

Barwon

Invest in Victorian
agriculture and food

August 2018

Economic Development,
Jobs, Transport
and Resources

AGRICULTURE VICTORIA

Innovative Competitive Connected

 **\$1.1BN**

IN FOOD PROCESSING
OUTPUT IS PRODUCED
IN BARWON ANNUALLY

From the famous Great Ocean Road coastline, to the Otway forests, to rich farmland, to the streets of Victoria's biggest regional city, Geelong, the Barwon region spans spectacular and diverse landscapes.
– **Regional Development Victoria**



Why invest in Barwon's agriculture and food processing?



Seamlessly connected to Victoria and the rest of Australia

Barwon hosts the largest port and airport in regional Victoria; the Port of Geelong and Avalon Airport. Barwon's proximity to Melbourne and central location in southern Victoria also mean that domestic markets are easily accessible by road and rail.



Outstanding livestock production

Livestock industries such as dairy, beef and poultry account for nearly 80 per cent of Barwon's total value of agricultural production, and reflect the region's inherent factors of advantage. These sectors will continue to offer investment opportunities in the region.



Agritourism advantages

Barwon has experienced growth in tourism through its spectacular coastline and conveniently located regional centres. By leveraging these advantages, the region has the potential to expand its agritourism presence through the region's renowned food and wine attractions.



Access to talent

Barwon has access to a highly skilled labour force. Exceptional agriculture-specific educational facilities underpin the region's supply of quality labour.



Strong food processing base

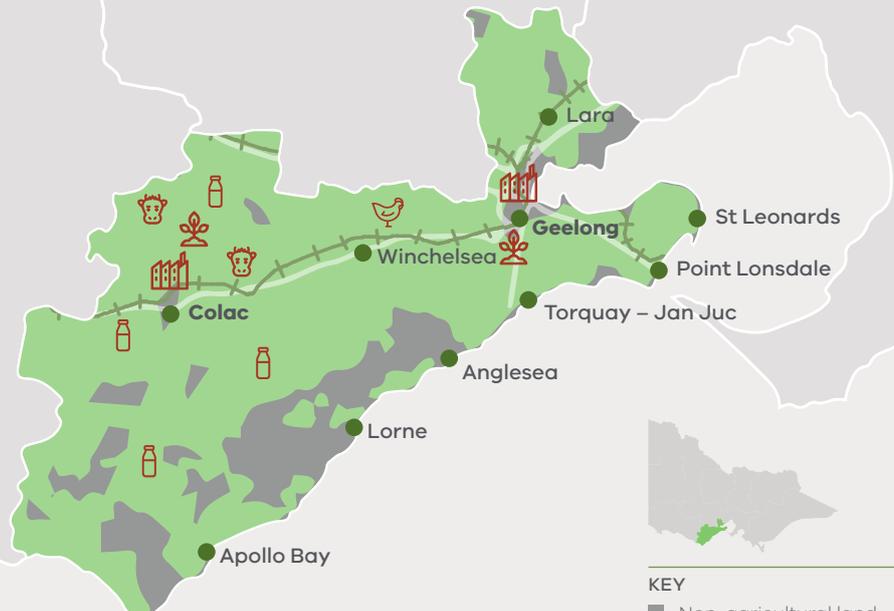
Investment in Barwon's food processing sector is driven by its proximity to the Port of Geelong, Avalon Airport and producers. Another attraction is the price of industrial land, which is less than in Melbourne and other metropolitan locations.



Barwon – A well connected region

Barwon's combination of agritourism, proximity to markets, agriculture-focused educational facilities and strong food processing base make it a premium investment destination for agriculture and food processing.

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KEY

- Non-agricultural land
- Agricultural areas
- Dairy farming area
- Vegetable growing area
- Beef cattle area
- Poultry/chicken meat
- Major food processing
- Road network
- Rail network
- Regional boundary

Victoria's Barwon region is an extremely well connected food producer

Barwon produces \$478 million in agricultural output each year.¹ Its proximity to major population centres and export routes, paired with an expanding agritourism presence in Victoria, provide a foundation for significant growth in the future.

Barwon's economy and agriculture sector at a glance

	Gross Regional Product: \$13.2bn
	Population: 286,000 (2016)
	Food processing: \$1.1bn
	Agricultural production: \$478m

Sources: ABS 7121.0 and 7503.0, 2015-16; Victorian Government

Barwon farms produce

	5.5% of Victoria's dairy
	4.6% of Victoria's beef
	9.0% of Victoria's poultry

¹ Unless otherwise stated, all dollar values refer to gross values in this publication.

Sources for this page: map, Victorian Government; ABS Census 2016, ABS 7121 2015-16; agriculture production, Victorian Government analysis using 2016 ABS Agricultural Census data; food processing value, Victorian Government estimate based on 2016 REMPLAN data and 2011-12 RISE data; GRP, Victorian Government, 2016 data, <http://www.rdv.vic.gov.au/information-portal> (November 2017); population, ABS Census 2016.

Barwon's competitive advantages

Barwon's combination of accessibility to markets, education facilities and agritourism advantages provide the region with excellent agricultural production and investment potential. Deloitte Access Economics has assessed data on numerous factors of competitive advantage at the regional and industry levels. Factors of advantage most relevant to agricultural competitiveness include:

Extremely well connected

The Port of Geelong is the largest port in regional Victoria, handling mostly exports of raw materials. This port, complemented with the location of the Avalon airport within the region, positions Barwon perfectly to further develop itself as an export hub in the future through direct connection to export markets.



Agritourism advantages

Barwon has experienced rapid growth in tourism by leveraging the region's natural assets as well as niche farms and conveniently located wineries.¹ Renowned agritourism experiences such as the Otway Harvest Trail, Toast to the Coast and Tarndwarncourt are some well-known examples of how visitors are able to immerse themselves in local processes and production.

¹ Deloitte Access Economics (2015). Value of Tourism to Great Ocean Road 2013-14. Tourism Victoria.

Strong educational facilities with access to talent

Barwon is home to almost 300,000 people. Geelong, the largest regional city in Victoria, provides an anchor for the region with a large pool of local talent. Agriculture-focused, educational facilities help



to underpin the region's success. Marcus Oldham College, for example, is the only private agricultural college operating in Australia and provides world-class education in agriculture, equine studies and farm management. Other education facilities include The Gordon, one of the largest regional TAFEs in Victoria, and the Deakin campus in Geelong, which houses the Centre for Chemistry and Biotechnology, focusing on agricultural biotechnology.

Strong food processing base in Geelong

A large engineering industry has developed to support food processing within and outside the region. Today, one-third of the region's top 25 businesses come from the manufacturing sector (including food processing). The excellence of Geelong in comparison to other regions is highlighted by the fact that currently 90 per cent of engineering firms in Geelong provide their services outside the region. Investment in food processing in Barwon is attractive because of the proximity to the Port of Geelong and Avalon Airport, the scale of regional primary production and array of local talent. Additionally, affordable land and infrastructure availability have assisted in building up the region's food processing presence.

90%
of engineering firms in Geelong provide their services outside the region

Barwon's supersectors

Dairy, beef and poultry contribute significantly to Barwon's agricultural production.

Dairy

- Dairy accounts for 30.3 per cent of the region's value of agricultural production, which is 5.5 per cent of Victoria's total value of dairy production.
- Barwon is able to leverage the renowned strength of the dairy industry's research and development in Victoria to propel the production and export of dairy products.

Beef

- 21.4 per cent of the region's value of agricultural production is beef, which accounts for 4.6 per cent of the value of Victoria's beef industry.
- The strong growth in demand for grass fed beef, combined with rising demand from Asia as they adopt more western style diets – especially high protein ones – suggest strong prospects for the Barwon beef industry.

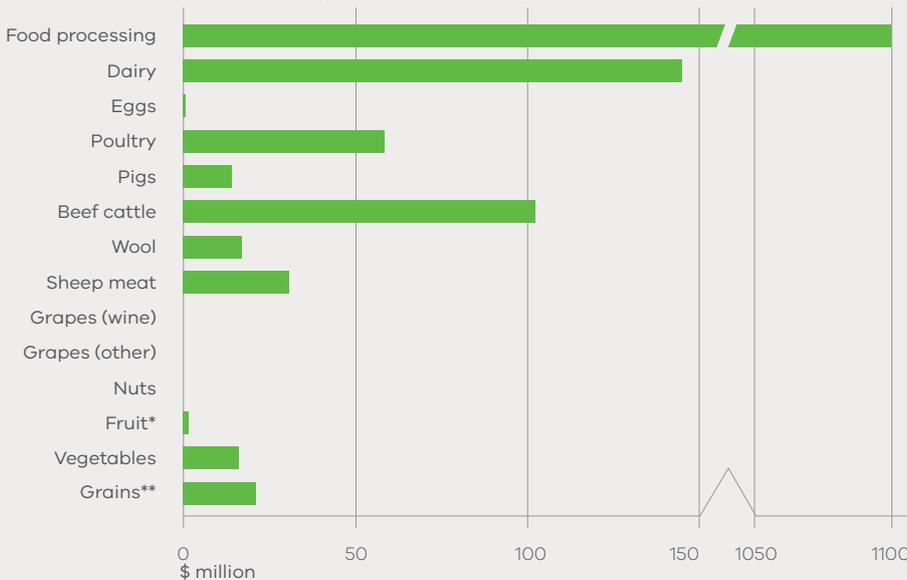
Poultry

- Poultry production accounts for 12.0 per cent of the region's value of agricultural production. Barwon produces 9.0 per cent of Victoria's total poultry production.

Food processing

- The value of food processing in Barwon is \$1.1 billion.
- The main types of food processing in Barwon are dairy and meat.
- The main food processing locations in Barwon are Geelong and Colac.

Figure 1: Barwon value of agricultural production



Note: The data is for agricultural production in 2015-16.
 *excluding grapes.
 **grains includes cereals, pulses, legumes and oilseeds.
 Sources for this page: agriculture production, Victorian Government analysis using 2016 ABS Agricultural Census data; ABS 7121 and 7503 2015-16; food processing value, Victorian Government estimate based on 2016 REMPLAN data and 2011-12 RISE data.

Investment opportunities in Barwon

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Global and domestic growth prospects for high-value food products, combined with local factors of competitive advantage, indicate that there are strong investment opportunities in Barwon. This section summarises just a few of the numerous opportunities in the region.



1. Agritourism



Investing in agritourism such as farm, meal or winery experiences can exploit the synergies between agriculture and tourism.

Strong long-term demand and supply prospects

- The growth of tourism in the region offers significant opportunities for businesses running farm stays and food and wine experiences.
- Barwon offers niche farms in a variety of agricultural production areas close to Melbourne.
- Agritourism can strengthen relationships with consumers, allowing the region's produce to sell at a premium.



2. Export hub to Asian markets



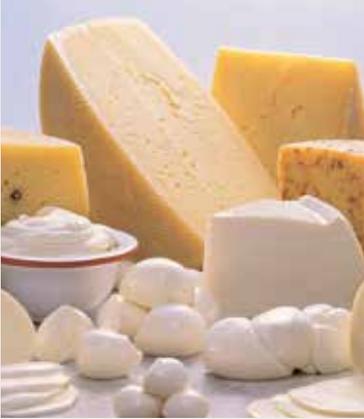
Primary producers and processors could invest in and leverage emerging distribution channels from the region, such as the region's airport and port, to enhance connections to Asian markets.

Barwon's well-connected transport infrastructure

- The region hosts the largest regional airport and port in Victoria. Avalon Airport and the Port of Geelong offer strong alternatives to Melbourne export routes.
- Avalon Airport is set to become Victoria's primary live animal airfreight hub taking advantage of significant growth in the area over the past few years.
- Avalon is intended to become a multi-use freight hub with the ability to reach markets through all modes of transport including rail, road, sea and air.



3. High-value food processing operations



There is a strong opportunity for investors to establish partnerships with existing processors and invest in technology that modernises their operations and positions their produce for high-value target markets.

Barwon's strong food processing base

- Geelong's strong food processing base underpins opportunities in these areas.

Changing diets in Asian emerging economies

- The growing middle class in Asian emerging markets demand more high value, premium and bespoke protein-rich meat as well as dairy products.

The economy is dynamic, with a strong advanced manufacturing and processing sector and great potential for growth in biotechnology, information and communication technologies (ICT) and the agribusiness sector.
– **Regional Development Victoria**



Victorian Government – committed to agriculture and food processing in Barwon

The Victorian Government is committed to building and improving infrastructure to enhance the competitiveness of Barwon's agriculture and food processing.

Colac pipeline construction

The Victorian Government has invested \$19 million to construct a new 11 kilometre pipeline to connect Colac to the Geelong water supply system, providing secure stock and domestic water for the area.

Cattle underpass program

The Victorian Government has funded \$3.0 million for another round of the cattle underpass program, to be administered by the Victorian Farmers Federation, which applies to the local government areas of Colac Otway and the Surf Coast Shire in the Barwon region.

Transport and export facilities

The Victorian Government has committed \$40 million to upgrade the Princes Highway between Colac and the South Australian border, plus \$70 million towards upgrading regional roads. It is also upgrading the Port of Geelong.

Statewide and national infrastructure

The Barwon region is also benefitting from billions of dollars of government investment in statewide and national infrastructure. This will improve: digital connectivity; regional roads and rail; logistics and export facilities; water security; energy productivity; research and innovation; workforce development; traceability and biosecurity, and many other areas relevant to agriculture and food processing. See the Victorian overview report for details.



\$21m

ELECTRONIC IDENTIFICATION OF SHEEP AND GOATS STATEWIDE



\$19m

COLAC PIPELINE CONSTRUCTION



\$110m

SURF COAST RAIL PROJECT

The Victorian Government can facilitate your next investment

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The Victorian Government provides local and international investors with the information needed to establish or expand their business.

What the State Government of Victoria can provide

The Victorian Government's investment team provides free confidential services and professional advice to both existing and new investors. Invest Victoria is the first point of contact for new clients. It provides support to international investors, and can direct domestic clients to investment advisors specializing in Melbourne (Metropolitan Investment) or regional Victoria (Regional Development Victoria), including a dedicated Agribusiness Facilitation service.

Services include:

1. Help with your market-entry business case.
Our dedicated team will supply you with up-to-the-minute information on market potential, existing companies, research and development capabilities, labour market skills and costs.
2. Introductions to our great industry contacts and local suppliers.
3. Confidential expert advice to help support your choice of investment. Our experienced team can help you work through the formal approvals you might need and even visit potential sites with you and speak to estate agents on your behalf.
4. On-ground support for existing and local investors seeking assistance for their business expansion plans through our metropolitan or regional engagement teams. Support for international investors in their home market through our extensive network of international offices.
5. Introductions to contacts across all levels of government. Financial support to attract projects of strategic significance may also be available.
6. A large team of experienced local and overseas officers ready to give you the practical support you need to maintain your new project's momentum.
7. Investment facilitation specialists who can work with you in relation to sites, infrastructure connections and project approvals.

See the 'Who to Contact' section, on the next page, or visit: invest.vic.gov.au

Grants for businesses

The Victorian Government offers a range of grant programs to help grow Victoria's agriculture and food processing industries, infrastructure and supporting systems. To identify the programs most relevant to your project, contact us directly using the details on the following page, or browse the links below.

- Grants for the agriculture and food industries: agriculture.vic.gov.au/agriculture/food-and-fibre-industries
- Grants directed at strategic priorities, including food and fibre: invest.vic.gov.au/how-we-can-help/planning/incentives-grants-and-programs
- Grants focused on regional development: rdv.vic.gov.au
- Financial incentives offered under the Latrobe Valley Economic Growth Zone: lva.vic.gov.au/economic-growth-zone/
- Targeted programs to support business growth: business.vic.gov.au/support-for-your-business/future-industries
- Programs to support infrastructure or innovation: rdv.vic.gov.au/programs-and-grants

Further Information

This document is one of 16, which describe the investment opportunities in each of Victoria's agriculture and food processing industries and regions. The following documents are especially relevant to Barwon: Food Processing, Dairy. These are available at the website below. This website also has an interactive map providing access to data on rainfall, production, processing, infrastructure, and other factors relevant to agriculture and food processing.

 invest.agriculture.vic.gov.au

Who to contact

Invest Victoria

The State Government of Victoria's investment promotion agency

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 invest.vic.gov.au

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