45	70	120
	Otway	Forrest	60	30	60	70	105
		Apollo Bay	**120**	**90**	**100**	**110**	**135**
	Corangamite Soutth	**Port Campbell**	**50**	**60**	**120**	**120**	**50**

***Note** – calculated using Google Maps

There are connections of 60 minutes, but many of these involve winding country roads some of which are affected by weather and or wildlife – not the drive a worker would want to do after finishing a 'late' shift. The analysis also highlights the relative distance that Apollo Bay is from all other centres in the Study Area.

The driving times suggests that workers resident in the larger urban centre SA2s such as Camperdown, and Colac will not likely be available to work in Torquay, Lorne-Anglesea, Apollo Bay or Port Campbell without reasonable access to:

- Some form of affordable local accommodation within the 'tourism destination' SA2 that negates the need for regular travel; or
- Cost-effective and reliable transport to and from the 'tourism destination' SA2.

The absence of these options reduces the availability cohort of workers who reside in the Study Area but do not live in the key tourism destinations.

7.1.1 Need for Worker Accommodation in Apollo Bay

Table 33 highlights the drive times to Apollo Bay which suggests that given the current shortfall and projected demand for visitor economy workers in the Otway SA2 that there will be a greater need for affordable local accommodation for visitor economy workers in Apollo Bay.

7.2 Stakeholder Feedback

20% of respondents to the GORRT member survey noted that access to improved transport arrangements for workers would have a positive impact on worker retention – particularly during the peak season.

Question	Responses	
Access to improved transport arrangements for workers	Off-Peak	**13%**
	Peak	**20%**

Comment

Potential staff having to travel a long way to get here. No interest in the type of work offered.

7.2.1 Ride Sharing

Some business operators note that workers often plan ride-sharing amongst themselves, e.g. from Colac to Lorne/ Geelong to Anglesea. The data re the use of cars in **Section 7.3**

7.2.2 Birregurra/Lorne Summer Bus Service

A bus service runs between Birregurra and Lorne of the Summer period. A private operator delivers this service under a contract with the Department of Transport.

Tourism operators located in the Otways noted that the 'summer service' is not useful for having workers get to business premises at the times they are needed.

7.2.3 Feedback from Private Transport Operators

Private transport operators noted that services, other than scheduled public transport services, can be provided from point to point throughout the Study Area for a fee.

Private bus operators have a range of vehicles at their disposal during peak season and on weekends as there is no requirement to provide school buses at these times.

7.2.4 Victorian Government – Department of Transport (DoT)

Feedback received from the DoT noted the following:

7.2.4.1 Rail Connections between Geelong and Torquay

Planning is underway regarding the development of a rail link between Torquay and Geelong. At this point in time, there is no definite timeframe or funding for the development of this service.

7.2.4.2 Flexible Local Transport Solutions Program

The Victorian Government's Flexible Local Transport Solutions program provides financial support to help seed small-scale initiatives across regional Victoria that address transport disadvantage, integrate with other local transport options and improve transport access. It aims to support flexible, tailored transport services or trials in regional Victoria. An application could be made to this program to support the development of services for workers within or to the Study Area.

7.2.5 Key Investor

A key investor proposing developments on the Shipwreck Coast and Apollo Bay noted his intention to provide a dedicated transport service to:

- Move workers between proposed:
  - Operating sites depending on the demand for workers at each of the sites
  - Worker accommodation facilities and operating sites
  - Melbourne and proposed worker accommodation facilities
- Move guests between:
  - Melbourne to proposed operating sites
  - Proposed operating sites
  - Proposed operating sites and other regional experiences/attractions.

7.2.5.1 Utilisation of a Private Service

The investor noted that their transport service could be available for use by other businesses for an appropriate commercial arrangement.

7.3 Travel to Work Data – Accommodation and Food Services Sector

The following table provides 2016 ABS Census data regarding the methods by which people working in the Accommodation and Food Services Sector travel to work.

TABLE 34 – TRAVEL TO WORK DATA – ACCOMMODATION AND FOOD SERVICES SECTOR

Method of Transport	Surf Coast	Colac Otway	Corangamite	Victoria
Car driver or passenger	63.7%	54.3%	59.4%	55.0%
Walked only	8.1%	15.1%	11.2%	7.8%
Bicycle	1.3%	0.0%	0.0%	1.4%
Utilised public transport	1.1%	0.4%	0.0%	16.5%
Worked at home	3.6%	7.0%	9.9%	1.9%
Did not go to work	20.5%	22.3%	18.5%	16.3%
	99.2%	99.5%	100.0%	99.4%

When compared with Victoria, Study Area workers:

- Use private cars more often – or the same for Colac Otway – it is assumed that this data includes
  - Workers who are ride-sharing
  - Young workers who are being driven by a family member or friend
- Walked to work more frequently
- Worked from home more frequently, it is assumed that many of these workers are the business owners.

The percentage of workers who did not work that day is slightly higher in the Study Area – this reflects the underemployment noted in **Section 5.3.**

7.3.1 Use of Public Transport

The data notes that the use of public transport by Accommodation and Food Services workers is significantly less frequent in the Study Area relative to all of Victoria.

7.4 Strategic Priorities

As noted in:

- Section 4 – there is a need for additional workers now and into the future
- Section 6 the absence of affordable accommodation for visitor economy workers and that there is no certainty that such accommodation will become available in the short to medium term
- Section 5.6 due to the absence of affordable accommodation for visitor economy workers there need to be a focus on recruiting workers who reside in the region (or have access to accommodation in the region)
- Section 5.6.4. the most substantial presence of potential workers are in 'urban' locations in the Study Area or Greater Geelong that are separate to the region's key tourism destinations (other than Torquay.)

All of the above points to the need to be able to transport workers from larger urban centres to key tourism destinations. This transport can be achieved through the provision of dedicated bus services that:

- Operate from point to point – i.e. they travel direct from central location in towns where workers reside to a central location in key tourism destinations
- Deliver workers at times when visitor economy businesses are opening/operating and pick-up workers at times when such businesses are closing
- Are not cost-prohibitive for workers to use i.e. they are less costly than the use of private vehicles
- Are safe and reliable.

7.4.1 Key Services

In the main, these services would be as follows:

FROM		TO	
Geelong	➡	Torquay	There is a need to have at least three drop-off/pick up locations
Geelong/ Torquay	➡	Anglesea/ Lorne	
Colac	➡	Apollo Bay	There may be a need to drop off in Apollo Bay and Marengo
Colac	➡	Lorne	
Colac	➡	Otway hinterland	This route would be serviced by a smaller bus due to the nature of the road

These services will vary in the frequency with which they operate, and these assumptions are included in the Cost Benefit analysis – see **Section 1.8**

The assumption is that Geelong will service Torquay and Lorne-Anglesea, Colac Apollo Bay and Warrnambool Port Campbell. Camperdown and Warrnambool are broadly equal distances from Port Campbell. However, Warrnambool has a much more balanced population demographic and also has a university and TAFE from which to draw seasonal student workers.

Section 3 showed strong growth in Lorne-Anglesea and Apollo Bay which has meant pushing the proportion of workers sourced from Geelong and Colac more aggressively than for Warrnambool.

7.4.2 Bus Charter

The Cost Benefit Analysis has assumed that this transport would involve the charter of a privately operated bus service.

In the future, the entity procured to implement the strategy may leverage the Flexible Local Transport Solutions Program – see Section **7.2.4.2** – to acquire vehicles. However, at present, it is unknown if the transport effort needed in the Study Area will be supported through this program.

8. Recruitment of a Study Area Visitor Economy Workforce

This section provides an analysis of recruitment approaches and the recruitment capability of businesses in the Study Area visitor economy.

OVERVIEW OF FINDINGS

Large percentage of employing businesses

The Accommodation & Food Services sector dominates employment in the Study Area visitor economy. 70% of Accommodation & Food Services businesses employ staff – this is a higher percentage of businesses compared to businesses across all industry sectors in the Study Area.

Number of businesses in the visitor economy

There are almost 600 businesses across the Study Area's visitor economy, including businesses in the Accommodation & Food Services, Retail, and the Arts and Recreation Services sectors – these businesses employ:

- A large number of part-time or casual staff
- A significant number of young workers – compared to all other industry sectors
- More staff during peak visitor periods.

When other industry sectors that are a smaller percentage of the visitor economy are also considered, e.g. the Administrative Services sector (which includes domestic cleaning and gardening services) the number of businesses in the Study Area's visitor economy further increases.

Small and micro businesses

By numbers of staff and size of turnover more than 90% of all Accommodation & Food Services businesses are small or micro-businesses with limited resources and capability for staff recruitment.

A shortfall of required staff

Many businesses are not able to recruit the number of staff they require, particularly in the peak season. This inability, at least in part, points to a need for more effective recruitment by businesses in the visitor economy.

Reliance on local networks

The vast majority of visitor economy businesses are located in the key destination SA2s and are highly reliant local networks to find workers. These 'local networks' are limited in the number of workers who reside 'locally' and are often unable to tap into potential workers residing in larger towns elsewhere in the Study Area or nearby regional centres.

Competition for scarce workers

The 'business as usual' model has visitor economy businesses competing with one another, and with businesses from other industry sectors, for a regional labour force that is both highly engaged in work and is contracting in size. The forecast growth in visitation to the Study Area and the resultant demand for more workers will exacerbate these needs and challenges.

Informal recruitment processes

The widespread use of informal recruitment methodologies, and in particular, the lack of advertising, contribute to a lack of clarity regarding the total need for workers as there is a lack of overt information regarding the tourism sectors' workforce needs.

cont. next page

Common needs

Many of the visitor economy businesses have common needs and challenges, including the need to:

- Access staff with similar skills – including people facing, food handling and payment processing skills
- Access more staff during peak visitation periods
- Retaining part-time and casual staff

Access to support and advice concerning human resource management, employee relations and industrial relations especially as it relates to part-time and casual workers who are working a range of hours and on weekends and public holidays. ***No History of a Collaborative Approach to Recruitment***

There is no history of the Study Area's visitor economy businesses taking an industry-wide or collaborative approach to the recruitment of workers that promotes the entire range of employment opportunities and make more efficient use of scant resources. There are opportunities to collaborate to make the staff recruitment process more efficient and effective and maximise the impact of businesses resources used to recruit workers.

Limited experience in the use of external recruitment expertise

Many businesses have limited or no experience in engaging recruitment expertise, including paying for this service. It is highly likely that many small and micro businesses will be resistant to the use of such expertise.

STRATEGIC PRIORITIES

The following represents the critical strategic priorities concerning workforce recruitment based on the implications arising from the analysis of current workforce recruitment practices.

Coordinated Recruitment Strategy

There is a need to develop and implement a coordinated and strategic approach to the recruitment of a pool of potential workers for the Study Area visitor economy businesses; the recruitment strategy would require:

1. **Planning of staffing needs**
   This approach will require businesses to identify their staffing needs for both the peak and off-peak period, including the identification of roles, work times and remuneration. This identification of workforce needs will have to be completed in a timeframe that allows time to communicate with the target cohorts for recruitment. It is anticipated that much of this communication would take place in late October and November thereby requiring workforce planning to be completed by early October.
2. **Collation of staffing requirements**
   The provision of this information by businesses will enable the range of employment needs to be collated by role type, location, and when the work is required so that the total need for workers can be understood.
3. **Communication of employment opportunities**
   This communication would target the young worker/underemployed cohorts and utilise an effective Communication Strategy.
4. **Processing and collation of enquiries and responses**
   The processing would involve responding to queries, including the acknowledgement of receipt and the review of potential suitability of candidates.

Engagement of Relevant Recruitment Expertise

There is a need to engage the relevant recruitment expertise to develop and implement the Recruitment Strategy.

8.1 Stakeholder Feedback

The feedback from stakeholders pointed to a range of challenges concerning the recruitment of workers

8.1.1 Ability to Recruit Workers Required

As already noted, see **Section 4.2** – around 70% of businesses that responded to the GORRT member survey indicated that they experienced some difficulties in securing the staff they require.

The feedback from the survey – 'Are you able to recruit the number of staff you require?' was as follows with 25% of businesses in the peak season and 32% on the off-peak season noting that they were always able to recruit the staff they require.

		Always	Often	Sometimes	Never
Are you able to recruit the number of staff you require?	Peak	25%	46%	25%	5%
	Off-Peak	32%	31%	31%	7%

The feedback suggests that many businesses experienced some difficulty in securing the required staff and that finding staff was an ongoing challenge. A few operators flagged that the lack of workers needed:

- Impacts their ability to service the customers they receive promptly
- Would necessitate them having to curtail their hours of operations which impacts their offer to customers.

The shortage of required workers also impacts the Study Area's tourism reputation, which can have a further negative impact on all businesses.

8.1.1.1 Need for More Effective Recruitment

That many businesses are not able to recruit the number of staff they require – particularly in the peak season points to, at least in part, a need for more effective recruitment by businesses in the visitor economy. The need for more effective recruiting is heightened by the challenges associated with the availability of workers as described in **Section 5.1.4**

8.1.2 Competition for Workers

There is competition for workers from several industry sectors across the Study Area that have experienced employment growth – including the Accommodation and Food Services sector. The 'workforce age' population has been contracting – particularly in the Colac Otway and Corangamite Shire LGAs – see **Section 5.1.4**. As a consequence of the above, there is a high demand for workers.

The GORRT member survey identified that a significant percentage of respondents experience competition from other businesses for staff.

Question	Responses	
Competition for staff from other local businesses	Off-Peak	**28%**
	Peak	**38%**

This 'business as usual' model needs to change to improve the recruitment of workers.

8.1.3 Recruitment Practices

The survey of GORRT Members identified the range of recruitment activities that are utilised by businesses. Of note is that 78% of responses indicated the use of no/low-cost recruitment processes, as shown in the adjoining table.

This percentage is highly consistent with the high percentage of micro/small businesses in the Study Areas visitor economy, see **Section 8.2** and the resources and expertise that are available to them for recruitment.

Recruitment Process	%	No/Low Cost
Local Networks	28%	⦿
Staff Networks	21%	⦿
Social Media	20%	⦿
In-Store / Business Advertising	9%	⦿
Employment Agency	9%	
Local Media	7%	
Major Papers	3%	
Regional Media	3%	
Industry Publications	1%	

Most of these businesses will not have the resources (i.e. time and funds) to engage with the potential workforce residing in the region effectively – see **Section 8.3.3**

The relative absence of advertising employment opportunities has cultivated ineffective outcomes for workforce development.

8.1.3.1 Informal Recruitment Processes

The feedback from the stakeholder interviews and the GORRT Member survey suggest that many businesses have relative informal recruitment processes. Many of the businesses rely on local networks to recruit workers – that is they:

- Know of local workers they can approach regarding working in their business
- Use local contacts to communicate that they have employment opportunities
- Utilise the networks of existing workers to identify potential employees.

Many businesses that employ backpackers rely on the backpackers using their 'networks' to identify other backpackers to fill employment opportunities.

The use of social media is uncoordinated – there is no strategic approach to leveraging social media to promote a more comprehensive understanding of the scale and range of employment opportunities in the Study Area's visitor economy.

The widespread use of informal processes and the relative absence of any more full communication and promotion of employment opportunities (i.e. through advertising/strategic use of social media) means that many employment opportunities are 'unseen' to people who are outside of the local networks and that the entire scale and range of employment opportunities are not widely understood.

This reliance on informal recruitment processes is typical local rural economies. When a large number of small businesses use relative informal methods, they create the 'iceberg' effect concerning employment opportunities. The local 'jobs market' is like an iceberg, where most of it is out of direct sight 'under the waterline'. In essence, the use of informal methods has driven the majority of employment opportunities out of sight.

8.1.3.2 Use of Local Networks

The survey of GORRT Members identified that the use of 'Local Networks' was the most frequent response; this source is under increasing stress due to the:

- High level of engagement of the local workforce, particularly in the Colac Otway and Corangamite LGAs – as identified in the Stage 1 report
- Contracting resident workforce, particularly in the Colac Otway and Corangamite LGAs – as identified in the Stage 1 report
- Competition from other industry sectors – with many small businesses also that rely on local networks.

Given the limitations of 'traditional' recruitment sources there is a need to engage with cohorts of potential workers – as identified Section 5.6.2 – that are out of the 'local networks' and located in the larger urban centres.

8.2 Range, Size and Capacity of Study Area Visitor Economy Businesses

This section provides an overview of the s and capacity of businesses operating in the Study Area's visitor economy.

8.2.1 Businesses Counts by Staff in the Study Area

Businesses counts are based on snapshots of actively trading businesses as at June in a given year from the Australian Bureau of Statistics Business Register (ABSBR). This count only includes businesses which actively traded in goods or services during the reference period.

8.2.2 Number of Businesses – All Sectors

The number and relative size – by staff and turnover – of business in all industry sectors varies across the Study Area as noted in **Table 35.**

TABLE 35 – NUMBER OF ALL BUSINESSES BY STAFF COUNTS IN THE STUDY AREA, JUNE 2018

	Non employing		1-19		20-199		200+		Totals
LGAs	#	%	#	%	#	%	#	%	
Surf Coast	2,198	63%	1,271	36%	41	1%	0	0%	**3,510**
Colac Otway	1,473	64%	795	34%	44	2%	0	0%	**2,312**
Corangamite	1,412	61%	864	38%	26	1%	1	0%	**2,303**
Totals	**5,083**	**63%**	**2,930**	**36%**	**111**	**1%**	**1**	**0%**	**8,125**
Victoria		63%		34%		2%		1%	

8.2.3 Business Counts for the Visitor Economy

As noted in **Table 36**, the profile of visitor economy sector businesses in the Study Area differs from that of all businesses by way of the percentage of businesses that employ staff.

In total, there are 959 Accommodation and Food Services, Retail, and the Arts and Recreation Services sector businesses for the Study Area LGAs:

- Some 62% – or 596 of these businesses employ staff – this differs from 37% of businesses in all industry sectors
- Some 57% – or 550 of these businesses employ between 1 to 19 staff and a further 5% or 46 employs between 20 and 199 staff.

This Report assumes many businesses in the 20 – 199 staff category will be at the lower end of the scale for the number of employees.

This business count by staff profile is consistent with the profile for these sectors across Victoria as a whole. The Study Area's Arts & Recreation Services sector has a significantly higher percentage of employing businesses than for Victoria as a whole.

TABLE 36 – BUSINESS COUNTS BY STAFF FOR ACCOMMODATION & FOOD SERVICES, RETAIL AND ARTS & RECREATION SERVICES BUSINESSES IN THE STUDY AREA

SECTORS	STAFF NUMBERS	Surf Coast #	Surf Coast %	Colac Otway #	Colac Otway %	Corangamite #	Corangamite %	Study Area #	Study Area %	VICTORIA
	Non employing	**60**	**26%**	**71**	**41%**	**46**	**66%**	**177**	**38%**	**29%**
Accommodation & Food Services	1 – 19	149	66%	95	55%	24	34%	268	57%	64%
	20-199	18	8%	6	3%	0	0%	24	5%	6%
	200+	0	0%	0	0%	0	0%	0	0%	0%
	Employing Totals	**167**	**74%**	**101**	**58%**	**24**	**34%**	**292**	**62%**	**72%**
Retail	**Non employing**	**52**	**36%**	**46**	**34%**	**19**	**70%**	**117**	**38%**	**44%**
	1 – 19	81	56%	85	63%	8	30%	174	57%	52%
	20-199	11	8%	5	4%	0	0%	16	5%	4%
	200+	0	0%	0	0%	0	0%	0	0%	0%
	Employing Totals	**92**	**64%**	**90**	**67%**	**8**	**30%**	**190**	**62%**	**56%**
Arts & Recreation Services	**Non employing**	**21**	**28%**	**38**	**40%**	**10**	**83%**	**69**	**38%**	**66%**
	1 – 19	51	68%	55	57%	2	17%	108	59%	31%
	20-199	3	4%	3	3%	0	0%	6	3%	3%
	200+	0	0%	0	0%		0%	0	0%	0%
	Employing Totals	**54**	**72%**	**58**	**60%**	**2**	**17%**	**114**	**62%**	**34%**
Totals	**Non employing**	**133**	**30%**	**155**	**38%**	**75**	**69%**	**363**	**38%**	
	1 – 19	281	63%	235	58%	34	31%	550	57%	
	20-199	32	7%	14	3%	0	0%	46	5%	
	200+	0	0%	0	0%	0	0%	0	0%	
	Employing Totals	**313**	**70%**	**249**	**61%**	**34**	**31%**	**596**	**62%**	

8.2.4 Business Counts by Turnover for the Accommodation & Food Services Sector – June 18

The business counts by turnover indicate that, across the Study Area, 92% of Accommodation & Food Services sector businesses generate less than $2m as noted in **Table 37**. This profile is consistent with that for the Accommodation & Food Services across Victoria.

TABLE 37 – NUMBER OF A&FS BUSINESSES BY TURNOVER IN THE STUDY AREA, JUNE 2018

	0 < $50k		$50k < $200k		$200k < $2m		$2m < $5m		$5m < $10m		$10m +	
LGAs	#	%	#	%	#	%	#	%	#	%	#	%
Surf Coast	19	8%	45	20%	139	61%	21	9%	3	1%	0	
Colac Otway	12	8%	37	26%	83	58%	9	6%	3	2%	0	
Corangamite	3	4%	23	31%	46	61%	3	4%	0		0	
Totals	**133**	**8%**	**281**	**24%**	**32**	**60%**	**0**	**7%**	**6**	**1%**	**0**	
Victoria		**9%**		**27%**		**57%**		**5%**		**1%**		**1%**

8.2.5 Small Business

Many regulators use the Australian Bureau of Statistics (ABS) definition, which is a business that employs fewer than 20 people.

Micro businesses are companies with annual sales and assets valued at less than $250,000 per year and with fewer than five employees, including the owner.

By the above definitions then the vast majority of Accommodation & Food Services businesses are small if not micro-businesses as are the businesses in other sectors in the visitor economy i.e. Retail and the Arts and Recreation Services sectors.

8.3 Recruiting Staff

As noted in Section 8.2.2, there are almost 600 businesses in the main sectors in the visitor economy that are attempting to recruit and retain staff at various times and, in particular, the peak visitor period as well as having staff available for weekends and other holiday periods. As noted in Section 4.1 if the businesses in other industry sectors that service the visitation to the Study Area, then the number of businesses is even higher.

8.3.1 Staff Management and Recruitment Resources

Many small/micro businesses have limited resources or the capability required to undertake effective recruitment. The owners of many such businesses are time challenged as they are highly involved in the management of the business, including operations, marketing, financial management, as well as staff management.

At present, the majority of these businesses are trying to recruit staff from the same catchment or local area with many using the same or similar processes and having a high reliance on local networks. The repetition of effort by many related businesses results in the inefficient use of scarce resources.

8.3.2 Employment Placement & Recruitment Services Sector

The Employment Placement & Recruitment Services sector is mainly engaged in listing employment vacancies and in referring or placing applicants for employment in any field. They provide their services to either employers or potential employees.

The number of workers in the Employment Placement & Recruitment Services sector in a local economy reflects the capability of this sector and its availability to provide services to employers or prospective employees in that local economy.

Table 38 provides a ratio of the number of Employment Placement & Recruitment Services sector workers to the number of 'employing' visitor economy businesses as an indicator of the relative availability of such services to visitor economy businesses.

TABLE 38 RATIO OF EMPLOYMENT PLACEMENT & RECRUITMENT SERVICES WORKERS TO EMPLOYING VISITOR ECONOMY BUSINESSES

LGAs	Employment Placement & Recruitment Services Workers	Employing VE Businesses	Workers to Business Ratio
Surf Coast	16	292	18.2
Colac Otway	58	190	3.3
Corangamite	3	114	38.0
Totals	**77**	**596**	**7.7**
Victoria			3.8

The ratio indicates that the relative availability of Employment Placement & Recruitment Services is less than that for Victoria and particularly so for businesses in the Surf Coast and Corangamite Shire LGAs. This ratio suggests that businesses in these areas will have less access to the services associated with Employment Placement & Recruitment Services sector. While there is a relatively high availability of Employment Placement & Recruitment Services in the Colac Otway LGA, there are many businesses that cannot find the workers they require.

8.3.2.1 Jobactive Providers

Much of the resources associated with the Employment Placement & Recruitment Services sector in the Study Area are Jobactive Providers – see https://jobsearch.gov.au/ The providers in this network provide a range of services for employers and employees, including:

- Support for recruitment – including advertising job vacancies
- Facilitating internships for young people including
  - Access to subsidies for training and wages
  - Providing employability skills training for young people
- Providing access to grants for businesses when they employ new staff.

The GORRT survey responses and stakeholder interview feedback indicate that few businesses are accessing such services or lacking confidence in the ability of these services to provide the workers they require.

8.3.3 Use of External Recruitment Expertise

It is highly likely that many of the small/micro businesses in the Study Area visitor economy have not used external recruitments expertise (as provided by businesses in the Employment Placement & Recruitment Services sector). This non-use may be due to not understanding how to engage and leverage such expertise and not having the financial resources required to employ this expertise.

Given the limited experience, many business owners do not understand how such expertise may add value to their business. As such, many businesses would likely be reluctant to expend resources on engaging this expertise.

This reluctance contributes to the current ineffective recruitment that, in part, has contributed to a shortfall in required workers.

8.4 A Collaborative Approach

There is an opportunity for the 600 or more micro/small businesses that employ staff that are operating in the Study Area visitor economy to undertake a more collaborative approach to the recruitment of workers and make more effective use of the resources they use for recruitment.

8.4.1 Effective collaboration

Effective collaboration has the potential to:

- Reduce the current effort applied by many businesses to the recruitment of staff
- Widen the awareness of employment opportunities in the Study Area visitor economy through a more effective and coordinated communication process
- Provide opportunities to retain staff through access to more employment opportunities across more than one employer

8.4.2 Business as Usual

There is no history or broad experience in terms of a coordinated, collaborative and strategic approach to the recruitment of staff by the tourism industry. Individual efforts by businesses are the 'business as usual' approach for many.

8.4.3 Feedback from Stakeholder

The feedback from industry stakeholders indicates support for a collaborative approach to the recruitment workers.

Feedback from interviews with industry stakeholders indicates that some businesses are collaborating to recruit and share staff to:

- Address the needs of the businesses
- Retain the staff they require – and desire to retain.

Businesses that responded to the GORTT Members survey identified some elements that would support more effective recruitment as noted in the following:

Questions	Responses	
An effective communication mechanism that provides information about the range of job vacancies in your local area	Off-Peak	**44%**
	Peak	**52%**
Ready access to a pool of potential staff who have 'basic' qualifications (e.g. RSA, Food Handling etc.)	Off-Peak	**39%**
	Peak	**51%**
Access to a shared mechanism for advertising to workers outside of our local area	Off-Peak	**30%**
	Peak	**36%**

The GORRT member survey also noted that a significant percentage of businesses identified that being able to share workers would be of benefit to their operation – see also **Section 5.3.4**

Question	Responses	
Access to arrangements to be able to share staff with other businesses	Off-Peak	**39%**
	Peak	**43%**

8.4.4 A Change to the Business as Usual Model

The above feedback strongly suggests that many businesses are seeking different approaches to the current 'business as usual' model.

A collaborative approach to recruitment would enable a more effective impact of the scarce resources that these businesses have to apply to recruitment and involve:

- The engagement of external recruitment expertise that can apply effective recruitment processes and tools on behalf of businesses in the Study Area's visitor economy
- Businesses providing information to the external recruitment expertise about their staffing requirements in a manner that allows the collation of such information and the understanding of the total range and scale of recruitment needs
- The more extensive advertising and communication of employment opportunities, particularly to the larger urban centres that are outside of the key destination SA2s – and enable businesses to extend their recruitment beyond 'local networks.'
- The screening of potential workers for their likely ability to work in the Study Area's visitor economy.

8.5 Existing Collaborative Approaches

There is an opportunity to improve the effectiveness and efficiency of staff recruitment and the retention of staff in the Study Area visitor economy through effective collaboration across businesses in the sector.

8.5.1 The National Harvest Labour Information Service

The National Harvest Labour Information Service is an example of a collaborative approach to workforce recruitment – see https://jobsearch.gov.au/harvest. This service provides a platform for a wide range of agricultural businesses to share their needs for the labour they require. Harvesting, like tourism, has peak periods that require additional staff and often takes place in areas that are distant from major centres with available workforce populations and associated facilities. The service is a platform for multiple agri-businesses to provide information about their staffing requirements and provide information about :

- Harvesting employment opportunities
- Accommodation, transport and other relevant services
- Employer and employee obligations and access to advice and support.

The service targets people who are travelling in Australia, including backpackers and grey nomads.

8.6 Engaging the Study Area's Young People

The target for the recruitment of workers to the Study Area visitor economy includes a significant percentage of young workers – see **5.6.5**

If more of the Study Area's population of young people are to be engaged in working in the Study Area visitor economy, there is a need to provide more effective:

- Information regarding the employment opportunities in the visitor economy, their location, and the related roles and requirements of such employment positions
- Access to training and experience that would make young people more employable and job-ready
- Support for young people attempting to gain employment – and particularly for those that have little or no previous experience – this would include the development of basic resumes
- Transport for young people –many young people reside in the major towns which are distant from many of the key tourism destinations – see **Section 7.1.**

8.6.1.1 Collaboration with Tertiary Institutions

Collaboration with the tertiary Institutions that service the Study Area would facilitate engaging with tertiary students who may be seeking part-time employment (of full-time employment)

9. Visitor Economy Workers Qualifications and Training

The development of the Study Area's visitor economy workforce requires access to training that support the skills and knowledge that businesses need of their workers.

OVERVIEW OF FINDINGS

Availability of hospitality training
There is no provision of hospitality training within the Study Area.

Hospitality training enrolments
South West TAFE noted that they are not experiencing any enrolments in their hospitality-related courses; there are no fees charged for these courses.

Major investor proposal for training
A major investor is proposing to undertake a training program for the workforce for their investments in the Shipwreck Coast and Apollo Bay in partnership with South West TAFE. This training will involve some 200 plus staff in a combination of online, onsite and offsite training programs.

Stakeholder feedback
In general, the response from stakeholders was that training was of low or no priority for their business. What was of high priority was being able to access the staff they need to operate their business. Many businesses flagged that there was a lack of qualified candidates for positions they are trying to fill.

Given the likely shortfall in the workers required at present and the growing demand for workers a recruitment program that can provide work-ready candidates would seem to be of a higher priority for many businesses in the Study Area's visitor economy.

Absence of qualifications
The analysis of ABS data indicates that more than 50% of workers across the Study Area's Accommodation and Food Services sector may not have undertaken any study relevant to food or hospitality.

Need for chefs/skilled cooks
A range of industry stakeholders flagged issues with being able to recruit chefs or skilled cooks with appropriate skills and experience. For many businesses, the lack of workers with appropriate skills and experience requires them to 'promote' workers with a lack of capability.

Cultural awareness
Given the current base of international visitors, the forecast growth in international visitation, and increasing cultural diversity of visitors from Melbourne there is a need to ensure that businesses and workers have empathy with a range of cultural needs and requirements.

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STRATEGIC PRIORITIES

The review of training has identified the following strategic priorities:

Work Readiness

There is a need for the development of an induction program to support the work readiness of the candidates targeted through a coordinated recruitment program for the Study Area.

Based on the forecast numbers and assuming that at least 80% of the people recruited will need to undertake the induction program then in Year 1 the program will need to deliver this program to some 300 participants – see Section 5.6.5

The provider selected to provide the worker recruitment process would coordinate the development of the program, including consultation with industry.

Commercial Cookery

There is a need for the development t of a program to improve the enrolment of people into relevant training programs for chefs e.g. a Certificate III in Commercial Cookery and apprenticeships – this may include:

- Effective communication to the broader community of the needs for such workers and the opportunities associated with such work
- Partnership with providers and community facilities to enable more localised delivery of training programs within the Study Area
- Encouraging industry in the Study Area to support the recruitment of apprentices.

Cultural Preparedness Training

The industry has identified the need to develop a broader range of skills and competencies in core staff including digital capability, culture and language training however do not think this is a worthwhile investment or a priority until they can secure the workers they require.

In the interim, especially digital capability and cultural preparedness could be assisted and improved with the development of tool kits and industry briefings that could be freely accessed and available to all businesses through the Regional Tourism Board.

9.1 Availability of Hospitality Training

The Stage 1 Report identified that there are no providers of tourism-related training operating from within the Study Area.

9.1.1 Training Provider Feedback

South West TAFE noted that they are not experiencing any enrolments in their hospitality-related courses despite such courses not requiring fee payment. It is unclear to South West TAFE as to the reasons for this outcome, and it is unlikely that such a program will continue should enquiries and enrolments not increase

9.1.1.1 Observations

The reasons for the lack of enrolments may be one or more of the following:

- The training may not be accessible to visitor economy workers -particularly in the Study Area. Accessibility is brought in question as a reason as there are more than 1,500 Accommodation and Food Services jobs in Warrnambool, the location of the main campus of SW TAFE. These workers have reasonable access to the university, and yet enrolments are minimal at best.
- Workers and businesses may not see the content of the courses to be relevant to their needs
- The delivery of the training may require more opportunities to gain (more) work experience
- The marketing of the courses may not be effective and the level of awareness of the courses and the benefits they may generate is inadequate
- The course or the provider may not have a positive reputation with workers and businesses.

9.1.2 Major Investor Proposal – Shipwreck Coast/Apollo Bay

One of the key investors is proposing to undertake a training program for their staff for their investments in the Shipwreck Coast and Apollo Bay in partnership with South West TAFE. This training will involve some 200 staff in a combination of online, onsite and offsite training programs.

The investor has noted that they will work with a community facility based in Apollo Bay to use this as a training site for their staff; this will include investing in the community facility to improve its functionality.

9.2 Stakeholder Feedback

Industry stakeholders interviewed were asked what training needs and priorities they had for their respective businesses.

In general, the response from stakeholders was that training was of low or no priority for their business. What was of high priority was being able to access the staff they need to operate their business. Among the comments made by respondents, the following may have the most impact in the present operating environment.

Training is irrelevant if you do not have the workers your business requires

Given the likely shortfall in the workers needed at present and the growing demand for workers a recruitment program that can provide work-ready candidates would seem to be of a higher priority for many businesses in the Study Area's visitor economy.

9.2.1 Lack of Qualified Candidates

The GORRT Member survey identified that a significant percentage of respondents had experienced a lack of qualified candidates when attempting to recruit staff.

Questions	Responses	
What challenges do you have in recruiting workers?	Off-Peak	**64%**
▪ Lack of qualified candidates?	Peak	**72%**

The level of response from businesses accords with the data in **Table 39** and **Table 40.**

Many comments in the interviews were consistent with the feedback in the survey i.e. finding and securing staff with relevant qualifications is a key challenge.

9.2.2 Business Training Capability and Support

The GORRT member survey provided some feedback regarding the need for training services.

Questions	Responses	
We provide effective induction training	Off-Peak	**74%**
	Peak	**77%**
We have well developed and comprehensive in house training programs	Off-Peak	**43%**
	Peak	**49%**
We offer some training for our staff – but require access to training providers	Off-Peak	**20%**
	Peak	**18%**
We offer no training for our staff – we require access to training providers for all of our training	Off-Peak	**2%**
	Peak	**2%**

9.2.2.1 Induction Training

Induction training is critical from both workplace safety and quality of business operations perspective.

More than 70% of respondents consider they have effective induction training. This percentage suggests that there are businesses that need to improve the effectiveness of their induction training.

9.2.2.2 Inhouse Training

Less than 50% of respondents consider that they developed comprehensive in-house training programs.

Many of the businesses are small or micro sized – the response may indicate:

- A simple business model that does not require any ongoing training support – this may not be attractive to workers wish to develop their capabilities in hospitality and tourism
- Lack of in-house resources necessary to develop and conduct an effective training program – the lack of training will impact the quality of business operations which in turn will lessen the quality of the visitor experience.

9.2.2.3 Access to Providers

Around 20% of respondents indicated they need access to training providers. A very small percentage of respondents noted that they offer no training and require access to training providers for all of their training.

The challenge is how to improve current access to such providers when there is no active provider presence in the Study Area.

9.2.2.4 Worker Retention

Some business noted that access to training would support the retention of workers.

Question	Responses	
Access to effective training for workers	Off-Peak	**13%**
	Peak	**15%**

9.3 Workforce Qualifications

This section provides an overview of the formal qualification of the Accommodation and Food Services sector.

9.3.1 Level of Education – Accommodation and Food Services Workers

The ABS data for the level of education for workers in the Accommodation and Food Services sector varies slightly across the GRO region LGAs – the data indicates that:

1. The highest percentage of responses was in the 'not applicable' category; this suggests that many workers are unskilled. This percentage was consistent with the sector across all of Victoria
2. Percentage of workers with a vocational certificate varied but was more than 22% in all LGAs – this was higher than for all of Victoria – the vocational certificate may/may not be specific to tourism or hospitality
3. Percentage of Accommodation and Food Services workers with a tertiary qualification in the Study Area was less than for all of Victoria – the tertiary qualification may/may not be specific to tourism or hospitality.

TABLE 39 – LEVEL OF EDUCATION – ACCOMMODATION AND FOOD SERVICES WORKERS

Level of Education	Surf Coast		Colac Otway		Corangamite		Victoria
	#	%	#	%	#	%	
Postgraduate Degree	26	1.7%	6	0.7%	0	0.0%	2.7%
Graduate Diploma and Graduate Certificate	6	0.4%	6	0.7%	0	0.0%	0.6%
Bachelor Degree	183	12.3%	71	8.2%	24	5.4%	12.7%
Advanced Diploma and Diploma	145	9.8%	76	8.7%	40	9.2%	10.8%
Certificate	357	24.0%	200	22.8%	119	26.9%	16.9%
Level of education inadequately described	0	0.0%	3	0.4%	0	0.0%	0.6%
Level of education not stated	29	2.0%	22	2.5%	17	3.9%	1.8%
Not applicable	739	49.7%	491	56.1%	240	54.6%	53.9%
	1,485		**875**		**440**		

9.3.2 Areas of Study – Food & Hospitality

The ABS census collects data regarding people's Areas of Study. The dataset describes the field of study of a person's highest completed non-school qualification. The data does not include those who are still studying for their first qualification.

Table 40 provides an analysis of Areas of Study for the category Food and Hospitality and

- Provides the number of people who have completed and Areas of Study in the category Food and Hospitality that reside in each Study Area LGA
- Compares the number of people who have completed and Areas of Study in the category Food and Hospitality that reside in each Study Area LGA with the number of people that reside in the LGA and work in the Accommodation and Food Services sector in LGA or elsewhere.

The comparison cannot be absolute as the Area of Study data does not identify if the individual is working in a role that is relevant to their Area of Study but is an indicator of what the workforce may have studied.

Based on this comparison, more than 50% of workers across the Study Area's Accommodation and Food Services sector may not have undertaken any study relevant to food or hospitality. This percentage accords with the percentages of people who responded 'not applicable' for the level of education they have completed – see **Table 39**

TABLE 40 – AREAS OF STUDY – FOOD & HOSPITALITY

Study Area	Surf Coast	Colac Otway	Corangamite
Cookery	156	150	81
Hospitality	148	122	0
Baking and Pastry making	32	52	34
Food and Hospitality	7	10	9
Food and Beverage Service	0	3	0
Food Hygiene	0	0	0
Totals	**343**	**337**	**124**
No of people who reside in LGA and work in A&FS sector in LGA or elsewhere	1,185	837	395
% of People with Food & Hospitality/Number of A&FS Workers	29%	40%	31%

The data suggests there may be a need to foster more education and skills training in the visitor economy workforce.

9.4 Key Entry Requirements – Accommodation and Food Services

While there are no industry specified requirements there are State Government regulations for knowledge and skills concerning the serving of alcohol and food handling.

9.4.1 Responsible Serving of Alcohol (RSA)

The Victorian Commission for Gambling and Liquor Regulation had made face-to-face RSA training mandatory for licensees and staff selling, offering or serving liquor for general, on-premises, late night and packaged liquor licenses.

Licensees and staff are subject to mandatory RSA requirements and have one month from the date they first sell, offer for sale or serve liquor on the licensed premises to complete an RSA program. A range of providers accredited by the Victorian Commission for Gambling and Liquor Regulation provide RSA training.

The following table provides an overview of the liquor licenses that are in operation on the Study Area and provides an insight into the demand for

- RSA requirements across the Study Area
- Chefs through the number of hotels, gaming venues, Restaurant and Cafes – see **Section 9.5**

TABLE 41 – LICENSE PREMISES IN STUDY AREA

License Type	Business Type	Surf Coast	Colac Otway	Corangamite
Restaurant and Cafe Licence	Restaurant/Cafe	67	36	8
Limited Licence	Sporting Clubs	53	45	33
General Licence	Hotels	18	20	18
On-Premises Licence	Restaurant	18	11	5
Producer's Licence	Wineries	14	7	4
Packaged Liquor Licence	Bottle Shop	10	12	10
Restricted Club Licence	Gaming	8	11	11
BYO Permit	Restaurant/Club	5	3	1
Full Club Licence	Gaming	4	7	6
Late night (general) Licence	Hotels	2	2	0
	Totals	***199***	**154**	**96**

9.4.2 Food Handling and Hygiene

Health Vic – see https://www2.health.vic.gov.au/public-health/food-safety/food-businesses/food-safety-training-skills-knowledge/food-handler-training – note that 'It is good practice for food businesses to ensure that before anyone is allowed to start work as a food handler, they should at least receive oral or written instruction about the essentials of food hygiene.'

Further to this Health Vic also note that:

- Food businesses need to ensure that staff:
  - Can locate and follow workplace information about food handling operations
  - Can identify and correct (or report) situations or procedures that do not meet your business's agreed workplace practices
  - Know their responsibilities about health and hygiene requirements.
- Food handlers need:
  - The skills and knowledge required to keep food safe for the jobs they carry out in the business
  - They do not need skills and knowledge for all of the jobs in the business. For example, a cook will need skills and knowledge in food safety and food hygiene that are quite different from those needed by front-of-house staff or a dishwasher.

Food handlers do not have to attend food safety training courses to meet the skills and knowledge requirements. There are many approaches to training that a food business can adopt, such as on-the-job training, recognising previous experience or attending a training course.

9.5 Stakeholder Feedback – Need for Chefs/Skilled Cooks

A range of stakeholders flagged issues with being able to recruit workers with appropriate skills and experience as chefs and skilled cooks. For several businesses, the lack of workers with proper skills and experience requires them to 'promote' workers with a lack of experience.

9.5.1 Department of Employment, Skills, Small and family Business – Skill Shortage Report

The Australian Government's Department of Employment, Skills, Small and Family Business provide research regarding skill shortages – see https://docs.employment.gov.au/documents/anzsco-3513-11-chef-vic

The research dated March 2018 notes that 'the 2018 survey found that there was no shortage of skilled and experienced chefs in Victoria. This outcome is an improvement in survey results for Victoria for this occupation from the previous four years.'

This observation is contrary to the feedback from a range of Study Area stakeholders.

The same research also notes that all employers seeking qualified and experienced chefs that:

1. Can develop and cost menus;
2. Display creativity and initiative;
3. Have the capacity to thrive in a high-paced work environment;
4. Have the flexibility to work rotating rosters, night shifts and weekends; and
5. Have excellent communication skills. For senior roles, well-developed staff management skills were also considered important.

Employers noted:

- A lack of demonstrable skills and insufficient experience were the most common reasons that qualified applicants were considered unsuitable
- Some employers reported that their advertisements attracted large numbers of unqualified and unsuitable applicants
- Employers sought a wide array of skills and attributes
- Many employers reported having to compromise their requirements to fill their vacancies.

The above points are consistent with Study Area stakeholder feedback.

The Department's Skill Shortage Research also notes that:

- Most indicators suggest that demand for chefs will continue to increase against a decreasing supply trend.
- Demand for chefs is primarily driven by cafes and restaurants within the accommodation and food services industry, which is influenced by levels of discretionary spending and developing food culture.
- In the year to June 2018, training commencements and completions have both continued to decline from peak levels in 2014.

9.5.2 Institute of Gastronomy and Good Food

The Hepburn Shire Council, in partnership with William Angliss Institute of TAFE and RDV, have completed a feasibility study into the Institute of Gastronomy and Good Food and are seeking $25M to establish the facility in Daylesford. The feasibility study notes that the 'facility will address the hospitality skills shortage and reduced skill level and limited knowledge transfer being felt across the hospitality industry'. The study also noted that the William Angliss Institute would provide 'world-class' culinary training at the facility for agri-businesses, food producers and people already working in the hospitality industry.

The Study Area's industry should consider the feasibility study findings as to how relevant they are to the needs of businesses and workers in the region. The study may also provide insight into the need to develop the improved capability for 'world-class' culinary training that is accessible to Study Area businesses and workers.

9.6 Cultural Awareness

Given the current base of international visitors, the forecast growth in international visitation, and increasing cultural diversity of visitors from Melbourne there is a need to ensure that businesses and workers have empathy with a range of cultural needs and requirements.

One major accommodation provider noted through the stakeholder interviews that, based on his experience in other major facilities and markets, this capability is not what it needs to be in the Study Area visitor economy.

APPENDICES

APPENDIX I – VISITATION FORECAST ANALYSIS

Surf Coast Shire

There are 50 times more domestic visitors to the Surf Coast Shire than international visitors.

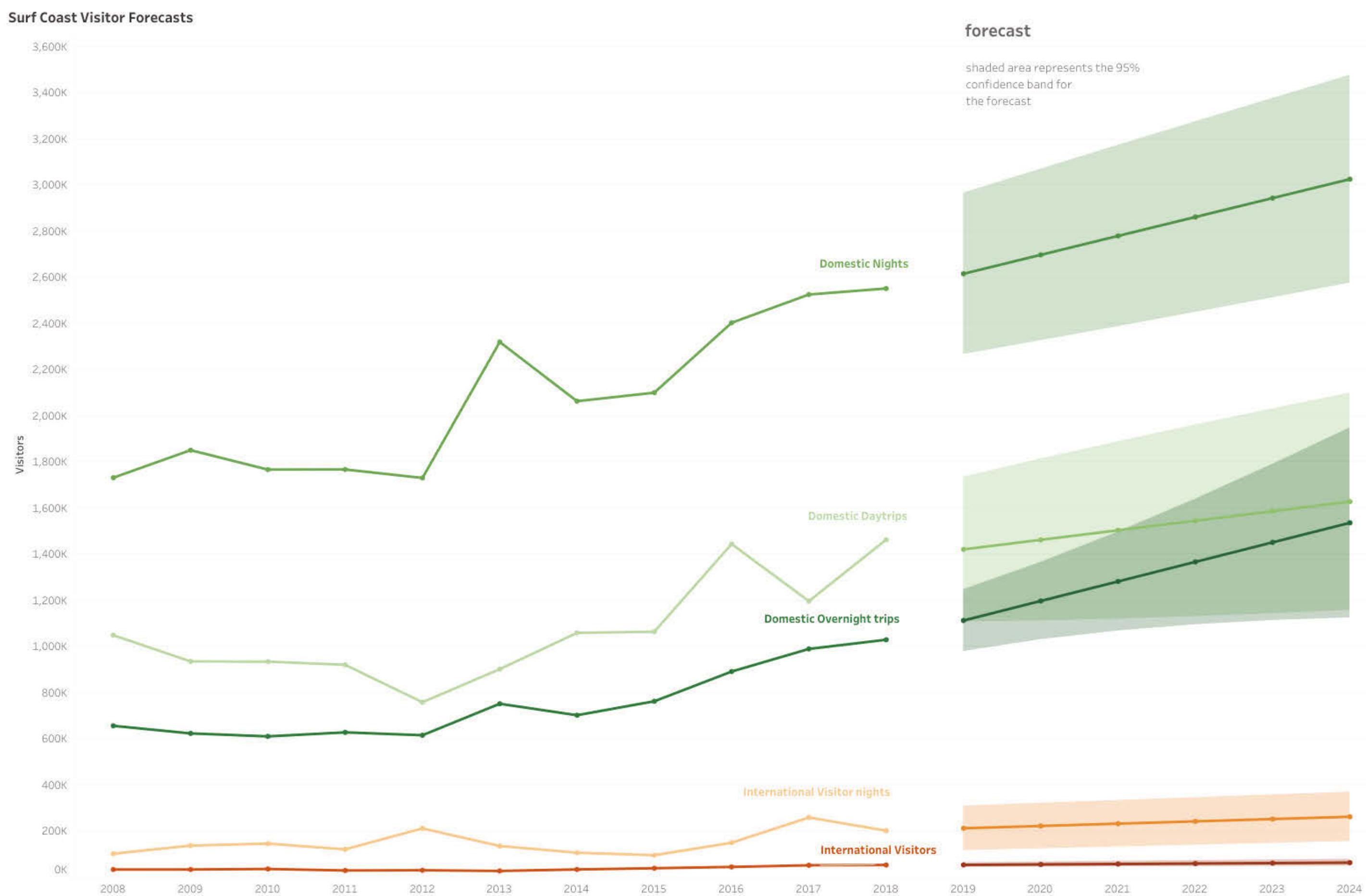
The 2.5m domestic visitors in 2018 are forecast to continue strong growth over the next 5 years at approximately 5% per annum, that is 125k additional visitors per year.

The continued growth in domestic visitors is forecast to remain the primary driver of the visitor economy in the Surf Coast Shire.

The 53k International Visitors are staying on average 4 nights in the Surf Coast Shire, compared to Domestic Visitors that stay an average of 2.5 nights.

The 53k International Visitors stayed 202k nights in 2018 approximately 7% of the total night compared with the 2,615 nights from domestic visitors.

The model forecasts a continued strong growth for International Visitor Nights of 5% per annum over the next 5 years creating the need for an additional 50k nights by 2024. This compares with the 3% annual growth in domestic visitors requiring an additional 410k nights by 2024.



Colac Otway Shire

There are 10 times more domestic visitors to the Colac Otway Shire than international visitors.

The 870k domestic visitors in 2018 are forecast to continue growing over the next 5 years at approximately 3% per annum; 27k additional visitors per year.

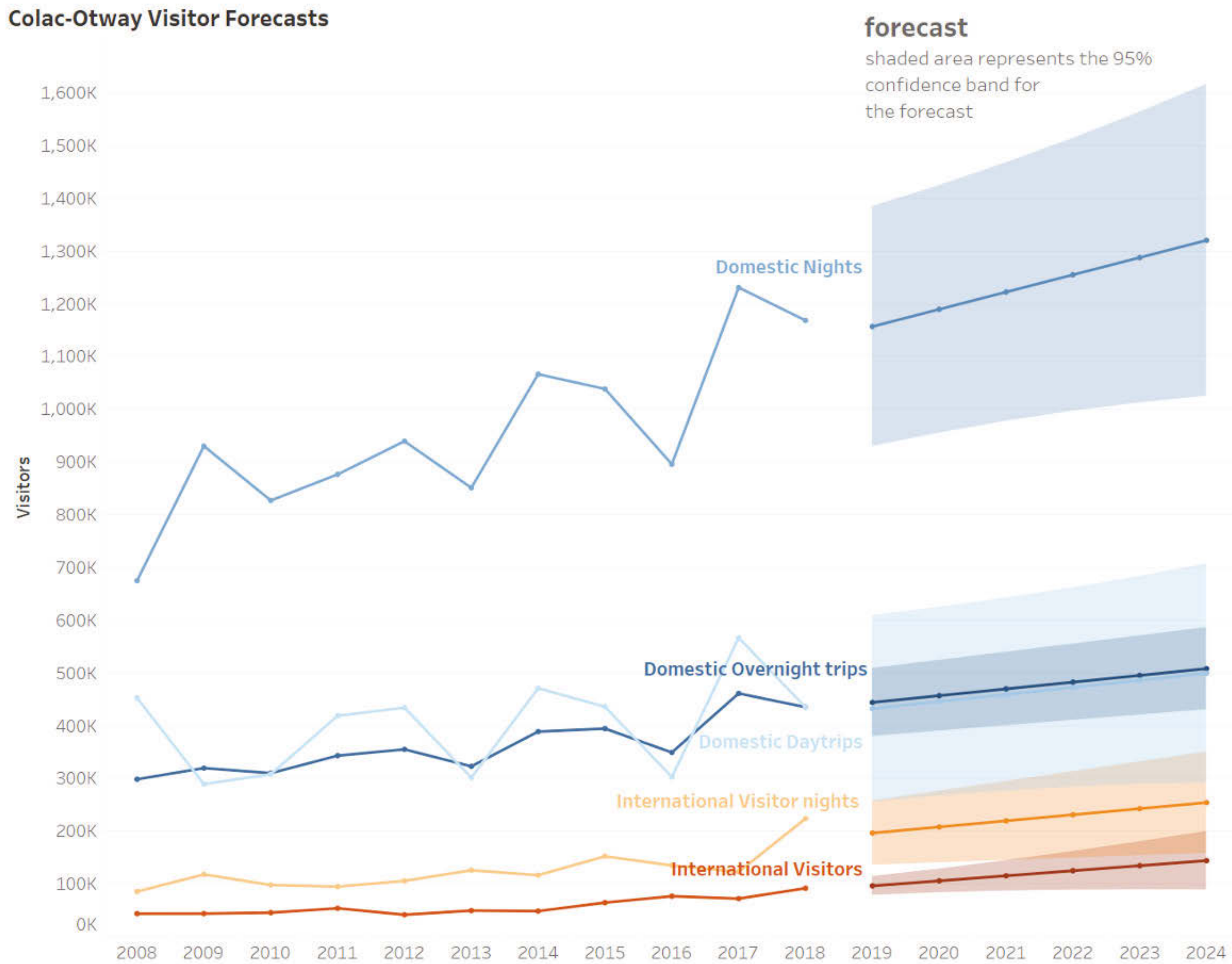
Whilst the continued growth in domestic visitors is forecast to remain the primary driver of the visitor economy for Colac-Otway International Visitors are an important part of the mix.

The 92k International Visitors are staying on average 2.4 nights in the Colac-Otway Shire compared to 2.7 nights for domestic visitors.

The 92k International Visitors stayed 224k nights in 2018 approximately 16% of the total night compared with the 1,168 (84%) nights from domestic visitors.

The growth in International Visitors is forecast to remain very strong at about 10% per annum growing from 96k in 2018 to 144k in 2024.

Growth in domestic visitation is also forecast to remain strong at around 3% per annum growing to just over 1m domestic visitor and 1.3m nights in 2024 .



Corangamite Shire

There are 10 times more domestic visitors to the Corangamite Shire than international visitors.

The 579K domestic visitors in 2018 are forecast to continue growing over the next 5 years at approximately 5% per annum; 30K additional visitors per year.

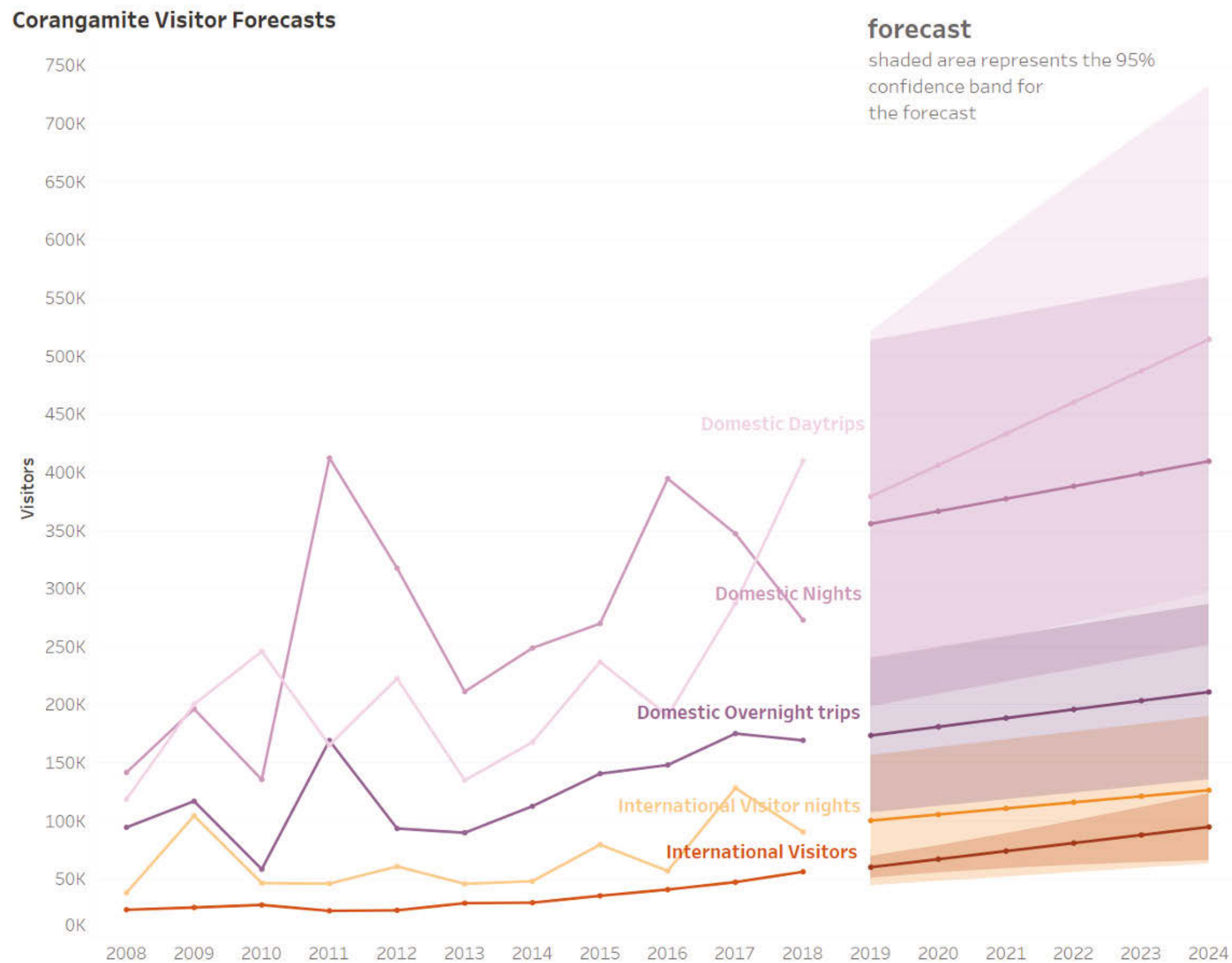
Whilst the continued growth in domestic visitors is forecast to remain the primary driver of the visitor economy for Corangamite International Visitors are an important part of the mix.

The 56K International Visitors are staying on average 1.6 nights in the Corangamite Shire compared to 2.1 nights for domestic visitors.

The 56K International Visitors stayed 90k nights in 2018 approximately 25% of the total night compared with the 273 (75%) nights from domestic visitors.

The growth in International Visitors is forecast to remain very strong at about 14% per annum growing from 56k in 2018 to 95K in 2024.

International Visitor nights are also forecast to retain strong growth of 8% per annum growing from 90K in 2018 to 126K in 2024.



Domestic Visitor Daytrips

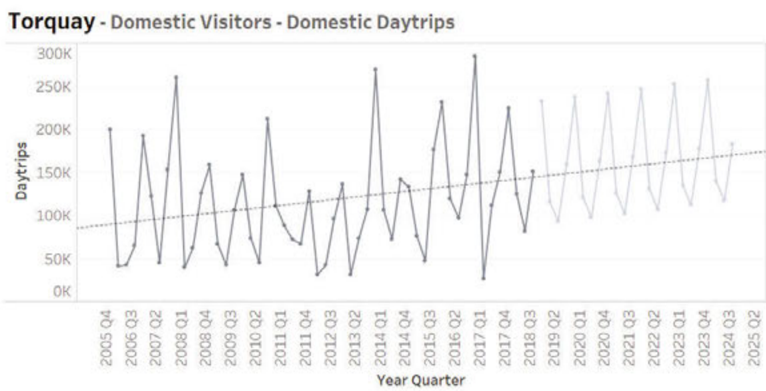
Showing the seasonal variation and projected forecast for the SA2 locations

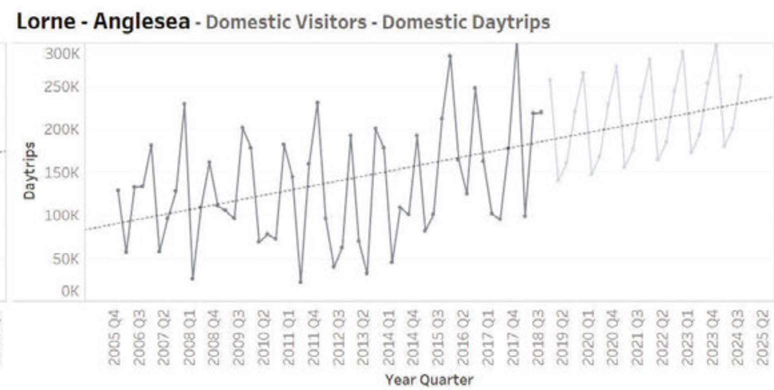
Visitation to the Study Area is highly seasonal, varied and concentrated in the following SA2 areas:

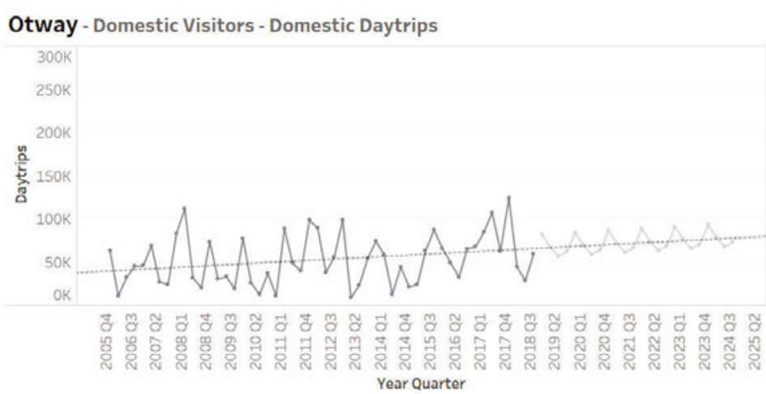
- Torquay SA2 (including Jan Juc)
- Lorne-Anglesea SA2 (including Aireys Inlet)
- Otway (including Apollo Bay and Marengo and the Otway hinterland), and the
- Corangamite South SA 2 (including Port Campbell)

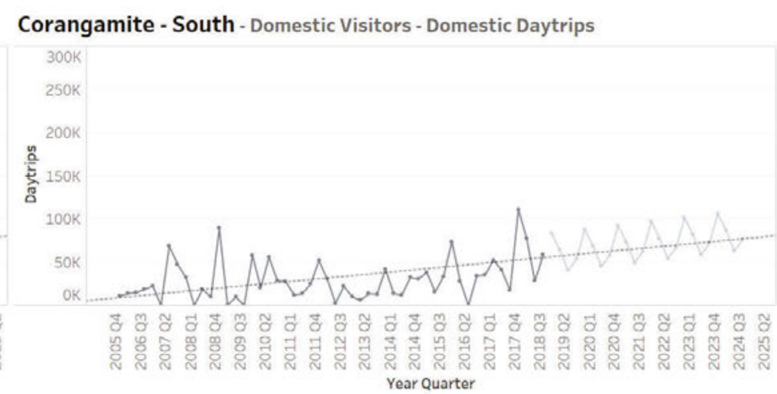
All four SA2s are forecast to experience growth. However, it is Lorne-Anglesea that has the highest growth rate and largest total number of domestic daytrips, potentially aided by the Geelong Ring Road.

Lorne-Anglesea receives over 300,000 visitors during the peak season, serviced by a baseline population of 5,052 persons (ABS 2016). At its peak visitation will create a ten-fold increase in the number of people in Lorne-Anglesea.









Domestic Overnight Visitors

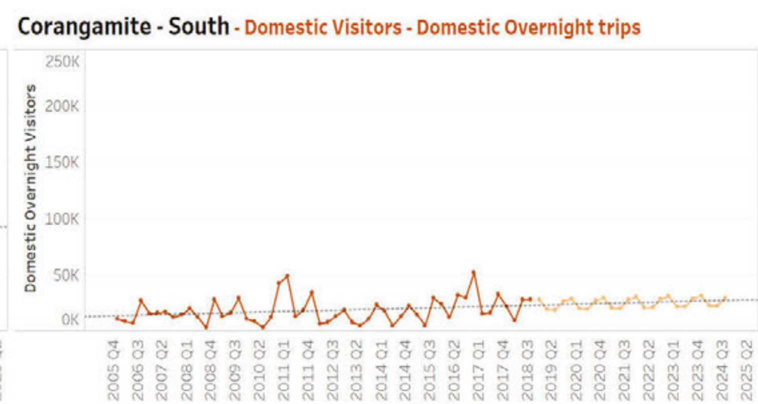
Showing the seasonal variation and projected forecast for the SA2 locations

Torquay is becoming more consistent in its domestic overnight trips showing a 40% variance between the peak summer and low season overnight visitors.

The growth in overnight visitors is also growing faster than the count of nights, which suggest that visitors are making more frequent shorter trips.

Lorne has a 65% variance between the peak and low season overnight visitors. The data also suggest that peak season visitors are staying longer (a(average 3.8 nights) than low season visitors ((average 2.2 nights).

Whilst Otway has a higher count of nights than Torquay it has a lower number of overnight visitors, which suggests that visitors to Otway are staying longer ((average 3.1 nights peak season) than visitors to Torquay (average 1.8 nights Peak Season).



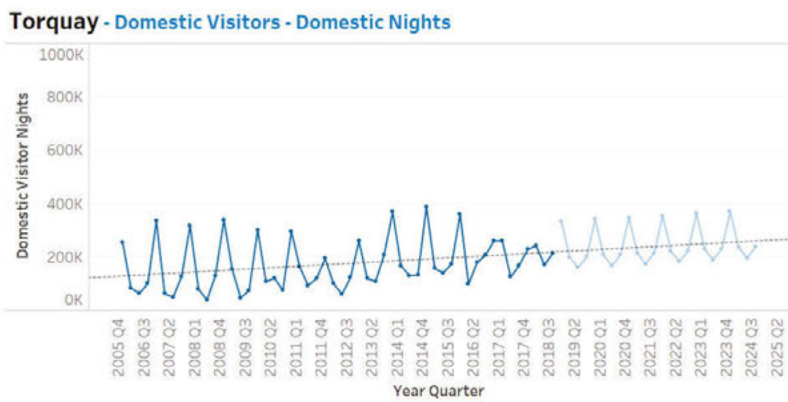
Domestic Visitor Nights

Showing the seasonal variation and projected forecast for the SA2 locations

Domestic visitor nights (i.e. overnight stays) escalate the growth in peak season demand for the Lorne-Anglesea SA2 showing a 440% increase in summer compared to winter overnight stays.

The overnight stays in Lorne-Anglesea are more than double those of Torquay and Otway and ten times those of Corangamite-South.

Rather unexpected, is the data showing that Otway had more visitor nights in the peak season than Torquay. Servicing this demand is of concern as Otway has a relatively small population (3,420 compared to Torquay's 18,359 people) and a significant outbound migration of young people; as young people are key element of the visitor economy workforce.



International Visitors

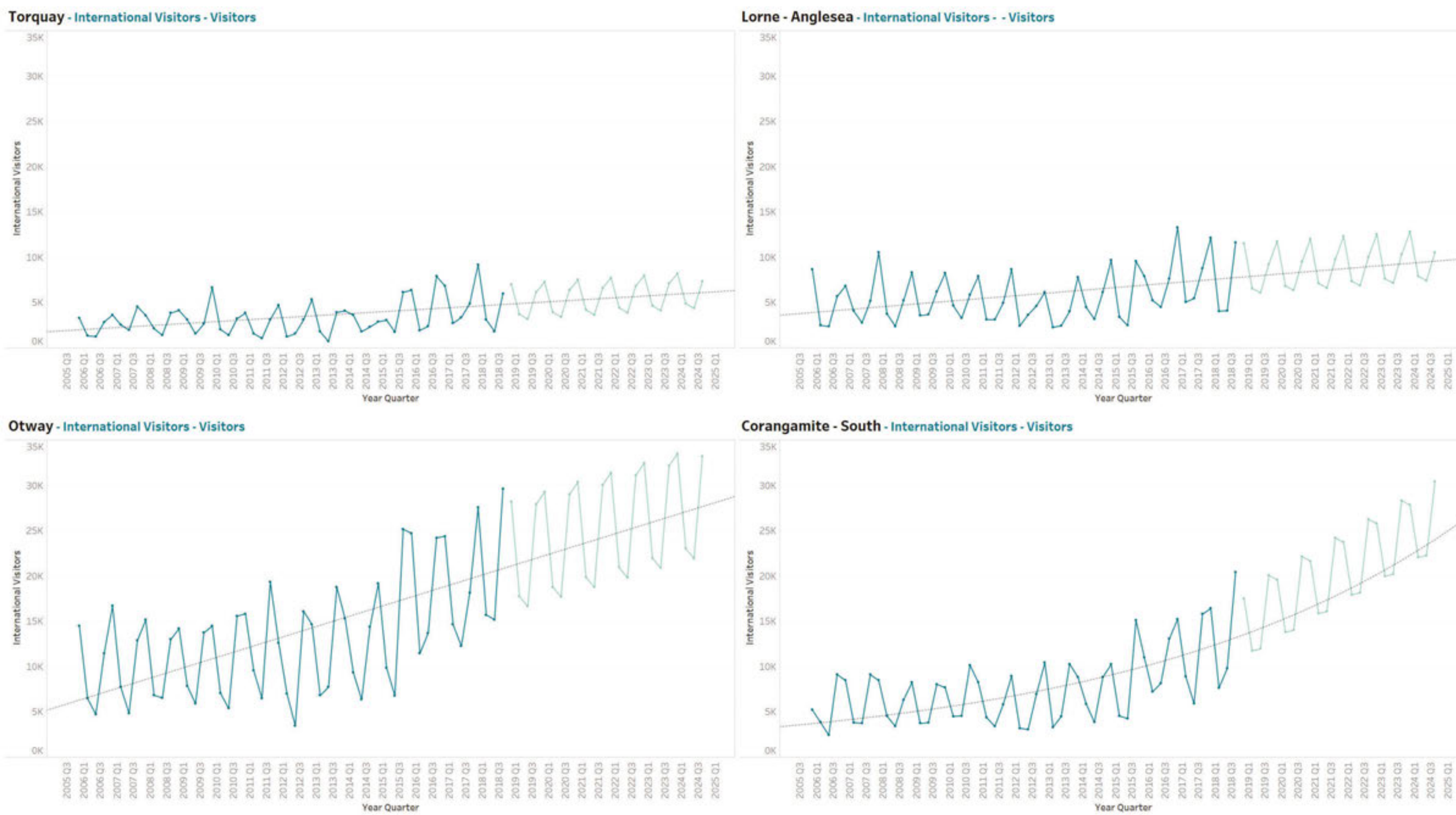
Showing the seasonal variation and projected forecast for the SA2 locations

Otway and Corangamite-South are where the major growth in international visitors is forecast.

Both Otway and Corangamite-South are showing stronger growth rates in international visitor nights than Torquay and Lorne-Anglesea.

Given the contracting population and significant loss of young people; servicing this growth in Otway and Corangamite-South will be a challenge.

Note that international visitation is also seasonal peaking in January. This adds further to the spike in workers needed during the peak season and continues the lower demand in the off season, which makes permanent employment difficult to sustain



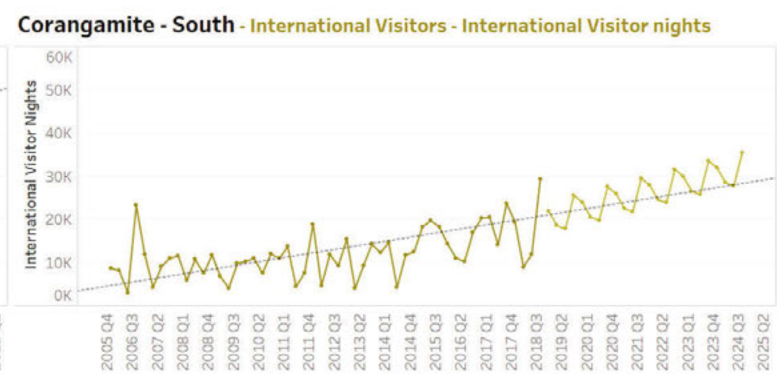
International Visitor Nights

Showing the seasonal variation and projected forecast for the SA2 locations

International visitor nights appear to be much more volatile than the overnight visitor numbers. The further east (towards Torquay) the greater the volatility.

Furthermore, the timing for the spikes in nights is different for each SA2. This suggests that local events targeted at international visitors could influence these peaks rather than a general overarching factor.

Corangamite South and the 12 Apostles appear to be largely unaffected by these spikes in international visitors as their numbers appear to be steadier.



Peak Season (Quarter 1) Visitors

Showing SA2, Domestic Daytrips, Domestic Overnights and International Visitor Nights

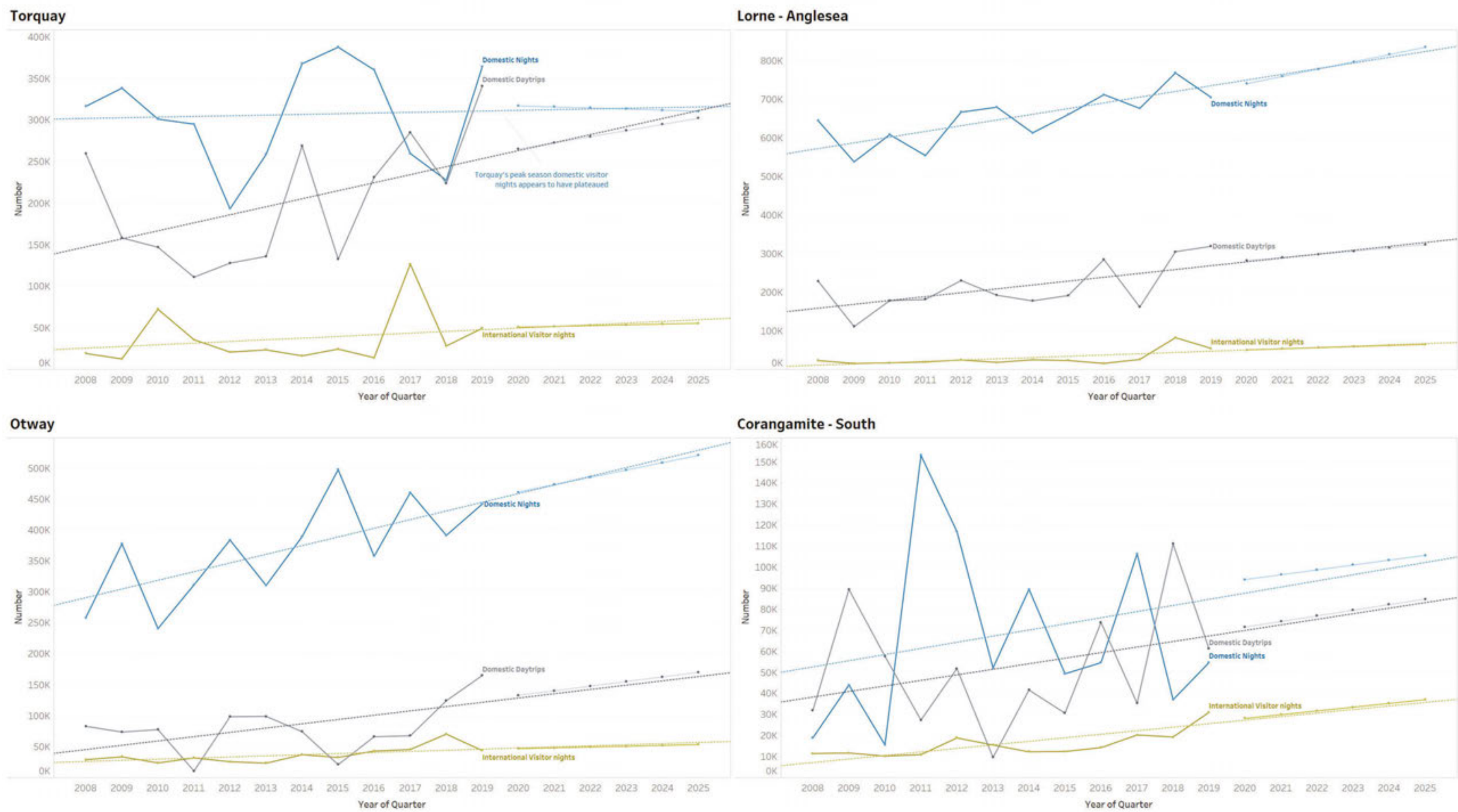
This graphic looks just at the peak season forecast (quarter 1) for the Study Area SA2 locations.

This analysis provides insight into the relative demand for workers along the Study Area SA2 locations during summer.

The domestic visitor nights for Torquay in Q1 appears to have plateaued, although the domestic daytrips are still forecast to grow.

It would appear that Torquay is becoming a destination for day visitors more-so than overnight visitors, which will potentially shift the types of jobs required more towards food and retail and less toward accommodation.

Part of the increase in day trips may be attributed to the population growth in the Greater Geelong and Wyndham LGAs Whilst Otway does not have the volume of daytrips that Torquay has, its peak season demand for domestic beds is higher than Torquay



APPENDIX II – FINANCIAL MODELLING ASSUMPTIONS

Workforce Development Strategy – Implementation Budget

Forecast Cost Estimates				
Financial Year	**Stage**	**Component**	**Operational Costs**	**Total**
2020/2021	Basic labour finding and matching service, transport for workers from regional centres	Project Management	195,000	195,000
		Recruitment	465,797	465,797
		Transport	586,960	586,960
		Accommodation	-	-
		Training	20,000	20,000
SUB TOTAL			**1,267,757**	**1,267,757**
2021/2022	Setup labour hire service, establish temporary local accommodation	Project Management	20,000	20,000
		Recruitment	524,820	524,820
		Transport	639,735	639,735
		Accommodation	-	-
		Training	40,000	40,000
SUB TOTAL			**1,224,555**	**1,224,555**
2022/2023	Transition to labour hire service	Project Management	20,000	20,000
		Recruitment	509,595	509,595
		Transport	738,665	738,665
		Accommodation	-	-
		Training	-	-
SUB TOTAL			**1,268,260**	**1,268,260**
2023/2024	Setup labour hire service, establish temporary local accommodation	Project Management	20,000	20,000
		Recruitment	469,595	469,595
		Transport	883,750	883,750
		Accommodation	-	-
		Training	-	-
SUB TOTAL			**1,373,345**	**1,373,345**
2024/2025	Setup labour hire service, establish temporary local accommodation	Project Management	20,000	20,000
		Recruitment	469,595	469,595
		Transport	982,680	982,680
		Accommodation	-	-
		Training	-	-
SUB TOTAL			**1,472,275**	**1,472,275**
TOTAL OF BASE COST ESTIMATE				**6,606,192**
Escalation				
2021/2022		2%		24,491
2022/2023		4%		50,730
2023/2024		6%		82,401
2024/2025		8%		117,782
SUB TOTAL				**275,404**
TOTAL OF BASE COST ESTIMATE + ESCALATION				**6,881,596**
Contingency All of project		**6%**		**396,372**
SUB TOTAL				**396,372**
TOTAL				**7,277,968**

Forecast Revenue Estimates

Financial Year	Stage	Component	Service Revenues	Total
2020/2021	Basic labour finding transport fares	Recruitment	255,659	255,659
		Transport	81,783	81,783
SUB TOTAL			**337,442**	**337,442**
2021/2022	Basic labour finding transport fares	Recruitment	622,008	622,008
		Transport	100,971	100,971
SUB TOTAL			**722,979**	**722,979**
2022/2023	Labour hire & finding transport fares	Recruitment	899,507	899,507
		Transport	117,936	117,936
SUB TOTAL			**1,017,443**	**1,017,443**
2023/2024	Labour hire & finding transport fares	Recruitment	1,259,726	1,259,726
		Transport	139,347	139,347
SUB TOTAL			**1,399,073**	**1,399,073**
2024/2025	Labour hire & finding transport fares	Recruitment	1,652,974	1,652,974
		Transport	157,131	157,131
SUB TOTAL			**1,810,105**	**1,810,105**
TOTAL OF BASE REVENUE ESTIMATE				**5,287,042**
Escalation		**Transport fares are NOT escalated**		
2021/2022		2%		12,440
2022/2023		4%		35,980
2023/2024		6%		75,584
2024/2025		8%		132,238
SUB TOTAL				**256,242**
TOTAL OF BASE REVENUE ESTIMATE + ESCALATION				**5,543,284**
Nett Cost (COST - REVENUE)				**1,734,684**

Project Ask

Financial Year	Operational	Less Revenue	Total
2020/2021	$ 1,343,823	- 337,442	$ 1,006,381
2021/2022	$ 1,322,519	- 735,419	$ 587,100
2022/2023	$ 1,395,086	- 1,053,423	$ 341,663
2023/2024	$ 1,538,146	- 1,474,657	$ 63,489
2024/2025	$ 1,678,393	- 1,942,343	-$ 263,950
TOTAL ASK			**$ 1,734,684**

Service Provider Costs

Project Staff		
Project Manager (annual)	$ 74,000	Geelong government project officers $45.74/hr
Relationship Management (annual)	$ 60,000	Range in regional centres from Ballarat-Geelong $48k-$75k per annum
On-costs	30%	
Average Cost of Employment	**$ 87,100**	

Office Accommodation			Recruitment Software Online Cloud Subs		
Fully Serviced Office in Torquay (4 Persons)	$ 24,000	includes all outgoings	Mid Range	$1,000	price per month, 9 users,

Vehicles			
Vehicle Cost	$45,000	RACV Calculator	
Interest rate	between 4.6% and 6%	Honder Civic	
Estimated monthly repayments	$1,500	$ 154.75	per week
Quarterly repayments	$4,500	$ 8,047.00	per Year
Travel Distance (km)	25,000		
Rate per km	$0.70		
Quarterly running cost	$4,375.00		
Total cost of travel per quarter per FTE	**$8,875.00**		

Finders Fee			
Year 1	Rate	4%	Mainly the cost of finding people
	fee per worker	$ 595	Progressive change from finding workers to hiring workers
Year 2	Rate	8%	
	fee per worker	$ 1,190	
Year 3	Rate	10%	
	fee per worker	$ 1,488	
Year 4	Rate	12%	
	fee per worker	$ 1,785	
Year 5	Rate	14%	
	fee per worker	$ 2,083	

Workers Wages - Food and Accommodation Worker		
Average hourly wage (19yrs of age)	19.04	per hr
Estimated average weekend &Public Holiday wage	$29.90	per hr 38% of the work days are @ penalty rates of between $24 & $43/hr
Hours per week	38	
Average Daily Wage	$176.07	
Weekly Wage	$880.34	
On-costs	30%	
Average cost of employment for peak period	**$ 14,878**	

Engagement of Workers
Uplift from marketing campaign - proportion of persons working less than 16hR

Local Workers

Year 1	5%
Year 2	6%
Year 3	7%
Year 4	8%
Year 5	9%

Larger Urban Centres

Geelong	Year 1	2.00%	
	Year 2	2.50%	
	Year 3	3.00%	
	Year 4	3.50%	
	Year 5	4.00%	
Colac	Year 1	2.00%	
	Year 2	2.20%	
	Year 3	2.40%	
	Year 4	2.60%	
	Year 5	2.80%	
Camperdown	Year 1	0.00%	The service has not been modelled using Camperdown as Warrnambool and Camperdown service the same areas
	Year 2	0.00%	
	Year 3	0.00%	
	Year 4	0.00%	
	Year 5	0.00%	
Warrnambool	Year 1	0.60%	Warrnambool's target is probably a little easier to achieve given the University and TAFE
	Year 2	0.75%	
	Year 3	0.75%	
	Year 4	1.50%	
	Year 5	1.60%	

Worker Transport Costs/Revenue		
Cost per Shift		
Monday - Friday	1 x 53 seat bus	$ 695.00
	1 x 24 seat mini bus	$ 595.00
Saturdays	1 x 53 seat bus	$ 895.00
	1 x 24 seat mini bus	$ 790.00
Sundays	1 x 53 seat bus	$ 1,095.00
	1 x 24 seat mini bus	$ 990.00
Public Holidays	1 x 53 seat bus	$ 1,095.00
	1 x 24 seat mini bus	$ 990.00
Estimated Cost for Peak Season per bus per shift		
	1 x 53 seat bus	$ 52,775.00
	1 x 24 seat mini bus	$ 46,155.00
	Revenue	
	Daily Full Fare	$ 4.80
	Daily Concession Fare	$ 2.40
	Split Full Fare - Concession	50%
	Average Fare per Worker	$ 3.60

Locally based persons working less than 16 hours per week - ABS Census Data 2016

SA2 Locations	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	Grand Total
Torquay	357	144	59	95	117	13	99	56	79	86	1,229
Lorne - Anglesea	60	38	14	10	10	25	15	15	18	41	246
Otway	41	12	6	14	8	10	12	29	24	39	195
Corangamite - South	124	24	6	31	17	25	26	19	23	30	325
Total	**582**	**218**	**85**	**150**	**152**	**197**	**152**	**119**	**144**	**196**	**1,995**
Uplift from local marketing campaign											
New local employees target in: Year 1		**5.0**	**%**								
Torquay	18	8	3	5	6	7	5	3	4	5	64
Lorne - Anglesea	3	2	1	1	1	2	1	1	1	3	16
Otway	3	1	1	1	1	1	1	2	2	2	15
Corangamite - South	7	2	1	2	1	2	2	1	2	2	22
Total	**31**	**13**	**6**	**9**	**9**	**12**	**9**	**7**	**9**	**12**	**117**
New local employees target in: Year 2		**6.0**	**%**								
Torquay	22	9	4	6	8	9	6	4	5	6	79
Lorne - Anglesea	4	3	1	1	1	2	1	1	2	3	19
Otway	3	1	1	1	1	1	1	1	1	3	16
Corangamite - South	8	2	1	2	2	2	2	2	2	2	25
Total	**37**	**15**	**7**	**10**	**12**	**4**	**10**	**9**	**11**	**14**	**139**
New local employees target in: Year 3		**7.0**	**%**								
Torquay	25	11	5	7	9	10	7	4	6	7	91
Lorne - Anglesea	5	3	1	1	1	2	2	2	2	3	22
Otway	3	1	1	1	1	1	1	3	2	3	17
Corangamite - South	9	2	1	3	2	2	2	2	2	3	28
Total	**42**	**17**	**8**	**12**	**13**	**15**	**12**	**11**	**12**	**16**	**158**
New local employees target in: Year 4		**8.0**	**%**								
Torquay	29	12	5	8	10	11	8	5	7	7	102
Lorne - Anglesea	5	4	2	1	1	2	2	2	2	4	25
Otway	4	1	1	2	1	1	1	3	2	4	20
Corangamite - South	10	2	1	3	2	2	3	2	2	3	30
Total	**48**	**19**	**9**	**14**	**14**	**16**	**14**	**12**	**13**	**18**	**177**
New local employees target in: Year 5		**9.0**	**%**								
Torquay	33	13	6	9	11	13	9	6	8	8	116
Lorne - Anglesea	6	4	2	1	1	3	2	2	2	4	27
Otway	4	2	1	2	1	1	2	3	3	4	23
Corangamite - South	12	3	1	3	2	3	3	2	3	3	35
Total	**55**	**22**	**10**	**15**	**15**	**20**	**16**	**13**	**16**	**19**	**201**
										Grand Total	**792**

Persons residing in Larger Urban Centres working less than 16 hours per week - ABS Census Data 2016

Regional City	15-19 years	20-24 years	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	60-64 years	Grand Total
Geelong	3,849	2,429	922	830	849	859	731	679	663	667	12,478
Colac	248	62	44	59	58	58	53	35	56	45	718
Camperdown	39	15	6	14	29	18	9	6	21	16	173
Warrnambool	864	306	160	152	181	155	150	127	146	131	2,372
Total	**5,000**	**2,812**	**1,132**	**1,055**	**1,117**	**1,090**	**943**	**847**	**886**	**859**	**15,741**

Uplift from Recruitment Program

	Year 1 Target %											
Geelong	2.0%	77	49	19	17	17	18	15	14	14	14	254
Colac	2.0%	5	-	1	2	2	2	2	1	2	1	20
Camperdown	0.0%	-	-	-	-	-	-	-	-	-	-	-
Warrnambool	0.6%	6	2	1	1	2	1	1	1	1	1	17
	Total	**88**	**53**	**21**	**20**	**21**	**21**	**18**	**16**	**17**	**16**	**291**
	Year 2 Target %											
Geelong	2.5%	97	61	24	21	22	22	19	17	17	17	317
Colac	2.2%	6	2	1	2	2	2	2	1	2	1	21
Camperdown	0.0%	-	-	-	-	-	-	-	-	-	-	-
Warrnambool	0.8%	7	3	2	2	2	2	2	1	2	1	24
	Total	**110**	**66**	**25**	**25**	**26**	**26**	**23**	**19**	**21**	**19**	**362**
	Year 3 Target %											
Geelong	3.0%	116	73	28	25	26	26	22	21	20	21	378
Colac	2.4%	6	2	2	2	2	2	2	1	2	2	23
Camperdown	0.0%	-	-	-	-	-	-	-	-	-	-	-
Warrnambool	0.8%	7	3	2	2	2	2	2	1	2	1	24
	Total	**129**	**78**	**32**	**29**	**30**	**30**	**26**	**23**	**24**	**24**	**425**
	Year 4 Target %											
Geelong	3.5%	135	86	33	30	30	31	26	24	24	24	443
Colac	2.6%	7	2	2	2	2	2	2	1	2	2	24
Camperdown	0.0%	-	-	-	-	-	-	-	-	-	-	-
Warrnambool	1.5%	7	5	3	3	3	3	3	2	3	2	40
	Total	**155**	**93**	**38**	**35**	**35**	**36**	**31**	**27**	**29**	**28**	**507**
	Year 5 Target %											
Geelong	4.0%	154	98	37	34	34	35	30	28	27	27	504
Colac	2.8%	7	2	2	2	2	2	2	1	2	2	24
Camperdown	0.0%	-	-	-	-	-	-	-	-	-	-	-
Warrnambool	1.6%	14	5	3	3	3	3	3	3	3	3	43
	Total	**175**	**105**	**42**	**39**	**39**	**40**	**35**	**32**	**32**	**32**	**571**
											Total	**2,156**

Transportation of Workers

		Bus Seats	24		
		Shifts	Shifts		
Year 1	**Service required by 0.5 of staff**	6:30am-2:00pm	1:00pm-8:00pm		Spare capacity check
	Torquay	1	1		16
	Anglesea Lorne		1		16
	Apollo Bay		1		17
	Port Campbell		1		13
	Buses Required	**1**	**4**	**5**	
Year 2	**Service required by 0.7 of staff**				
	Torquay	1	1		9
	Anglesea Lorne		1		15
	Apollo Bay		1		16
	Port Campbell		1		12
	Buses Required	**1**	**4**	**5**	
Year 3	**Service required by staff**				
	Torquay	1	1		3
	Anglesea Lorne		1		13
	Apollo Bay		1		16
	Port Campbell		1		10
	Buses Required	**1**	**4**	**5**	
Year 4	**Service required by staff**				
	Torquay	1	2		21
	Anglesea Lorne		1		12
	Apollo Bay		1		14
	Port Campbell		1		9
	Buses Required	**1**	**5**	**6**	
Year 5	**Service required by staff**				
	Torquay	1	2		14
	Anglesea Lorne		1		11
	Apollo Bay		1		13
	Port Campbell		1		7
	Buses Required	**1**	**5**	**6**	

Peak Period Operations Using 2020 as a template

February	January	December
Mon 01	Fri 01	Tue 01
Tue 02	Sat 02	Wed 02
Wed 03	Sun 03	Thu 03
Thu 04	Mon 04	Fri 04
Fri 05	Tue 05	Sat 05
Sat 06	Wed 06	Sun 06
Sun 07	Thu 07	Mon 07
Mon 08	Fri 08	Tue 08
Tue 09	Sat 09	Wed 09
Wed 10	Sun 10	Thu 10
Thu 11	Mon 11	Fri 11
Fri 12	Tue 12	Sat 12
Sat 13	Wed 13	Sun 13
Sun 14	Thu 14	Mon 14
Mon 15	Fri 15	Tue 15
Tue 16	Sat 16	Wed 16
Wed 17	Sun 17	Thu 17
Thu 18	Mon 18	Fri 18
Fri 19	Tue 19	Sat 19
Sat 20	Wed 20	Sun 20
Sun 21	Thu 21	Mon 21
Mon 22	Fri 22	Tue 22
Tue 23	Sat 23	Wed 23
Wed 24	Sun 24	Thu 24
Thu 25	Mon 25	Fri 25
Fri 26	Tue 26	Sat 26
Sat 27	Wed 27	Sun 27
Sun 28	Thu 28	Mon 28
	Fri 29	Tue 29
	Sat 30	Wed 30
	Sun 31	Thu 31

Operating Days Peak Season

Weeks	9	2nd week of December through to 2nd week Feb
Weekdays	41	less Public Holidays
Saturdays	10	
Sundays	10	
Public Holidays	4	Christmas Day, Boxing Day Holiday, New Years Day, Australia Day
Working Days	**65**	

APPENDIX III –COMPARISON OF COSTS OF CABIN ACCOMMODATION VERSUS TRANSPORT

Performance Evaluation – Cabin Accommodation vs Transport

Assessing the cost-effectiveness of the two models considered in the report, accommodation and transport, then the transport looks much more attractive.

However, the transport solution is based on an on-going operational service cost that keeps repeating year on year. Whereas the accommodation solution is based on an upfront capital investment and becomes more attractive the longer the accommodation remain in service. Note the modelling assumes a 5-year depreciation of the cabins, but the model below shows the cabin costs spread over 5 and 10 year periods.

	Year 1	Year 2	Year 3	Year 4	Year 5
Accommodation **$100k/Cabin – No Depreciation** *Solution Cost*					
Spread over 5 years	$ 237,934	$ 237,934	$ 237,934	$ 237,934	$ 237,934
Number of Workers	28	28	28	28	28
Cost per worker	$ 8,498	$ 8,498	$ 8,498	$ 8,498	$ 8,498
$100k/Cabin – With Depreciation *Solution Cost*					
Spread over 5 years	$ 477,934	$ 477,934	$ 477,934	$ 477,934	$ 477,934
Number of Workers	28	28	28	28	28
Cost per worker	$ 17,069	$ 17,069	$ 17,069	$ 17,069	$ 17,069
Transport					
Solution Cost	$505,177	$538,764	$620,729	$744,403	$825,549
Number of Workers	408	501	583	684	772
Cost per worker	$ 1,238	$ 1,075	$ 1,065	$ 1,088	$ 1,069

The above cost comparison shows that the cost of procurement and installation of cabins is the primary drive in determining the viability of temporary accommodation. Using a lower cost/quality temporary cabin (ie in the vicinity of $20 – 25K/cabin) then it is feasible to obtain a rate per worker that is comparable with the transport solution..

Regardless of the price of the cabins a significant expansion in the number of cabins on public land, or the use of cabins by workers in 'high season' will very likely be strongly objected to by visitors who feel that have been displaced from an accommodation opportunity. Site operators who are concerned at the amount of high season revenue they would be forgoing are also likely to have concerns.

The transport solution has an ongoing cost. However, the modelling has involved desktop analysis based on a provisional quotation from one potential supplier. Should the project proceed, there would be an opportunity to seek competitive quotes from a range of suppliers and negotiate terms with the selected transport provider.