



# Geelong Growth Outlook

An evidence-based update of the structural trends and growth drivers shaping Geelong's regional economy.

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August 2025



# About KPMG Geelong

Opened in 2023, KPMG Geelong gives local businesses and organisations access to one of the world's premier professional services firms. With a local team in a local office servicing local clients, we are committed to helping Geelong businesses grow.

At KPMG, we offer a comprehensive range of services to support the growth and success of businesses in the Geelong region. Our teams provide expert advice and solutions tailored to meet your unique needs.

## Advisory and Risk

Partner Claire Richards leads our Advisory and Risk team, helping local businesses shape strategy, manage risk and identify opportunities for growth. We support organisations in building resilience and sustaining growth through risk strategy, governance, regulatory reform, and compliance, to name a few.

## Business Advisory and Tax Advisory

Led by our Geelong Regional Lead Partner, Paul Robson, our Business Advisory and Tax Advisory team assists with tax compliance, planning, and advisory services. We help clients navigate complex tax regulations, manage compliance, and plan for growth, ensuring your business remains competitive and compliant.

## Audit and Assurance

Luke Snowdon heads our Audit and Assurance practice in Geelong, offering audit services across corporate entities, statutory authorities, and businesses. Our team provides financial statement audits, ESG assurance, and technology assurance, utilising innovative technologies to deliver high-quality audit experiences and actionable insights.



At KPMG Geelong we look to bring global expertise and knowledge to regional Victoria. We solve problems for our clients and support their growth while providing capital city careers in the Geelong region."

### Paul Robson

Partner, Geelong Region Lead  
KPMG



**Geelong Office Partners**(l-r): Luke Snowdon, Claire Richards and Paul Robson

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# Geelong's Growth Outlook: Harnessing Risk to Build Growth and Prosperity

Geelong's business community remains optimistic about the region's future, but that optimism is grounded in realism. Local leaders understand that the path ahead will be shaped by a mix of opportunity and risk. Increasingly, they are viewing risk not as a threat, but as a strategic lever for growth.

Across conversations with business leaders, a clear shift is emerging. Risk is being reframed as a catalyst for smarter decision-making, organisational agility, and long-term resilience. Rather than avoiding uncertainty, leaders are embedding risk into their strategy. They are aligning it with business goals, scanning for emerging challenges, and learning from past disruptions to build stronger foundations.

This mindset is not limited to individual businesses. There is a growing appetite for regional coordination; a unified vision that brings together Geelong's diverse strengths and stakeholders. While the city boasts many capable organisations, leaders are calling for more deliberate collaboration to attract investment, unlock shared prosperity, and shape a compelling narrative for Geelong's future.

Supporting existing businesses is seen as central to this vision. While new ventures are welcome, many leaders believe the region's economic strength lies in helping current businesses scale, innovate, and connect. There is strong interest in peer learning, capability building, and strategic partnerships that foster collective growth.

Innovation is another key theme. Geelong's potential in advanced manufacturing, renewables, and emerging technologies is well recognised, but leaders see room to grow. They are seeking support to access new markets, build clusters of excellence, and position Geelong as a national leader in innovation-driven industries.

Underlying all of this is a deep pride in Geelong's identity. The city sits uniquely between metropolitan and regional, offering the flexibility and character to chart its own course. Business leaders want to build a brand that reflects Geelong's values, ambitions, and distinctiveness. They see this as a way to attract talent, investment, and recognition.

The sentiment is clear. Geelong's future will be defined not just by how it grows, but by how it takes and responds to risk, with purpose, coordination, and confidence. Leaders are ready to act. They are calling for bold, forward-thinking strategies that turn today's challenges into tomorrow's competitive advantage for long-term growth and prosperity.



Risk is not just a challenge to be managed, but a tool that can unlock growth and resilience when approached strategically."

**Claire Richards**

Partner, Enterprise Advisory  
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# Navigating Global Headwinds: Australia's Economic Outlook in a Shifting World

The global economy in 2025 is defined by volatility and recalibration. Geopolitical tensions, climate-related disruptions, and the ongoing reconfiguration of global supply chains are reshaping the economic landscape. These forces are not only influencing global growth trajectories but are also filtering down to national and regional economies, including Victoria and Geelong.

Global growth remains subdued, with advanced economies grappling with the aftershocks of prolonged monetary tightening and emerging markets facing capital outflows and currency instability. The United States is experiencing a mild slowdown, while China is attempting to reignite growth through targeted stimulus and infrastructure investment. Europe continues to wrestle with energy security and fiscal constraints.

These dynamics are contributing to a cautious global investment climate. Trade volumes have contracted slightly, and commodity prices, particularly for energy and metals, have become more volatile. For Australia, this means increased uncertainty around export revenues and investment flows.

Australia enters the second half of 2025 with moderate growth prospects. GDP growth is forecast to hover around 1.8% for the year, with a gradual recovery expected into 2026. Inflation has eased from its post-pandemic highs, now sitting within the Reserve Bank of Australia's target range of 2-3%. However, underlying inflationary pressures, particularly in services and housing, remain persistent.

The RBA has adopted a more dovish stance, with interest rates expected to decline modestly over the next 12 months. This easing is intended to support household consumption and business investment, both of which have been constrained by elevated borrowing costs and global uncertainty.

Victoria's economy continues to benefit from strong public sector investment and population growth. Infrastructure projects across transport, health, and education are providing a buffer against broader economic headwinds. However, private sector sentiment remains cautious, particularly in construction and retail.

Labour market conditions are stable, though wage growth has not kept pace with inflation in key sectors. The state's transition toward a more service-oriented and knowledge-based economy is progressing, but challenges remain in ensuring equitable growth across metropolitan and regional areas.

Geelong's economy reflects broader national and global trends. While the region has diversified and grown, it remains exposed to external pressures. Export-oriented sectors may face challenges from weaker global demand, while health care and education continue to provide stability. Interest rate movements and inflation will shape local investment and consumer confidence, and Geelong's ability to adapt and leverage its strengths in innovation and advanced manufacturing will be key to maintaining momentum.

Australia's economic outlook is one of cautious optimism. The global environment remains challenging, but domestic fundamentals are relatively sound. For regions like Geelong, the path forward will require strategic investment, policy support, and a commitment to resilience. As the world continues to shift, so too must our economic strategies; grounded in data, driven by innovation, and responsive to change.



Geopolitical tensions, climate disruptions, and shifting supply chains are reshaping global growth patterns, with ripple effects reaching national and regional economies, including Victoria and Geelong.

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# National and International Outlook

## Australian Economic Forecasts

Australia’s economy is stabilising, with inflation easing to 2.4% and expected to remain within the Reserve Bank’s target range. This has opened the door for monetary policy to loosen, with the cash rate forecast to fall to 3.1% by year-end and another cut likely in 2026.

The labour market remains strong, even as unemployment edges up to a projected 4.3% by the end of 2025. Meanwhile, GDP growth is expected to lift from 1.3% in 2024 to 1.8% in 2025, signaling a slow but steady recovery in overall economic activity.

GDP and Components	2024	2025	2026
Household Consumption	0.9%	1.9%	2.1%
Business Investment	0.0%	1.6%	1.6%
Housing Investment	3.3%	3.1%	2.4%
Government	5.3%	1.6%	2.8%
GDP	1.3%	1.8%	2.0%

Inflation and Rates	2024	2025	2026
Headline CPI *	2.4%	2.6%	2.5%
RBA Cash Rate *	4.35%	3.10%	2.85%
AUD/USD *	0.65	0.65	0.66

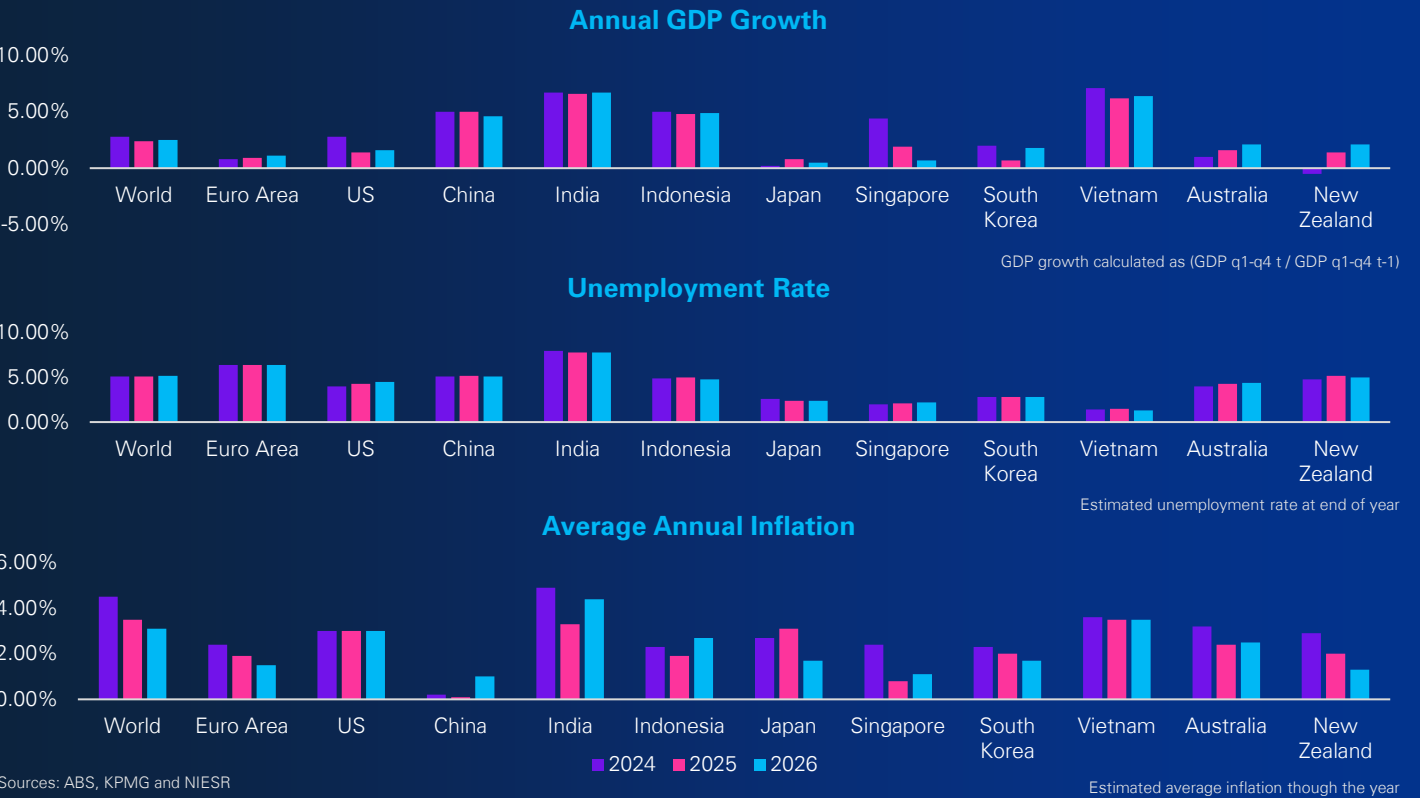
  

Labour Market	2024	2025	2026
Employment	2.4%	1.0%	0.6%
Unemployment rate *	4.0%	4.3%	4.4%
WPI	3.2%	3.1%	3.0%

## Global Economic Forecasts

\* Values at end of period

The global economy remains highly uncertain, with GDP growth projected to slow from 2.8% in 2024 to 2.6% by 2026, while inflation is expected to ease from 4.5% to 3.1% over the same period. Major economies are also softening, with U.S. growth forecast to fall from 2.8% to 1.6%, and China’s from 5.0% to 4.6% by 2026.



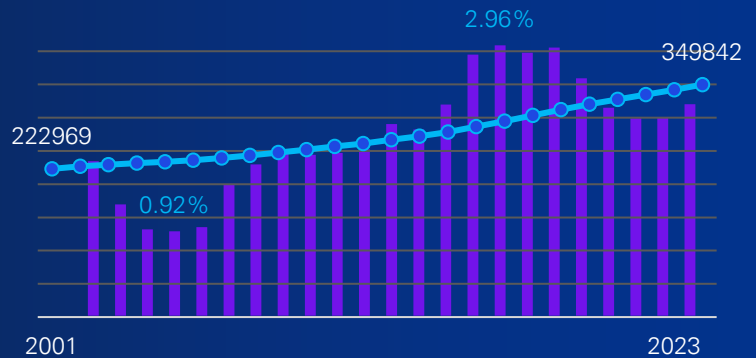
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# Population & Industry

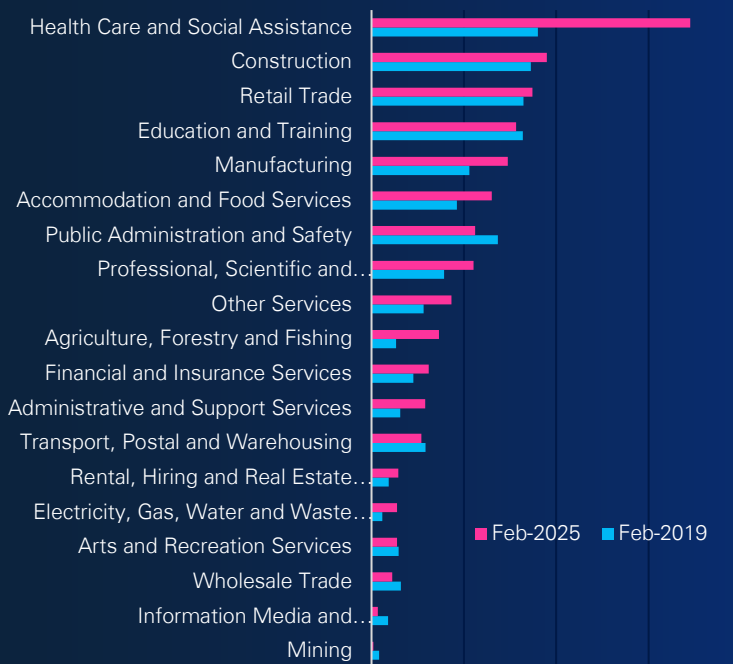
# 349,842

2024 population for the Geelong Region (SA4), a 2.32% increase on the previous year. Over the 2001 to 2023 period, annual growth rates had a low of 0.92% in 2005 up to a high of 2.96% in 2017.



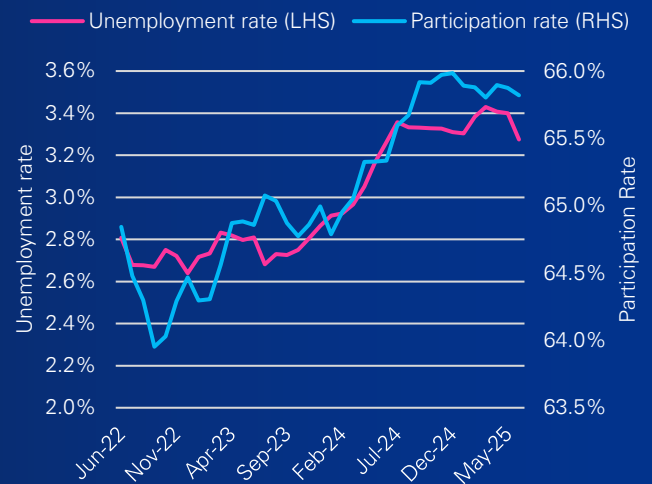
## Industry Employment

Health Care and Social Assistance has grown by 91% in the past five years. Other industries that have grown include Professional, Scientific and Technical Services, and Accommodation and Food Services, both having grown by 41%. Manufacturing has also grown by 39% in the five-year period.



## Unemployment & Participation Rate

Geelong's labour market was strong throughout 2022, with unemployment falling to approximately 2.7% and a participation rate of around 64%. However, rising interest rates and reduced consumer spending in late 2022 and 2023 led to a gradual increase in unemployment, peaking at almost 3.5% in early 2025. Signs of recovery emerged in the first half of 2025, with the labour market strengthening. By June 2025, the unemployment rate had declined to 3.3%, while the participation rate stabilised at 65.8%.



## Key Industries 1999 - 2025

In 1999, Manufacturing was Geelong's biggest employer, followed by Retail Trade and Health Care and Social Assistance. By 2025 this changed, with Health Care and Social Assistance now as the top employer.



Sources: Australian Bureau of Statistics, REMPLAN, .ID,

1999

2025

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# Regional Economic Growth

## Businesses by Employee Numbers

The Geelong region has seen a steady increase in business numbers overall, however, much of this is driven by non-employing businesses although businesses of over 20 employees have also seen significant growth.

30,364

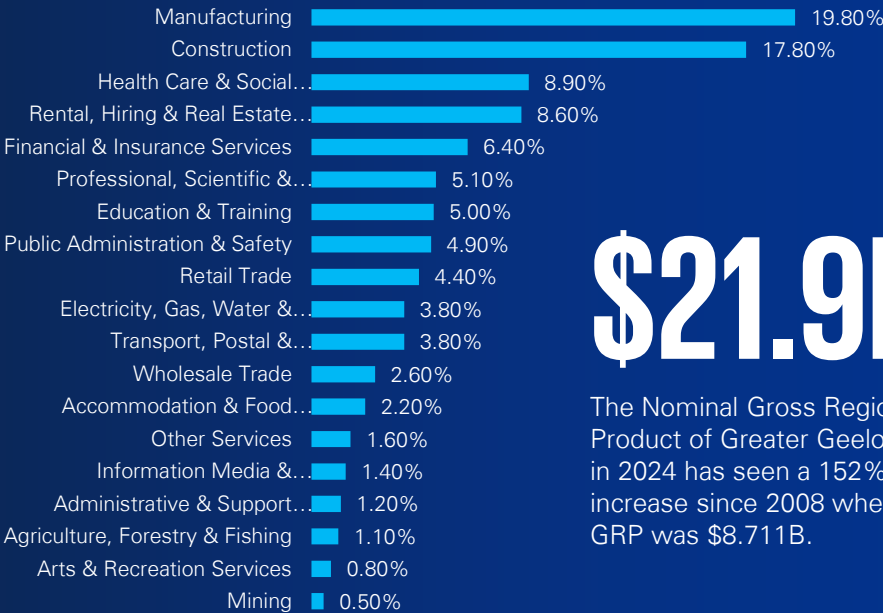
Total number of businesses in the Geelong SA4 Area

Employees Per Business	2022	2023	2024
non employing	16,566	17,548	18,589
1-4 employees	7,930	7,785	7,655
5-19 employees	2,705	2,670	2,668
20-199 employees	566	683	699
200+ employees	24	33	30

Note: Numbers denote businesses with head office registered in Geelong.

## Gross Regional Product by Industry

Manufacturing continues to be the greatest contributor to the Gross Regional Product (GRP) for Geelong contributing almost 20% of the total GRP. Construction continues to grow and is also almost 18% of GRP. The largest employer, Health Care & Social Assistance, contributes almost 9% of GRP, however, Retail only contributes 4.4% of GRP in 2021 even though it is the third largest employer in the region.



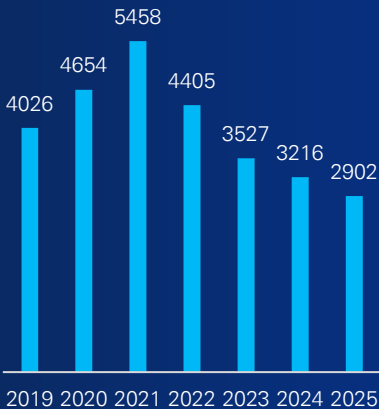
\$21.9B

The Nominal Gross Regional Product of Greater Geelong in 2024 has seen a 152% increase since 2008 when GRP was \$8.711B.

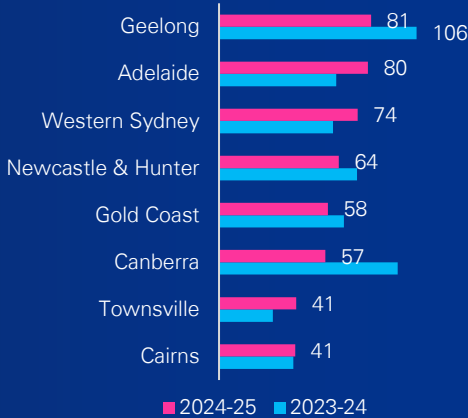
## Dwelling Approvals

Building approvals in Geelong declined in 2025, falling by almost 50% since peaking in 2021 due to low interest rates, population growth, and remote work trends. Despite the downturn, Geelong outperformed similar cities, with 81 dwellings approved per 1,000 people in 2025, well above the Gold Coast (58), Newcastle & Hunter (64), and Canberra (57). This relative strength is partly due to Geelong’s ample supply of greenfield housing, although approvals have dropped significantly from nearly 130 per 1,000 people in 2019.

Geelong Dwelling Approvals



Dwelling Approvals per 1,000 people



Sources: Australian Bureau of Statistics, REMPLAN, .ID,



# Local Thought-Leadership



## Geelong Risk Landscape

The Geelong Risk Landscape was released in March 2025 and looked at insights into key risks and growth opportunities for businesses in the Geelong region to help build a more robust local economy.

### De-Risking our Region

1. Leaders creating a unifying vision
2. Deliberately growing businesses
3. Geelong as a centre for innovation
4. Growing a workforce of the future
5. Stay true to the Geelong identity



## Geelong Economic Blueprint

Published in October 2023, the Geelong Economic Blueprint interviewed 56 local business and community leaders seeking to understand how do we grow businesses in our region.

### Five Key Insights

1. The 'Geelong Lifestyle' is a huge magnet
2. Geelong has all the elements for sustained business growth
3. Prosperity needs to be shared
4. Leadership and collaboration are required to share growth
5. Understanding common goals will achieve shared outcomes



## Enterprising Cities

Published annually for the last two years, the Enterprising Cities publication explores recent economic growth trends for 12 of Australia's most rapidly evolving cities.

Enterprising Cities employ over one one-third of all Australians. They have experienced robust growth over the past five years and are increasingly seen as desirable destinations, attracting people and businesses from larger metropolitan areas and drawing interest from international companies looking to establish a presence and invest in these thriving urban centres.





# Geelong, a Region on the Rise

Geelong stands at a pivotal point in its economic journey – a journey shaped by resilience, reinvention, and a strong sense of regional ambition. Once defined by its manufacturing legacy, the city has transformed into a dynamic economic hub, blending traditional strengths with emerging industries.

In 2023/24, Greater Geelong's Gross Regional Product (GRP) reached almost \$22 billion, marking a 152 percent increase since 2008. This growth is more than just a statistic; it reflects a region that has embraced change while staying rooted in its industrial foundations. Manufacturing remains the largest contributor to GRP, accounting for nearly 20 percent of the total. While employment in the sector has declined, now ranking eighth in job creation, it remains vital. Advanced manufacturing and innovation-led production are driving its continued relevance.

One of the most promising aspects of Geelong's evolution is the diversification of its economy. The city has invested in innovation precincts and startup ecosystems, drawing entrepreneurs and technology-driven businesses. This shift is essential for long-term resilience, reducing reliance on any single industry.

Health care and education have become key pillars of economic stability. Institutions like Barwon Health and Deakin University are major employers, attracting talent and investment to the region. The Health Care and Social Assistance sector contributes nearly 9 percent to the GRP and employs 16.8 percent of the workforce. These sectors are anchoring Geelong's knowledge economy while supporting a steady influx of skilled professionals.

Tourism and hospitality are also on the rise, with attractions such as the Geelong Waterfront and the nearby Great Ocean Road drawing visitors and bolstering the local economy. In response to population growth and infrastructure demands, construction has surged, now standing as the second-largest employer and contributing almost 18 percent to the GRP.

Geelong's real estate market showcases its growing appeal. The city's proximity to Melbourne, coupled with a high quality of life and relatively affordable housing, has spurred population growth. This, in turn, has driven a wave of residential and commercial development. However, this growth is not without challenges, more housing supply is needed, and there is a pressing need for infrastructure to keep pace with demand. Housing affordability is a critical issue that must be addressed to enable Geelong to prosper.

The economic outlook for Geelong is positive, though not without caution. Recent economic conditions have caused a slowdown in some development projects. Equipping the local workforce with the skills necessary for a changing economy will be critical for future success.

Geelong's growth story is one of transformation and opportunity. The region has laid a solid foundation for the future. Continued investment in infrastructure, skill development, and sustainable practises will be essential for maintaining momentum. With the right strategies, Geelong is well-positioned to thrive in the years to come.



Geelong's growth story is one of transformation and opportunity, built on a foundation of innovation, resilience, and regional ambition.

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# Five Focus Areas for Business Growth in Geelong

Geelong's economy is entering a new chapter, marked by strong regional growth, industry diversification, and a rising appetite for innovation. As the city continues to expand in population, infrastructure, and capability, local businesses are finding themselves at the centre of a dynamic and evolving landscape. Growth today is not just about getting bigger. It's about being smarter, more strategic, and more responsive to change.

To succeed in this environment, businesses need to do more than protect what they have. They need to be willing to take calculated risks. Whether it's investing in new systems, entering unfamiliar markets, or rethinking how teams operate, growth requires movement. The five focus areas that follow offer a practical lens for building resilience while still leaning into opportunity.



In a region like Geelong, growth is not just about managing risk. It is about knowing when to take it. The businesses that succeed will be the ones that move with confidence, backed by clarity and purpose.

**Claire Richards**

Partner, Enterprise Advisory Geelong



## De-Risking Your Market Position

Markets are shifting rapidly, and businesses that understand their customers, competitors, and value proposition will be best positioned to grow. This means going beyond traditional sales and marketing to develop a deep understanding of market dynamics, customer behaviour, and emerging trends. Businesses should be actively listening to their customers, testing new offerings and markets, and refining their positioning. In a competitive environment, the ability to adapt quickly to changing demand is a key differentiator.

### Ask yourself:

1. Are we clear on who our most valuable customers are and what they need?
2. How are we tracking shifts in demand, pricing, and competitor and market activity?
3. Are we exploring new markets or channels without overexposing the business?

## De-Risking Your Capital

Financial strength is more than just managing the books; it's about building the capacity to make confident, informed decisions in uncertain conditions. With interest rates expected to ease but inflationary pressures still present, businesses must maintain a clear view of their financial position and be ready to adjust quickly. This includes understanding cost structures, managing working capital, and ensuring access to funding. Above all, maintaining strong cash reserves is critical because cash is king. It provides the flexibility to act decisively, absorb shocks, and invest in growth when opportunities arise. Businesses that can model different financial scenarios and respond with agility will be better placed to seize opportunities and weather disruptions.

### Ask yourself:

1. Do we have real-time visibility over our cash flow and cost base in the medium to longer term to enable investment for growth?
2. Are we scenario-planning for external emerging factors such as different interest rate or demand conditions?
3. Are we considering options for continuous capital and cashflow injection to support growth ambitions?





## De-Risking Your People Strategy

People are at the heart of every successful business. In a tight labour market, attracting and retaining talent is a strategic priority. But it's not just about headcount, it's about building a culture that supports innovation, accountability, and wellbeing. Businesses that invest in leadership development, career progression opportunities, and inclusive practices are more likely to retain top talent and build high-performing teams. Culture is also a key risk lever: disengaged teams can lead to turnover, underperformance, and reputational damage.

### Ask yourself:

1. Are we creating a workplace and career opportunities where people want to stay and grow?
2. Do we have the leadership and skills needed for the next phase of growth?
3. Are we embracing a culture that supports shared contributions to innovative and new ways of working, to products and to services?



## De-Risking Your Innovation Pipeline

Innovation is essential for long-term relevance, but it doesn't have to mean radical disruption. Often, the most effective innovation comes from within, refining processes, improving customer experience, or developing new capabilities. Businesses should create space for experimentation and learning, and look to local collaborators like Deakin University or industry groups for practical insights. Internally, empowering teams to contribute ideas and test improvements can build a culture of innovation that's both low-risk and high-impact.

### Ask yourself:

1. Are we allocating time and resources to innovation and improvement?
2. Are we making the most of internal expertise and local connections to drive innovation?
3. Are we taking enough calculated risks to stay competitive and relevant?

## De-Risking Your Operations

As businesses grow, so does complexity. Without strong processes, growth can lead to inefficiency, inconsistency, and risk exposure. Streamlining operations, documenting workflows, and investing in systems that scale are essential steps. Businesses should regularly review their processes to identify bottlenecks, reduce duplication, and improve customer experience. Technology can play a major role here, but only if it's aligned with business needs and well integrated into daily operations.

### Ask yourself:

1. Are we optimizing technology within our back office?
2. Are we streamlining duplicated or obsolete processes?
3. Are we maximizing the control of the environment to mitigate fraud, cyber and business resilience risks?





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