

DECEMBER 2025

FRANKSTON & MORNINGTON PENINSULA BENCHMARKING ANALYSIS



committee for
frankston and
mornington peninsula

Prepared by Urban Enterprise for the Committee
of Frankston and Mornington Peninsula

1. INTRODUCTION

BACKGROUND & PURPOSE

The Committee for Frankston and Mornington Peninsula (the Committee) considers Frankston–Mornington Peninsula comparable to Greater Geelong–Queenscliffe based on geographic, demographic and economic characteristics.

This report provides a benchmark of the Frankston–Mornington Peninsula region with Greater Geelong–Queenscliffe across several areas, including population and housing, demographics and socioeconomics, employment and workforce characteristics, as well as government investment and the varying levels of public funding.

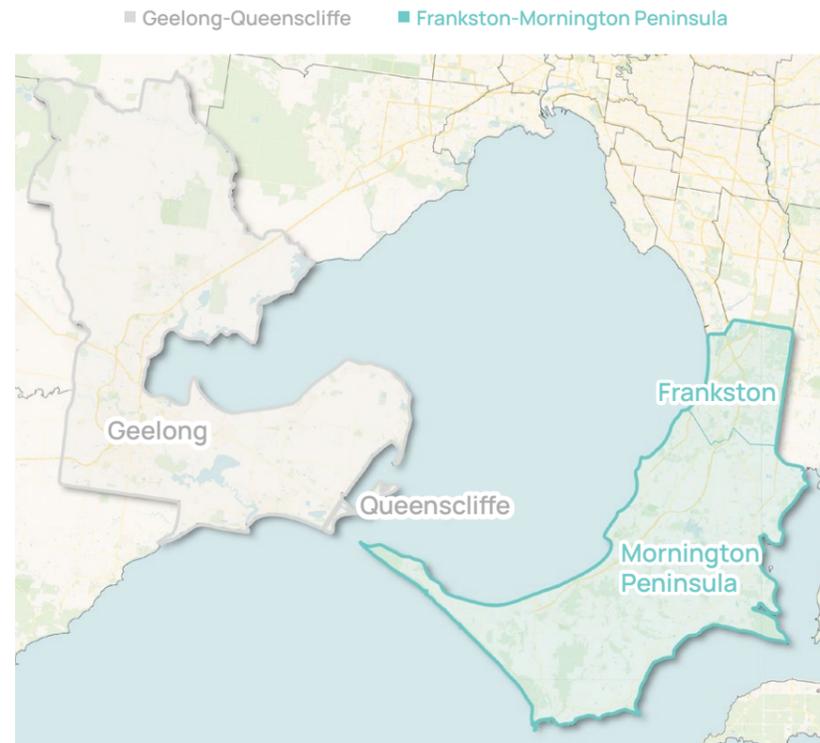
It should be noted that this is a summary report that synthesises the analysis from a full benchmarking analysis report. For further details please refer to the full report.

BENCHMARK REGIONS

The Geelong–Queenscliffe region is used as the benchmark given its similar distance from Melbourne, comparable population scale, coastal tourism role and mix of urban and peri-urban development with strong connections to Melbourne.

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.

Figure 1: Benchmark Regions



Source: Urban Enterprise, 2025.

Table 1: 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 (2021)	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

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.

POPULATION & HOUSING

Geelong–Queenscliffe and Frankston–Mornington Peninsula operate within different strategic planning and growth contexts. Geelong–Queenscliffe is positioned by State planning policy as a regional growth centre, with strong population and housing growth driven by substantial residential development within designated growth corridors.

Frankston–Mornington Peninsula prioritises urban containment, environmental protection, and the preservation of coastal and peri-urban character, reinforcing its role as a metropolitan interface rather than a major growth area.

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) could partly be influenced by housing affordability, access to education opportunities in Melbourne, and the lack of public transport servicing the Peninsula.

Figure 2: Population & Dwellings Growth, 2021–2036



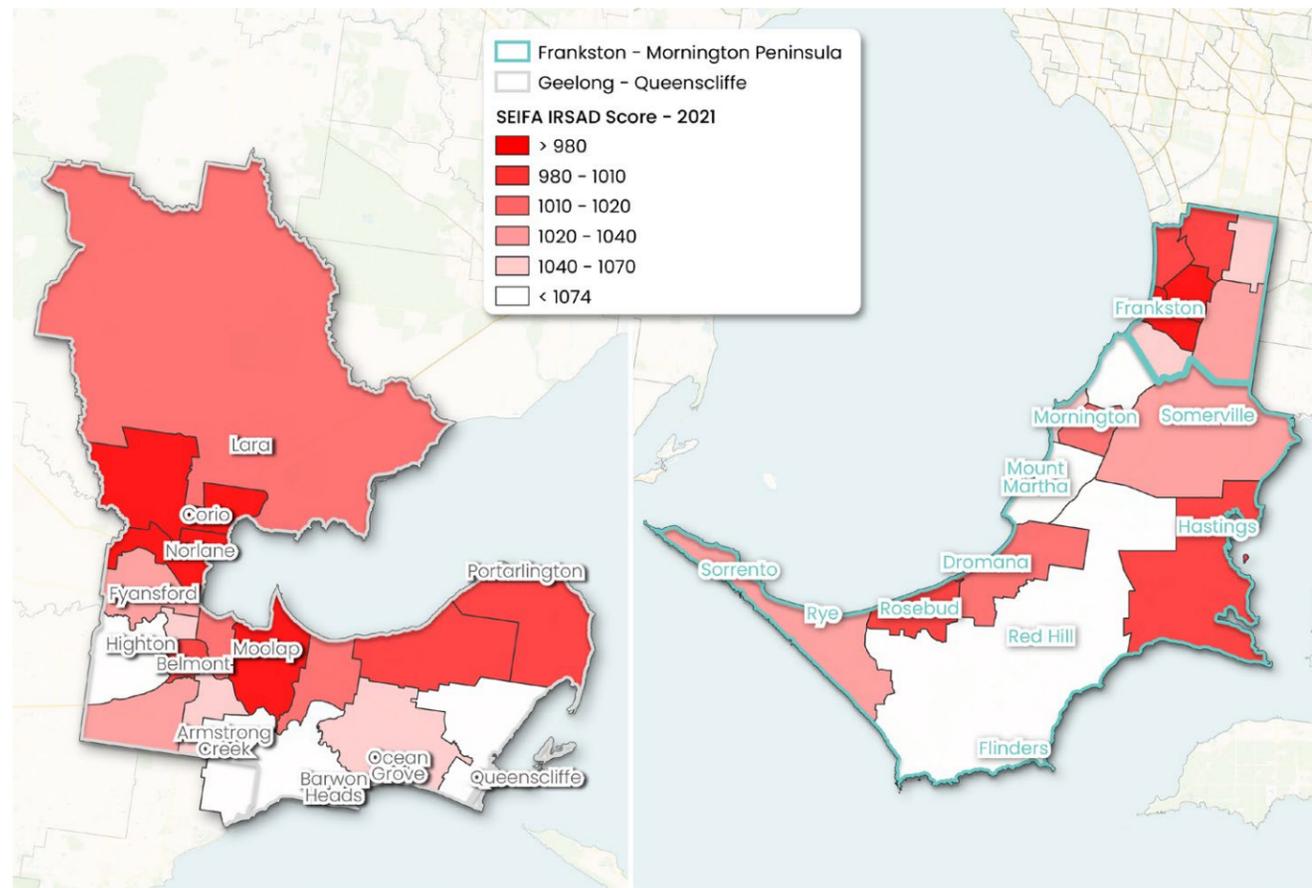
Source: Victoria in Future, 2023

SOCIOECONOMIC

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 disadvantage.

Both regions include pockets of disadvantage, despite broader perceptions of affluence across the Mornington Peninsula. 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 3: SEIFA Index



Source: ABS Census, 2021.

ECONOMY & EMPLOYMENT

Both regions support economies of a broadly comparable scale, each generating approximately \$28–30 billion in annual output and a similar number of jobs; however, they perform distinctly different economic roles within the Victorian context.

Geelong–Queenscliff functions as a major regional service, industrial and knowledge hub, with a higher concentration of employment in health, education, industrial and knowledge-intensive sectors supported by large institutions and decentralisation initiatives. In contrast, the Frankston–Mornington Peninsula economy is more strongly oriented towards tourism, agriculture, retail and industrial activity.

Tourism is a defining and critical driver of the Frankston–Mornington Peninsula economy, with close to 8 million visitors annually, more than twenty times the resident population, resulting in a substantial transient population, particularly during weekends and peak holiday periods.

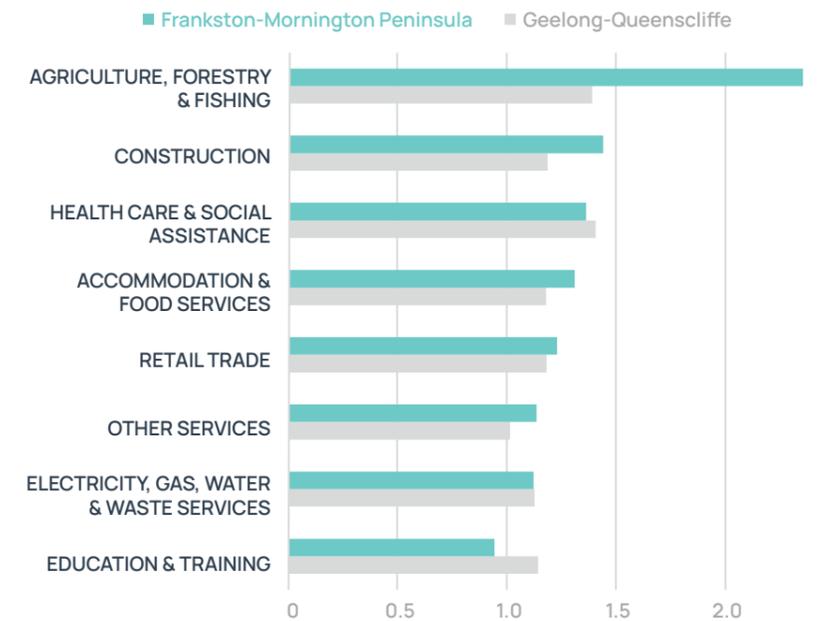
The region plays an important supporting role to metropolitan Melbourne through its agricultural output and visitor economy. Its strengths in horticulture, food production, and coastal and nature-based tourism underpin Melbourne’s food supply chains and leisure markets, reinforcing the region’s role as both a peri-urban production area and a premier destination for tourism and recreation.

Table 2: Economic Profile, 2024

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

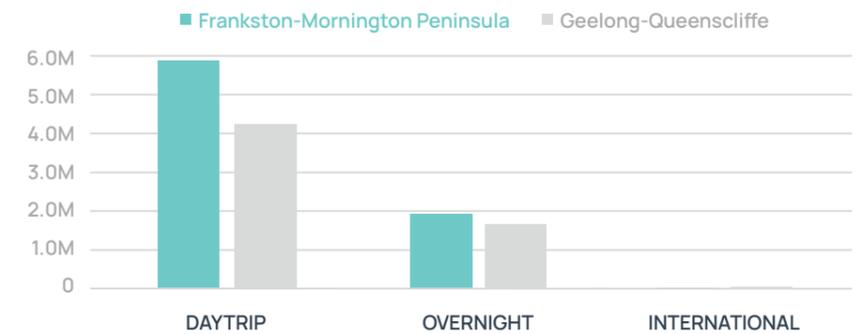
Source: Remplan, 2024.

Figure 4: Location Quotient – Industry Specialisations, 2024



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

Figure 5: Average Visitation, 2022–2024



Source: TRA National & International Visitor Survey, 2025.

TAX ANALYSIS

This section provides a high-level assessment of the relative tax liability across the two regions.

The taxes and levies assessed as part of the analysis include:

- Stamp duty;
- Payroll tax;
- Land tax;
- Metropolitan Planning Levy;
- Cladding Rectification Levy; and
- Short-Stay Accommodation Levy.

Across all major state taxes and levies assessed, the analysis indicates that Frankston–Mornington Peninsula is likely to face a materially higher overall tax burden than Greater Geelong–Queenscliffe.

This reflects a combination of its metropolitan status and underlying economic and property market characteristics. In particular, Frankston–Mornington Peninsula is subject to additional metropolitan-specific charges and a higher payroll tax rate, while also exhibiting higher residential property values and a larger commercial and industrial land base, which together increase exposure to land tax and stamp duty. The region’s substantial short-stay accommodation market further contributes to a higher tax take through the short-stay accommodation levy.

Indicative modelling highlights the scale of this differential, with payroll tax payments in Frankston–Mornington Peninsula estimated at approximately \$290 million per annum, compared with around \$65 million for Greater Geelong–Queenscliffe, representing a notable disparity in fiscal contribution.

TABLE 3: 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

3. GOVERNMENT FUNDING ANALYSIS

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.

This analysis quantifies recent government investment in the two regions but is limited to aggregate funding values and does not assess the quality, intent, scope, effectiveness, timing, or broader forms of government support.

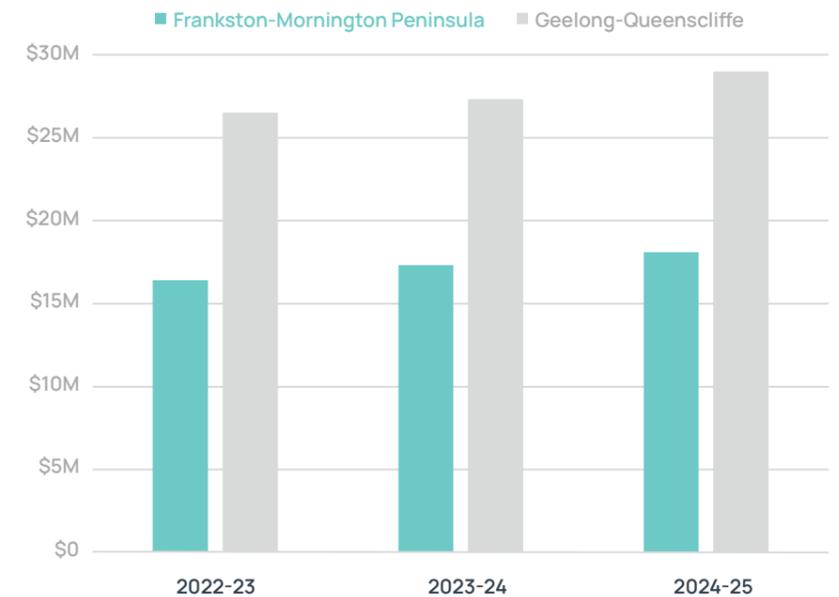
FEDERAL FINANCIAL ASSISTANCE GRANTS

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 higher level of Financial Assistance Grant funding compared with Frankston–Mornington Peninsula.

Figure 6: Federal Financial Assistance Grants, FY23–FY25



Source: VLGGC Annual Allocation Report 2024–25.

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.

Annual State Government Budget Expenditure

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

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.

Total Estimated Investment (TEI)

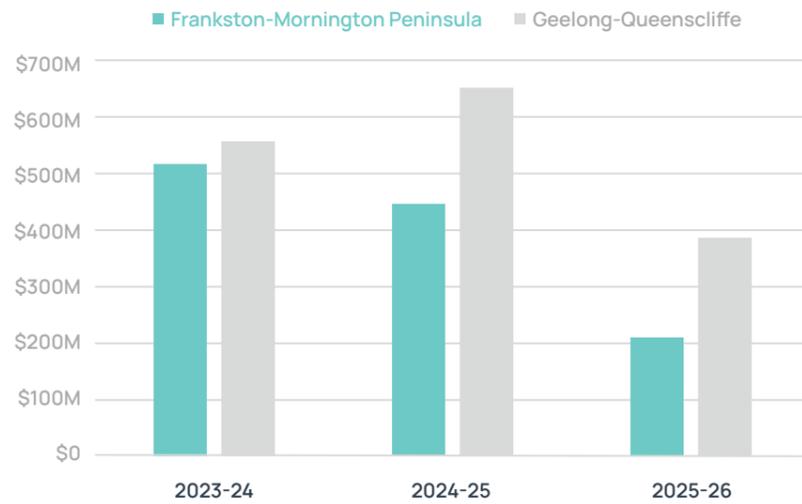
The TEI reflects projects committed across the past three State Budgets, capturing multi-year funding with many projects commencing prior to 2023-24 and continuing beyond 2025-26.

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.

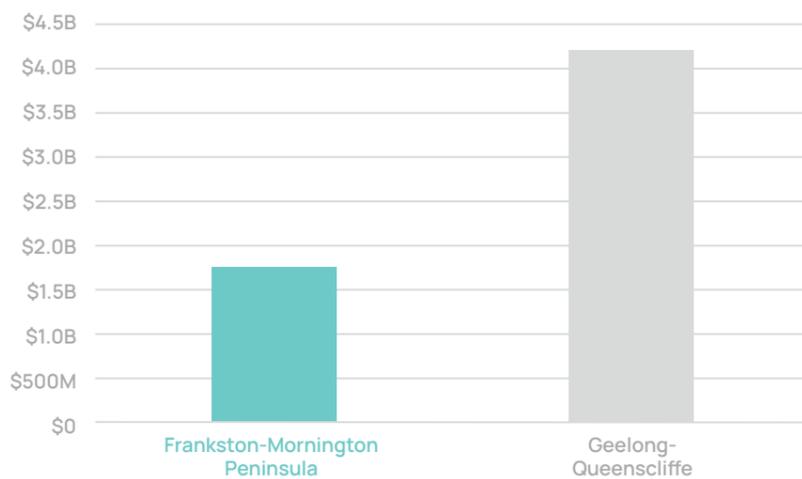
The data highlights a sustained difference in the capital commitments from the state budget to Geelong-Queenscliffe compared with Frankston-Mornington Peninsula over successive budget cycles.

Figure 7: Annual Estimated Expenditure, FY23-FY26



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

Figure 8: Total Estimated Investment, FY23-FY26



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

Table 4: TEI Per Capita

	TEI per capita
Frankston-Mornington Peninsula	\$5,600
Greater 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 9. There are distinct differences in the types of investment directed to the Frankston-Mornington Peninsula and Geelong-Queenscliffe regions.

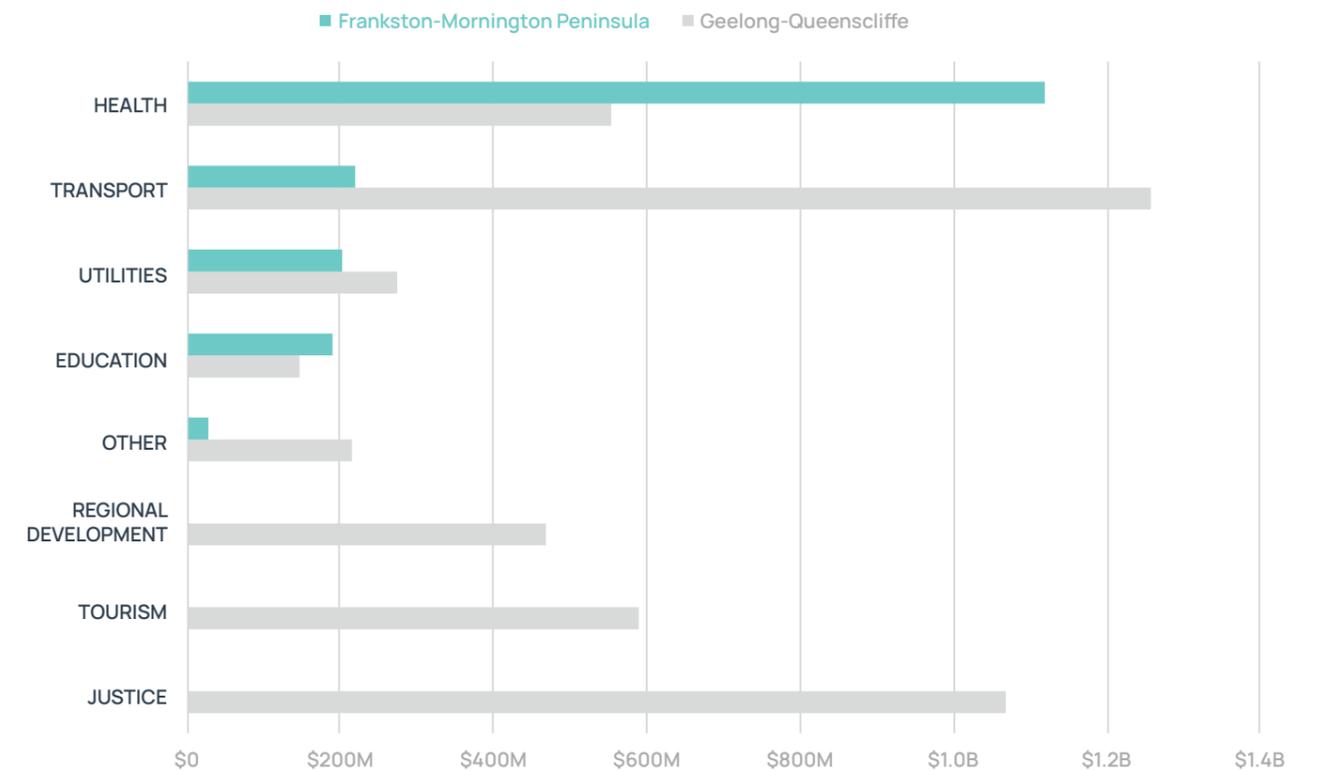
In Frankston-Mornington Peninsula, major projects have been concentrated in health, transport, and education. These projects are largely focused on improving and upgrading service delivery to support residents. In Geelong-Queenscliffe, the project profile is more diverse and includes several city-shaping and tourism-related investment projects.

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

This is further highlighted by significant demand for local transport infrastructure and services, 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 support and enhance the region’s economic and tourism role.

FIGURE 9: 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.

4. PRIORITY PROJECTS

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.

PRIORITY PROJECT 1: HASTINGS SUZ-1 LAND

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.

PRIORITY PROJECT 2: VICTORIAN RENEWABLE ENERGY TERMINAL

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.



PRIORITY PROJECT 3: VISITOR ECONOMY INFRASTRUCTURE AND AMENITY

This project strengthens the Mornington Peninsula's visitor economy by delivering the Peninsula Trail and advocating for essential service upgrades in key townships. The Peninsula Trail will complete Melbourne's 170-kilometre Bay Trail network and connect major walking routes across the region, with a \$62.5 million investment expected to generate \$111 million in economic benefits and over 260 construction jobs. The project also seeks improvements to water, sewerage, electricity and mobile connectivity in townships such as Red Hill and Main Ridge, enhancing visitor amenity and supporting sustainable tourism growth.

PRIORITY PROJECT 4: STONY POINT RAIL LINE UPLIFT

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.

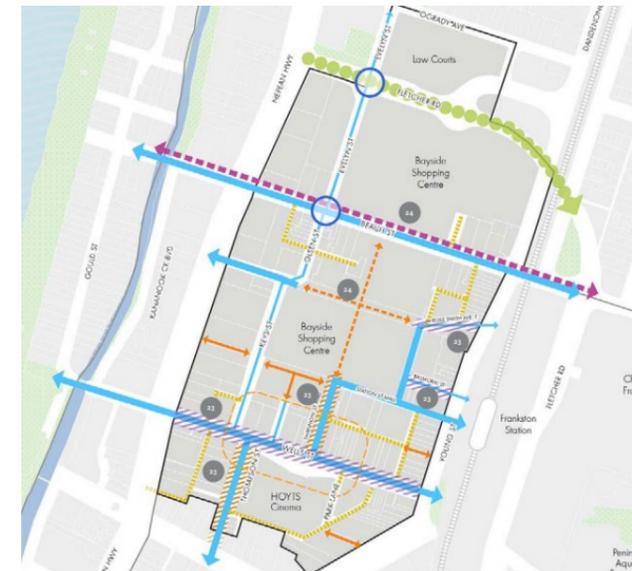
The Stony Point Rail Line Uplift, assessed in the Baxter Electrification Preliminary Business Case, proposes a cost-effective package of upgrades to improve service frequency, reliability and accessibility without full electrification. Key elements include installation of passing loops to enable more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

Priority Projects

PRIORITY PROJECT 5: NEPEAN BOULEVARD PRECINCT REVITALISATION

The Nepean Boulevard Precinct Revitalisation Project will transform a key gateway into Frankston by improving safety, connectivity and public amenity while showcasing local natural and cultural heritage.

The project will create a more accessible and vibrant precinct through upgrades such as safer walking and cycling links, a signalised Overton Road–Nepean Highway intersection, reuse of the historic Comfort Station, enhanced landscaping to support outdoor dining and retail, a Bay Trail connection to the Frankston Waterfront, and a new shared path from Pier Promenade to Olivers Hill.



PRIORITY PROJECT 6: TRANSPORT PROJECTS

A suite of three priority transport projects is required to address longstanding accessibility and congestion challenges across the Mornington Peninsula. Together, these initiatives aim to improve traffic flow, enhance safety, strengthen regional connectivity and support future population and economic growth.

The package includes upgrades to the Jetty Road interchange, featuring roundabout metering, pedestrian signals, noise barriers and a full freeway overpass to ease congestion and improve access. It also incorporates a Southern Peninsula planning and feasibility study to assess long-term transport needs and test road, public transport and demand-management solutions.

Complementing these is an upgrade to the East–West transport corridor, including signalised intersections, safety improvements and planning for an ultimate arterial connection linking Mornington Peninsula to Peninsula Link and the Western Port region.

PRIORITY PROJECT 7: ROSEBUD HOSPITAL

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.



PRIORITY PROJECT 8: DESIGNATED AREA MIGRATION AGREEMENT

The Mornington Peninsula is facing acute workforce shortages in health care, hospitality, tourism and agriculture, limiting business operations, service delivery and the region's ability to meet population and visitor demand. Local recruitment alone cannot fill many roles.

A Designated Area Migration Agreement (DAMA) would create a tailored migration pathway, enabling employers to sponsor skilled and semi-skilled overseas workers with flexibility around skill, age and English requirements, and offering clearer residency pathways.

A DAMA would support workforce stability, strengthen local businesses and enable essential industries to grow, helping maintain the Peninsula's economic resilience, competitiveness and community wellbeing.



