

Barwon

Regional Economic Development Strategy (REDS) 2026

Regional Economic Development Strategies

Victoria's Regional Economic Development Strategies (REDS) were released in 2022 and identified strategic directions to further drive growth and prosperity in regional Victoria



Every Regional Partnership region is supported by a tailored Regional Economic Development Strategy

Role of the REDS

- The REDS play a foundational, place-based role in Victoria's economic policy landscape by translating whole-of-government priorities into region-specific economic reform and investment agendas.
- The REDS provide a consistent evidence-based framework for understanding Victoria's regional economies.

How to use the REDS

- The REDS can be used by all levels of government, regional communities, and businesses to work together, innovate, tackle challenges and make targeted investments to achieve stronger outcomes for their region.
- Regional communities and businesses can use the REDS to:
 - communicate innovative capacity in their region, now and in the future
 - collaborate with government to better understand regional strengths, challenges and opportunities
 - attract investment to the region based on clearly identified strategic priorities.

REDS interactive data dashboards

9 interactive data dashboards—one for each Regional Partnership—complement the REDS, providing deeper insights into economic performance and regional trends.

Explore the region's dashboard:

[View Barwon Dashboard](#)

<https://www.rdv.vic.gov.au/priorities/reds>

Refreshing the REDS in 2026

▶ The 2026 REDS translate Victoria’s current strategic policy directions into place-based economic opportunities

Why REDS Refresh in 2026?



- Time has passed since the original 2022 REDS.
- The 2022 REDS established a strong, evidence-based foundation, but underlying data, economic conditions and forecasts have evolved significantly.
- The refresh incorporates major policy developments since 2022—particularly Victoria’s Economic Growth Statement and Victorian Industry Policy—ensuring regional priorities remain aligned with whole-of-government direction.
- New economic opportunities, sector shifts and investment priorities have emerged across regions, requiring an updated, place-based lens.
- The 2026 refresh does not replace the 2022 REDS. It selectively updates data, insights and priorities where change has occurred, while retaining the core strategic intent.
- The 2022 REDS remain a valid and standalone product. The refresh builds on this foundation, ensuring continuity while strengthening relevance for current decision-making.

Why REDS Refresh in 2026?



- **Boosting productivity is central** to Victoria’s long-term economic growth, workforce capability and prosperity. Achieving this will require coordinated economy-wide, sectoral and place-based initiatives.
- **Priority sectors underpinning growth** include advanced manufacturing and defence, health technologies, circular economy (including renewable energy), digital technologies, agribusiness and critical minerals.
- Many of these **knowledge-intensive, export-oriented sectors are regionally concentrated**, presenting significant opportunities to drive regional growth and prosperity.

Barwon REDS 2026

The Barwon REDS Refresh revisits the strategic directions for the region, reflecting place-based opportunities under Victoria’s Economic Growth Statement and key economic development policies that were released since 2022

2022 REDS Strategic Directions

In 2022, RDV delivered the Barwon REDS which identified place-based strategic directions to drive economic growth.

- 1 Accelerate the transition to new and high-value manufacturing opportunities
- 2 Further the innovation and skills ecosystem
- 3 Realise the potential of the visitor economy
- 4 Maximise the economic benefit from expanding service-based sectors
- 5 Build a sustainable and climate-resilient economy

[Click here to read the 2022 REDS](#)

2026 REDS Refresh Opportunities & Priorities

Since 2022, new opportunities and priorities have emerged that are shaping economic development across the region.

- 6 **Investment in the Central Geelong Precinct**
By 2050, Central Geelong aims to attract an additional 16,000 residents and support a further 60,000 jobs. Supporting private investment in central Geelong accelerates economic growth, re-invigorates the CBD, and strengthens its role as a major regional hub for jobs, living and innovation.
- 7 **Leverage the Greater Avalon Employment Precinct to expand growth sectors**
The Avalon Airport Employment Precinct presents a state-significant opportunity to unlock industrial land, drive jobs, and strengthen logistics, exports, and advanced manufacturing across the Barwon region.

See pages 5, 6, 20-23 for further detail on these emerging opportunities and priorities, as well as how existing strategic directions have developed in the region since the 2022 REDS

Enablers and investments supporting REDS strategic directions

2022 REDS Strategic Directions *(see appendix for extended analysis)*

	Development since the REDS	Alignment with state and local priorities since the REDS
Accelerate the transition to new and high-value manufacturing opportunities	- Transition to higher-value, technology-enabled food manufacturing - Attraction of defence manufacturing and supply chain opportunities - Emergence as a leader in circular and low-emissions manufacturing - Capability in next-generation manufacturing technologies - Increase in the scale and sophistication of Barwon's advanced manufacturing ecosystem	- Economic Growth Statement - Victorian Industry Policy - Geelong City Deal - Trunk Infrastructure Fund - Victorian Investment Fund
Further the innovation and skills ecosystem	- Strengthening of clean energy skills pipeline - Inclusive workforce participation and skills development - Elevation in the visibility and attractiveness of advanced manufacturing career pathways	- Victorian Skills Plan - Victorian Innovation Statement - Made in Victoria - Economic Growth Statement - Victorian Industry Policy
Realise the potential of the visitor economy	- Spirit of Tasmania ferry connection - Nyaal Banyul Geelong Convention and Event Centre - Avalon Airport upgrades - Geelong Arts Centre Redevelopment - Point Grey Redevelopment, Lorne	- Experience Victoria 2033 - Geelong City Deal - Regional Worker Accommodation Fund
Maximise the economic benefit from expanding service-based sectors	- Strengthening the capacity and resilience of Barwon's health services sector - Enhancing integration and accessibility of community-based health services - Supporting cross-sector opportunities between health services and the defence sector e.g. HealthRFID BloodControl Suite	- Victorian Health Workforce Strategy - Victorian Health Services Plan - Victorian Skills Plan
Build a sustainable and climate-resilient economy	- Accelerating transition to a low-emissions, sustainable industrial base - Establishing hydrogen economy capability - Expanding renewable energy generation and storage - Advancing Circular economy innovation in water and waste management - Strengthening commercialisation of circular economy solutions	- Victoria's Climate Change Strategy - Victorian Renewable Energy Zones (REZ) Program - Sustainability Victoria Strategy

Enablers and investments supporting REDS strategic directions

2026 REDS Refresh Opportunities & Priorities

(see appendix for extended analysis)

	Significance	Supporting projects and catalysts to support future growth	
Investment in the Central Geelong precinct	By 2050, Central Geelong aims to attract an additional 16,000 residents and support a further 60,000 jobs. ¹ Supporting private investment in central Geelong accelerates economic growth, re-invigorates the CBD, and strengthens its role as a major regional hub for jobs, living and innovation.	Supporting projects ▪ Revitalising Central Geelong (RCG) program ▪ Nyaal Banyul Geelong Convention and Event Centre ▪ Geelong Arts Centre redevelopment ▪ Reactivation of heritage CBD buildings	Catalysts to support future growth ▪ Growth in professional services, health and knowledge-based employment ▪ Pipeline of mixed-use and higher-density development ▪ Increased business and cultural events ▪ Activation of underutilised land and sites
Leverage the Greater Avalon Employment Precinct (GAEP) to continue expanding growth sectors	The precinct is a key industrial hub supporting growth in the Western Corridor, driving job creation and strengthening logistics and advanced manufacturing across the Barwon region.	Supporting projects ▪ Hanwha Defence Australia ▪ Lockheed Martin Australia ▪ Avalon Airport’s freight facility ▪ New aviation routes at Avalon Airport ▪ Investment in freight and cold storage infrastructure ▪ Route 18 bus connection	Catalysts to support future growth ▪ Future rezoning of GAEP West ▪ Expansion of freight, export and enabling infrastructure

Barwon regional profile

Wadawurrung

Eastern Maar

Colac-Otway

Surf Coast

Greater Geelong

Queenscliff

- Barwon has a diverse economy, encompassing advanced manufacturing, health, and social services, education, food and fibre and agribusiness, tourism, and emerging clean economy industries.
- The region’s access to key freight and visitor corridors, together with internationally recognised natural attractions along the Surf Coast and Great Ocean Road, diverse agri-tourism offerings on the Bellarine draws domestic and international visitors and supports future population growth and economic diversification across south-west Victoria.

Key Economic Statistics

Metric	Barwon	Regional Victoria	Metropolitan Melbourne
Population ¹ (2025)	361k	1.7m	5.3m
Population Growth ¹ (2020 – 2025)	10.3%	6.1%	7.2%
GRP ² (2025)	\$25.8b	\$115.8b	\$494.7b
GRP Growth ² (2020 – 2025)	20.3%	12.5%	11.9%
Unemployment Rate ³ (Mar 2026)	4.0%	3.7%	4.8%
Unemployment Rate Change ³ (Mar 2021 – Mar 2026)	-0.1% pts	-1.1% pts	-2.4% pts
Employment Growth ² (2020 – 2025)	15.5%	9.7%	13.0%

Barwon Top Employing Industries²

1.

Health Care and Social Assistance

34,700

2.

Retail Trade

18,100

3.

Construction

18,000

4.

Education and Training

18,000

5.

Accommodation and Food Services

13,900

6.

Manufacturing

13,400

7

Barwon’s growth is underpinned by strong population, economic and employment gains

Population

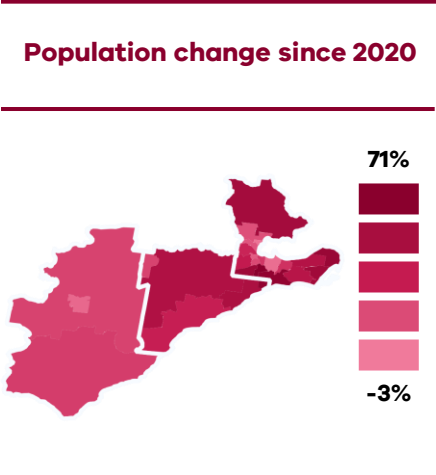
361k

Population (2025)¹

 **+10.3%**
Since 2020

Barwon accounts for approximately one third of regional Victoria’s population growth

- Barwon is home to 360,800 people with population growth over the past 5 years (10.3%) outpacing both regional (6.1%) and metropolitan (7.2%) averages.¹
- Regional growth in absolute terms has been driven by Greater Geelong, with population increasing by more than 29,000 residents over the past five years. In percentage terms, Surf Coast has performed strongly, increasing by 12% since 2020.¹



Gross Regional Product

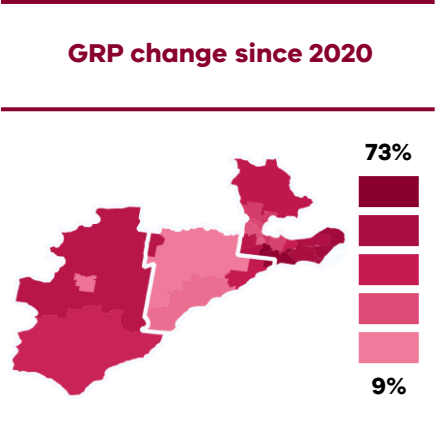
\$25.8b

GRP (2025)²

 **+20.3%**
Since 2020

Growth in the Barwon economy has outpaced both metropolitan and regional averages

- Manufacturing remains a key economic driver, with its share of gross value add (9.8%) exceeding its share of employment (7.2%), indicating strong productivity.²
- Knowledge-intensive sectors such as Financial & Insurance Services and Professional, Scientific & Technical Services have grown by 39% in terms of GVA since 2020.



Employment

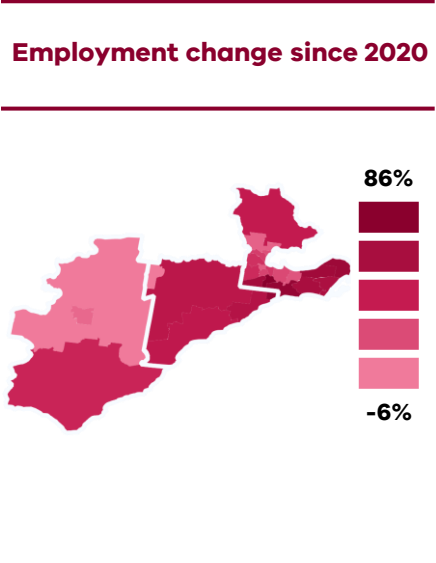
185k

Employed (2025)²

 **+15.5%**
Since 2020

Barwon’s employment growth is underpinned by service-based industries

- The largest employment growth since 2020 was in Health Care & Social Assistance, Financial & Insurance Services, Accommodation & Food Services and Professional, Scientific & Technical Services – with employment growing by almost 15,000 jobs in these industries.²
- Demand for Health Care & Social Assistance workers is expected to remain strong, with 23,500 new roles by 2035 (32% of new workers), significantly above its current 21% share and higher than regional and metropolitan benchmarks.³



Unemployment Rate

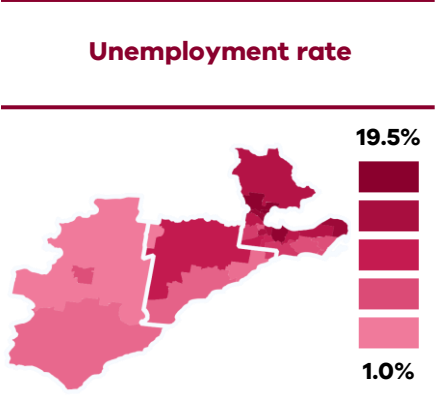
4.0%

Unemployment Rate (Mar Qtr 2026)⁴

 **-0.1% pts**
Since Mar Qtr 2021

Within Barwon, unemployment rates vary, highlighting disparity in labour markets and challenges

- The region’s labour market has remained relatively stable over the past 5 years, with the unemployment rate falling by 0.1 percentage points to 4.0%, slightly above regional Victoria (3.7%) but below Melbourne (4.8%).⁴
- Unemployment varies significantly across the region, from a low of 1.0% in Colac - Surrounds to a high of 19.5% in Norlane.⁴



Key industry strengths driving Barwon's economy



Service-based Economy

Barwon's population growth has contributed to the strong services economy, driven by the region's skilled workforce. Education & Training, Construction and Health Care & Social Assistance account for **34% of the region's GVA** and **38% of employment**.¹ With strong population growth forecasted in the region, these sectors present an opportunity for long-term growth and wider economic benefits.



Connectedness & Transport Linkages

The Barwon region is well connected by rail, air, sea and road for both freight and passengers. Key transport infrastructure includes **Avalon Airport**, the **Princes Freeway**, **Midland Highway**, **GeelongPort** and **Ferry services** to Melbourne Docklands and from Queenscliffe to Sorrento. This connectedness is a major drawcard for business attraction to the region.



Advanced Manufacturing

There are significant clusters of manufacturing businesses and knowledge pool within the Barwon region, particularly in **advanced fibres and materials** and **food product manufacturing**. Barwon is also home to one of two refineries in the country, Viva Refinery. In terms of economic activity, Barwon has the **largest manufacturing sector in regional Victoria**, generating **\$2.0 billion in GVA**.¹ In terms of GVA, Manufacturing is the third largest sector in the region, despite only employing 7.2% of workers, displaying the strong productivity value to the region.¹



Visitor Economy & Creative Industries

Barwon's major landscapes, such as the **Bellarine Peninsula**, the **Great Ocean Road** coastline, **Corio Bay**, the **Surf Coast** and **Hinterland**, the **Otway National Park** and the **You Yangs** Regional Park underpin a strong tourism sector. Tourism in Barwon had **\$2.7B in annual spend** in year ending June 2026, the highest in regional Victoria.² Barwon's **Creative and Performing Arts Activities** are also the largest in regional Victoria, including Geelong Arts Centre, public art galleries in Geelong, drawcard music venues and major festivals, such as Queenscliffe Music Festival, collectively contributing **\$44m in GVA**, a 145% increase since 2020.¹

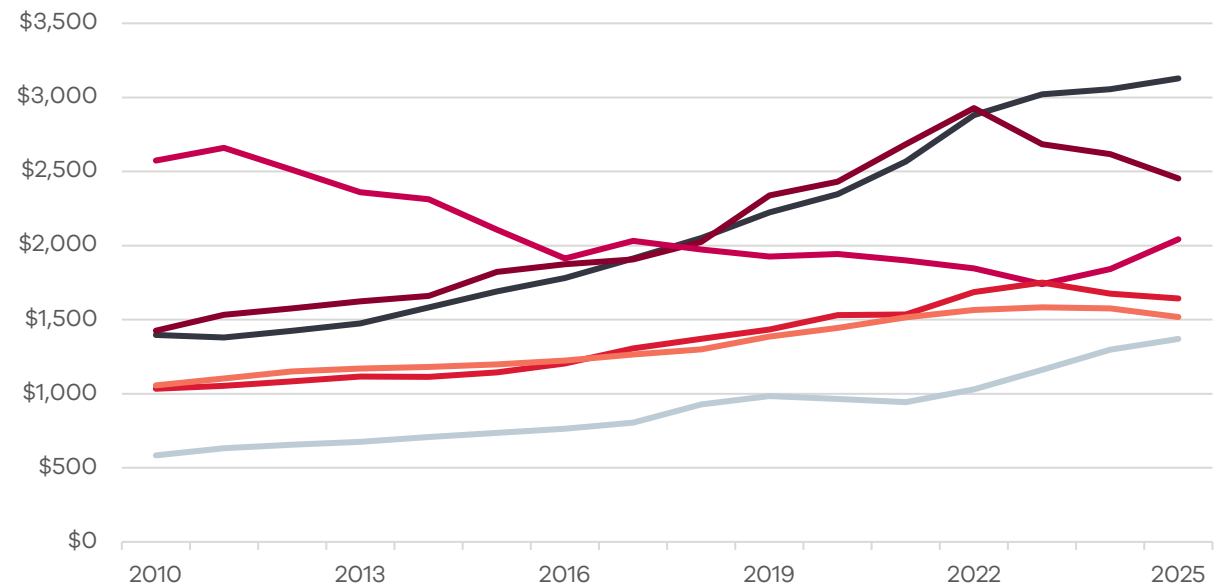
Key industry strengths driving Barwon's economy

Health Care & Social Assistance and Construction were Barwon's two largest industries in 2025, together accounting for over a quarter (27%) of total GVA in the region.¹

- Barwon's economy is benefitting from its service-based sectors, with Health Care & Social Assistance, Retail Trade, Education & Training, Financial & Insurance Services and Professional, Scientific & Technical Services making up nearly half (43%) of total GVA in the region.
- Despite a long-term decline in Manufacturing GVA, the industry remains critical for the region's economic development, with future growth expected in advanced manufacturing, clean economy and food processing sectors. These new opportunities have resulted in a recovery of Manufacturing GVA, increasing by 5.1% since 2020,¹ and the concentration of GVA relative to employment remains one of the highest in Barwon, highlighting the productive capacity of the industry.

Barwon gross value added for key industries

National Institute of Economic and Industry Research (NIEIR)



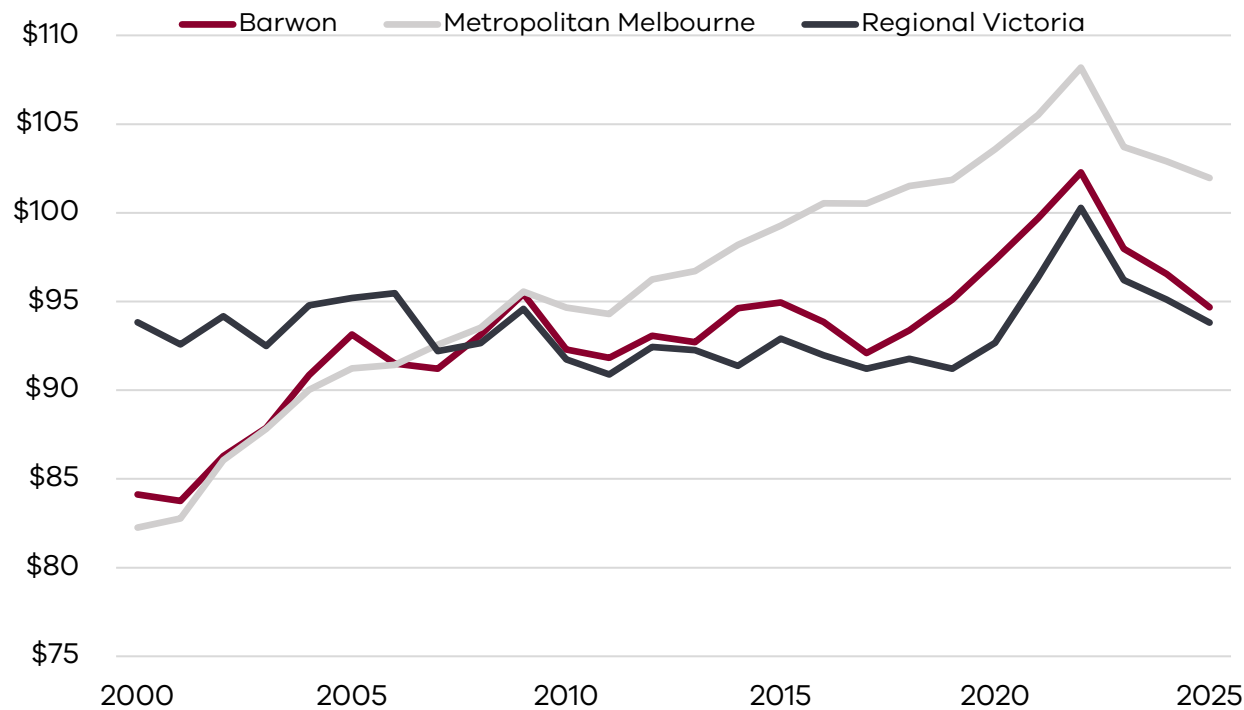
Top sectors by GVA¹

	Industry 1-digit ANZSIC	GVA (\$M)	5-Year Change
—	Health Care and Social Assistance	\$3,128	33.2%
—	Construction	\$2,452	0.9%
—	Manufacturing	\$2,042	5.1%
—	Retail Trade	\$1,644	7.3%
—	Education and Training	\$1,518	5.1%
—	Financial and Insurance Services	\$1,370	42.0%

Boosting productivity and growing high-value industries is critical to the region's economic future

Labour Productivity (GRP per hour Worked)

Dollars, NIEIR, 2000-2025



Productivity remains below benchmark levels despite strong economic growth

- Barwon's labour productivity has remained stable since 2020, reflecting growth in relatively lower-productivity service industries.
- Closing the productivity gap with metropolitan areas remains a key opportunity to lift incomes, competitiveness and long-term economic growth.

High-value industries provide the strongest pathway to productivity growth

- Several priority sectors identified through the Barwon REDS, including Agri-Food, are among the region's most productive industries.
- Since 2020, GVA growth in knowledge-led sectors including Information Media & Telecommunications (57%), Financial & Insurance Services (42%)¹, and Professional, Scientific & Technical Services (35%)¹, has significantly outpaced the regional average (20%)¹ over the same period.
- Continued growth in these sectors will increase the share of economic activity occurring in higher-value, higher-productivity industries.

Skills and innovation are critical enablers of future productivity

- Barwon's innovation ecosystem provides a foundation to drive productivity; this is established through education and research institutions (Deakin University and Gorden Institute of TAFE) that provide the skills required to support these highly productive industries.
- Targeted investment in the Central Geelong precinct, advanced manufacturing capability and the innovation ecosystem will shift Barwon's industry mix toward sectors that generate more output per worker, driving sustained, long-term productivity growth across the region.

First Peoples-led economic development in Barwon

The 2022 Barwon REDS identified 5 priority opportunities for First Peoples Economic Development



Natural Resources & Traditional Practices

Identify opportunities to leverage natural resources for economic benefit, including through adopting traditional agricultural techniques and practices.



Cultural Tourism, Enterprise & Procurement

Invest in the growth and awareness of First Peoples-owned industry, including nature based and cultural tourism, business enterprise and procurement.



First Peoples Land Ownership & Resource Management

Pursue greater First Peoples ownership of land to sustainably manage resources.



Cultural Significance, Country & Healing

Promote recognition of the land, its waters and its cultural significance to ensure that economic activities generate benefits in circumstances where degradation or destruction can be avoided, and existing damage is healed.



Young People, Jobs & Culture on Country

Engage with young people to ensure there are opportunities to access secure jobs and build an economic future on Country while, at the same time, learning about culture and traditions.

First Peoples-led economic development in action



Nyaal Banyul Convention & Event Centre (Geelong Waterfront)

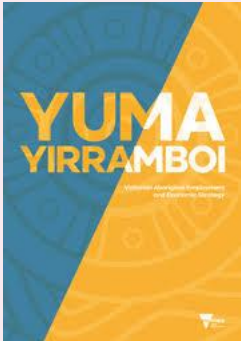


Wathaurong Dreaming Project (North Geelong) Booln Booln Culutral Centre



Wadawurrung Traditional Owners Revitalising Central Geelong

Evidence of momentum



Key economic indicators show improvement in socio-economic outcomes between 2016 and 2021



First Peoples participation rate increased by 1.6% points¹



First Peoples unemployment rate decreased by 2.4% points¹



First Peoples 15-24 year-olds not in work or study increased by 2.5% points¹



First Peoples households earning below \$650 per week decreased by 16.6% points¹

Opportunities to strengthen inclusive growth in Barwon

Build on First Peoples Strengths

Half of all First Peoples workers in the region (51%) work in service-based sectors such as Health Care & Social Assistance, Education & Training, Retail Trade and Construction.¹ The First Peoples workforce is also well represented in Construction and Electricity, Gas, Water & Waste Services as Barwon continues to shift to a clean economy. In Barwon, a higher proportion of First Peoples workers (15%) work in these industries than non-First Peoples workers (13%).¹ Given the high demand for workers in these industries into the future, this strength can further drive future economic growth for First Peoples in Barwon.

Focus Investment Across Communities

Barwon contains some of Victoria’s most advantaged communities: Newtown, Ocean Grove, Barwon Heads-Armstrong Creek, Highton, Lorne-Anglesea, Point Lonsdale-Queenscliffe and Torquay all rank in the top 15% statewide by The Index of Relative Socio-economic Disadvantage (IRSD).³ Barwon is also home to communities which have relatively lower IRSD rankings, with Norlane, Corio-Lovely Banks and Newcomb-Moolap in the bottom 10% statewide.³ Over the past 5 years, the IRSD ranking has improved for all LGAs in Barwon, with the exception of Queenscliffe which has remained steady. Ensuring that Barwon's economic growth reaches all communities is essential to realising economic prosperity.

Boosting Female Participation

The female participation rate in Geelong is 62%, an increase of 1.7% pts over the last 5 years, a growth rate slightly below regional Victoria (1.9% pts) and metropolitan Melbourne (2.5% pts).⁴ The female participation rate remains below male participation in the region (69%) and below that of the female participation in metropolitan Melbourne (65%).⁴ Female employment in Geelong experienced growth over the past 5 years (14%).⁴ However, this growth is below metropolitan (18%) averages.⁴ Boosting female participation in the workforce can further enhance economic growth.

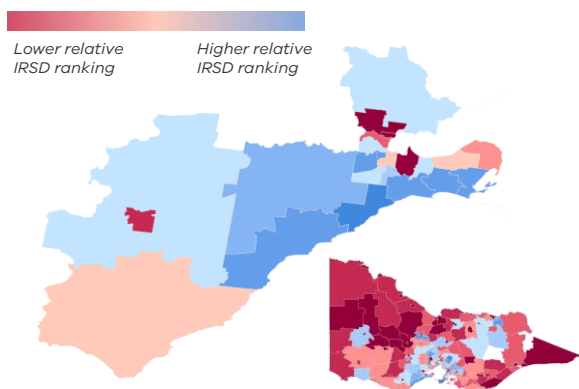
Expand Pathways for Young People into the Workforce

The youth (15-24) unemployment rate in Geelong is 9.5%, more than twice the unemployment rate of all age cohorts within the region (3.7%). The Geelong youth unemployment rate has also increased by 1.8% pts over the past 5 years, faster than the growth rate observed for all cohorts in the region (0.5% pts).⁴ Supporting the youth workforce can increase labour supply capacity and help to further stimulate economic growth in the region.

Socio-economic conditions vary across Barwon, highlighting opportunities for targeted investment

Index of Relative Socio-Economic Disadvantage (IRSD)

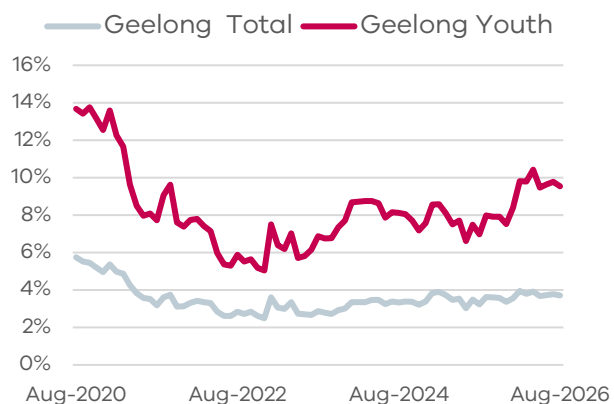
SEIFA, ABS Census (2021), SA2



There is an opportunity to close the gap between the youth unemployment rate in Barwon with the overall rate

Unemployment Rate (%), Youth (15-24) & Total

ABS (Aug-26), Geelong SA4



Unlocking affordable housing supply to enable economic growth in Barwon

On a per capita basis, Barwon’s availability of 1-2 bedroom rentals is less than half that of metropolitan Melbourne⁶

Limited rental supply has been driven by significant price growth in Barwon South West, with rents increasing by 33% between 2020 and 2025 – nearly double the rise recorded in Victorian wages (17%) over the same period.⁷

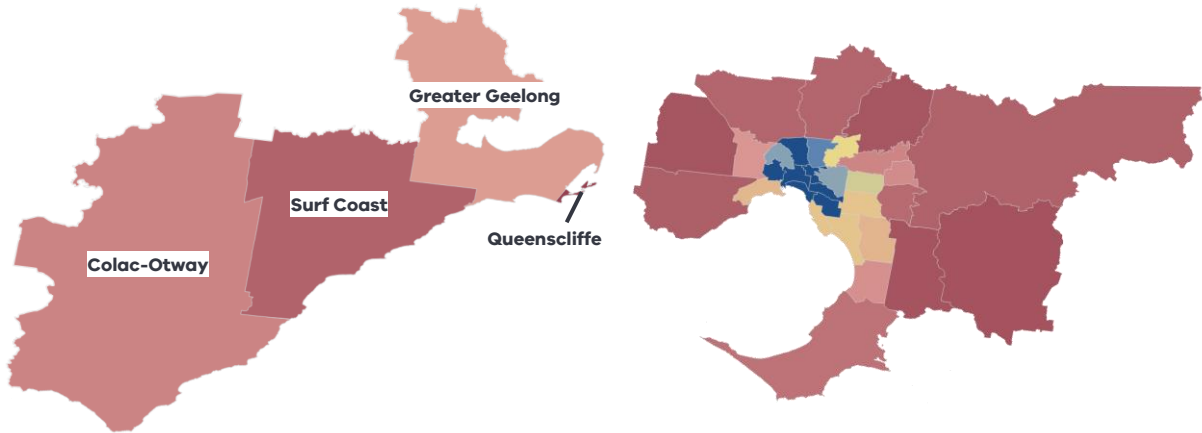
1-2 Bedroom Dwellings to Rent per Capita

DFFH Rental Report, ABS Regional Population



Barwon

Metropolitan Melbourne



Supply shortages of smaller dwellings are limiting the ability for Barwon to attract key workers that are critical to economic growth

- Particularly in tourism hotspots, the prevalence of short-term rentals further constrains long-term housing supply, forcing many workers to travel long distances to their jobs and limiting their ability to contribute to the local economy.
- A growing disparity between housing costs and wage growth impacts workforce attraction and retention, particularly for essential and lower-waged jobs.

There are signs that housing supply is improving

- Over the past year, building approvals in Barwon have increased (27%), more than both metropolitan Melbourne (-8.5%) and regional Victorian (26%) averages.¹
- Greater Geelong has the sixth largest number of building approvals per capita in regional Victoria, and over the past year, the highest number of building approvals for high density housing in regional Victoria.²
- However, higher enabling infrastructure costs and cost of building in regional areas can constrain private development, making incentives to build, including infrastructure co-funding, critical to sustaining building momentum.

Government initiatives are supporting additional housing supply

- The Victorian Government's Regional Worker Accommodation Fund is investing \$150 million to deliver housing for key workers in regional communities.³
- The \$1 billion Regional Housing Fund will deliver more than 1,300 homes across regional and rural Victoria through new builds and redevelopment projects.⁴
- The Victorian Government’s housing targets for the Barwon region aim to deliver over 140,700 homes by 2051, close to jobs, services and transport.⁵
- The VicSmart reforms are streamlining planning approvals to accelerate eligible residential developments.

A skilled and productive workforce is key to further drive economic activity in the region

An ageing population is reducing workforce availability, despite a growing and more skilled population

- Barwon leads regional Victoria in persons holding a bachelor degree or above, at 28% up from 22% 5 years ago,¹ although it remains below metropolitan Melbourne (37%) suggesting room to deepen the region's skills base.¹
- Between 2025 and 2036, the working age population (15-64) in Barwon is expected to expand by 46,200 residents, the largest growth of any Victorian region.²
- Barwon is ageing faster than metropolitan Melbourne, with 23% of its residents projected to be aged 65+ by 2036 compared to 16%.³ There is growing pressure on healthcare and aged care alongside a tightening workforce capacity over coming years.

Barwon's labour market is growing strongly and skewing toward skilled roles

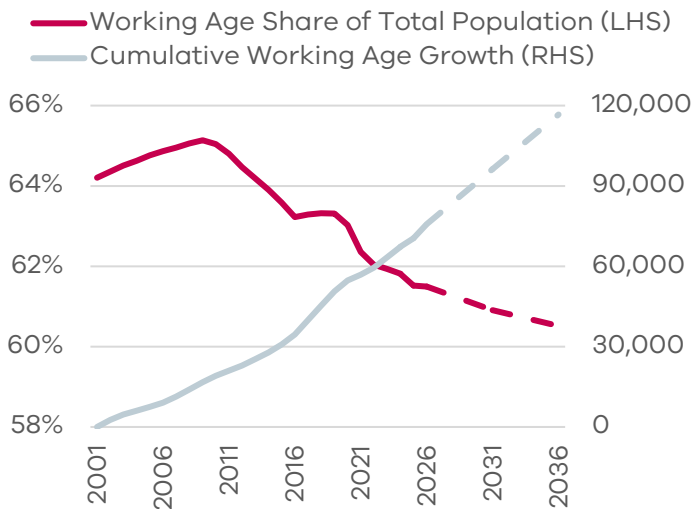
- Since 2020, almost 2 in 3 (64%) new jobs created have been skilled occupations, reflecting a shift toward a higher-value economy.⁴ Advanced Manufacturing is also adding to Barwon's labour demand, with the Avalon Employment Precinct projected to deliver up to 16,500 jobs in defence, and clean economy sectors requiring skilled technical workers.⁶
- The region's education and research ecosystem is a major strength that can support future workforce and skills development. Deakin University's Geelong campuses, the Gordon Institute of TAFE and specialist colleges provide strong higher education and vocational pathways aligned to highly skilled roles.

Government initiatives are supporting workforce growth and skills development

- Free TAFE and the Victorian Skills Plan are helping build the skilled workforce required by regional industries.
- A focus on aligning training with industry demand, strengthening vocational and higher education pathways, and accelerating skills recognition.
- Increasing inclusive workforce participation is a key opportunity to support long-term economic growth.

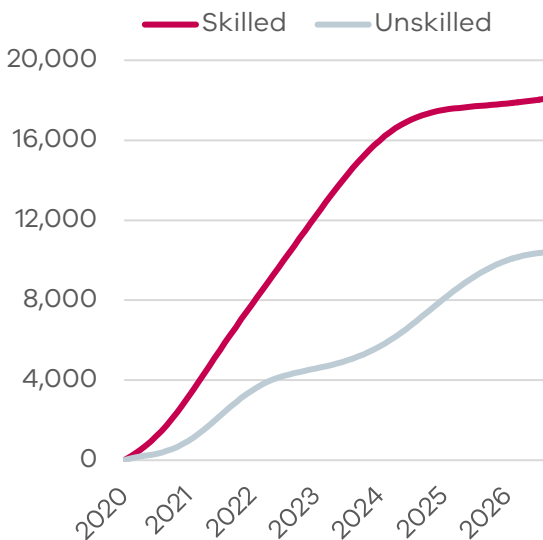
Working Age Population (15-64): Share and Cumulative Growth, Actual and Projected

ABS Regional Population by Age and Sex 2024-25, VIF, Barwon



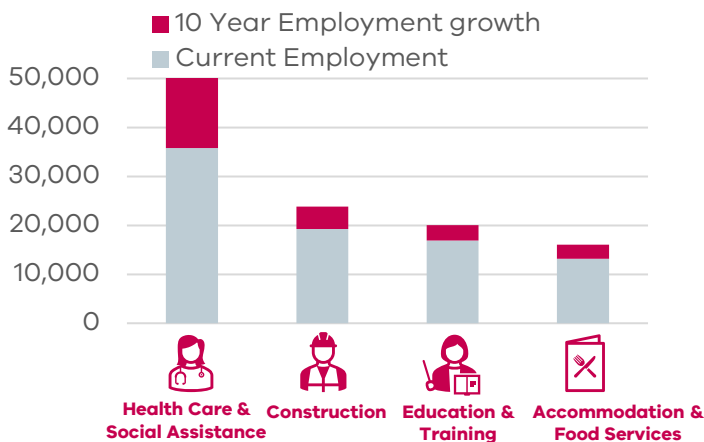
Employment by skill level

NERO Aug-26, Geelong SA4



Largest projected employment growth

VSA 2025-2035, Industry, Barwon



'A 10-year plan for industrial land' positions state-significant regional industrial land as a key growth enabler



Trunk Infrastructure Fund



Enabling infrastructure is a growing constraint but also a major lever for Barwon's future economic growth

Targeted infrastructure upgrades in industrial precincts can unlock private investment in high productivity industries, supporting growth and job creation.

Barwon's industrial precincts play a vital role in the regional and Victorian economies.

The Greater Avalon Employment Precinct (GAEP) will complement the Avalon Airport Employment Precinct by scaling up the Avalon Corridor into a state-significant employment and logistics hub

- An important part of the Victorian Government's strategy to address population growth, housing and employment demands, GAEP will eventually transform 3,400 hectares of land into a significant hub for manufacturing, logistics, clean-tech and recycling delivering capacity for approximately 8,000 new jobs.¹
- Strategically located between Melbourne and Geelong, GAEP connects regional and metropolitan markets to global supply chains.
- Adjacent to the Avalon Airport Employment Precinct, GAEP will support the future of Avalon Airport and its employment precinct which already employs over 2,000 people in advanced manufacturing, logistics, technology and defence industries.²

Investment in several further priority industrial precincts in the region is foreshadowed over the coming years, including:

- **Torquay:** West Coast Business Park and Messmate Road precinct rezoning and investment to accommodate growing industrial land demand. Precinct planning for Baines Crescent to unlock the potential for mix-used development providing commercial (as well as residential) opportunities.
- **Geelong:** Black Rock Precinct and the North Western Recycled Water Centre are uniquely positioned to attract circular economy, waste-to-energy, hydrogen and resource recovery industries.
- **Colac East Industrial Precinct** is a growing industrial hub, supporting light to general industrial activities and large-scale, heavy industrial development.

Barwon is leveraging policy and investment to accelerate growth in key industries

- The **Economic Growth Statement (2024)** set out an ambition to achieve higher productivity, improve living standards, wages and competitiveness in a more contested global environment.
- The **Victorian Industry Policy (2025)** provides the framework to deliver on Victoria's economic growth and productivity ambitions.
- The \$150 million **Victorian Investment Fund** provides a \$50 million regional stream, and access to the broader fund.¹

Recent and ongoing investments in priority industries and key education and employment precincts, continue to advance Barwon region's growth and productivity

- **Advanced Manufacturing** is shifting toward higher-value activities, with strong growth potential in advanced technology driven by opportunities in circular economy, renewable energy, food processing and defence industries.
- The **Geelong Future Economy Precinct (GFEP)** integrates research, education and industry collaboration, hosting Deakin University's REACH (Recycling and Clean Energy Commercialisation Hub); ManuFutures, an advanced manufacturing accelerator, the Institute for Frontier Materials, the Institute for Intelligent Systems -and its Applied Artificial Intelligence Initiative.
- **Hanwha Defence Australia's** \$170 million Armoured Vehicle Centre of Excellence (H-ACE) at Avalon Airport Employment Precinct, completed in 2024 marked a major long-term commitment to Australian defence manufacturing.²
- **Barwon's clean economy** is expanding through sustainable and circular activities, with strong growth potential in renewable energy, sustainable fuels, waste value-add and supply chains.

Major investments in Barwon's visitor economy continue to grow and diversify this key regional sector

- **Nyaal Banyul Geelong Convention & Event Centre** will attract world class events, conferences, exhibitions, domestic and international visitors.
- Investments at **Avalon Airport** to recommence international flights and additional domestic routes– adding up to 320,000 new seats annually in and out of Victoria's second airport gateway³
- **Major events** including Avalon Australian International Airshow; Cadel Evans Road Race and Rip Curl Pro Bells Beach, attract up to 60,000 attendees to the region annually.⁴
- **Geelong Arts Centre:** Australia's largest dedicated regional performing arts centre, hosts local, national and international music, comedy, dance, theatre and cultural events and performances.

Barwon region plays a key role in Victoria's energy transition and fuel security priorities

- **Viva Energy's Geelong Refinery's** diversification into sustainable aviation fuel, renewable diesel, bio-feedstocks and circular materials, is retaining high-skilled engineering jobs in the region.
- The refinery is a strategic national asset, one of Australia's two operating fuel refineries, supplying industrial, commercial and domestic customers.
- Hydrogen capability is growing, with commercial storage and vehicle refueling operating at the **Viva Energy Hub** in Geelong.
- **VicGrid's** build out of Victoria's energy transmission infrastructure will provide supply chain and job opportunities in the region.
- **Barwon Water** is developing opportunities to transform its Black Rock Water Reclamation Plant into a clean economy precinct, including organic waste reusable products and clean energy generation.

The Barwon REDS 2026 sets out strategic economic development priorities to be delivered across government

REDS 2026 priorities continue to be implemented through RDV's regional network, and facilitated through Victoria's investment and trade agencies, business program delivery, and policy advocacy across all levels of government.



Barwon regional businesses and investors can pursue economic development opportunities through a several Victorian Government agencies and initiatives

- RDV's Barwon South West team (Geelong Office) are the main point of contact in the region for facilitating and coordinating regional development outcomes: **Contacts and Assistance - Regional Development Victoria**
- A range of **grants and program support** is available to enable economic opportunities across regional Victoria.
- Victoria's **Investment Front Door** provides a single access to point to the Victorian government for investors.
- Support for Victorian Businesses is also available through the **Business Victoria** website including guidance, services and skills you need to successfully start, run and transform your business.
- **REDS data dashboards are available online** providing deeper economic and community analysis and insights into each region.

RDV works across all levels of government to promote place-based policy considerations that strengthen government investments in regions

- The REDS 2026 guides RDV's ongoing work with the Regional Partnerships, Regional Development Australia committees, and in policy making across the Victorian Government.
- Place-based regional opportunities and challenges identified in the REDS Refresh continue to inform the delivery of major energy projects and housing supply initiatives across Victorian Government.
- RDV works closely with Victoria's economic development agencies, including Invest Victoria, Global Victoria and Business Victoria, to advocate for regional economic development opportunities, and ensure that they are informed by place-based regional insights.
- Ongoing work across government towards the delivery of regionally located major projects will maximise opportunities for regional jobs, investment and supply chain businesses.

Appendix

Barwon strategic directions, progress since the inception of the REDS and alignment with refreshed policy settings

Strategic Direction	Significance	Development since the REDS	Alignment with government initiatives since the REDS
Accelerate the transition to new and high-value manufacturing opportunities	Manufacturing remains a significant driver of economic growth in the region, with Manufacturing GVA increased by 11% over the past year and 5.1% since 2020. ¹ The sector is the region's third largest contributor to economic output and fifth largest employer. ¹	▪ The transition to higher-value, technology-enabled food manufacturing in Barwon is being accelerated. ▪ Barwon's emergence as a leader in circular and low-emissions manufacturing is being reinforced, supported by Viva Energy and Cleanaway's development of advanced soft plastics recycling facility. ▪ Capability in next-generation manufacturing technologies is being strengthened, evidenced by the establishment of Sykes Manufacturing at Deakin University utilising Large Format Additive Manufacturing. ▪ The scale and sophistication of Barwon's advanced manufacturing ecosystem is increasing, supported by the establishment of Hanwha Defence Australia's Armoured Vehicle Centre of Excellence and the expansion of ManuFutures 2, which delivers additional tenancy space and specialized engineering and innovation infrastructure.	▪ Economic Growth Statement: Sets a statewide agenda for productivity and innovation, reinforcing the shift toward high-value, technology-driven manufacturing. ▪ Victorian Industry Policy: Directly supports advanced transformation through sector development, innovation incentives, and industry capability uplift. ▪ Geelong City Deal: Invests in enabling infrastructure and precinct development to support growth and underpins advanced manufacturing hubs in Geelong. ▪ Trunk Infrastructure Fund: Provides critical enabling infrastructure required to service industrial precincts and support advanced manufacturing growth. ▪ Victorian Investment Fund: A dedicated stream of the fund that supports fast growing businesses to enhance economic development in priority sectors identified within the Economic Growth Statement.
Further the innovation and skills ecosystem	Barwon's workforce is the most highly educated across regional Victoria, 28% of the population holds a bachelor degree or higher, compared to 21% in regional Victoria. ² Skilled workers continue to expand in the Barwon region, increasing 20% since January 2020, higher than both regional and metropolitan averages. ³	▪ Barwon's clean energy skills pipeline is being strengthened, supported by the delivery of Stage 1 of the Renewable & Clean Energy Training Hub at The Gordon TAFE in partnership with Geelong Tech School. ▪ Inclusive workforce participation and skills development are being advanced, evidenced by the establishment of The Gordon TAFE Centre for Excellence in Disability Inclusion, which will enhance access to vocational education and broaden the region's talent pool. ▪ The visibility and attractiveness of advanced manufacturing career pathways are being elevated, supported by industry-led initiatives such as the Geelong Manufacturing Council programs: Geelong Future Leaders of Industry, and Girls Leading Advanced Manufacturing and the Big Ideas: Boosting Implementation of Gender Inclusion, diversity, Equity and Access.	▪ Victorian Skills Plan: Delivers a coordinated approach to skills development, aligning education and training with emerging industry and innovation trends. ▪ Victorian Innovation Statement: Focuses on building a strong, sustainable innovation ecosystem. ▪ Made in Victoria: Supports investment in new and upgraded research and development infrastructure, strengthening Victoria's R&D capability across priority industry sectors. ▪ Economic Growth Statement: Prioritises innovation, human capital development and productivity as central drivers of long-term economic growth. ▪ Victorian Industry Policy: Focuses on improving skilled workforce alignment with current and emerging industry needs, increasing the overall agility, diversity and inclusivity of the workforce.

Barwon strategic directions, progress since the inception of the REDS and alignment with refreshed policy settings

Strategic Direction	Significance	Development since the REDS	Alignment with government initiatives since the REDS
Realise the potential of the visitor economy	Barwon’s endowments provide significant opportunities to attract visitors to the region. Barwon experienced the largest annual domestic tourism spend of any region in the year ending March 2026 (at \$2.7 billion) as well as the most visitors of any region (at 8 million in the year ending March 2026). ¹	▪ Spirit of Tasmania: Ferry connection to mainland boosting visitation to Geelong and the Bellarine, with high passenger throughput via the new terminal ▪ Nyaal Banyul Geelong Convention and Event Centre: New theatre, flexible event and exhibition space and 200-room hotel enhancing business and events tourism opportunities ▪ Avalon Airport upgrades: Expanded domestic and international services, including terminal upgrades and international reactivation ▪ Geelong Arts Centre Redevelopment: Increased capacity and expanded cultural offering ▪ Point Grey Redevelopment, Lorne: New visitor and community experience supporting local economic activity	▪ Experience Victoria 2033: 10-year strategic plan to help shape the future of Victoria’s visitor economy by building on the state’s competitive advantages. ▪ Geelong City Deal: Enhances amenity and tourism infrastructure, strengthening Geelong and surrounding areas as key visitor destinations. ▪ Regional Worker Accommodation Fund: Supports the sustainability of the tourism workforce by increasing access to appropriate and affordable accommodation in high-demand locations
Maximise the economic benefit from expanding service-based sectors	Since 2020, Barwon’s GVA growth in its top 5 service-based industries (24%) has surpassed regional Victorian (17%) and metropolitan (16%) averages. ² These sectors are also driving employment growth, accounting for 69% of total employment growth since 2020. ²	▪ The capacity and resilience of Barwon’s health services sector is being strengthened, supported by the development of the Barwon Women’s and Children’s Hospital, which will address growing demand and underpin expansion of the region’s healthcare workforce. ▪ The integration and accessibility of community-based health services is being enhanced, evidenced by the Geelong Mental Health and Wellbeing Hub, which consolidates a comprehensive range of services to support improved health outcomes and service delivery.	▪ Victorian Health Workforce Strategy: Aims to expand workforce capacity, skills pathways and job creation in the health care and social assistance sector. ▪ Victorian Health Services Plan: This plan will assist in developing Barwon’s service economy by reforming health service networks to improve efficiency, coordination and access, ensuring regional health services scale sustainably alongside population growth. ▪ Victorian Skills Plan: Ensures a responsive and skilled workforce pipeline aligned to the evolving needs of health, education and professional services sectors.

Barwon strategic directions, progress since the inception of the REDS and alignment with refreshed policy settings

Strategic Direction	Significance	Development since the REDS	Alignment with government initiatives since the REDS
Build a sustainable and climate-resilient economy	The Barwon region is a rapidly growing hub for renewable energy, driven by major wind farms, large scale solar projects, innovative bioenergy and leadership in hydrogen production.	- Barwon’s transition to a low-emissions, sustainable industrial base is being accelerated by the repositioning of Viva Energy’s Geelong Refinery toward renewable fuels and circular feedstocks. The refinery uses 100% recycled water from the Barwon Water Northern Treatment Plant. - The region’s hydrogen economy capability is being established, evidenced by the launch of the Viva Energy Hub in Geelong, hosting Australia’s first publicly accessible commercial hydrogen refuelling station and supported by the launch of the Barwon South West Renewable Hydrogen Prospectus. - The scale of renewable energy generation and storage in Barwon is expanding, underpinned by major wind, solar and battery projects including Mt Gellibrand, Berrybank and the proposed Barwon Solar Farm. - Circular economy innovation in water and waste management is being advanced, demonstrated by Barwon Water’s Renewable Organics Networks converting organic waste streams into renewable energy. - Private sector organisations, such as Waste Services, have invested in the Moolap transfer station to reduce stress on landfill disposal and the proposed innovative waste to energy technology project in Geelong. - Barwon’s position as a national leader in clean energy and circular economy innovation is being reinforced, evidenced by Deakin University’s Recycling and Clean Energy Commercialisation Hub. - Circular economy innovation in water and waste management is advancing through investment in renewable organics infrastructure, including the Regional Renewable Organics Network	Victoria’s Climate Change Strategy: Drives economy-wide decarbonisation and resilience-building, directly enabling sustainable regional economic growth and climate-adaptive industries. Victorian Renewable Energy Zones (REZs) Program: Accelerates renewable energy deployment and grid upgrades, enabling cleaner regional energy supply and attracting green investment and jobs. Sustainability Victoria Strategy: Supports sustainable industry growth, new recycling markets, and reduced environmental impact from regional economic activity.

Emerging opportunities and priorities in the Barwon Region

Opportunity / Priority	Significance	Supporting projects and catalysts to support future growth
Investment in the Central Geelong precinct	By 2050, Central Geelong aims to attract an additional 16,000 residents and support a further 60,000 jobs ¹ . Supporting private investment in central Geelong accelerates economic growth, re-invigorates the CBD, and strengthens its role as a major regional hub for jobs, living and innovation.	Supporting projects (current and since the inception of the REDS) ▪ The \$38.13 million Revitalising Central Geelong (RCG) program, part of the broader \$676 million Geelong City Deal, is delivering activation, public realm and infrastructure projects across Central Geelong. ▪ The \$449 million Nyaal Banyul Geelong Convention and Event Centre project has leveraged approximately \$250 million in private investment through the Plenary Group public-private partnership, delivering Crowne Plaza Geelong and a new waterfront hospitality precinct, while supporting further private development activity including a proposed \$300 million Cunningham Pier redevelopment, and expansion and upgrades to waterfront accommodation. ▪ The \$140 million Geelong Arts Centre redevelopment catalysed nearby private hotel and accommodation investment, with investors directly attributing confidence to the precinct’s transformation and continued investment in GMHBA Stadium. ▪ Reactivation of heritage CBD buildings through adaptive reuse is unlocking new commercial, hospitality and mixed-use development opportunities across Central Geelong. Catalysts to support future growth ▪ Continued growth in professional services, health and knowledge-based employment in central locations reinforcing Geelong as regional services hub. ▪ Pipeline of mixed-use and higher-density development supporting CBD population growth, strengthening retail, services and night-time economy activity while increasing housing and accommodation diversity. ▪ Increased business and cultural events pipeline supporting higher visitor spend and year-round visitation. ▪ Activation of underutilised land and sites across the CBD to support private investment and development opportunities.
Leverage the Greater Avalon Employment Precinct (GAEP) to continue expanding growth sectors	Anchored by the Avalon Airport Employment Precinct, it presents a state-significant opportunity to unlock industrial land, drive jobs, and strengthen logistics, exports, and advanced manufacturing across the Barwon region.	Supporting projects (current and since the inception of the REDS) ▪ Hanwha Defence Australia is rapidly expanding its capability in Geelong, having opened the Armored Vehicle Centre of Excellence (H-ACE) in 2024. Stage 2 development (2026) is set to produce 129 Redback Infantry Fighting Vehicles and AS9/AS10 artillery systems, creating a major regional defence hub. The H-ACE facility in Geelong also serves as a key export hub for global Hanwha. ▪ Lockheed Martin Australia is establishing a presence at the precinct for the domestic assembly of Guided Multiple Launch Rocket System munitions. This move strengthens Geelong’s role as an advanced defence manufacturing hub alongside Hanwha. ▪ Avalon Airport’s freight facility has capacity to process more than 100,000 tonnes of cargo annually, supporting ambient and cold-chain logistics and improving freight processing capability. ▪ Reintroduction of international services and continued growth in domestic aviation routes at Avalon Airport are strengthening passenger connectivity, visitation and freight access. ▪ Investment in freight and cold storage infrastructure is strengthening export capability and fresh produce supply chains. ▪ The Route 18 bus connection between Lara Station and Avalon Airport is improving workforce access and connectivity across the precinct. Catalysts to support future growth ▪ Future rezoning of GAEP West is expected to unlock 3,400 hectares of industrial and employment land, supporting more than 16,500 future jobs across logistics, advanced manufacturing, defence and technology industries while strengthening the region’s long-term industrial land supply.⁴ ▪ Expansion of freight, export and enabling infrastructure across the precinct is expected to accelerate private industrial investment, defence manufacturing growth and supply chain development across the region.

Glossary

Gross Regional Product (GRP)	An estimate of the total market value of all final goods and services produced in a specific region within a given period. The major components of GRP are consumption, government spending, net exports and investment. GRP often measures the economic output of a region and is the regional equivalent of Gross Domestic Product (GDP).
Gross Value Added (GVA)	The value of gross output minus intermediate consumption within a given period. GVA estimates enable analysis of industry contributions to the economy. GVA is an important measure to determine GRP. It is calculated by taking GDP, adding subsidies on products and taking away taxes products.
Visitor Economy	The visitor economy comprises the wide range of industries that provide goods and services to visitors who travel to a destination for a variety of purposes, including leisure, education, business and employment.
Productivity	The productivity measure used in this report is labour productivity, which is output on a per hour worked basis. It is calculated by dividing total GRP in a region by the number of hours worked in said region. For an industry analysis, GVA per hour worked was used, which is calculated by dividing the GVA by the number of hours worked in an industry. Hours worked used were for those in Journey-to-Work employment (see below).
Labour Force Participation Rate	The labour force participation rate shows the proportion of people in the labour force, relative to those who are deemed outside of it. The participation rate is calculated by summing the number of employed and unemployed persons and dividing that by the population aged 15 and above.
Index of Relative Socio-Economic Disadvantage (IRSD)	A general socio-economic index that summarises a range of information about the economic and social conditions of people and households within an area. The IRSD only includes relative disadvantage. A low score indicates relatively greater disadvantage, and a high score indicates a lack of disadvantage.
Employment	Residents of working age who were engaged in any activity to produce goods and services for pay or profit. Employment can be divided up into part-time (less than 35 hours worked per week) and full-time employment (35 or more hours worked per week), as well as Journey-to-Work (where employed persons work) and Usual Residence (where employed persons live).
Occupational Skill Level	Describes the skill level of a person's occupation, where level one is the highest level of skill and level five is the lowest. The skill level is determined from the characteristics of a person's occupation as defined under the Australian and New Zealand Classification of Occupations. Skilled occupations are defined as level one (bachelor degree or higher qualification) to three (Certificate III with at least two years of on-the-job training and Certificate IV), whilst low-skilled occupations are defined as levels four (Certificate II and III) and five (no formal qualification up to Certificate I).
Working Age Population	The working age population is generally defined as between the ages of 15 and 64 years old. This does not mean people outside this age bracket cannot be employed but rather reflects the age profile of the majority of workers.
Agri-Food Sector	The Agri-Food Sector is defined as the ANZSIC Level 2 Industries Agriculture and Food Product Manufacturing.

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