

Frankston & Mornington Peninsula Benchmarking Analysis

Prepared by Urban Enterprise for the Committee for Frankston & Mornington Peninsula
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Acknowledgment of Country

We acknowledge the traditional custodians of the land on which we work and pay our respects to their Elders past and present.

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Executive Summary

Background & Purpose

Urban Enterprise has been engaged by the Committee for Frankston and Mornington Peninsula to update benchmarking analysis comparing the Frankston–Mornington Peninsula region with Greater Geelong and Queenscliffe. The study examines each region’s strategic, economic and housing role, growth trends and levels of government investment. The findings will support the Committee’s advocacy for fair recognition and funding for the region.

Regional Benchmarking

- Geelong–Queenscliffe is planned and supported by the State as a regional growth centre, while Frankston–Mornington Peninsula is shaped by stronger planning controls that focus on urban containment, environmental protection and preservation of coastal and peri-urban character.
- Both regions are of similar scale, but Geelong–Queenscliffe is growing significantly faster due to major greenfield development, whereas Frankston–Mornington Peninsula has experienced more modest growth and has an older population profile aligned with lifestyle and retirement appeal.
- Each region generates around \$28–30 billion in annual output; however, Geelong–Queenscliffe has stronger health, education and knowledge sectors, while Frankston–Mornington Peninsula’s economy is more driven by tourism, agriculture, retail and light industry.
- Geelong–Queenscliffe is delivering new housing at a much faster rate, while Frankston–Mornington Peninsula has lower dwelling occupancy rates due to high levels of holiday homes and short-stay accommodation.
- Frankston–Mornington Peninsula attracts close to 8 million annual visitors and plays a key role in supporting metropolitan Melbourne through tourism, horticulture and food production, reinforcing its function as a peri-urban tourism and agricultural contributor.
- Across all major taxes and levies assessed, the analysis indicates that Frankston–Mornington Peninsula is likely to be subject to a higher overall tax liability compared with Greater Geelong–Queenscliffe. This is underpinned by a combination of factors, including:
 - Metropolitan status, which exposes the region to additional levies and a higher payroll tax rate.
 - Higher residential property values, increasing land tax and stamp duty per property.
 - A larger commercial and industrial land base, expanding land tax and stamp duty exposure; and
 - More short-stay accommodation properties, resulting in higher short-stay levy contributions.

Government Funding Analysis

- Over the past three financial years, the level of funding allocated to Geelong–Queenscliffe has exceeded that of Frankston–Mornington Peninsula.
- Frankston–Mornington Peninsula is broadly in line with the metropolitan average on a per-capita basis. However, viewing the Mornington Peninsula in isolation falls below the metropolitan average, despite very high visitation.
- Across the past three State budgets, Geelong–Queenscliffe has received higher levels of annual state capital expenditure compared with Frankston–Mornington Peninsula.
- When measured as total project capital costs across the past three budgets, Geelong–Queenscliffe has received approximately 2.3 times more funding than Frankston–Mornington Peninsula. On a per capita basis, this represents approximately \$5,600 in state government funding for Frankston–Mornington Peninsula compared to \$14,400 for Geelong–Queenscliffe
- Government funding to allocated to FMP has been weighted towards health and transport projects. In contrast, Geelong–Queenscliffe has attracted a broader mix of transport, tourism, regional development, education, justice, and city-shaping infrastructure.
- The absence of tourism and regional development funding in Frankston–Mornington Peninsula is a clear gap between the two regions; particularly given that the region is one of Victoria’s most visited destinations.
- Frankston–Mornington Peninsula receives close to 8 million annual visitors. The significant level of visitation results in additional demand for infrastructure and services, and places pressures on the regional infrastructure network, especially transport.

Priority Projects

The following priority projects have been identified by the Committee. They respond to a combination of infrastructure and service gaps, economic development opportunities, enhanced liveability outcomes, and economic resilience.

- Rezoning of Special Use Zone – (SUZ1) land in Hastings.
- Victorian Renewable Energy Terminal
- Visitor economy infrastructure and amenity upgrades
- Stony Point Rail Line Uplift
- Nepean Boulevard Precinct Revitalisation
- Rosebud Hospital Redevelopment
- Significant transport upgrades
- Designated Area Migration Agreement

1. Introduction

1.1. Background & Purpose

The Committee for Frankston and Mornington Peninsula (the Committee) considers Frankston and Mornington Peninsula (FMP) to be comparable to Greater Geelong and Queenscliffe due to geographic, population, housing and economic characteristics.

Urban Enterprise has been engaged by the Committee to update and extend previous benchmarking analysis related to government investment in the region.

The intent of this analysis is to provide a general comparison of the two regions, to understand:

- The strategic, economic and housing role performed by FMP;
- Potential differences in growth trends, demographic, socioeconomic, economic and housing attributes; and
- Compare the level of Government investment and funding allocated to both regions.

The findings are intended to support the Committee's ongoing advocacy for equitable recognition and investment in the region.

It should be noted that the intent of this analysis is not to critique or diminish the investment received by Geelong. Rather, the focus is on identifying and remedying the relative shortfall in government funding to Frankston and the Mornington Peninsula, ensuring that the region can achieve its potential and play its full role in supporting metropolitan and State growth.

Previous Benchmarking Report

Urban Enterprise was first engaged by the Committee for Greater Frankston in 2022 to prepare a benchmarking analysis comparing Frankston and the Mornington Peninsula to Greater Geelong. That analysis highlighted a disparity in the level of government funding directed to the two regions over the previous decade, despite their similarities in population scale, economic role and proximity to Melbourne.

This current report provides an update to the 2022 analysis, ensuring that the data and findings remain current and relevant to ongoing advocacy. While building on the same comparative framework, this update also incorporates refinements to the methodology and scope, which are outlined in the following sections.

1.2. Scope

Key components of the study and a summary of the approach are summarised in Table 1.

Table 1: Approach

Stage	Scope
Project Background	<ul style="list-style-type: none">• Commencement meeting.• Background information review.
Regional Benchmarking	<ul style="list-style-type: none">• Population and housing trends• Socioeconomic profile• Employment and workforce analysis
Government Funding Analysis	<ul style="list-style-type: none">• Analyse federal financial assistance grants and state capital program• Benchmark regions
Priority Projects	<ul style="list-style-type: none">• Profile priority projects

1.3. Information Sources

The information analysed in this report has been compiled from the following key sources:

- Economic, employment and population data obtained from the 2021 Australian Bureau of Statistics (ABS) Census data;
- Population and economic data obtained from id and Remplan. 2024;
- Federal grant funding data obtained from Local Government Victoria (FY 24 Annual Allocation Report); and
- Victorian Government Budget data, primarily sourced from annual state capital programs (FY23-25).

1.4. Limitations

The following limitations are acknowledged:

- This research provides a quantitative analysis of recent government investment in the Frankston-Mornington Peninsula and Geelong-Queenscliffe regions.
- The analysis is limited in that it considers only the aggregate value of funding allocated and makes no assessment of the quality, nature, or strategic intent of individual government investments.
- The study does not examine the outcomes or effectiveness of funding, nor does it capture differences in project scope, complexity, or timing of delivery.

It should also be noted that the analysis does not take into account other forms of government support, such as policy initiatives, in-kind contributions, or investments made at a sub-regional or state-wide scale.

1.5. Benchmark Regions

This report compares the Frankston-Mornington Peninsula region with Greater Geelong-Queenscliffe.

The Geelong-Queenscliffe region has been selected as the benchmark due to its comparable characteristics. Both regions are located at a similar distance from central Melbourne and have a broadly similar scale of population. Each also plays a significant role as a tourism destination, combining coastal attractions with established townships. In addition, both regions exhibit a mix of urban and peri-urban development, with strong connections to Melbourne for employment, services and trade.

Benchmarking is inherently challenging given the unique characteristics of the Frankston-Mornington Peninsula region, which combines a metropolitan interface, a subregional centre, and a peninsula with strong seasonal dynamics. While the Geelong-Queenscliffe region provides a useful point of comparison, there are notable differences. Geelong functions as Victoria’s largest regional city, with a centralised urban core, a major university, and a significant industrial and port base. In contrast, the Frankston-Mornington Peninsula region is more dispersed in its settlement pattern, with Frankston serving as a subregional centre and Mornington Peninsula characterised by smaller townships and a higher prevalence of seasonal populations.

It should be noted that the inclusion of Queenscliffe represents a slight change from the previous 2022 benchmarking study, which only included Greater Geelong as the benchmark region.

Figure 1: Benchmark Regions



Source: Urban Enterprise, 2025

Table 2: Comparative Snapshot

	Frankston-Mornington Peninsula	Geelong-Queenscliffe
Distance to Melbourne	70km ~ 1 hour drive	80km ~ 1 hour drive
Population (2024)	316,000	293,000
Median Age (2021)	43 years	40 years
Employment (2024)	117,000	127,000
Visitation (2022-24 ave.)	7.9 million	6 million

Source: Census of Population & Housing, ABS, 2021; NVS & IVS, TRA 2022-24; Census Place of Work modelled by Remplan, 2025

2. Regional Benchmarking

2.1. Introduction

This section provides a comparison of the Frankston-Mornington Peninsula region and the Geelong-Queenscliffe region across a range of indicators related to the demographics, housing and the economy.

2.2. Planning & Land Use Context

The Frankston-Mornington Peninsula and Geelong-Queenscliffe regions are similarly located in the context of metropolitan Melbourne. The regions include a mix of residential, employment, agricultural land, as well as hinterland and extensive coastlines.

Both regions have experienced steady population growth, reflecting demand for housing, access to services, and the appeal of coastal and peri-urban living environments. Each also plays an important role in supporting surrounding rural communities and providing connections back to Melbourne. A summary of the key points related to planning and land use for each region is summarised below, including a comparison to understand key similarities and differences.

Frankston-Mornington Peninsula

- The region sits at the metropolitan interface, with the region forming part of the Melbourne metropolitan area under Plan for Victoria, and Frankston designated as a Metropolitan Activity Centre.
- The Mornington Peninsula is recognised in state planning policy as a unique peri-urban and coastal environment, with an emphasis on protecting landscape values, green wedge land, and agricultural activity.
- Population growth has been relatively modest, incremental and mostly concentrated in Frankston, while much of the Peninsula remains subject to planning controls that limit large-scale development to protect environmental and landscape values.
- Settlement is more dispersed, with townships spread along the coastline and hinterland, and significant areas constrained from urban development by the Urban Growth Boundary, green wedge zoning, and environmental overlays.

Geelong-Queenscliffe

- Greater Geelong is designated as Victoria's largest regional city and identified in the G21 Regional Growth Plan and Central Geelong Framework Plan as a key focus for population and employment growth.
- Geelong has undergone a period of rapid transformation, with strong residential development, significant urban renewal, and the emergence of new employment precincts that have expanded and diversified its economic base.
- Planning policy supports substantial urban consolidation and expansion in designated growth areas, including Armstrong Creek and the Northern and Western Geelong Growth Areas, underpinned by major infrastructure investment.
- Geelong also accommodates large areas zoned for industry and port activity (notably at Corio, Avalon and the Port of Geelong).
- The Borough of Queenscliffe, by contrast, is highly constrained by heritage and environmental protections and plays a specialised tourism role within the region.

Comparative Analysis

- While both regions continue to absorb population growth and accommodate a mix of housing and employment, their growth patterns display important contrasts. Geelong has been positioned more explicitly as a regional growth centre, enabling large-scale residential growth and urban expansion, industrial development, and urban renewal.
- The Frankston-Mornington Peninsula region maintains a balance between urban development and the protection of strong environmental and lifestyle attributes. Planning policy in this region supports the protection and conservation of areas with environmental significance, and directing the majority of growth to Frankston where residential intensification is encouraged, particularly within the Activity Centre.
- These differences reflect the distinct roles that the two regions perform within Victoria: Geelong as a driver of regional growth and diversification, and Frankston-Mornington Peninsula as a peri urban region where incremental growth occurs alongside environmental and amenity considerations.
- There is clear differences in the scale, rate and locations of growth. The urban area of Geelong is positioned for significant growth, with dedicated residential growth areas in Armstrong Creek, Western and Northern Geelong. The Bellarine Peninsula has been declared a Distinctive Area and Landscape, which protects the peninsula's unique landscapes, natural environment, cultural heritage, and natural resources. As such, future expansion of settlement boundaries are capped, and growth is directed to designated settlement areas.

2.3. Population

Over the past decade, the Frankston-Mornington Peninsula region has experienced moderate population growth, increasing by around 23,000 residents between 2014 and 2024, at an average annual growth rate of 0.8%. In contrast, Geelong-Queenscliffe has recorded much stronger growth, adding approximately 62,000 residents over the same period at an average annual rate of 2.4%.

Historical trends are forecast to continue across the two regions. By 2036, Frankston-Mornington Peninsula is forecast to reach 344,000 residents, equating to around 0.7% per annum. Geelong-Queenscliffe, however, is projected to grow to 371,000 residents, with sustained growth of 2.0% per annum, driven by significant greenfield and infill residential development within the urban area of Geelong.

Table 3: Historical Population, 2014-24

	2014	2024	Change (#)	CAGR
Frankston- Mornington Peninsula	293,000	316,000	+23,000	0.8%
Greater Geelong-Queenscliffe	231,000	293,000	+62,000	2.4%

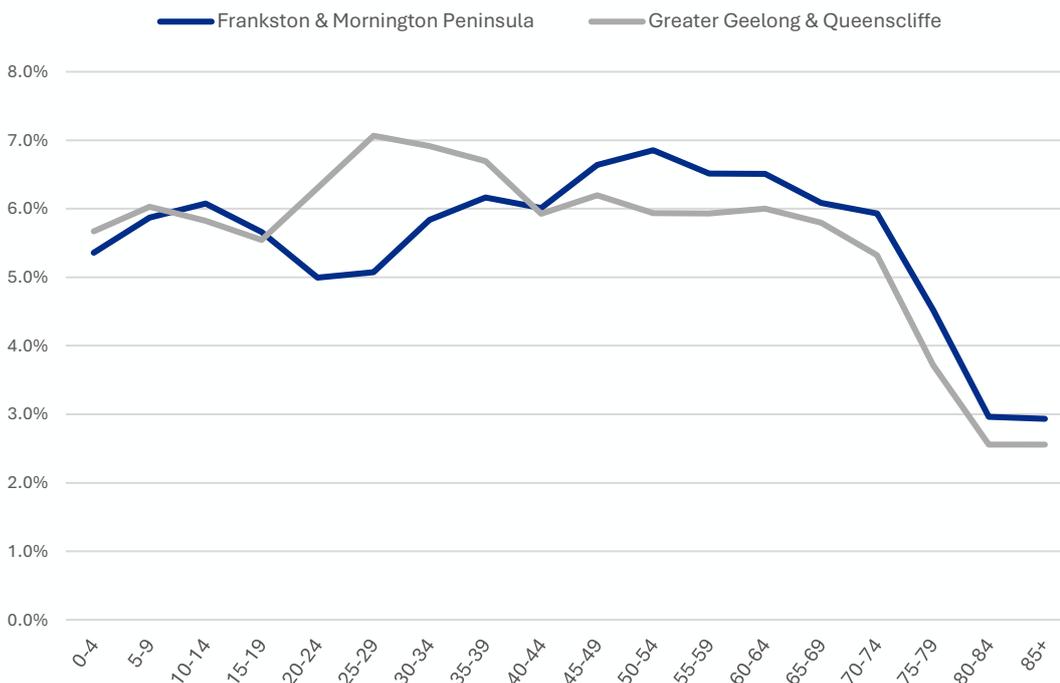
Source: ABS Regional Population, 2025

Table 4: Forecast Population, 2036

	2036	Change (2021-2036)	CAGR
Frankston- Mornington Peninsula	344,000	+32,000	0.7%
Greater Geelong-Queenscliffe	371,000	+97,000	2.0%

Source: Victoria in Future, 2023

Figure 2: Age Profile, 2021



Source: ABS Census of Population & Housing, 2021

Frankston-Mornington Peninsula has an older age structure, with a higher proportion of residents aged over 55 years. The older age profile is mostly driven by older cohorts living in the Mornington Peninsula, reflecting its role as both a lifestyle and retirement destination. The lower levels of younger residents (18-35 years) is likely to be influenced by housing affordability, education opportunities in Melbourne and the lack of public transport on the Peninsula.

Geelong-Queenscliffe has a relatively younger profile, with a higher representation of younger workers (20-34 years), reflecting its function as a growing regional city with significant growth area housing development, and increasing employment opportunities.

Overall, Geelong-Queenscliffe is growing at a faster pace and has a younger age profile, whereas Frankston-Mornington Peninsula is characterised by more incremental growth and an older age profile.

Geelong has a higher proportion of university-educated residents, reflecting its growing professional workforce, proximity to tertiary institutions and knowledge-intensive industries. In contrast, Frankston has a larger share of residents with vocational or secondary-level qualifications, consistent with its stronger trades, service-based employment base and historical education pathways.

Table 5: Education Attainment, 2021

	F-MP	GG-Q
Bachelor Degree or Above	20.2	24.4
Diploma or Advanced Diploma	11.2	10.3
Certificate III or IV	19.3	18.1
Year 12	14.3	13.2

Source: ABS Census of Population & Housing, 2021

2.4. Housing

The Frankston-Mornington Peninsula region has experienced moderate housing growth. The number of dwellings in the region increased by around 15,000 between 2011 and 2021, at an average annual growth rate of 1.1%. Growth is expected to continue steadily, with a further 19,000 dwellings projected by 2036.

In comparison, the Greater Geelong-Queenscliffe region has recorded faster housing growth, adding around 25,000 dwellings between 2011 and 2021, at an average annual rate of 2.3%. This stronger trajectory is expected to continue, with an additional 48,000 dwellings forecast by 2036, reflecting the region's role as a major growth centre supported by large-scale residential development across growth corridors.

Household composition across the two regions is broadly similar, with couples (both with and without children) making up the largest share of households, followed by lone person households and one-parent families. This indicates a relatively balanced mix of household types and lifecycle groups in both regions.

The two regions have similar average household sizes (2.5 persons), likely reflecting comparable demographic and housing characteristics. Both have a mix of established suburban areas with families, older couples, and smaller households, and limited representation of high-density housing.

There is a noticeable difference in dwelling occupancy between the regions. Mornington Peninsula has a relatively low occupancy rate (82%) as a result of the high prevalence of holiday homes and short-term rental properties.

Overall, while both regions continue to accommodate growth in dwellings, the scale and pace of change is much higher in Geelong-Queenscliffe, consistent with its designation as a regional growth hub.

It should also be noted that the State Government has set housing targets of 24,000 new dwellings for Mornington Peninsula and 33,000 for Frankston. While these targets are lower than Greater Geelong and Queenscliffe (129,000), they are relatively ambitious given the region's more limited developable land, Green Wedge zoning constraints and existing infrastructure capacity.

Table 6: Dwellings, 2011-2021

	2011	2021	Change (#)	CAGR
Frankston-Mornington Peninsula	137,000	152,000	15,000	1.1%
Greater Geelong-Queenscliffe	99,000	124,000	25,000	2.3%

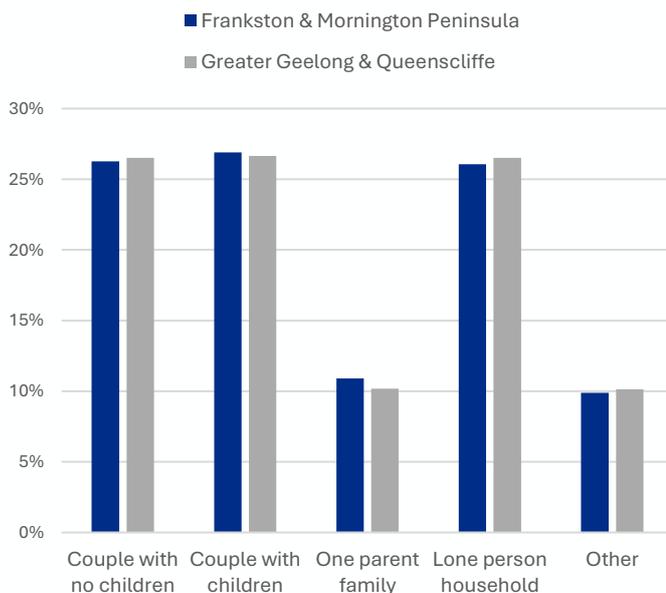
Source: ABS Census of Population & Housing, 2021

Table 7: Forecast Dwellings, 2021-2036

	2036	Change (2021-2036)	CAGR
Frankston-Mornington Peninsula	171,000	19,000	0.8%
Greater Geelong-Queenscliffe	171,000	48,000	2.2%

Source: VIF, 2023

Figure 3: Household Composition, 2021



Source: ABS Census of Population & Housing, 2021

Table 8: Average Household Size 2021

Region	Household Size
Frankston-Mornington Peninsula	2.5
Greater Geelong-Queenscliffe	2.5

Source: ABS Census of Population & Housing, 2021

Table 9: Dwelling Occupancy Rate, 2021

Region	Occupancy rate
Frankston-Mornington Peninsula	82%
Greater Geelong-Queenscliffe	89%

Source: ABS Census of Population & Housing, 2021

Housing Affordability & Availability

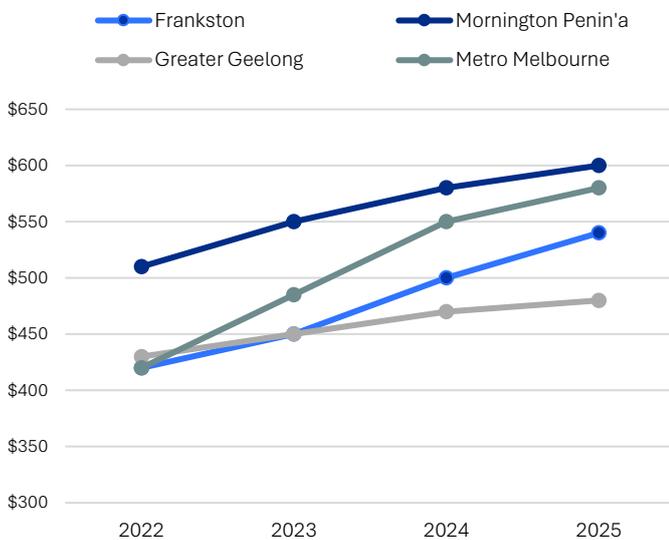
Rental availability and housing affordability continue to be key challenges in the Frankston-Mornington Peninsula region. Median rents have risen consistently since 2022, broadly in line with Greater Geelong and Metro Melbourne, and reflects ongoing demand pressures on the rental market. Demand remains strong, supported by limited new rental supply and continued population growth, particularly from households seeking affordable coastal or peri-urban locations within commuting distance of Melbourne.

Rental listings have remained relatively stable over the period, suggesting stagnant supply, which is contributing to an upward pressure on rents and eroded rental affordability, particularly for lower-income households.

In terms of house values, median house prices in both Frankston and Mornington Peninsula are higher compared with Greater Geelong. While prices have softened since the post pandemic peak of 2022, affordability remains a key concern, particularly for first home buyers and low to moderate income earners.

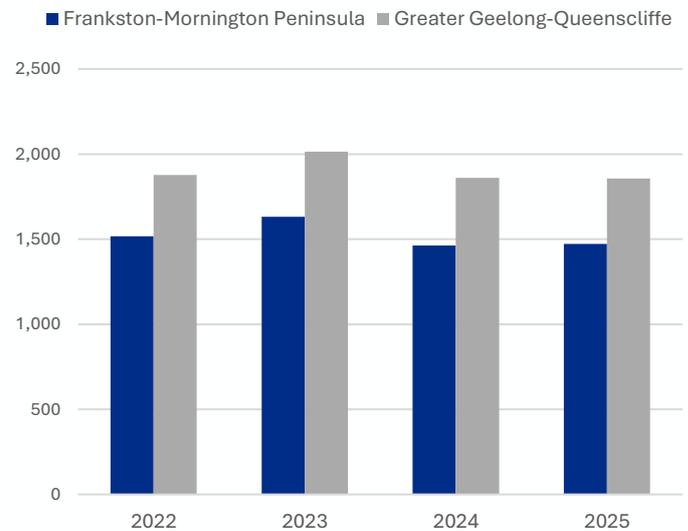
Persistently high house prices indicates that the market is not in equilibrium, with demand outpacing new housing supply. High house prices (especially in Mornington Peninsula) risks pricing out key worker demographics, such as those employed in health, education, hospitality, construction and tourism, which are critical to the long-term economic resilience and capacity of the region.

Figure 4: Median Rents, 2022-2025



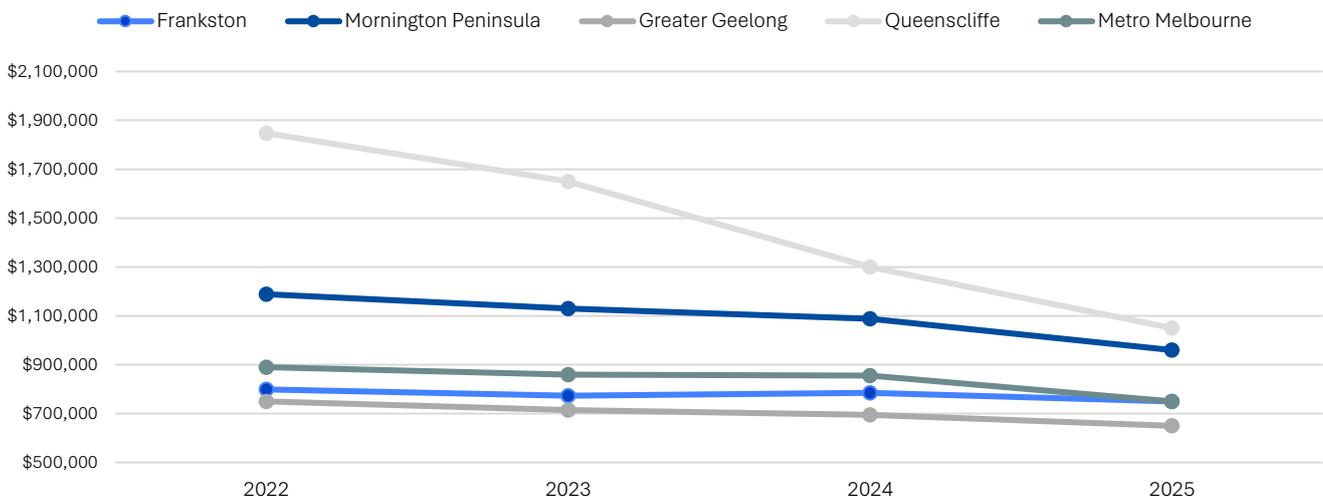
Source: Homes Victoria Rental Report 2025, Department of Families, Fairness & Housing, 2025

Figure 5: Rental Listings, 2022-2025



Source: Homes Victoria Rental Report 2025, Department of Families, Fairness & Housing, 2025

Figure 6: Median House Price, 2022-2025



Source: A Guide to Property Values 2025, Valuer General, 2025

2.5. Socioeconomic

This section analyses and compares socioeconomic characteristics of each region, including Socio-Economic Indexes for Areas (SEIFA) rankings and crime statistics.

SEIFA scores rank regions by relative socio-economic advantage and disadvantage, with a national average score of 1,000, where lower scores indicate higher levels of disadvantage and higher scores reflect greater advantage.

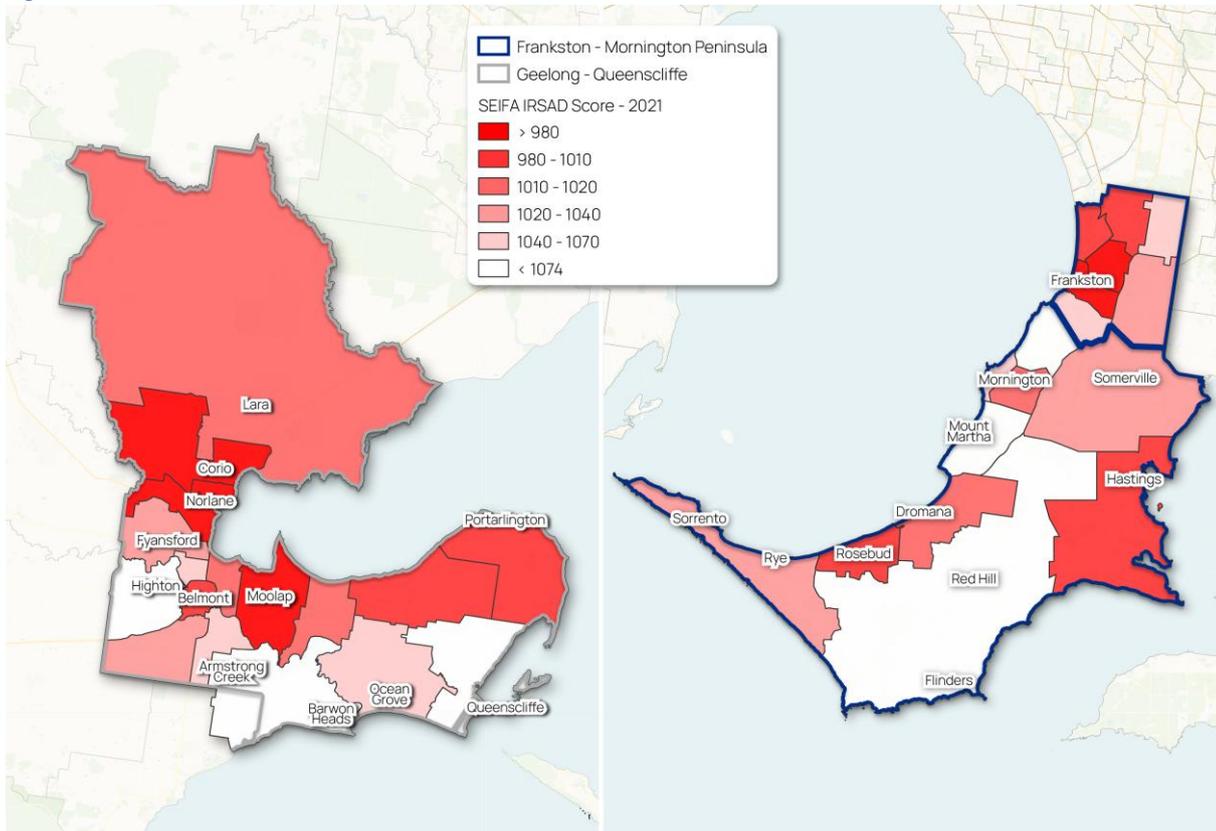
SEIFA results at the SA2 level highlight that both the Frankston-Mornington Peninsula and Geelong-Queenscliff regions include a level of socio-economic polarisation, ranging from areas of relative advantage to pockets of significant disadvantage.

In the Frankston-Mornington Peninsula region, a higher level of disadvantage is evident in parts of Frankston, Hastings, Rosebud, and the Western Port corridor. In contrast, much of the central and southern Peninsula records relatively high SEIFA scores, reflecting higher income households.

In the Geelong-Queenscliff region, disadvantage is more evident in parts of central Geelong, Corio, and Lara. At the same time, there are areas of relative advantage along the coast, including Ocean Grove and Queenscliff, where incomes and education levels are higher, and professional occupations are more prevalent.

Both regions include pockets of disadvantage, despite broader perceptions of affluence in coastal locations. This reinforces the importance of recognising intra-regional variation when considering government investment and service delivery, as communities with higher levels of disadvantage often require targeted support within otherwise prosperous regions.

Figure 7: SEIFA Index



Source: ABS Census, 2021

Crime and family violence rates show similar spatial patterns across the four LGAs. Frankston has the highest levels of crime (12,202 offences per 100,000) and family violence (2,122 incidents per 100,000). Greater Geelong also reports elevated rates of criminal offences (8,567 and 1,886 per 100,000, respectively).

Comparatively, Mornington Peninsula (7,467 and 1,448 per 100,000) and Queenscliff (2,960 and 705 per 100,000) record substantially lower rates of criminal offences.

Overall, areas with higher general crime also experience greater family violence incidence, highlighting the influence of broader social and economic factors on community harmony and safety.

Table 10: Crime Rates per 100,000 residents, YE March 2025

	Criminal Offences	Family Violence
Frankston	12,200	2,100
Mornington Peninsula	7,500	1,500
Greater Geelong	8,600	1,900
Queenscliff	3,000	700

Source: Recorded Offences and Family Incidents, Department of Justice and Community Safety, 2025

2.6. Economy & Employment

Economic Profile

The two regions support economies of a similar scale, with comparable annual economic metrics such as output, export value, value-add and jobs. Despite the similarity, the structure of each economy is slightly different and reflects a comparative advantages and industry specialisations.

The Frankston-Mornington Peninsula region records a higher share of employment in retail, hospitality and recreation, consistent with its larger visitor economy and mature tourism product centred on coastal attractions. The region also supports a notable concentration of industrial and construction employment, linked to established precincts in Frankston, Carrum Downs and Hastings. These industries benefit from the region’s proximity to metropolitan Melbourne and its position within the broader south-east industrial corridor.

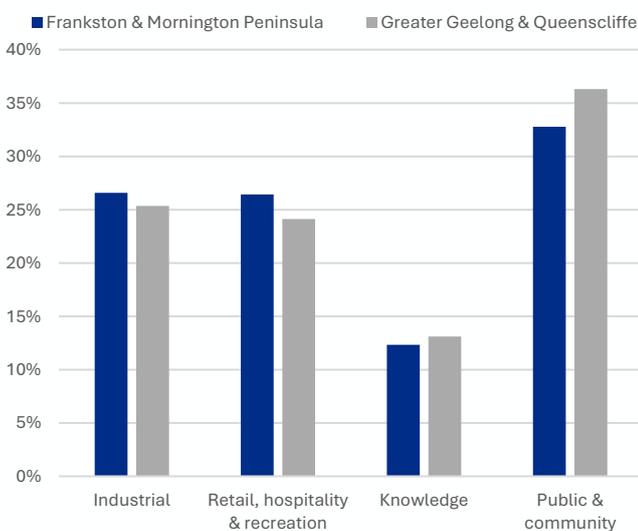
In contrast, Greater Geelong–Queenscliffe records a higher proportion of public and community sector employment, supported by the presence of major institutions such as Barwon Health and Deakin University. The Geelong economy also exhibits a greater share of knowledge and professional services, reflecting its evolution as a growing regional city with government decentralisation and a strong education, health and research base.

Table 11: Economic Profile, 2024

	Frankston-Mornington Peninsula	Greater Geelong-Queenscliffe
Employment	117,000	127,000
Output	\$43.97B	\$48.76B
Regional Exports	\$12.37B	\$12.59B
Value Added	\$19.26B	\$20.77B

Source: Remplan, 2024

Figure 8: Employment by Industry, 2024



Source: ABS Census Place of Work modelled by Remplan, 2024

See Appendix B for details on employment industry groupings

To understand employment specialisations in the two regions, relative employment comparisons can be made using the Location Quotient (LQ) technique. The LQ method measures the proportion of employment in a particular industry relative to another region.

An industry value greater than 1 represents a higher proportion of employment – LQ results that are substantially higher than the benchmark area (especially if the LQ exceeds 2) indicate a competitive advantage in that industry sector.

The LQ analysis in Figure 9 shows that Frankston–Mornington Peninsula has a clear specialisation in Agriculture, Forestry and Fishing.

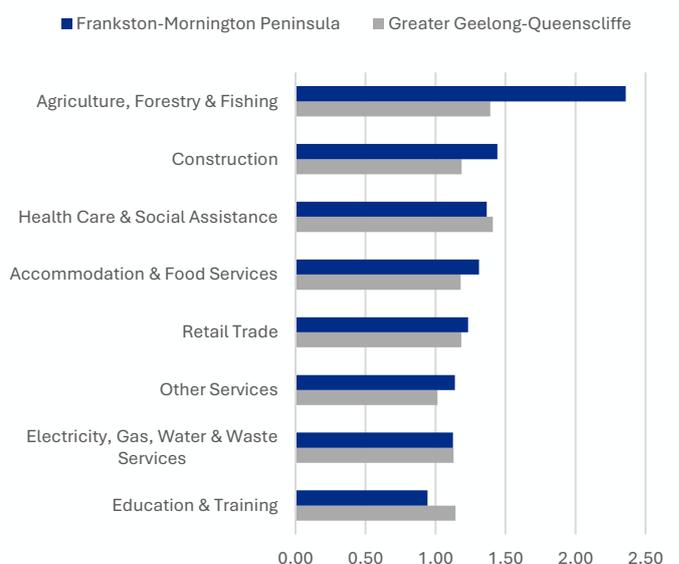
Agriculture represents a competitive economic strength for the Mornington Peninsula, underpinned by intensive horticulture and food production that services Melbourne’s demand for produce. The region’s agricultural base also underpins its food and wine tourism offer, reinforcing its role as one of Victoria’s premier food and wine destinations.

Tourism-related industries such as Accommodation and Food Services and Retail Trade are also industry strengths, supported by the region’s significant visitor base.

Conversely, Greater Geelong–Queenscliffe demonstrates emerging strengths in education and training, health care and social assistance, and professional services, aligned with its role as a regional city and service hub. These industries contribute to a more diversified economic structure, balancing traditional manufacturing with knowledge and service sectors.

Together, the two regions illustrate different economic roles within the broader Victorian economy, with the Mornington Peninsula serving as a food, tourism and lifestyle region, and Geelong–Queenscliffe as a more typical regional economic and employment hub.

Figure 9: Location Quotient – Industry Specialisations, 2024



Source: TRA National & International Visitor Survey, 2025

Workforce Characteristics

Employment patterns highlight clear distinctions in the structure and self-sufficiency of the two regional economies. In Geelong–Queenscliffe, approximately 76% of employed residents work locally, indicating a high level of job containment.

By contrast, only 55% of Frankston–Mornington Peninsula residents work locally. The lower containment rate reflects a higher level of out-commuting to other areas in metropolitan Melbourne.

This outward commuting pattern suggests that there may be fewer employment opportunities locally, that are aligned with the skills and expertise of employed residents. It also highlights a level of centralisation, whereby residents live in the region, but work in more inner urban areas and employment precincts.

The participation rate is slightly lower in Frankston–Mornington Peninsula (59% compared with 61% in Geelong–Queenscliffe). This partly reflects the region’s older age profile, with a higher proportion of retirees and seniors that are no longer active in the labour market.

Unemployment in both regions has generally tracked below or around the Greater Melbourne average over the past three years (Figure 10). However, Frankston recorded a sharper rise in unemployment through 2024, consistent with broader metropolitan volatility, whereas Mornington Peninsula and Geelong maintained more stable conditions.

Across the Barwon region (including Geelong–Queenscliffe), persistent skills shortages are reported in health care, social assistance, engineering, and construction trades, driven by infrastructure growth and population expansion.¹

In the Metropolitan South East region (covering Frankston–Mornington Peninsula), skills pressures are concentrated in aged care, early childhood education, and hospitality, reflecting the region’s service-oriented economy and ageing population.²

Together, these dynamics suggest that while Geelong–Queenscliffe exhibits stronger job containment and industrial diversity, Frankston–Mornington Peninsula faces more pronounced challenges in local employment access and workforce participation, particularly in middle- and high-skill occupations.

Table 12: Job Containment Rate, 2021

	Job Containment
Frankston-Mornington Peninsula	55%
Geelong-Queenscliffe	76%

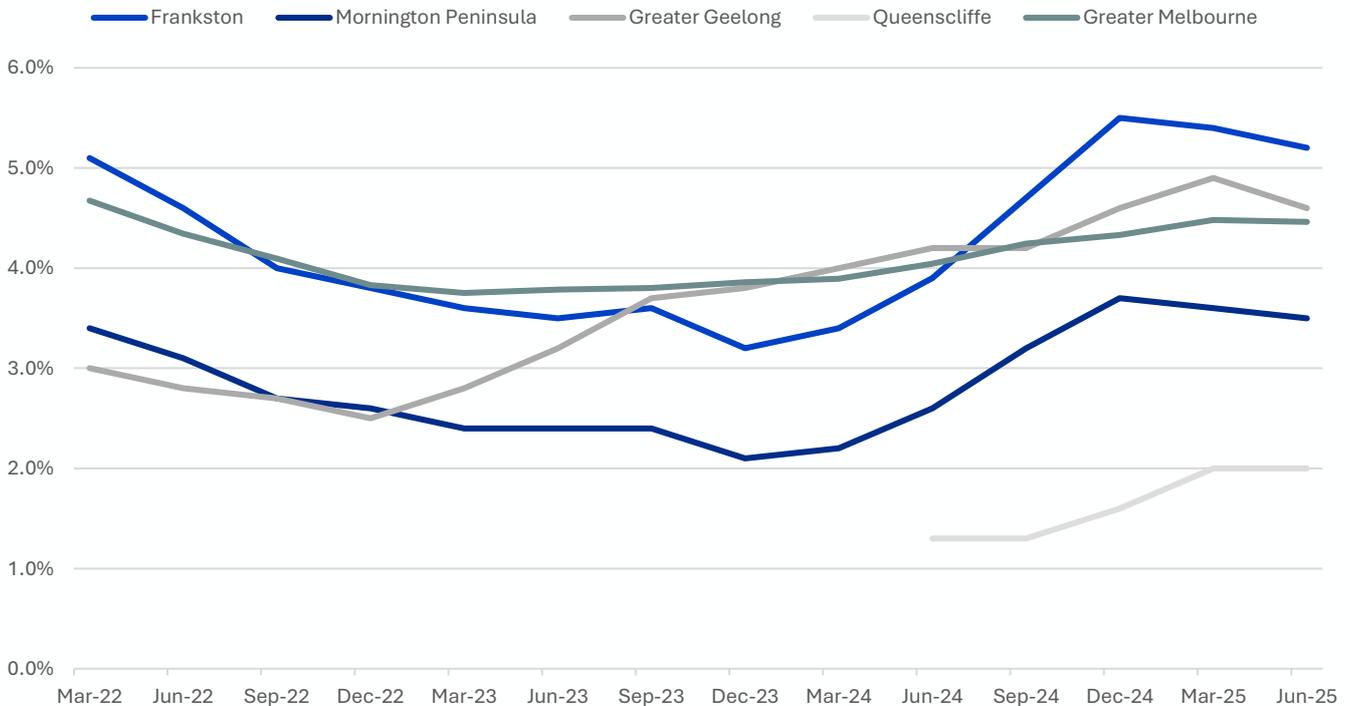
Source: ABS Census of Population & Housing, 2021

Table 13: Participation Rate, 2021

	Participation Rate
Frankston-Mornington Peninsula	59%
Geelong-Queenscliffe	61%

Source: ABS Census of Population & Housing, 2021

Figure 10: Unemployment, 2022-2025



Source: ABS Census Place of Work modelled by Remplan, 2024

1. Barwon Regional Skills Demand Profile 2023, Victorian Skills Authority
2. Regional Skills Demand Snapshot South East Melbourne, Victorian Skills Authority

Visitor Economy

Frankston-Mornington Peninsula’s tourism sector supports around 7,400 jobs and generates an estimated \$1.41 billion in output and \$659 million in value added annually.

The region attracts approximately 7.9 million visitor trips per year, reflecting product strengths in coastal and nature-based assets, food and wine, golf, recreation and wellness.

The Greater Geelong-Queenscliffe region supports a similar scale of tourism employment (7,300 jobs) and economic output (\$1.46 billion, \$696 million value added), but its visitor profile is more evenly distributed between overnight and daytrip visitor markets.

The region records around 6 million visitor trips per year, supported by the continued growth of Geelong’s waterfront and cultural offerings, as well as coastal destinations such as Ocean Grove and Point Lonsdale along the Bellarine Peninsula.

Tourism in Geelong–Queenscliffe is becoming increasingly diversified, with growth in business events, regional festivals, food and wine, water and nature-based visitation.

Table 14: Economic Value of Tourism, 2024

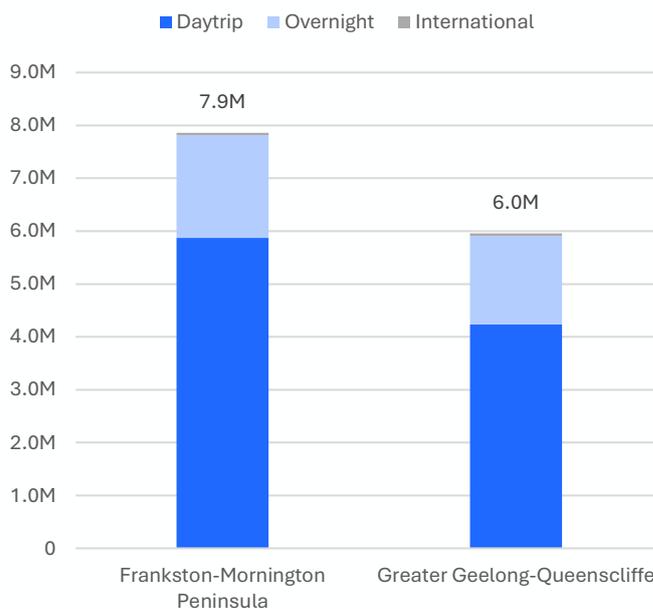
	Frankston-Mornington Peninsula	Greater Geelong-Queenscliffe
Employment	7,434	7,307
Output	\$1.41 billion	\$1.46 billion
Value Added	\$659 million	\$696 million

Source: Remplan, 2024

While both regions benefit from location and natural advantages, the Frankston-Mornington Peninsula supports a higher level of visitation. The population of Frankston-Mornington Peninsula is approximately 344,000, meaning that annual visitor numbers are x20 times higher than the local resident population

Both visitor economies play a pivotal role in supporting local employment, small business activity, and regional liveability, highlighting the ongoing importance of sustainable tourism planning and investment.

Figure 11: Average Visitation, 2022-2024



Source: TRA National & International Visitor Survey, 2025

2.7. Tax Analysis

This section provides a high-level assessment of the relative tax liability across the two regions. The analysis relies on available data and indicative modelling to compare how key state taxes and levies apply to Frankston–Mornington Peninsula compared with Greater Geelong–Queenscliffe.

Payroll Tax

Table 15 presents an indicative estimate of payroll tax generated across the Frankston–Mornington Peninsula region compared with Greater Geelong–Queenscliffe. The analysis estimates private-sector payroll tax liabilities using available ABS business counts and turnover data, combined with industry-based wage ratios and Victorian payroll tax settings. The following methodology was adopted to estimate payroll tax for each region:

- Business counts by turnover band were obtained from the ABS and used to estimate total private-sector turnover in each region.
- Turnover-to-wages ratios were applied to each turnover band, based on typical wage shares across industries to estimate wages for each region.
- Payroll tax liability was then estimated by applying the relevant payroll tax rate to each wages bill. Note that threshold logic was applied to ensure only businesses with a wages bill of more than \$700,000 were included in the estimate.

When interpreting the results it is important to note a number of caveats associated with this analysis:

- It is based on private-sector businesses only, as ABS turnover data does not include public institutions such as public hospitals, government agencies, universities, TAFEs, or other non-market institutions that contribute significantly to economic activity.
- Turnover-based wage estimates rely on industry-average ratios, which may not precisely reflect the wage structure of individual firms.
- Actual payroll tax liability depends on factors not visible in ABS datasets, including business grouping rules, head-office location, and how firms allocate wages across jurisdictions.

Despite these limitations, the results provide a useful orders of magnitude comparison estimate of the payroll tax liability between the two regions.

The results indicate a notable difference in estimated payroll tax generated between the two regions. Frankston–Mornington Peninsula is estimated to generate approximately \$290 million in payroll tax annually, compared with \$65 million across Greater Geelong–Queenscliffe.

While the regions have broadly similar levels of economic activity, the difference in payroll tax rates is the primary driver of the disparity. The metropolitan payroll tax rate of 4.85% applies to businesses in Frankston and Mornington Peninsula, whereas a lower rate of 1.21% applies to eligible businesses in Geelong and Queenscliffe.

Based on this analysis, it is estimated that payroll tax liability for Frankston–Mornington Peninsula is approximately four times higher compared to Geelong–Queenscliffe.

Table 15: Payroll Tax Estimate 2024

	Frankston-Mornington Peninsula	Geelong-Queenscliffe
Businesses	28,600	23,200
Turnover estimate	\$33.4B	\$27.6B
Wages estimate	\$11.3B	\$9.6B
Payroll tax rate	4.85%	1.21%
Payroll tax estimate	\$290M	\$65M

Source: ABS Business Counts, 2024 / Urban Enterprise, 2025

Land Tax

Victoria collected \$6.1 billion in land tax revenue in 2024–25. While the SRO does not publish land tax by LGA, the incidence of the tax correlates strongly with the number of taxable investment properties (e.g. rental properties, short-stay accommodation) and the value of commercial and industrial landholdings.

Analysis of relevant information and datasets suggests:

- Both regions have a similar number of rental properties (approximately 29,000 in Greater Geelong–Queenscliffe and 27,000 in Frankston–Mornington Peninsula), but higher residential property values, particularly in the Mornington Peninsula, mean the land tax payable per investment property is likely higher in Frankston–Mornington Peninsula.
- Frankston–Mornington Peninsula has a higher share of unoccupied dwellings (82% occupancy vs 89% in Greater Geelong–Queenscliffe), indicating a larger pool of short-stay and holiday homes that are subject to land tax.
- The combined Frankston–Mornington Peninsula region contains a greater number of commercial and industrial properties (~14,000) compared with Greater Geelong–Queenscliffe (~9,000), expanding the taxable base across business landholdings.³

Although the total land tax liability has not been quantified, the above indicates that Frankston–Mornington Peninsula is likely making a larger overall land tax contribution than Greater Geelong–Queenscliffe.

3. These estimates have been derived from each municipality's most recent annual report/budget

Stamp Duty (Land Transfer)

Stamp duty is a transaction-based tax applied to the transfer of residential and commercial property and remains Victoria's largest source of state tax revenue, generating \$9.2 billion in 2024–25.

While LGA-level stamp duty collections are not published, the latest residential sales data (see Table 16) indicate that Frankston–Mornington Peninsula records a substantial volume of housing transactions, with almost 4,800 house sales in 2024 across the two LGAs and median prices of \$785,000 in Frankston and over \$1.08 million in Mornington Peninsula.

By comparison, Greater Geelong–Queenscliffe recorded just over 4,900 house sales, but at materially lower price points (median \$695,000 in Greater Geelong and \$1.3 million in Queenscliffe's small, high-value market). Unit prices and vacant land show a similar pattern for pricing, with consistently higher medians in Frankston–Mornington Peninsula.

Taken together, this suggests that Frankston–Mornington Peninsula is likely to generate a higher overall stamp duty contribution, driven primarily by higher residential property values alongside a comparable number of transactions relative to Greater Geelong–Queenscliffe.

Table 16: Property Sales & Median Price by LGA, 2024

	Frankston	Mornington Peninsula	Greater Geelong	Queenscliffe
Houses – Sales	1,966	2,802	4,852	53
Houses – Median price	\$785,000	\$1,087,500	\$695,000	\$1,300,000
Units/apartments – Sales	1,051	827	983	8
Units/apartments – Median price	\$580,000	\$710,000	\$510,000	\$777,500
Vacant land – Sales	47	159	865	3
Vacant land – Median price	\$585,000	\$750,000	\$370,000	\$650,000

Source: A Guide to Property Values 2025, Valuer General, 2025

Metropolitan Planning Levy (MPL)

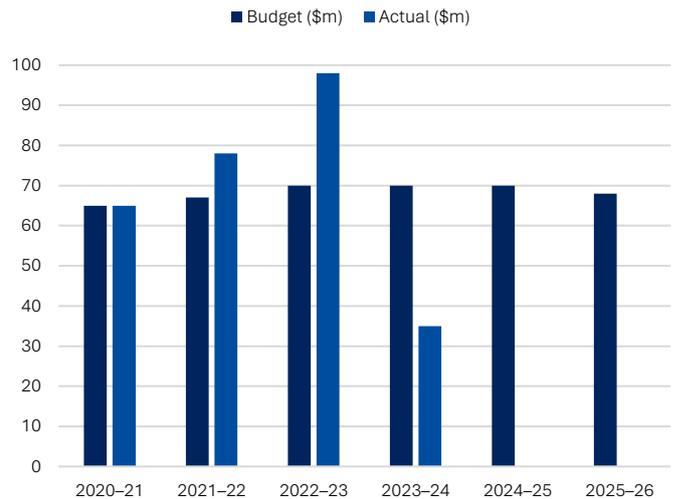
The Metropolitan Planning Levy applies to planning permit applications valued above \$1.2 million within metropolitan Melbourne and raises approximately \$22 million per year. Frankston and Mornington Peninsula fall within the metropolitan area and therefore face MPL obligations on qualifying developments, whereas Greater Geelong and Queenscliffe lie outside the levy boundary and are fully exempt.

Mornington Peninsula receives more than 1,200 planning applications annually, and Frankston between 600–700, with a significant proportion of residential, commercial and mixed-use projects likely to exceed the MPL threshold. As a result, the MPL creates a structurally higher planning-related tax burden for Frankston–Mornington Peninsula compared with Greater Geelong–Queenscliffe.

Cladding Rectification Levy

The Cladding Rectification Levy applies only to metropolitan municipalities, meaning it is charged in Frankston and Mornington Peninsula but not in Greater Geelong or Queenscliffe. The levy generates around \$35–\$100 million per year, with forecasts of about \$70 million annually from 2024–25. Because the levy does not apply outside metropolitan Melbourne, this represents an additional tax burden within Frankston–Mornington Peninsula that is not paid in Greater Geelong–Queenscliffe.

Figure 12: Cladding Rectification Levy Annual Revenue



Source: Cladding Rectification Levy Review Report, Department of Transport & Planning, 2023

Short Stay Accommodation Levy

Victoria's Short Stay Levy was brought in on January 1st 2025. The levy is set at 7.5% of short-stay accommodation revenue and is expected to generate approximately \$70 million annually. The distribution of this levy will reflect the concentration and scale of short-stay activity across regions.

Mornington Peninsula hosts one of the largest short-stay markets in Victoria, with AirDnA data showing more than 3,000 active listings, while Frankston has around 200 listings. In contrast, Greater Geelong has roughly 1,500 listings, while Queenscliffe has less than 200. This indicates a significantly larger taxable revenue base in Frankston–Mornington Peninsula.

Given the scale of short stay accommodation properties and the region's high proportion of holiday homes, Frankston–Mornington Peninsula is expected to contribute a higher share of short-stay levy revenue relative to Greater Geelong–Queenscliffe.

2.8. Key Findings

- State planning policy supports ongoing growth and development of the Geelong-Queenscliffe region, reinforcing its role as a regional city, while Frankston-Mornington Peninsula is shaped by strong planning controls that prioritise containment, environmental protection, and the management of coastal and peri-urban character.
- Both regional economies and population base are of similar scale, but Geelong is positioned as a regional growth centre while Frankston-Mornington Peninsula performs more of a metropolitan interface/peri-urban role.
- Frankston-Mornington Peninsula has experienced modest population growth, which is forecast to continue. Geelong-Queenscliffe is growing at a significantly higher rate, driven by major residential development within urban growth corridors.
- Frankston-Mornington Peninsula has an older population, reflecting its strong lifestyle and retirement appeal, whereas Geelong-Queenscliffe has a relatively younger profile aligned with its expanding employment base and new housing supply.
- Both regions are accommodating housing growth, but Geelong-Queenscliffe is adding dwellings at a much faster rate. Dwelling occupancy rates are lower on the Mornington Peninsula due to the prevalence of holiday homes and short term rental properties.
- Both regions include socioeconomic polarisation, with pockets of higher disadvantage alongside advantaged areas; underlining the need for targeted support despite broader perceptions of affluence in certain locations.
- The two regions have similarly sized economies, each generating around \$28–30 billion in annual output and supporting a comparable number of jobs. However, the function and role performed by each regional economy is different.
- Geelong-Queenscliffe has a higher prevalence of health, education and knowledge sector jobs, supported by major institutions and decentralisation. Frankston-Mornington Peninsula's economy is more weighted towards tourism, agriculture, retail, and industrial employment.
- The tourism sector is critically important to the Frankston-Mornington Peninsula economy, with close to 8 million annual visitors. Annual visitation to the region is more than x20 times the current resident population, which indicates a significant transient population in the region across the year, but especially over weekends and holiday periods.
- Frankston-Mornington Peninsula plays a significant supporting role to metropolitan Melbourne, contributing to the broader economy through its agricultural production and visitor economy. The region's strong base in horticulture, food production, coastal and nature-based tourism underpins Melbourne's food supply chains, tourism and leisure market. This highlights the importance of the region as both a peri-urban producer and premier destination for tourism and recreation.
- Across all major taxes and levies assessed, the analysis indicates that Frankston–Mornington Peninsula is likely to be subject to a higher overall tax liability compared with Greater Geelong–Queenscliffe. This is partly underpinned by a combination of factors, including:
 - Metropolitan status, which exposes the region to additional levies and a higher payroll tax rate.
 - Higher residential property values, increasing land tax and stamp duty per property.
 - A larger commercial and industrial land base, expanding land tax and stamp duty exposure; and
 - More short-stay accommodation properties, resulting in higher short-stay levy contributions.
- Indicative estimates of payroll tax for each region suggest that Frankston–Mornington Peninsula is paying in the order of \$290 million, compared to Geelong-Queenscliffe's payroll tax liability of around \$65 million, representing a material differential.

3. Government Funding Analysis

3.1. Introduction

This section provides a quantitative analysis of government funding over the past three financial years (2023-25), comparing the Frankston-Mornington Peninsula and Geelong-Queenscliffe regions. The purpose of this analysis is to identify the quantum and type of public investment directed to each region.

It is important to note that the assessment is limited to the allocation of funding across different sectors and does not consider the quality, effectiveness, or strategic justification of funding allocations. Accordingly, the findings should not be interpreted as a qualitative judgement on government investment in either region.

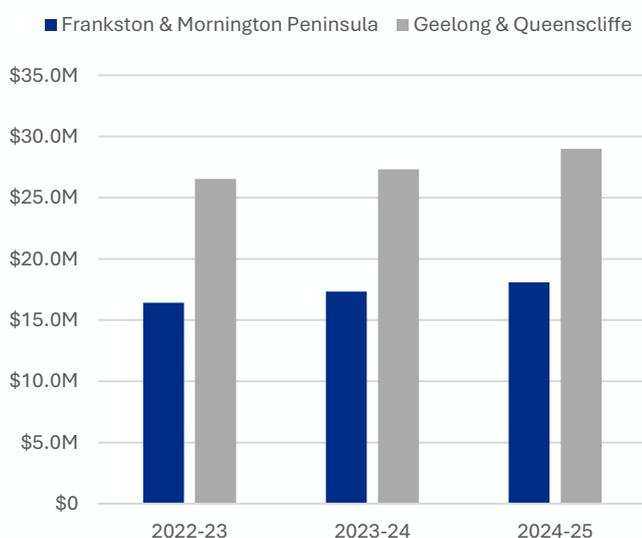
3.2. Federal Financial Assistance Grants

The Victorian Local Government Grants Commission (VLGGC) allocates funding provided by the Australian Government to local governments across the state. Funds are distributed through an equalisation formula that seeks to ensure councils have the capacity to provide a similar standard of services.

Key variables influencing allocations include population size, demographic and socioeconomic characteristics and revenue-raising capacity.

Over the past three years, Greater Geelong-Queenscliffe has received a significantly higher level of Financial Assistance Grant funding compared with Frankston-Mornington Peninsula. Allocations to Frankston-Mornington Peninsula have been relatively stable at between \$16-17 million annually, whereas Geelong-Queenscliffe has received between to \$27-29 million each year. This equates to an additional 37% of annual funding for Geelong-Queenscliffe.

Figure 13: Federal Financial Assistance Grants, FY23-FY25



Source: VLGGC Annual Allocation Report 2024-25

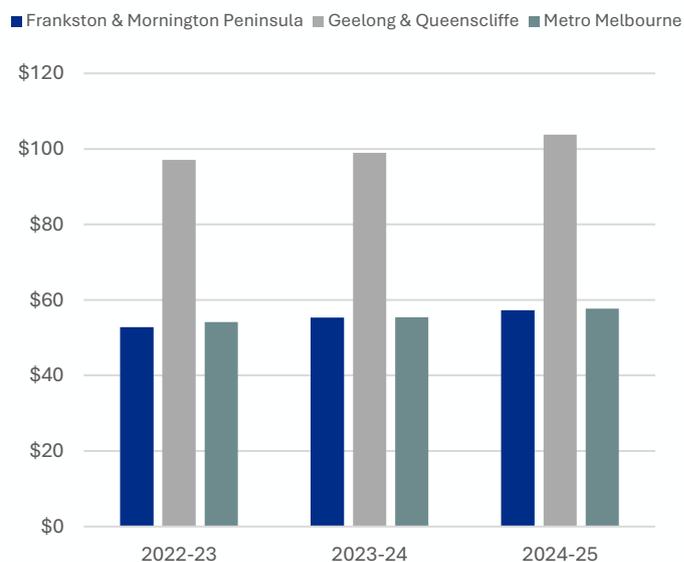
Government Funding Per Capita

There are funding variances within the region, with Geelong-Queenscliffe receiving a much higher level of funding compared with Frankston-Mornington Peninsula.

However, when benchmarked against the broader Metropolitan Melbourne average the discrepancy is marginal (see Appendix C for detailed breakdown). Frankston-Mornington Peninsula receives funding only slightly below the metro average, suggesting that on a population basis the region is broadly in line with metropolitan areas.

Within the region, however, there are differences, with Frankston receiving a higher level of per-capita funding than the metro average, while the Mornington Peninsula is well below average. This is notable given the Mornington Peninsula’s role as a major visitor destination, where high levels of tourism visitation place additional pressure on infrastructure and local services.

Figure 14: Federal Financial Assistance Grants Per Capita, FY23-FY25



Source: VLGGC Annual Allocation Report 2024-25. Note Urban Enterprise has adopted ABS ERP figures for corresponding years

3.3. State Government Budget

This analysis examines the Victorian Government’s capital program, focusing on funding items allocated to each local government area from the two regions. For each project, estimated expenditure was extracted from each budget year, along with the total estimated investment (i.e. full project capital costs). See Appendix B for a breakdown by LGA for total estimated investment.

It should be noted that this analysis represents planned expenditure as outlined in recent budgets and may not fully reflect the actual timing or delivery of projects once implemented. It should also be noted that some budget items include funding from other sources (e.g. Commonwealth) and as such may overstate State government contributions to specific projects.

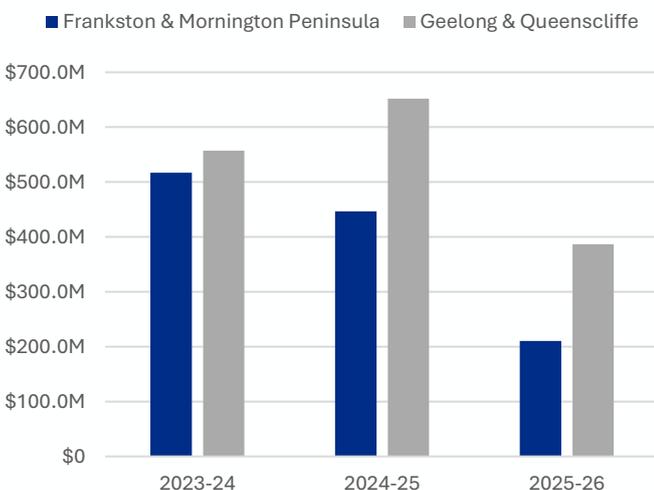
Annual State Government Budget Expenditure

The annual expenditure figures represent the estimated spend in each budget year for projects located within each region.

- In 2023-24, funding was relatively similar between the two regions, with Frankston-Mornington Peninsula receiving just under \$520 million, compared with around \$560 million in Geelong-Queenscliffe.
- In 2024-25, the funding gap was greater, with Geelong-Queenscliffe exceeding \$600 million in estimated expenditure, while Frankston-Mornington Peninsula was approximately \$450 million.
- In 2025-26, allocations to Frankston-Mornington Peninsula are projected to decline further, to below \$250 million, compared with around \$350 million in Geelong-Queenscliffe.

This analysis shows that annual funding fluctuates from year to year, but over the past three financial years, Geelong-Queenscliffe received a higher level of annual funding compared with Frankston-Mornington Peninsula.

Figure 15: Annual Estimated Expenditure, FY23-FY26



Source: Victorian Government State Capital Program, 2023-24 to 2025-26

Total Estimated Investment (TEI)

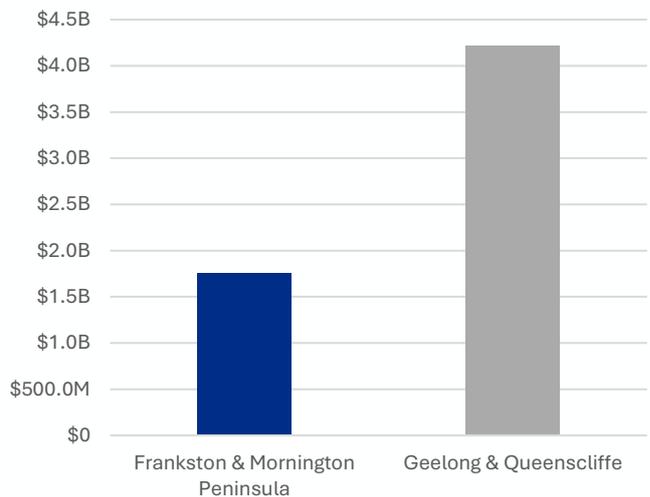
The total estimated investment figures capture all projects listed in the past three State Budgets. As such, they represent a longer timeframe of commitments, with a significant number of projects commencing prior to 2023-24 and others continuing beyond 2025-26.

On this measure, the difference in funding between the two benchmark regions is evident. Across the three most recent budgets, Geelong-Queenscliffe received an estimated total investment of around \$4.2 billion, compared with approximately \$1.8 billion in Frankston-Mornington Peninsula. This represents a ratio of around 2.3 to 1, which is consistent with the findings of the previous benchmarking report, prepared in 2022 (2.4 to 1).

On a per capita basis, this represents approximately \$5,600 in state government funding for Frankston-Mornington Peninsula compared to \$14,400 for Geelong-Queenscliffe. This compares to \$6,600 and \$18,300 respectively in the 2022 analysis, likely reflecting the budgetary constraints faced by the current state government. Although funding on a per capita basis has reduced for both regions, comparatively Frankston-Mornington Peninsula has improved slightly compared to Geelong-Queenscliffe.

It is important to note that these figures reflect planned investment rather than actual spend. Project delivery can vary depending on timing, scope changes, or budget re-profiling. However, the data highlights a sustained difference in the capital commitments from the state budget to Geelong-Queenscliffe compared with Frankston-Mornington Peninsula over successive budget cycles. Further analysis on the key drivers of the TEI is provided in the following section.

Figure 16: Total Estimated Investment, FY23-FY26



Source: Victorian Government State Capital Program, 2023-24 to 2025-26

Table 17: TEI Per Capita

	TEI per capita
Frankston-Mornington Peninsula	\$5,600
Geelong-Queenscliffe	\$14,400

Source: Victorian Government State Capital Program, 2023-24 to 2025-26

TEI Analysis

Analysis of the government investment by funding type across the two regions is shown in Figure 17. There are distinct differences in the types of investment directed to the Frankston-Mornington Peninsula and Geelong-Queenscliffe regions.

In Frankston-Mornington Peninsula, major projects have been concentrated in health, transport, and education. The redevelopment of Frankston Hospital represents the single largest investment for the region (64% of total investment), complemented by major transport upgrades to Hall Road and the Western Port Highway, and the Chisholm TAFE redevelopment in Frankston. These projects are largely focused on improving and upgrading service delivery to support residents.

In Geelong-Queenscliffe, the project profile is more diverse and includes several city-shaping and tourism-related investment projects. Key projects include:

- The Barwon Women’s and Children’s Hospital,
- The Waurn Ponds Track Duplication; and
- The Barwon Heads Road upgrade.

Other notable institutional projects include the Gordon Culinary School and the Western Plains Correctional Centre.

Importantly, Geelong has also secured major tourism and regional development projects, including the Geelong City Deal, the Geelong Performing Arts Centre redevelopment, the Nyaal Banyul Geelong Convention and Event Centre, and the Kardinia Park Stadium upgrade.

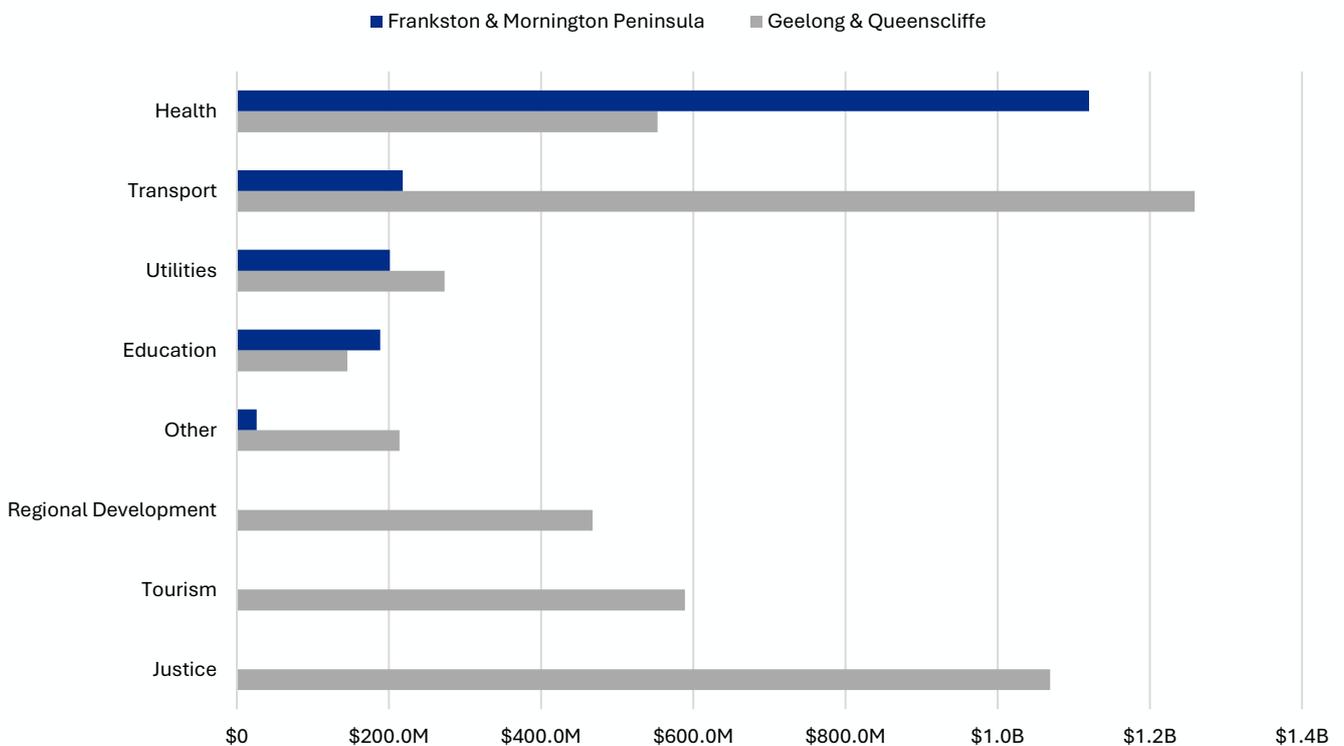
It should be noted that a number of Geelong’s flagship investment projects are tied to the Geelong City Deal. The Geelong City Deal is a \$670 million partnership between the Commonwealth of Australia (\$180 million), the State of Victoria (\$465 million) and the City of Greater Geelong (\$14 million) aimed at revitalising the city centre, boosting the visitor economy and unlocking advanced-industries growth across the region.

From a comparative perspective, the absence of tourism and regional development funding in the Frankston-Mornington Peninsula region is a clear gap, particularly given the region’s status as one of Victoria’s most visited tourism regions.

This is compounded by the high level of visitor-related demand for local transport and infrastructure, which suggests a stronger case for state government investment in these areas. By contrast, Geelong has successfully leveraged its position as a regional city to attract both resident and visitor-led investment projects.

Overall, while both regions have benefited from major health and transport investments, Geelong-Queenscliffe has attracted a more diversified capital program that extends beyond resident services to include projects that enhance its economic and tourism role.

Figure 17: TEI by Funding Type, FY23-25



Source: Victorian Government State Capital Program, 2023-24 to 2025-26. Note Urban Enterprise has logically grouped projects as seen above.

3.4. Key Findings

- Over the past three financial years, the level of funding allocated to Geelong-Queenscliffe has exceeded that of Frankston-Mornington Peninsula.
- Frankston-Mornington Peninsula is broadly in line with the metropolitan average on a per-capita basis. However, viewing the Mornington Peninsula in isolation falls below the metropolitan average, despite very high visitation.
- Across the past three State budgets, Geelong-Queenscliffe has received higher levels of annual state capital expenditure compared with Frankston-Mornington Peninsula.
- When measured as total project capital costs across the past three budgets, Geelong-Queenscliffe has received approximately 2.3 times more funding than Frankston-Mornington Peninsula. On a per capita basis, this represents approximately \$5,600 in state government funding for Frankston-Mornington Peninsula compared to \$14,400 for Geelong-Queenscliffe
- Government funding allocated to FMP has been weighted towards health and transport projects. In contrast, Geelong-Queenscliffe has attracted a broader mix of transport, tourism, regional development, education, justice, and city-shaping infrastructure.
- The absence of tourism and regional development funding in Frankston-Mornington Peninsula is a clear gap between the two regions; particularly given that the region is one of Victoria's most visited destinations.
- Frankton-Mornington Peninsula receives close to 8 million annual visitors. The significant level of visitation results in additional demand for infrastructure and services, and places pressures on the regional infrastructure network, especially transport.

4. Priority Projects

4.1. Introduction

This section provides an overview of projects that are current funding priorities for the Frankston–Mornington Peninsula region.

These projects highlight the scale and diversity of investment projects that are required to meet the needs of a growing and evolving region.

They respond to a combination of infrastructure and service gaps, economic development opportunities, enhanced liveability outcomes, and economic resilience.

The list of projects are primarily informed by the Committee for Frankston and Mornington Peninsula.

4.2. Hastings SUZ-1 Land

Overview

This priority project proposes the rezoning of underutilised Special Use Zone – Port Related Uses (SUZ1) land in Hastings to unlock new employment, industrial and investment opportunities. While the land was originally reserved to support long-term port expansion, much of it has remained undeveloped and cannot accommodate general industrial uses under existing planning controls. Rezoning strategically selected areas would address the current shortage of industrial land in the Mornington Peninsula region, support local jobs growth and diversify the economy, while still protecting land critical to future port operations.

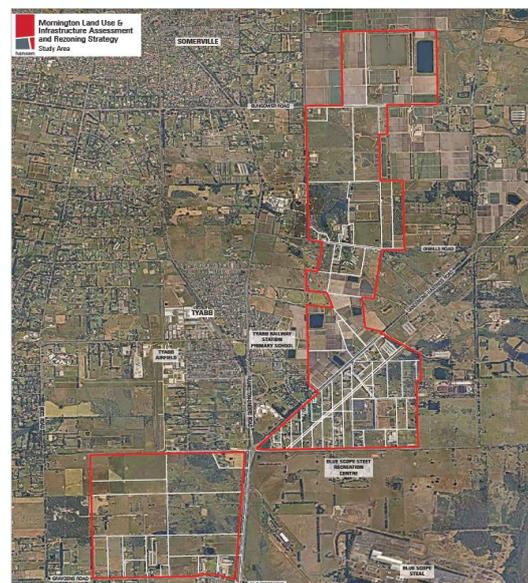
Strategic Justification

The release of surplus SUZ1 land creates an opportunity to co-locate industrial development with the port, improving clustering, supply chain integration and freight efficiency. Rezoning suitable areas would help address the Mornington Peninsula’s industrial land shortage, support job creation and strengthen its role in Victoria’s freight network. This transition also aligns with State planning objectives to optimise strategic land and attract employment-generating investment.

Benefits

- ✓ Unlocks new industrial land supply, improving capacity for businesses and supporting regional economic growth.
- ✓ Strengthens Hastings’ role as a strategic port and clean energy gateway for Victoria.
- ✓ Encourages co-location of industry and port-related activity.
- ✓ Attracts new investment and creates local jobs.

Figure 18: Hastings SUZ-1 Land



4.3. Victorian Renewable Energy Terminal

Overview

The Victorian Renewable Energy Terminal (VRET), proposed at the Port of Hastings, will be Australia’s first dedicated offshore wind assembly and mobilisation port. The terminal is a key enabling project for Victoria’s offshore wind targets and will provide the specialised infrastructure required to import, store, pre-assemble and load-out large offshore wind turbine components that cannot be transported by road or rail due to their scale.

Located at the Old Tyabb Reclamation Area, the project leverages Hastings’ deep-water port, existing industrial and port-related land, and extensive laydown areas suitable for heavy-lift operations. The terminal will play a critical role in supporting supply chain development, creating new jobs in advanced manufacturing, logistics and maritime services, and positioning Hastings as a strategic hub in Victoria’s clean energy transition.

Strategic Justification

The VRET is central to delivering Victoria’s offshore wind targets of 2 GW by 2032, 4 GW by 2035, and 9 GW by 2040, and addresses the state’s need for dedicated port infrastructure to support large-scale renewable energy deployment.

Establishing the terminal at Hastings fills this critical capability gap and positions the region as a focal point for offshore wind investment, advanced manufacturing and clean-energy supply chain activity. It also aligns with State and Federal decarbonisation policies, strengthens energy security, and supports Victoria’s transition to a low-emissions economy.

Benefits

- ✓ Enables delivery of offshore wind projects essential to Victoria’s net zero goals.
- ✓ Attracts major investment and jobs in renewable energy, manufacturing and logistics.
- ✓ Positions Victoria as a national leader in offshore wind infrastructure and supply chains.
- ✓ Supports growth in related sectors such as fabrication, marine services and workforce training.

Figure 19: Victorian Renewable Energy Terminal



Image: Artist’s impression of the Victorian Renewable Energy Terminal.

Source: Victorian Government

4.4. Visitor Economy Infrastructure & Amenity

Overview

Peninsula Trail Development

The Peninsula Trail is a priority initiative of the Mornington Peninsula Shire Council. The delivery of the Peninsula Trail will see the completion of Melbourne’s Bay Trail, connecting the mouth of the Yarra River in Port Melbourne to the entrance of Port Phillip Bay; connecting more than 170kms of trails. The trail will also connect to several other existing walking trails within the Mornington Peninsula, unlocking major economic opportunities for the region. Council is seeking \$62.5M total investment which aims to return \$111M economic benefit and create more than 260 jobs (FTE) during construction.

Services Improvements Advocacy

Advocate for and aid in the delivery of upgrades to infrastructure services in key townships including water, sewerage, electricity infrastructure and mobile connectivity. Key towns that require upgrades to services infrastructure include Red Hill and Main Ridge.

Strategic Justification

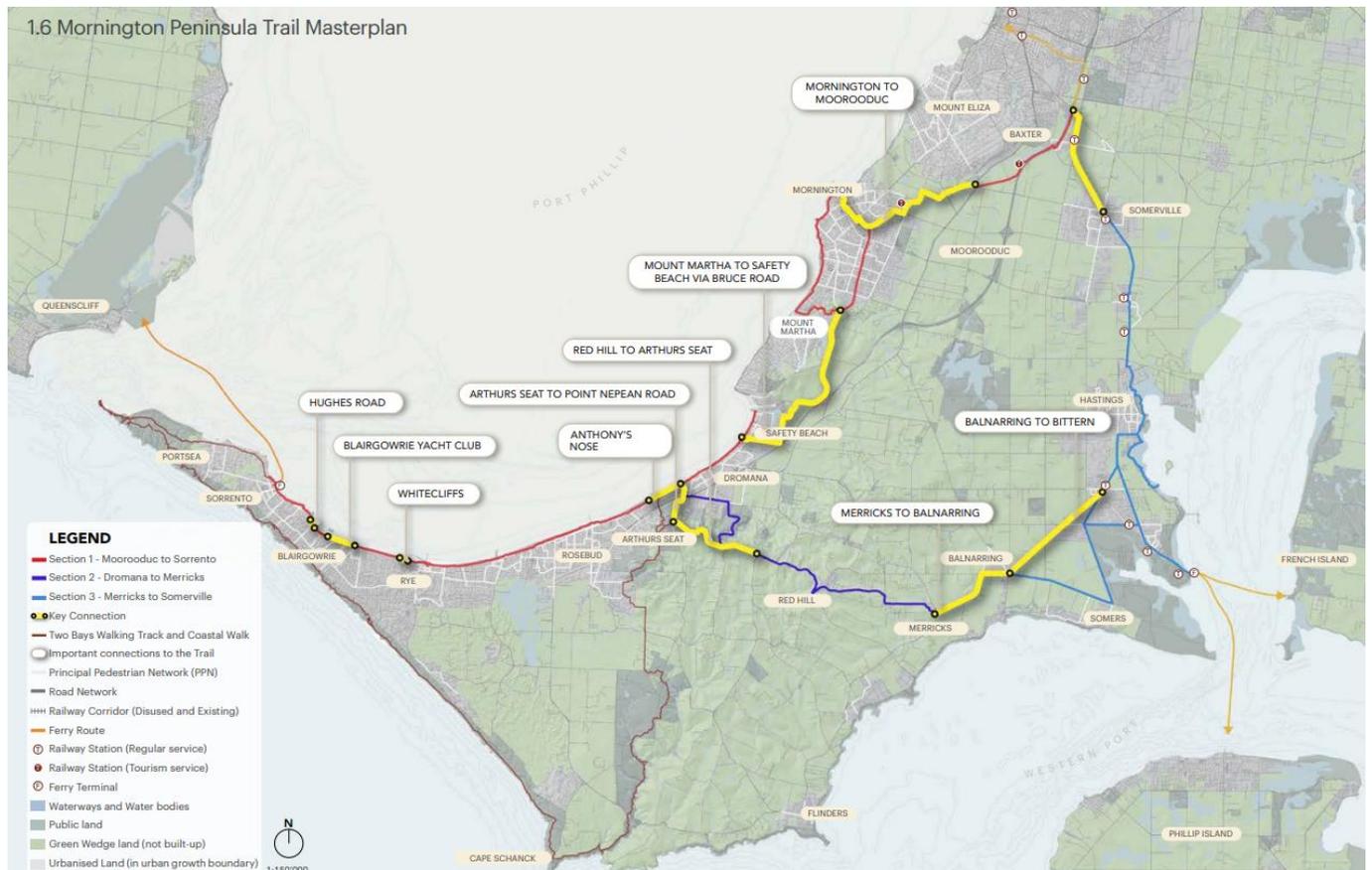
Investment in tourism infrastructure and amenity on the Mornington Peninsula has not kept pace with the region’s growing visitor numbers. The delivery of the Peninsula Trail will complete Melbourne’s Bay Trail, establishing a continuous 170-kilometre active transport and recreation network that links metropolitan Melbourne to the Peninsula and integrates with existing local trails. This project will significantly enhance visitor experiences, increase accessibility, and strengthen the region’s position as a leading coastal tourism destination.

At the same time, investment in essential service upgrades in townships such as Red Hill and Main Ridge is required to support local businesses, improve visitor amenity, and address longstanding infrastructure gaps in water, sewerage, electricity and mobile connectivity.

Benefits

- ✓ Peninsula Trail – estimated to deliver \$111m output and support 267 jobs during construction, with ongoing visitor spend, health savings and local jobs.
- ✓ Satisfies Federal, State and transport strategies for active transport and tourism.
- ✓ Embeds Bunurong stories and cultural identity.
- ✓ Supports sustainable growth by addressing critical service gaps in key townships.
- ✓ Enhances liveability and visitor amenity through improved water, sewerage, power and connectivity.

Figure 20: Mornington Peninsula Trail Masterplan



Source: Mornington Peninsula Trail Masterplan, 2025

4.5. Stony Point Rail Line Uplift

Overview

The Stony Point Line is Melbourne’s only diesel-operated metropolitan rail service, extending from Frankston to Stony Point. Currently characterised by infrequent services, limited infrastructure and low public transport mode share, the line constrains access for local residents and visitors to the Mornington Peninsula. High reliance on private vehicles, coupled with capacity pressures at Frankston Station, highlights the need for improved connectivity and more reliable rail services across the corridor.

The Stony Point Rail Line Uplift, assessed in the Baxter Electrification Preliminary Business Case, proposes a cost-effective package of upgrades to improve service frequency, reliability and accessibility without full electrification. Key elements include installation of passing loops to enable more frequent services, targeted station enhancements, safety upgrades to level crossings, improved signalling, and better integration with local bus services.

Strategic Justification

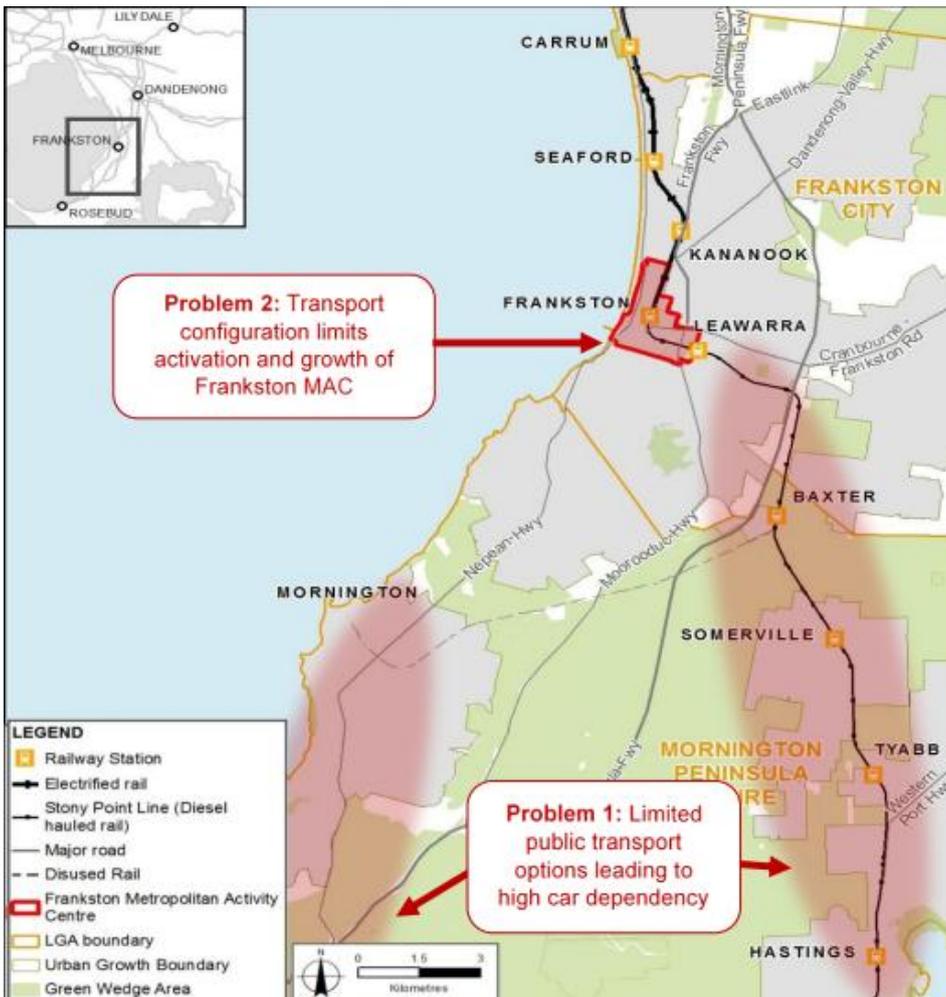
The Stony Point Rail Line is the only non-electrified service in metropolitan Melbourne and is characterised by infrequent services, outdated infrastructure and poor reliability. This limits public transport use across the Mornington Peninsula, where residents are heavily reliant on cars and Frankston Station faces significant pressure from commuter parking demand.

These gaps in the transport network restrict access to jobs, education and services, constrain visitor connectivity, and undermine efforts to shift travel towards more sustainable modes. The Stony Point Rail Line Uplift directly responds to these issues by improving service frequency, reliability and integration, providing a practical and cost-effective solution to long-standing accessibility challenges in the region.

Benefits

- ✓ Improves service frequency and reliability.
- ✓ Reduces car dependency and congestion.
- ✓ Enhances access to jobs, education, services and visitor destinations.
- ✓ Aligns with government priorities.

Figure 21: Problem Summary Map



Source: Baxter Electrification Preliminary Business Case, Victorian Department of Transport, 2019

4.6. Nepean Boulevard Precinct Revitalisation

Overview

The Nepean Boulevard Precinct Revitalisation Project will transform a key gateway into Frankston, enhancing safety, connectivity and public amenity while celebrating the area's natural and cultural heritage. The project aims to create a welcoming, vibrant and accessible precinct that supports community use, active transport and local business growth. Key elements include:

- Create a welcoming gateway at Kananook Creek Park with safe walking and cycling links.
- Upgrade Overton Road–Nepean Highway intersection with signals and trail connections.
- Reuse the historic Comfort Station as a revitalised community space.
- Support outdoor dining and retail through median greening, landscaping and active travel links.
- Connect the Bay Trail to Frankston Waterfront for safer, seamless access.
- Build a new shared path along Nepean Highway from Pier Promenade to Olivers Hill.

Strategic Justification

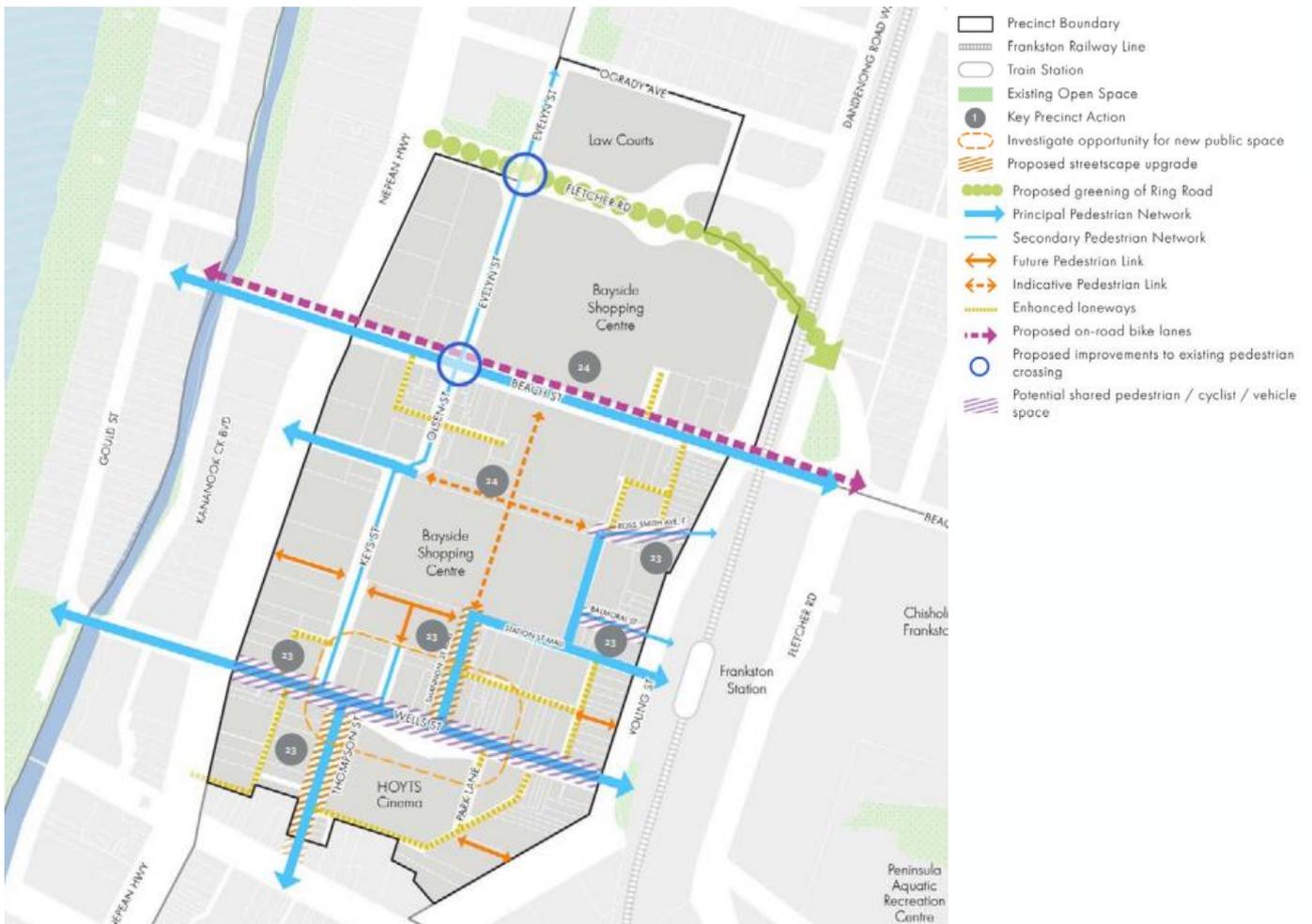
The Nepean Highway currently functions as a traffic corridor rather than a gateway, creating a barrier between Frankston's city centre, creek and foreshore. The area has limited pedestrian and cycling amenity, poor safety, and underutilised public spaces, reducing its appeal as a destination and constraining economic activity.

With Frankston designated as a Metropolitan Activity Centre, improved connectivity, safety and public realm are essential to support population growth, attract investment and enhance the city's role as a coastal hub. The revitalisation will deliver safer intersections, better trail connections, upgraded public spaces and landscaping, and new opportunities for retail and dining, repositioning the precinct as a vibrant and welcoming destination.

Benefits

- ✓ Safer and more accessible connections for pedestrians, cyclists and vehicles.
- ✓ Stronger links between the city centre, creek and waterfront.
- ✓ New public spaces that support retail, dining and community activity.
- ✓ Enhanced gateway identity, boosting Frankston's appeal as a coastal destination.

Figure 22: Frankston MAC



Source: Nepean Boulevard Masterplan, Frankston City Council, 2024

4.7. Rosebud Hospital

Overview

The Rosebud Hospital Redevelopment will deliver a modern, fit-for-purpose health facility that responds to the growing needs of the Mornington Peninsula community. The project will provide a new and expanded emergency department and imaging department, significantly improving access to urgent and diagnostic care.

It will also include capacity for two additional operating theatres, specialist outpatient spaces, new inpatient wards, and contemporary day medical services for chemotherapy, dialysis and infusion.

The redevelopment will incorporate new teaching and training areas to support workforce development and ensure the hospital continues to attract and retain skilled clinicians. Designed with flexibility in mind, the facility will also include space for future expansion to meet rising demand.

Strategic Justification

Rosebud Hospital is a vital healthcare provider for the Mornington Peninsula's residents and 7.5 million annual visitors, but its 1960s-built facilities are outdated and no longer meet modern healthcare standards. With a growing and ageing population and significant seasonal demand, the hospital lacks the capacity to deliver essential services, forcing many patients to travel to Frankston or inner-Melbourne hospitals.

Redevelopment will address these shortcomings by providing modern infrastructure, greater capacity, and specialist services to ensure the community can access high-quality care locally, reducing pressure on surrounding hospitals and meeting future demand.

Benefits

- ✓ More services close to home, reducing the need to travel for care.
- ✓ Improved health outcomes through safer, contemporary facilities and shorter wait times.
- ✓ Attracts and retains healthcare staff.
- ✓ Creates local jobs and supports local businesses.
- ✓ Reduces pressure on Frankston Hospital, Melbourne facilities and Ambulance Victoria.

Figure 23: Rosebud Hospital Visualisation



Source: Peninsula Health, 2025

4.8. Transport Projects

Overview

The following transport projects are considered critical to improving the region's accessibility issues.

Jetty Road intersection

Works comprise the installation of roundabout metering and pedestrian-operated signals to enhance accessibility, construction of noise reduction barriers along the Mornington Peninsula Freeway, and delivery of a full freeway overpass at Jetty Road to improve traffic flow and safety.

Southern Peninsula Traffic Management

A planning and feasibility study to assess current and future transport needs on the southern Mornington Peninsula, testing road, public transport and demand-management options to improve connectivity while considering social, economic and environmental impacts.

East-West Connection Upgrades

Upgrades to the Mornington Tyabb Road corridor to address congestion and safety issues, including new traffic signals, intersection improvements, and planning for an ultimate east-west arterial link to Peninsula Link and the Western Port region.

Strategic Justification

The Mornington Peninsula faces growing pressures from population growth, visitor demand and freight activity, creating congestion and safety challenges on key corridors and intersections. Limited road connectivity and seasonal traffic surges undermine accessibility for residents, businesses and visitors, while safety risks at blackspot locations further reduce network performance.

The proposed projects address these issues by improving safety and efficiency on the arterial road network, delivering new connections such as the Jetty Road overpass, and planning for long-term transport needs on the southern Peninsula. Together, these works will enhance accessibility, support economic activity and tourism, and provide a more sustainable transport network to accommodate future growth.

Benefits

- ✓ Enhanced accessibility
- ✓ Reduced congestion
- ✓ Strengthened regional connectivity
- ✓ Future-proofed network planning
- ✓ Support for economic growth and tourism
- ✓ Improved safety

Figure 24: Mornington Peninsula Freeway / Jetty Road



Source: Nearmap, 2025

4.9. Designated Area Migration Agreement

Overview

The Mornington Peninsula region is experiencing critical workforce shortages across key industries, particularly in health care, hospitality, tourism, and agriculture. These shortages are placing pressure on local businesses, constraining service delivery, and limiting the capacity of the region to support population growth and visitor demand. While local recruitment remains a priority, many roles cannot be filled by the existing workforce.

A Designated Area Migration Agreement (DAMA) would provide a tailored migration pathway to address these challenges. A DAMA is a formal agreement between the Australian Government and a regional authority, allowing employers to sponsor skilled and semi-skilled overseas workers in occupations not able to be filled locally. Importantly, DAMAs provide flexibility through concessions on skill, age, and English language requirements, as well as clear pathways to permanent residency.

Establishing a DAMA for the Mornington Peninsula would align with the region's economic development objectives by supporting workforce stability, strengthening local businesses, and ensuring essential services and industries can continue to grow. By securing access to a broader labour pool, the DAMA would help the Peninsula remain a vibrant, liveable, and competitive region, while safeguarding economic resilience and long-term community wellbeing.

Strategic Justification

Workforce shortages are a major constraint on the Mornington Peninsula's economy, particularly in sectors critical to local services and tourism. Seasonal demand peaks intensify these pressures, leaving businesses and community services unable to fully meet needs.

A DAMA would provide a structured mechanism to address these shortages, ensuring industries can access the skills they need where local labour is unavailable. This would improve business continuity, support essential service delivery, and enhance the region's economic resilience.

Benefits

- ✓ Addresses critical skill shortages across health care, hospitality, tourism and agriculture.
- ✓ Supports local businesses to maintain operations and meet seasonal demand.
- ✓ Strengthens service delivery for residents and visitors in essential sectors.
- ✓ Enhances competitiveness of the Mornington Peninsula as a place to live, work and visit.

Figure 25: Designated Area Migration Agreement



Source: acclaimedworkforce.com.au, 2025

Appendices

Appendix A: Acronyms & Glossary of Terms

Table 18: Acronyms

Acronym	Expanded
Data, Economy & Financial Acronyms	
AAG	Average Annual Growth
AAGR	Annual Average Growth Rate
ABS	Australian Bureau of Statistics
IVS	International Visitor Survey
LGA	Local Government Area
NVS	National Visitor Survey
RevPar	Revenue Per Available Room
TRA	Tourism Research Australia

Table 19: Glossary of Terms

Term	Definition
Tourism Terms	
Domestic Daytrip Visitor	TRA define domestic day trips (visitors) as those that must have a round trip distance of at least 50 kilometres from the respondent's usual place of residence and a minimum duration of four hours.
Domestic Overnight Visitor	TRA define domestic overnight trips (visitors) as trips involving a stay away from home for at least one night, at a place at least 40 kilometres from home. Only those trips where the respondent is away from home for less than 12 months are in scope.
International Visitor	TRA define international visitors as short-term travellers aged 15 years and over who have been visiting Australia for a period of less than 12 months.
Economic Terms	
Employment	Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented in this report is destination of work data. That is, no inference is made as to where people in a defined region reside. This employment represents full-time equivalent jobs, based on a 38-hour work week.

Appendix B: Employment Industry Summary

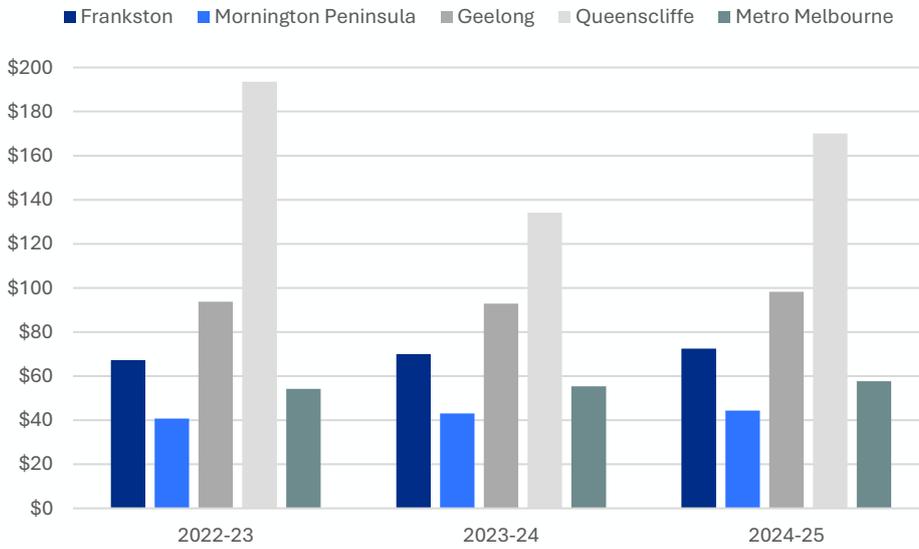
Table 20: Industry grouping summary

	ANSZIC 1 Industries
Industrial	Manufacturing, Electricity, Gas, Water & Waste Services, Construction, Wholesale Trade, Transport, Postal & Warehousing
Retail, hospitality & recreation	Retail trade, Accommodation & Food Services, Arts & Recreation Services, Other Services
Knowledge	Information Media & Telecommunications, Financial & Insurance Services, Rental, Hiring & Real Estate Services, Professional, Scientific & Technical Services, Administrative & Support Services,
Public & Community	Public administration & safety, Education & safety, Health Care & Social Assistance

Source: Urban Enterprise, 2025

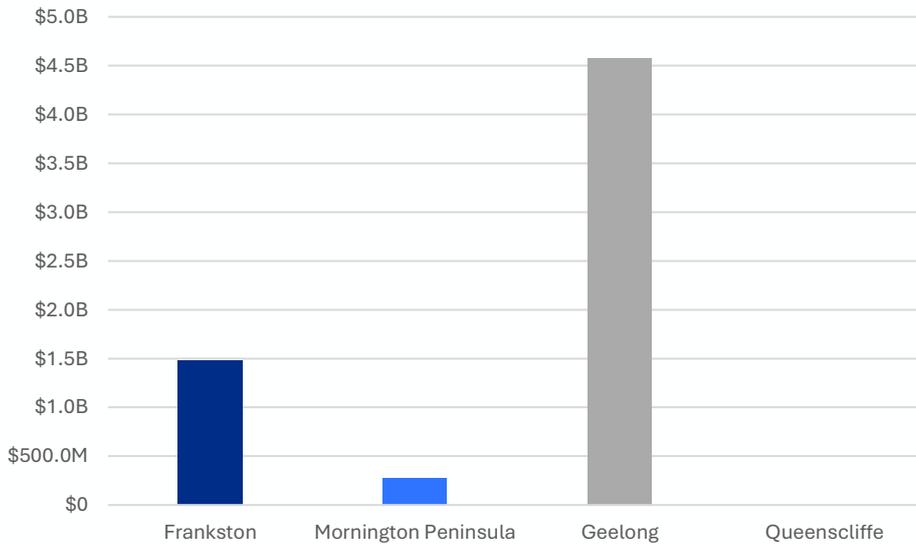
Appendix C: Federal Financial Assistance

Figure 26: Federal Financial Assistance Grants by LGA



Source: VLGGC Annual Allocation Report 2024-25. Note Urban Enterprise has adopted ABS ERP figures for corresponding years

Figure 27: Victorian Capital Program TEI, FY24-26



Source: Victorian Government State Capital Program, 2023-24 to 2025-26

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