

Central Highlands

Regional Economic Development Strategy (REDS) 2026

Regional Economic Development Strategies (REDS)

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 Central Highlands 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.

Central Highlands REDS 2026

The Central Highlands 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 Central Highlands REDS which identified place-based strategic directions to drive economic growth.

- 1 Enhance local value add and collaboration across the agri-food supply chain
- 2 Continue to grow and develop the visitor and creative economies
- 3 Strengthen the renewable energy and waste management industries
- 4 Realise economic opportunity in health, aged care, social assistance and education sectors
- 5 Enhance the innovation ecosystem

[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 **Grow Advanced Manufacturing and value-added processing**
Central Highlands is home to a growing and diversifying Advanced Manufacturing and value-add processing base. Since 2020, Manufacturing economic output in the region (up 6.4%) has surpassed regional Victoria (2.3%) and metropolitan (-4.8%) averages, solidifying the strength of the industry in the region.¹
- 7 **Develop serviced industrial precincts to support economic diversification and development**
The Ballarat West Employment Zone (BWEZ) and the emerging Parwan Employment Precinct are the region's most significant industrial land assets, with capacity to attract investment across advanced manufacturing, agri-food, logistics and the circular economy.

See pages 5, 6, 20-22 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
Enhance local value add and collaboration across the agri-food supply chain	▪ Transition to higher-value agri-food processing and manufacturing ▪ Diversification and strengthening of the advanced manufacturing base ▪ Growth in agricultural innovation and technology capability ▪ Establishment of strategic foundations for supply chain collaboration and value-add growth	▪ Economic Growth Statement ▪ Victorian Industry Policy ▪ Victorian Investment Fund ▪ Victorian Skills Plan
Continue to grow and develop the visitor and creative economies	▪ Expansion of nature-based and active tourism product ▪ Strengthening of arts, cultural and heritage visitor economy ▪ Increase in major visitor infrastructure and events capacity ▪ First Peoples Plan for Tourism in Victoria	▪ Regional Worker Accommodation Fund ▪ Economic Growth Statement ▪ Victorian Innovation Statement
Strengthen the renewable energy and waste management industries	▪ Establishment as a national leader in clean energy skills and transition ▪ Circular economy and resource recovery opportunities gaining momentum ▪ Infrastructure investment enabling energy processing and value-add industries	▪ Victoria's Climate Change Strategy ▪ Victorian Renewable Energy Zones (REZ) Program ▪ Sustainability Victoria Strategy
Realise economic opportunity in health, aged care, social assistance and education sectors	▪ Significant upgrade of health infrastructure anchored by the Ballarat Base Hospital redevelopment ▪ Strengthening of health workforce training pipeline and service innovation capacity ▪ Expansion of social assistance, early years and education sectors	▪ Victorian Health Workforce Strategy ▪ Victorian Health Services Plan ▪ Victorian Skills Plan
Enhance the innovation system	▪ Growth of the Mount Helen Technology Park and Business Precinct ▪ Establishment of Ararat Jobs and Technology Precinct ▪ Strengthening of industry-led applied R&D through GTE Hub	▪ Victorian Innovation Statement ▪ Economic Growth Statement ▪ Victorian Industry Policy ▪ Victorian Skills Plan

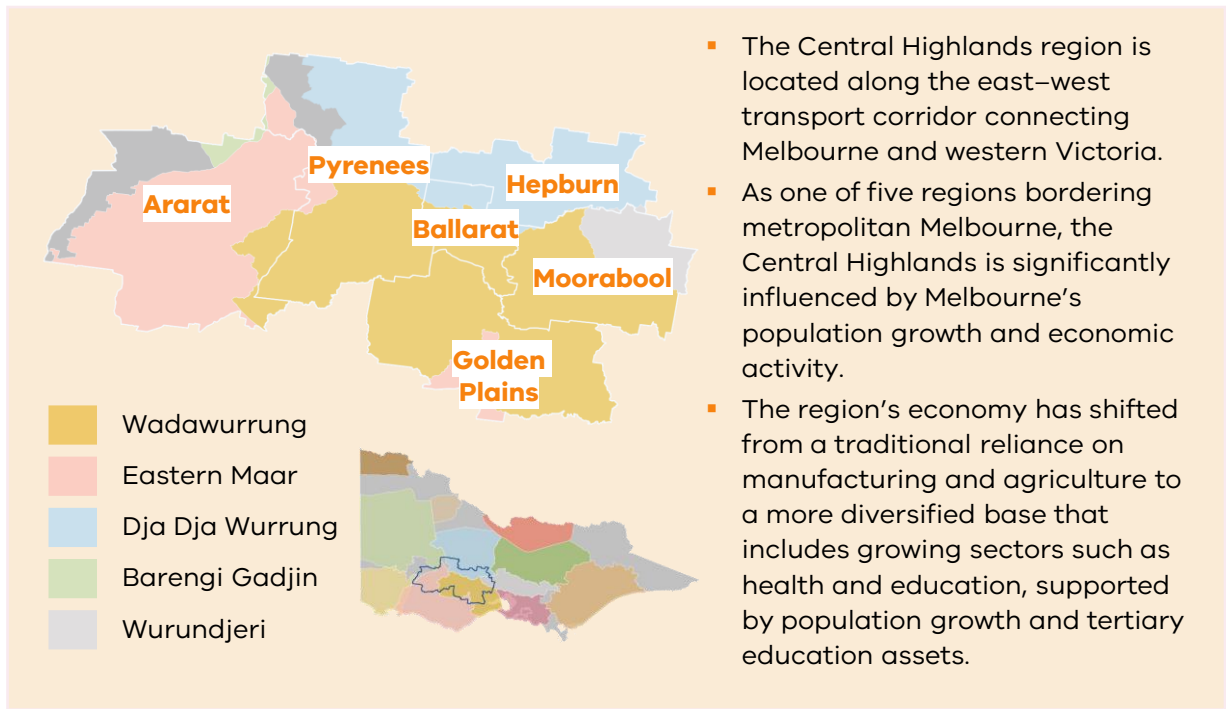
Enablers and investments supporting REDS strategic directions

2026 REDS Refresh Opportunities & Priorities

(see appendix for extended analysis)

	Significance	Supporting projects and catalysts to support future growth	
Grow advanced manufacturing and value-added processing	Central Highlands is home to a growing and diversifying Advanced Manufacturing and value-added processing base. Since 2020, Manufacturing economic output in the region has surpassed regional Victoria and metropolitan averages, solidifying the strength of the industry in the region. The region's industrial strengths span food product manufacturing, construction materials, agricultural technology and emerging sectors such as precision manufacturing and construction innovation.	Supporting projects - JG King / Project Windows and Doors - CE Bartlett expansion - Alevo (Athelgen) - Luv a Duck & George Western Foods	Catalysts to support future growth - Support for skills development - Well planned industrial land - Support for innovative networks - Adoption of technology
Develop serviced industrial precincts to support economic diversification and development	The Ballarat West Employment Zone (BWEZ) and the emerging Parwan Employment Precinct are the region's most significant industrial land assets, with capacity to attract investment across Advanced Manufacturing, agri-food, logistics and the circular economy. Delivering serviced, job-ready land is critical to capturing the next wave of business investment and employment growth.	Supporting projects - BWEZ growth: staged land release and sales; Ballarat Freight Hub works underway - Parwan investment: City Gate Gas connection and network planning unlocking growth for Parwan Protein and Tallow, and L&G Meats	Catalysts to support future growth - BWEZ: continued staged land release and sales - PSP of the Parwan employment precinct - Future precincts: planning for Ararat Renewable Energy Park & Gheringhap Employment Precinct

Central Highlands Regional Profile



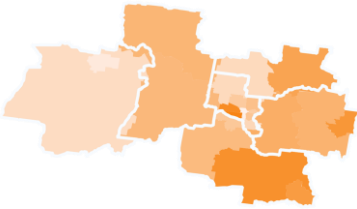
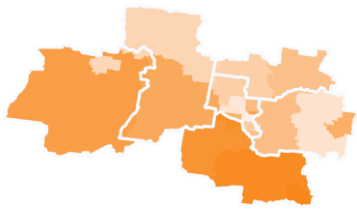
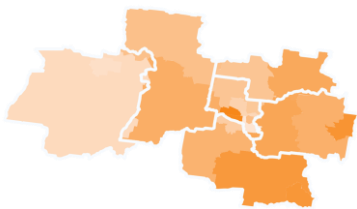
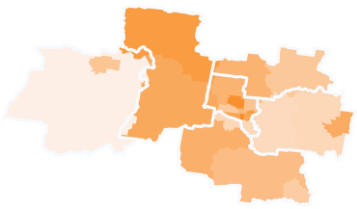
Key Economic Statistics

Metric	Central Highlands	Regional Victoria	Metropolitan Melbourne
Population¹ (2025)	226k	1.7m	5.3m
Population Growth¹ (2020 – 2025)	8.5%	6.1%	7.2%
GRP² (2025)	\$13.3b	\$115.8b	\$494.7b
GRP Growth² (2020 – 2025)	16.0%	12.5%	11.9%
Unemployment Rate³ (Mar 2026)	3.9%	3.7%	4.8%
Unemployment Rate Change³ (Mar 2021 – Mar 2026)	-2.0% pts	-1.1% pts	-2.4% pts
Employment Growth² (2020 – 2025)	13.5%	9.7%	13.0%

Central Highlands Top Employing Industries²

1.		Health Care and Social Assistance	21,600	4.		Retail Trade	8,200
2.		Construction	12,800	5.		Public Administration and Safety	13,900
3.		Education and Training	11,800	6.		Manufacturing	7,400

Central Highlands growth is underpinned by strong population, economic and employment gains

Population 226k Population (2025)¹ ↑ +8.5% Since 2020	Population growth in Central Highlands has exceeded both regional and metropolitan averages - Central Highlands is home to 226,500 people with population growth over the past 5 years (8.5%) faster than both regional (6.1%) and metropolitan (7.2%) averages.¹ - Regional population growth has been driven by Ballarat, Moorabool and Golden Plains, with these 3 localities accounting for 95% of the region's growth since 2019-20.¹	Population change since 2020  56% -4%
Gross Regional Product \$13.3b GRP (2025)² ↑ +16.0% Since 2020	Growth in the Central Highlands economy has outpaced both metropolitan and regional averages - Agriculture, Forestry & Fishing remains a key economic driver, with its share of gross value add (9.0%) exceeding its share of employment (5.7%), indicating strong productivity.² - Economic growth is mainly driven by Health Care & Social Assistance and Agriculture, Forestry & Fishing, with GVA of these sectors growing by 30% and 44% respectively.²	GRP change since 2020  51% 7%
Employment 113k Employed (2025)² ↑ +13.5% Since 2020	Central Highlands employment growth is underpinned by service-based industries and agriculture - Agriculture, Forestry & Fishing, Health Care & Social Assistance, Administrative & Support Services, and Education & Training, account for 89% of employment growth since 2020.² - Demand for Health Care & Social Assistance workers is expected to remain strong, with 11,900 new roles by 2035 (32% of new workers), significantly above its current 20% share and higher than regional and metropolitan benchmarks.³	Employment change since 2020  40% 1%
Unemployment Rate 3.9% Unemployment Rate (Mar Qtr 2026)⁴ ↓ -2.0% pts Since Mar Qtr 2021	Central Highlands unemployment rates vary, highlighting disparity in labour markets and challenges - The region's labour market has tightened over the past 5 years, with the unemployment rate falling by 2.0 percentage points to 3.9%, above regional Victoria (3.7%) and below metropolitan Melbourne (4.8%) averages.⁴ - Unemployment rates vary significantly across the region, from a low of 1.2% in Ararat Surrounds to a high of 8.0% in Sebastopol – Redan.⁴	Unemployment rate  8.0% 1.2%

Key industry strengths driving Central Highlands' economy



Advanced Manufacturing

The region is home to companies specialising in the manufacture of rail, road and agriculture transport equipment. Central Highlands has key regional manufacturers such as **Alstom Australia Projects Transport, FMP Group** and **AME Systems** who produce transportation related products, but also mineral businesses like **Gekko Systems**. Manufacturing in the region account for **7.9% of GVA** while only employing 6.5% of workers, displaying **strong value add** to the region.¹



Innovator Ecosystem & Tertiary Education

The region hosts a **thriving innovation ecosystem** complemented by the presence of tertiary and research institutions. **Federation University** precincts in Ballarat and Ararat support collaboration and industry support to local problems, business growth and innovation. **The Technology Park** at Federation University's Mt Helen Campus is **Australia's largest regional tech park**, hosting **64 enterprises and supporting 2,200 jobs**,² attracting private investment through supporting high-value, knowledge-led sectors and knowledge-led businesses.



Agri-Food Sector

Central Highlands **leads the state in the production of potatoes (43%)** and is the **second largest producer of Canola, Wool and Mushrooms**.³ The region is one of Victoria's biggest food producers and is also home to the **Pyrenees wine region**. The region utilizes this strength by generating **\$1.2 billion in GVA** through the Agri-Food sector, as well as over **7,700 jobs**.¹



Visitor Economy & Creative Industries

There are **3 National Parks** in the Central Highlands region, **9 state forests or state parks** and other reserves that support nature-based tourism, as well as the thriving restaurant and farmers market scene in **Daylesford** and **Hepburn Springs**. Tourism in the region had **\$1.4 billion in annual spend** in year ending June 2026.⁴ The region's **Creative and Performing Arts** Activities subindustry have also seen growth, driven by events such as the Meredith Music Festival, Beyond the Valley, Spilt Milk as well as the Ballarat Art Gallery and Sovereign Hill, generating **\$25.7 million in GVA, a 160% increase since 2020**.¹

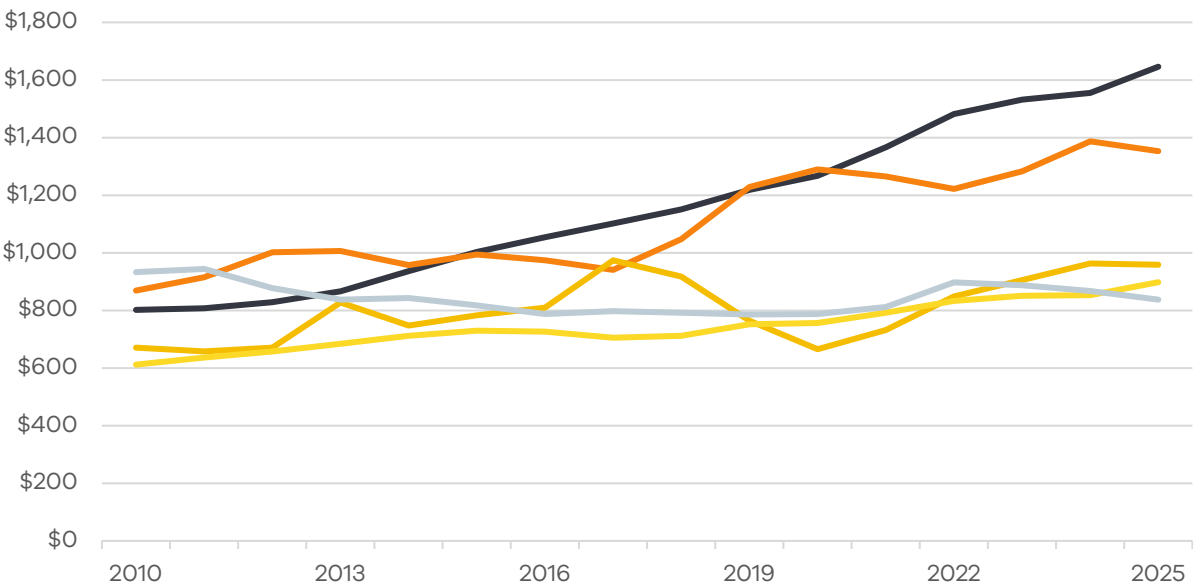
Key industry strengths driving Central Highlands' economy

Health Care and Social Assistance and Agriculture, Forestry and Fishing were two of the largest and fastest growing industries in Central Highlands in 2025, accounting for over a quarter (28%) of total GVA in the region.¹

- Central Highlands' Agri-Food sector is economically significant, with Agriculture and Food Product Manufacturing growing by 35% since 2020. Manufacturing strength in the region is further solidified with economic growth over the past 5 years (6.4%), surpassing regional Victoria and metropolitan averages.
- The concentration of Manufacturing and Agriculture, Forestry & Fishing GVA relative to employment remain among the highest in Central Highlands, highlighting the productive capacity of these industries.
- The region also benefits from its service sectors, with Health Care & Social Assistance, Construction, Education & Training, Retail Trade and Professional, Scientific & Technical Services making up nearly half of total GVA (48.4%) in the region.

Central Highlands gross value added for key industries

National Institute of Economic and Industry Research (NIEIR)



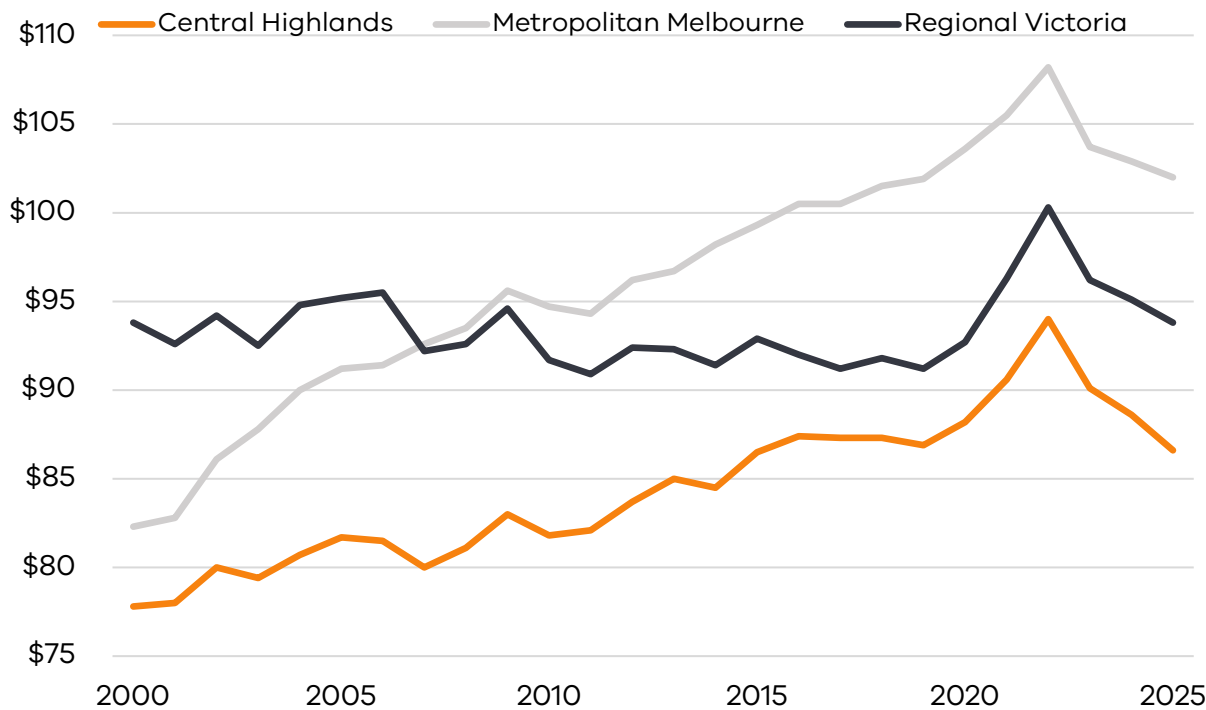
Top sectors by GVA¹

	Industry 1-digit ANZSIC	GVA (\$M)	5-Year Change
—	Health Care and Social Assistance	\$1,646	29.9%
—	Construction	\$1,353	4.9%
—	Agriculture, Forestry and Fishing	\$959	44.2%
—	Education and Training	\$898	18.7%
—	Manufacturing	\$838	6.4%

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

- Labour productivity has remained broadly flat 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 Central Highlands REDS, including Agri-Food, are among the region's most productive industries.
- Since 2020, GVA growth in Agriculture, Forestry & Fishing (44%)¹, Administrative & Support Services (32%)¹, and Professional, Scientific & Technical Services (17%)¹ has outpaced the regional average (15%)¹.
- 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

- Federation University and the region's research and education assets provide a strong foundation for workforce capability and innovation.
- Investment in innovation precincts, research partnerships and advanced skills development will support higher-value industries and future productivity growth.
- Expanding the region's innovation ecosystem, including the Ballarat Innovation Precinct, will help accelerate the transition toward a more productive economy.

First Peoples-led economic development in Central Highlands

The 2022 Central Highlands REDS identified 6 priority opportunities for First Peoples Economic Development

Natural Resources & Traditional Practices



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

First Peoples Land Ownership & Resource Management



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

Cultural Significance, Recognition & Healing



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

Cultural Practices, Places & Traditions



Encourage the use of cultural places and practices as a mechanism for telling stories, maintaining traditions and creating economic opportunities.

First Peoples Participation across Industries



Enhance First Peoples participation across industries with a particular focus on occupations which serve the local indigenous population and the environment.

First Peoples Economic Participation



Pursue opportunities for greater First Peoples participation in economic activities, including enterprise development and investment, which creates employment opportunities.

First Peoples-led economic development in action

First Peoples-led strategies and investments are building economic capability and creating pathways across the region.



BADAC Perridak Art Gallery Established



Wadawurrung Aboriginal Economic Hub (Ballarat)



Wadawurrung’s Bostock Nursery Established

Evidence of momentum



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



First Peoples participation rate increased by 6.3% points¹



First Peoples unemployment rate decreased by 5.3% points¹



First Peoples 15-24 year olds not in work or study decreased by 1.1% points¹



First Peoples households earning below \$650 per week decreased by 15.1% points¹

Opportunities to strengthen inclusive growth in Central Highlands

Build on First Peoples Economic Strengths

Half of all First Peoples workers in the Central Highlands region are employed in service-based sectors (50%), including Health Care & Social Assistance, Education & Training, Retail Trade and Construction.¹ First Peoples workers are slightly underrepresented in Manufacturing, accounting for 6% of the First Peoples workforce compared to 8% for the broader community.¹ Closing this gap in one of the region’s strongest industries is an example of an opportunity to drive more inclusive economic growth.

Focus Investment Across Communities

Several communities – including Sebastopol–Redan, Wendouree–Miners Rest, Ararat, Avoca, Ballarat East–Warrenheip, Beaufort, Canadian–Mount Clear and Delacombe – rank in the bottom 30% statewide on the Index of Relative Socio-economic Disadvantage (IRSD).³ In contrast, Smythes Creek, Bannockburn and Buninyong sit in the top 30% statewide.³ Over the past 5 years, IRSD rankings improved in Ararat and Hepburn, declined in Moorabool, and remained stable across other LGAs. Ensuring the benefits of economic growth are shared across all communities is critical to achieving inclusive regional prosperity.

Boosting Female Participation

The female participation rate in Ballarat is 58%, an increase of 1.6% pts over the last 5 years, slightly below both regional Victoria (1.9% pts) and metropolitan Melbourne (2.5% pts) over the same period.⁴ The female participation in Ballarat rate remains below male participation in the region (65%) and below that of the female participation in metropolitan Melbourne (65%).⁴ Female employment in Ballarat experienced growth over the past 5 years (11%).⁴ However, this growth is below metropolitan (18%) averages.⁴ Boosting female participation in the workforce can further enhance economic growth.

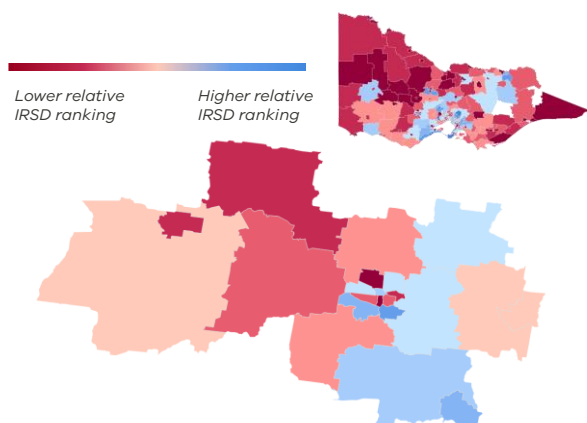
Expand Pathways for Young People into the Workforce

The youth (15-24) unemployment rate in Ballarat is currently 9.6%, more than twice the unemployment rate of all age cohorts within the region (3.8%). The Ballarat youth unemployment rate has also increased by 1.5% pts over the past five 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 Central Highlands, highlighting opportunities for targeted investment.

Index of Relative Socio-Economic Disadvantage (IRSD)

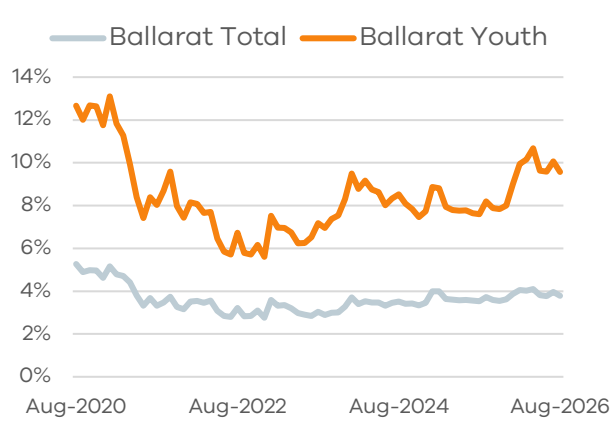
SEIFA, ABS Census (2021), SA2



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

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

ABS (Aug-26), Ballarat SA4



Unlocking affordable housing supply to enable economic growth in Central Highlands

On a per capita basis, Central Highlands' availability of 1-2 bedroom rentals is less than half that of metropolitan Melbourne⁶

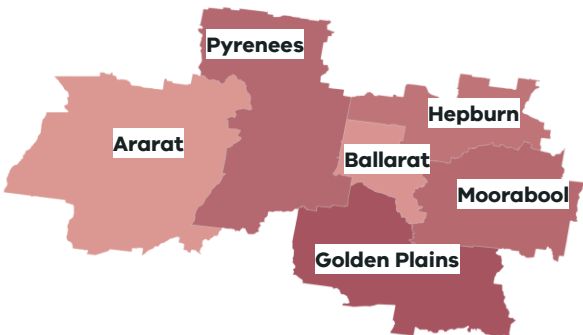
Limited rental supply has been driven by significant price growth in the Grampians, with rents increasing by 33% between 2020 and 2025 – nearly double the rise recorded in Victorian wages (17%) over the same period.⁷

1-2 Bedroom Dwellings to Rent per Capita

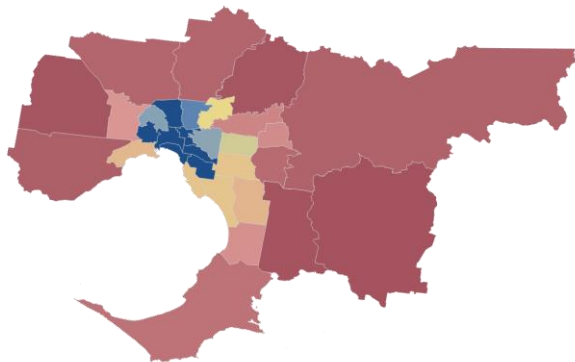
DFFH Rental Report, ABS Regional Population

Below Vic Av. Above Vic Av.

Central Highlands



Metropolitan Melbourne



Housing supply constraints are limiting the Central Highlands' capacity for economic growth

- A shortage of smaller and more affordable dwellings is restricting the region's ability to attract and retain the workers. In tourism centres such as Daylesford, short-term rentals further reduce long-term housing availability, forcing many workers to commute significant distances.
- As housing costs continue to outpace wage growth, labour shortages are becoming more acute, particularly in essential and lower-paid occupations.

There are signs that housing supply is improving

- Building approvals in the Central Highlands increased by 55% over the past year, exceeding both regional Victorian (26%) and metropolitan Melbourne (-8.5%) averages.¹
- Ballarat ranks eighth in the state for building approvals per capita and recorded a 96% increase in approvals over the past year, the second highest in 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 Central Highlands region aim to deliver over 84,850 homes by 2051, close to jobs, services and public 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

- The share of residents with a bachelor degree or higher has increased from 20% to 23% over 5 years, although it remains below Melbourne (37%).¹
- Between 2025 and 2036, the working age population (15-64) in Central Highlands is expected to expand by 24,500 residents.² However, the working age share is projected to fall from 62% to 60% over the same time period. 20% of the Central Highlands population is aged 65+, compared to 15% in metropolitan Melbourne.³ With this gap expected to widen, there will be an anticipated increased demand for health, aged care alongside a tightening workforce capacity.³
- Increasing female workforce participation represents an opportunity to expand labour supply in the region.

Demand for skilled workers is accelerating in the region's fastest-growing sectors

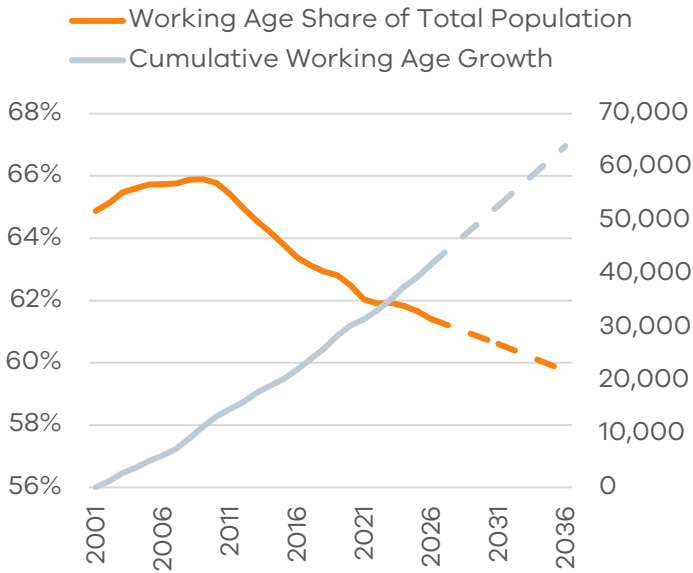
- Since 2020, almost 2 in 3 new jobs (60%) in Ballarat are within skilled occupations, reflecting a shift toward a higher-value economy.⁴ Health Care & Social Assistance, Construction and Education & Training account for 72% of projected employment growth to 2035.⁵ Demand for engineers and electricians has grown strongly, driven by investment in renewable energy and advanced manufacturing - since June 2020, job vacancies for engineers and electricians in Ballarat have grown by 68%.⁶
- The region's education and research ecosystem is a major strength, that can support future workforce and skills development. Federation University campuses in Ballarat and Ararat provide strong higher education and vocational pathways aligned to advanced manufacturing, renewables and health.

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.
- Efforts are focused on aligning training with industry demand, strengthening vocational and higher education pathways, and accelerating skills recognition.
- Increasing workforce participation, particularly among women and underrepresented groups, remains a key opportunity to support economic growth.

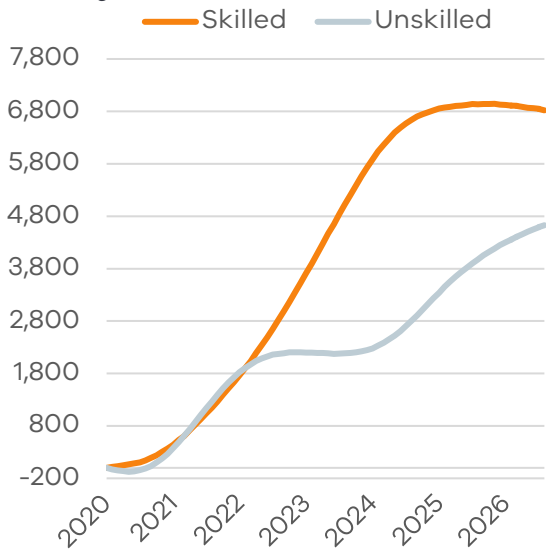
Working Age Population (15-64): Share and Cumulative Growth, Actual and Projected

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



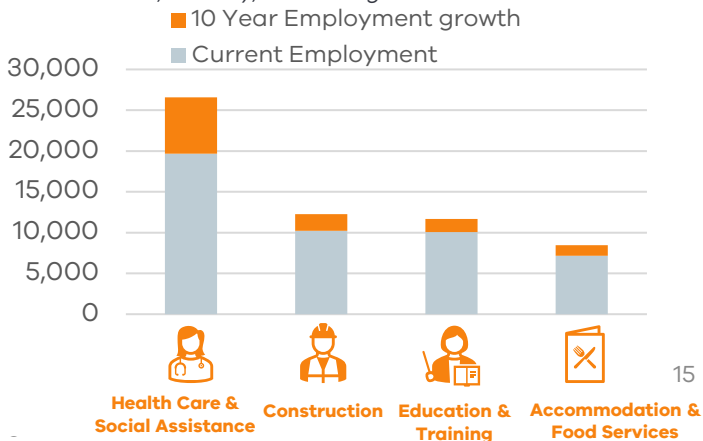
Employment by skill level

NERO Aug-26, Ballarat SA4



Largest projected employment growth

VSA 2025-2035, Industry, Central Highlands



'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 Central Highlands' future economic growth.

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

Industrial precincts are key productivity and investment enablers for the Central Highlands

- Industrial land underpins growth in food manufacturing, freight and logistics, renewable energy and the circular economy.
- Well-located precincts connect regional businesses to domestic and export markets while supporting value-adding and supply chain development.

Ballarat West Employment Zone (BWEZ) is emerging as a major industrial and logistics hub

- BWEZ is home to major Victorian manufacturing, transport and logistics businesses, with opportunities for new circular economy activities including sustainable waste management.
- Stage 2 infrastructure works and the future Ballarat Freight Hub will strengthen road, rail and airport connectivity to domestic and international markets.

Strategic employment precincts present significant future growth opportunities

- The Parwan Employment Precinct has the potential to support substantial industrial and agribusiness investment in Moorabool Shire.
- The Gheringhap Employment Precinct is progressing its work toward rezoning and advocacy for infrastructure investment.
- Investment in enabling infrastructure will unlock additional private sector investment and employment growth across both precincts.

Ararat Energy Park aims to support growth in renewable energy and the circular economy

- The 35.6-hectare Energy Park will provide opportunities across renewable energy generation, storage, biofuels and circular economy industries.¹
- The project is expected to attract investment, create jobs and strengthen regional supply chains supporting the energy transition.

Central Highlands 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 \$150m **Victorian Investment Fund** provides a \$50 million regional stream, and access to the broader fund.¹

Strategic industry development opportunities exist in the region's food manufacturing, circular economy, and renewable energy sectors and supply chains

- The Central Highlands region contains a strong agricultural production base and established manufacturing capabilities.
- The region also has established industrial precincts which support key industries across the region including advanced manufacturing, food processing, and circular economy.
- With around 67% of the region's agriculture output reaching markets as raw materials,² significant opportunities exist to capture greater local value through food manufacturing.

The region can play a key role in Victoria's energy transition commitments, with emerging strengths in solar generation, battery storage and renewable gas

- The Elaine Hybrid Renewable Energy Project (150 MWp solar + 124 MWac battery storage) is set to create around 150 construction and long-term jobs.³
- The proposed Ararat Bioenergy Project aims to turn agricultural waste into renewable gas, equivalent to 6.5% of Victoria's total gas usage in 2020, creating regional employment and supply-chain opportunities.⁴

Creative and cultural assets strengthen the Central Highlands' visitor economy and economic diversity

- The region's arts and cultural sector includes nationally significant attractions such as Art Gallery of Ballarat, major festivals and a growing network of community arts venues.
- Recent investment in Her Majesty's Theatre is supporting high-quality arts, cultural and entertainment experiences.
- The Ballarat International Foto Biennale attracts national and international visitors, strengthening the region's cultural profile and visitor economy.

Nature-based tourism is attracting visitors and supporting local businesses

- The Djuwang Baring mountain bike network is positioning the region as a leading adventure tourism destination.
- The spa country destinations of Hepburn Springs and Daylesford continue to attract visitors seeking wellness, nature and premium tourism experiences.
- Growing visitation is generating demand across accommodation, hospitality and tourism businesses.

Major events and sporting infrastructure are expanding the region's visitor economy

- Upgrades to the Ballarat Major Events Precinct will strengthen the region's capacity to host major sporting, cultural and community events.
- Improvements to Mars Stadium and the Ballarat Regional Athletics Centre will expand event attraction opportunities and support increased visitation, expenditure and local economic activity.

RDV works with Invest Victoria and across all levels of government to support foreign and domestic investors to thrive and grow in regional Victoria, providing a foundation for future regional industries and jobs.

The Central Highlands 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.



Central Highlands regional businesses and investors can pursue economic development opportunities through several Victorian Government agencies and initiatives

- RDV's Grampians team (Ballarat 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 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

Central Highlands 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
Enhance local value add and collaboration across the agri-food supply chain	The Central Highlands leads the state in the production of potatoes and is the second largest producer of Canola, Wool and Mushrooms.¹ The region is one of Victoria’s biggest food producers and is also home to the Pyrenees wine region. The region utilizes this strength by generating \$1.2 billion in GVA through the Agri-Food sector, as well as over 7,700 jobs.²	• The transition to higher-value agri-food processing and manufacturing in Central Highlands is being accelerated, evidenced by the CE Bartlett expansion and the establishment of the GWF Flour Mill at BWEZ, deepening the region's grain processing capacity and reinforcing its food production specialisation. • The region's advanced manufacturing base is being diversified and strengthened, supported by the establishment of Alevo Manufacturing at BWEZ and the JG King / Project Windows and Doors investment, expanding industrial capability within the Ballarat West Employment Zone. • Central Highlands' agricultural innovation and technology capability is growing, demonstrated by the Rijk Zwaan glasshouses and seed production facility and the GTE Technology Research and Innovation Hub, driving applied R&D and high-value horticulture investment across the region. • The strategic foundations for supply chain collaboration and value-add growth are being established, informed by the RIAP report and pilot and the Western Vic Grains Supply Chain report, identifying pathways to improve regional logistics, processing capacity and market connections.	• Victorian Industry Policy: Supports sector development, innovation and capability uplift in manufacturing, aligning with food processing and value-add industry growth. • Economic Growth Statement: Identifies agribusiness as a priority sector and supports investment, business growth and productivity across regional supply chains. • Victorian Investment Fund: Supports regional business expansion in priority sectors, including advanced manufacturing and agribusiness. • Victorian Skills Plan: Helps build the workforce needed in manufacturing, agriculture and food processing across regional Victoria.
Continue to grow and develop the visitor and creative economies	Central Highlands has a highly distinctive visitor economy built on its goldfields heritage, arts culture, food and wine, and nature-based assets. In the year ending March 2026, the region attracted 4.7 million visitors who spent a combined \$1.4 billion.³	• Central Highlands' nature-based and active tourism product is expanding, supported by the development of Creswick Trails and Bald Hill Trails, growing the region's outdoor recreation offer and attracting new visitor segments. • The region's arts, cultural and heritage visitor economy is being strengthened, evidenced by the restoration of Her Majesty's Theatre, the Art Gallery of Ballarat, and the establishment of the National Centre for Photography Stage 1, reinforcing Ballarat's standing as a major regional cultural destination. • Investment in major visitor infrastructure and events capacity is increasing, supported by the redevelopment of Eureka Stadium and the new athletics track, the Ballarat Station Precinct and Goods Shed development.	• Regional Worker Accommodation Fund: Supports worker housing in tourism areas, helping hospitality and visitor-economy businesses sustain staffing in high-demand locations. • Economic Growth Statement: Improves the environment for regional business investment and growth, which supports tourism operators, accommodation projects and destination development. • Victorian Innovation Statement: Supports digital and creative innovation, which can strengthen visitor experiences, marketing and creative-economy growth.

Central Highlands 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
Strengthen the renewable energy and waste management industries	Central Highlands is one of Victoria's most significant renewable energy locations, with comparatively strong wind resources across Ararat, Pyrenees, Golden Plains and Moorabool shires. The clean energy transition is also creating waste management and circular economy opportunities, with the region's proximity to Melbourne and growing industrial base	- Central Highlands is establishing itself as a national leader in clean energy skills and transition, evidenced by the establishment of the Asia Pacific Renewable Energy Tech-Transition Centre (APRETC) at Federation University, building the training and industry capability needed to support the region's long-term role in the clean energy economy. - The region's circular economy and resource recovery opportunities are gaining momentum, supported by FOGO transition sparking local government focus on organics processing opportunities as well as increased interest in land for bio energy opportunities. Continued investment in the BWEZ and Parwan industrial precincts, creating the infrastructure needed to attract processing and value-add industries.	Victoria's Climate Change Strategy: Provides the overarching policy commitment to net-zero emissions, driving accelerated investment in wind and solar energy across Central Highlands and reinforcing the Grampians New Energy Taskforce's regional transition goals. Victorian Renewable Energy Zones (REZs) Program: Designates Central Highlands as one of six REZs, directly accelerating renewable energy investment through associated grid upgrades and network reinforcement that unlock the region's significant generation capacity. Sustainability Victoria Strategy: Supports circular economy innovation in waste and resource recovery, creating new industrial and commercial opportunities as FOGO mandates and organics processing demand grow across the region.
Realise economic opportunity in health, aged care, social assistance and education sectors	Health Care & Social Assistance is the region's largest employer and largest contributor to economic output, accounting for over \$1.6 billion in GVA and approximately 21,600 jobs. ¹	- The scale and capability of Central Highlands' health infrastructure is being significantly upgraded, anchored by the Victorian Government's \$665 million redevelopment of Ballarat Base Hospital, reinforcing the city's role as the premier health hub for the Grampians region and generating sustained construction and health-sector employment. - The region's health workforce training pipeline and service innovation capacity are being strengthened, evidenced by the automated nursing training ward at ACU's Ballarat Campus and Grampians Health launching Australia's first mobile clinical trials unit, positioning Central Highlands as an emerging site for health research and workforce development. - Central Highlands' social assistance and education sectors are expanding, demonstrated by the Housing First report and pilot, BADAC's establishment of the first ACCO Early Years Management authority across three Ballarat kindergartens, and strategic planning with Federation University for a Ballarat University Town	Victorian Health Workforce Strategy: Directly supports rural and regional health workforce supply through new training pathways, retention incentives and expanded scope of practice, addressing skills shortages across Central Highlands' largest employing sector. Victorian Health Services Plan: Establishes Local Health Service Networks to improve coordination across the region, supporting more efficient and population-responsive service delivery between Ballarat Base Hospital and surrounding facilities. Victorian Skills Plan: Projects significant employment growth in health care and social assistance, directing TAFE and training investment to fill workforce gaps in nursing, aged care, social work and early childhood education across regional Victoria.

Central Highlands 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
Enhance the innovation ecosystem	Central Highlands has one of the most highly educated workforces across regional Victoria, with 23% of the population holding a bachelor degree or higher, compared to 21% across regional Victoria. ¹ Skilled workers have increased by 16% since January 2020, higher than the regional Victorian average (9.7%). ²	• The Mount Helen technology Park is cementing its position as one of regional Victoria's leading hubs for technology, startups and entrepreneurship, anchored by Federation University, Ernst & Young and IBM. Together, these anchor tenants are powering industry-academia collaboration and strengthening Ballarat's profile as a centre for regional enterprise and technology. • Runway Ballarat supported early-stage businesses to scale and connecting founders to mentors, investors and market opportunities across Victoria and beyond. • The Ararat Jobs and Technology Precinct is establishing a new node of innovation capability in the region's west, broadening the innovation ecosystem beyond Ballarat and creating new opportunities for technology adoption in manufacturing and agribusiness. • The GTE Technology Research and Innovation Hub is strengthening industry-led applied R&D, supporting businesses across the region to adopt new technologies and improve productivity. • Federation University's strategic planning for Ballarat University Town is reinforcing the long-term role of education and knowledge services as a driver of innovation, talent attraction and economic diversification across Central Highlands.	• Victorian Innovation Statement: Directly underpins the region's innovation ecosystem through Breakthrough Victoria, LaunchVic and associated programs, supporting Federation University, Runway Ballarat and the Ararat Jobs and Technology Precinct to attract investment and grow new businesses. • Economic Growth Statement: Sets the statewide agenda for innovation-driven economic growth across digital technologies, advanced manufacturing and agribusiness — all directly relevant to Central Highlands' emerging innovation corridor from Ballarat to Ararat. • Victorian Industry Policy: Reinforces innovation ecosystem development through technology adoption support, industry capability uplift and sector development programs, helping manufacturers and professional services firms across the region transition to higher-value activity. • Victorian Skills Plan: Aligns TAFE and training investment with innovation sector workforce needs, supporting digital skills, advanced manufacturing pathways and professional services capability at Federation University and Ballarat TAFE to sustain the region's growing knowledge economy.

Emerging opportunities and priorities in the Central Highlands Region

Opportunity / Priority	Significance	Supporting projects and catalysts to support future growth
Grow advanced manufacturing and value-added processing	Central Highlands is home to a growing and diversifying Advanced Manufacturing and value-added processing base. The region's industrial strengths span food product manufacturing, construction materials, agricultural technology and emerging sectors such as precision manufacturing and construction innovation.	Supporting projects (current and since the inception of the REDS) ▪ JG King / Project Windows and Doors is expanding advanced product manufacturing capacity in Ballarat, demonstrating the region's capability in high-value construction materials manufacturing. ▪ The CE Bartlett expansion is increasing local processing and manufacturing capability, strengthening the region's food and agricultural value-add supply chain. ▪ Alevo Manufacturing's establishment at BWEZ has added new industrial capability to the region's premier employment precinct. ▪ The GWF Flour Mill at BWEZ is deepening the region's grain processing and food manufacturing specialisation. - LuvaDuck's processing facility at BWEZ is expanding the region's food product manufacturing capacity, reinforcing BWEZ's role as Central Highlands' leading industrial employment location. ▪ DUNE's 3D house printing pilot (commenced 2025) is positioning Central Highlands at the frontier of construction innovation, with potential to reshape local building industry capability. ▪ The GTE Technology Research and Innovation Hub, is strengthening industry-led applied R&D and supporting businesses to adopt next-generation manufacturing technologies. ▪ Rijk Zwaan's glasshouses and seed production facility, is expanding the region's high-value horticulture and agricultural innovation capability. Catalysts to support future growth ▪ Support for skills development: Strengthening the pipeline of job-ready workers for advanced manufacturing by expanding industry-aligned training through The Gordon TAFE, Federation University and the Central Highlands TAFE network, with a focus on food processing,, construction technology and agri-tech. ▪ Well-planned industrial land: Ensuring a continuing supply of appropriately zoned, serviced and infrastructure-ready industrial land across the region - particularly within BWEZ, to provide the land certainty needed to attract and retain high-value manufacturing investment. ▪ Support for innovative networks: Building the connective tissue between manufacturers, research institutions and industry bodies to accelerate technology adoption, facilitate supply chain collaboration and strengthen the region's position as a centre for manufacturing innovation. ▪ Adoption of technology: Supporting Central Highlands manufacturers to invest in next-generation production technologies, including automation, advanced materials, digital manufacturing and precision agriculture to lift productivity, reduce costs and remain competitive in domestic and export markets.

Emerging opportunities and priorities in the Central Highlands Region

Opportunity / Priority	Significance	Supporting projects and catalysts to support future growth
Develop serviced industrial precincts to support economic diversification and development	The Ballarat West Employment Zone (BWEZ) and the emerging Parwan Employment Precinct are the region's most significant industrial land assets, with capacity to attract investment across Advanced Manufacturing, Agri-Food, logistics and the circular economy. Delivering serviced, job-ready land in these precincts is critical to capturing the next wave of business investment and sustained employment growth across Central Highlands.	Supporting projects (current and since the inception of the REDS) ▪ BWEZ is enabling scalable business growth, with expansions by GWF, Luv a Duck, CHS, Broadbent and Athlegen (Alevo) demonstrating the precinct's appeal across a diverse range of industries and confirming its role as the region's premier industrial employment location. ▪ Ongoing staged investment to develop and unlock land within BWEZ is ensuring a continuing pipeline of job-ready industrial land to meet growing business demand and support further precinct diversification. ▪ Investment in gas infrastructure at the Parwan Precinct is improving the site's industrial capability and attractiveness for energy-intensive manufacturing and processing industries. ▪ The Precinct Structure Plan (PSP) for Parwan Employment Precinct, currently underway through the VPA, is laying the planning and infrastructure foundations needed to activate one of regional Victoria's most significant future employment areas. Catalysts to support future growth ▪ Unlocking new industrial parcels to market: Progressing the staged development and release of job-ready industrial land across BWEZ and other industrial precincts to meet growing business demand, support precinct diversification and provide investment-ready sites for industries spanning advanced manufacturing, agri-food, logistics and the circular economy. ▪ Rezone of PEP (Parwan): Completing the rezoning of the Parwan Employment Precinct through the VPA-led Precinct Structure Plan process to formally activate one of regional Victoria's most significant future employment areas, unlocking its full capacity to attract large-format industrial and freight-logistics investment at scale.

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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