

An aerial photograph of the Port of Geelong, showing a large body of water, industrial facilities, and a city in the background. A large ship is docked in the foreground, and another ship is visible further back. The text "PORT OF GEELONG" is overlaid in large white letters.

PORT OF GEELONG

ECONOMIC IMPACT STUDY 2015



THE STUDY

THE PORT OF GEELONG ECONOMIC IMPACT STUDY 2015 WAS COMMISSIONED BY THE VICTORIAN REGIONAL CHANNELS AUTHORITY, WHICH MANAGES SHIPPING CHANNELS IN PORT WATERS.

The study measures the economic impact of all port-related activity at regional and state levels and builds on similar research undertaken in 2005, 2010 and 2012.

By capturing information on trade, employment, ship numbers and costs, the study provides a balanced assessment of the port's importance and inform decisions on future planning and development.

Key stakeholders, including importers, exporters, service providers, transport companies and regulatory agencies, contributed to the study. The Victorian Regional Channels Authority particularly acknowledges the co-operation of GeelongPort, Viva Energy, GrainCorp and the City of Greater Geelong.

THE PORT

2ND

LARGEST PORT IN VICTORIA

AND BOASTS MAJOR ROAD AND RAIL LINKS TO METROPOLITAN MELBOURNE, 75KM EAST, AND TO THE REST OF REGIONAL VICTORIA

15

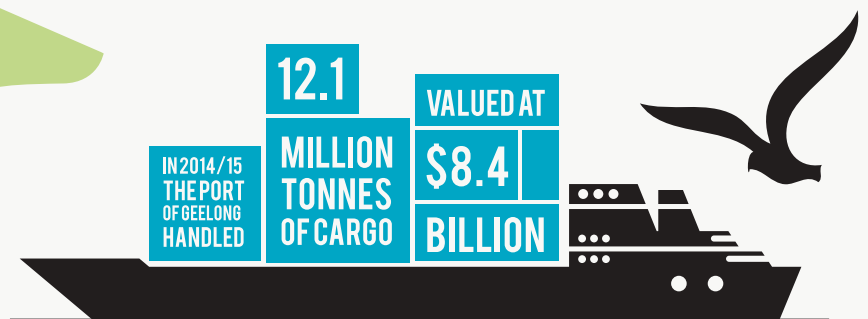
DEEP-WATER BERTHS

LOCATED AROUND THE PROTECTED SHORES OF CORIO BAY, FROM POINT WILSON IN THE NORTH TO POINT HENRY IN THE SOUTH. THERE ARE NUMEROUS SPECIALIST & GENERAL PURPOSE BERTHS & WHARVES & ASSOCIATED STORAGE AND PROCESSING FACILITIES.

IN 2014/15
THE PORT
OF GEELONG
HANDLED

12.1
MILLION
TONNES
OF CARGO

VALUED AT
\$8.4
BILLION

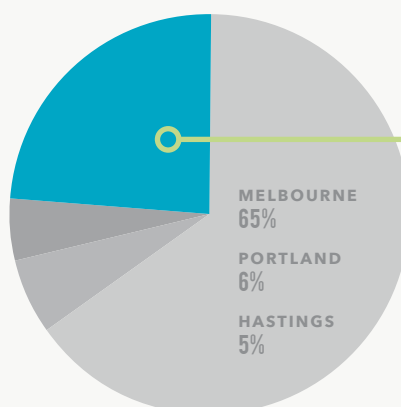


CRUDE OIL AND PETROLEUM PRODUCTS

ACCOUNT FOR MOST OF THE TRADE, BUT

GRAIN, WOODCHIPS FERTILISER & STEEL

ALSO MAKE A SIGNIFICANT CONTRIBUTION TO THE TOTAL VOLUME AND VALUE OF GOODS SHIPPED THROUGH THE PORT



CONTRIBUTED

24%

OF THE TOTAL TRADE OF THE FOUR MAJOR VICTORIAN PORTS

TOTAL IMPACT

THE PORT OF GEELONG GENERATED DIRECT AND FLOW-ON BENEFITS OF \$570 MILLION ON THE VICTORIAN ECONOMY IN 2014/2015. THE ESTIMATED TOTAL IMPACT ON THE REGIONAL ECONOMY ALONE WAS \$404 MILLION.

The value of direct and indirect benefits less the cost of goods and services in producing that output (value added) was \$247 million state-wide and \$229 million regionally.

This was equivalent to 0.09 per cent of Victoria's gross state product, or 2.1 per cent of gross regional product.

Household income generated by the port was \$141 million state-wide (\$109 million in the Barwon region) while full-time jobs

EMPLOYMENT IMPACT ON VICTORIA OF FORECAST TRADE INCREASES THROUGH PORT OF GEELONG: HIGH CASE

EMPLOYMENT IMPACT (DIRECT + INDIRECT)	YEAR				
	2014/15	2019/20	2024/25	2029/30	2034/35
Woodchips and Logs	372	389	417	453	493
Fertiliser	388	419	445	473	504
Grain	207	994	1,027	1,093	1,162
Other Dry Bulk	186	183	174	178	181
Steel Products	95	108	119	130	142
Crude Oil and Petroleum Products	366	378	372	367	361
Chemicals	58	60	60	63	66
Other Cargo	128	143	154	168	184
Total Employment Impact (fte)	1,800	2,673	2,767	2,923	3,093
Total GRP Impact (\$m)	247	386	404	429	457

SOURCE: ECONSEARCH ANALYSIS

across Victoria totalled 1,800, or 0.07 per cent of the state's total employment.

Regionally, this represented 1,430 jobs or 1.6 per cent of total employment in the Barwon area.

There were 709 ships visits during 2014/15, a significant increase on the previous study periods.

The average impact per visit state-wide was: \$803,000 of output, \$413,000 in value added, \$199,000 in household income and 2.5 full-time employment. Regionally, this equated to \$631,000 in output, \$324,000 value added, \$154,000 household income and 2.0 full-time jobs.

THE FORECAST

TRADE AND EMPLOYMENT IN THE PORT OF GEELONG IS FORECAST TO INCREASE BY 50% BY 2035, NEW RESEARCH HAS REVEALED.

Imports and exports will jump to more than 18 million tonnes and generate 3,100 direct and indirect full-time jobs as the port reaps the benefits of increased trade in commodities and improved infrastructure and transport links.

The growth forecasts are detailed in a 2015 Port of Geelong Economic Impact Study commissioned by the Victorian Regional Channels Authority.

The study draws on financial, cargo and shipping data provided by port managers, port users, government agencies and transport companies.

It predicts a healthy future for Victoria's second largest port and highlights the economic importance of the crucial asset to the state and regional economies.

The total impact of port operations on the regional economy in a single year alone is estimated at \$447 million while the impact on the Victorian economy is \$569 million.

While the study provides a valuable current-day overview of port operations, it offers an even greater insight into the future.

It confidently predicts, given appropriate investment in infrastructure, the Port of Geelong will experience unprecedented growth over the next two decades, stimulate confidence among industry and business sectors and drive regional prosperity.

The investigation by specialist maritime and transport analysts concludes that gross regional product will surge from \$247 million in 2015 to \$457 million by 2035.

It says trade will balloon across all sectors, particularly grain, woodchips, fertiliser, dry bulk cargo, and crude oil.

FORECAST TRADE FLOWS FOR MAIN COMMODITIES, PORT OF GEELONG: HIGH CASE (KT - 000 TONNES)

COMMODITY	YEAR				
	2014/15	2019/20	2024/25	2029/30	2034/35
Woodchips and Logs	1,329	1,502	1,750	2,028	2,339
Fertiliser	1,489	1,693	1,869	2,064	2,278
Grain	876	2,693	2,901	3,126	3,367
Other Dry Bulk	751	854	943	1,041	1,149
Steel Products	158	180	198	219	242
Crude Oil and Petroleum Products	6,841	7,456	7,556	7,656	7,756
Chemicals	378	430	475	524	579
Other Cargo	233	306	365	439	530
Total	12,055	15,114	16,058	17,096	18,239

SOURCE: ECONSEARCH ANALYSIS

PORT USERS

DATA WAS COLLATED FROM 10 SIGNIFICANT – BUT NOT NECESSARILY THE LARGEST – PORT USERS. THESE FIRMS ACCOUNTED FOR DIRECT FULL-TIME EMPLOYMENT OF 2,260 PEOPLE, WITH FLOW-ON EMPLOYMENT OF 5,725 FULL-TIME EQUIVALENTS.

This represented around 9.3 per cent of total employment in the Barwon region.

The firms generated \$3.8 billion in direct business turnover, with flow-ons of \$1.5 billion giving an estimated total output of \$5.3 billion.

Research also revealed the 10 companies alone were responsible for:

- contributing \$1.6 billion or more than 14 per cent of gross regional product
- generating household income of \$731 million, comprising \$271 million in the Barwon region and flow-ons of \$460 million.

DIRECT AND FLOW-ON EFFECTS OF 10 PORT OF GEELONG USERS, BARWON REGION, 2014/15

SECTOR	OUTPUT (\$m)	VALUE ADDED (\$m)	HOUSEHOLD INCOME (\$m)	EMPLOYMENT (fte)
DIRECT EFFECT				
Port Users	3,827.1	868.9	271.4	2,260
FLOW-ON EFFECT				
Primary	10.7	5.8	2.5	44
Mining	38.7	24.6	9.1	23
Manufacturing	291.3	77.0	49.6	806
Utilities	36.2	19.3	5.7	62
Construction	50.7	16.6	14.4	185
Wholesale and Retail Trade, etc.	198.8	108.0	78.2	1,125
Accomm, Restaurants, etc.	83.2	43.9	31.6	540
Transport, Storage (excl port)	106.6	48.6	27.8	361
Communication	21.6	10.8	4.7	44
Finance, Business Services	471.5	279.7	111.2	961
Public Administration	69.1	36.7	34.6	332
Community Services	89.9	68.7	62.9	715
Recreation, Personal Services	69.0	33.5	27.5	527
Total Flow-on Effect	1,537.2	773.3	459.7	5,725
Total*	5,364.3	1,642.2	731.1	7,985

SOURCE: ECONSEARCH ANALYSIS

*COMPONENTS MAY NOT SUM TO TOTALS DUE TO ROUNDING

FOR FURTHER INFORMATION

VICTORIAN REGIONAL CHANNELS AUTHORITY

GPO BOX 1135
Geelong VIC 3220
T: 03 5225 3500
E: admin@regionalchannels.vic.gov.au

GEELONG PORT

Corio Quay North
Corio Quay Road
North Geelong VIC 3215
T: 03 5247 0200

THE PORT OF GEELONG ECONOMIC IMPACT STUDY can be found and downloaded at www.regionalchannels.vic.gov.au or www.geelongport.com.au

