

CITY OF
BALLARAT



ECONOMIC PROGRAM

2015-2019



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EXECUTIVE SUMMARY

The City of Ballarat Economic Program 2015 – 2019 sets out a practical framework to guide economic development in the City of Ballarat over the next four years.

The Program builds on Councils 20 year economic vision which incorporates three core themes:

1. Regional Development - The Capital of Western Victoria
2. Economic Growth and Diversification - Australia's Premier High Technology and Knowledge Based Regional Economy
3. Capitalising on Population Growth - A Bigger and More Diverse Community

While addressing the period 2015 – 2019, the program has an eye to the future and lays the foundations for Ballarat to continue its growth and development embracing elements of the new economy such as information, communications and telecommunications while retaining its core and fundamental strengths in key industries such as manufacturing.

Underpinned by a detailed literature review, best practice analysis and extensive industry consultation, the final document was guided by a project reference committee comprising over 20 of Ballarat's commercial, industry and economic leaders.

The Economic Program presents clear economic scenarios and outcomes for Ballarat based on forecast population growth, participation rates and productivity gains. To drive these outcomes and leverage Ballarat's core economic assets four key platforms have been identified:

- 1. Economic Growth and Transformation** - actively nurturing opportunities for local firms to deliver productivity gains, improved participation levels and ongoing economic and industry growth resulting from Ballarat's strong forecast population growth
- 2. CBD Activation** – driving the activation of Ballarat's CBD to further develop one of the city's economic turbines
- 3. Innovation** – improving the quality of economic activities through innovation to achieve an increase in standard of living
- 4. Building Capacity From Within**
 - a) improving the capabilities of local firms to positively influence economic growth and employment creation
 - b) Building and developing key economic sectors including health, retail, manufacturing, education, tourism, construction, business services, information communications and telecommunications and agriculture.

The Economic Program 2015 - 2019 is closely integrated with Councils long term plan for growth and development, The Ballarat Strategy (2015) and is supported by detailed implementation and marketing plans.



INTRODUCTION

The municipal district of the City of Ballarat (historical spelling) was established in 1856, shortly followed by the proclamation of the City of Ballarat East in 1857. The two municipalities merged in 1921 to form the City of Ballarat. The present incarnation of the City of Ballarat was created by an Order of Parliament on 6 May 1994 under the Victorian Local Government Act and is the amalgamation of the previous Shire of Ballarat, City of Ballarat, the Borough of Sebastopol, and parts of the shires of Bungaree, Buninyong, Grenville and Ripon.

Ballarat is now home to over 100,000 residents and is one of Australia's fastest growing and most liveable regional cities. Founded and developed during the gold rush years, the city blends some of the nation's finest heritage architecture and streetscapes in a modern and culturally vibrant location that offers residents a vast array of lifestyle choices. The City of Ballarat's total land area is slightly less than 740 square kilometres.

The city has developed into one of regional Australia's premier centres of regional knowledge. It features:

- excellent secondary schools;
- representation from four universities (including the headquarters of Federation University);
- a major trade training and skills centre;
- a significant regional information, technology and communications industry;
- a significant health and medical presence which provides teaching, research and training support for medical research.

The city's economic development is both continuing and changing in equal measure. While manufacturing remains a mainstay of the local economy, mining, agriculture and an increasingly important construction sector are significant contributors to the surrounding region. Service industries are all represented in Ballarat and have been growing strongly over the past decade, including:

- professional services
- education
- health
- retail
- cultural
- government

The diversity of the local economy across primary, secondary and tertiary economic sectors is one of its great strengths. Ballarat's economy has rebounded strongly from the global financial crisis; moreover, the economy has continued to diversify and develop new sectors with the more traditional ones

becoming increasingly sophisticated. Businesses in Ballarat are adapting to the requirements of an open economy and rapid changes in technologies and customer needs.

Strategies developed, adopted and implemented by the City of Ballarat over the past decade have provided the framework for the city's economy to grow and diversify and for employment and economic opportunities to be created.

This Economic Program (the Program) builds on this work in the context of a population that is forecast to exceed 140,000 people by 2031 (Victoria in the Future, 2014), and possibly doubling by 2050.



While such growth brings many challenges it also presents opportunities for Ballarat's economy to become even more competitive, to grow, diversify and create employment and economic opportunities so that the standard of living of residents is further enhanced.

The program is the result of an extensive consultation process. It outlines the major actions required for Ballarat to make the most of the opportunities arising from these changes. Whilst developing program for the period 2015 - 2019, the Economic Program has an eye to the future and lays groundwork for the continuing economic evolution of the city and the role the City of Ballarat will play in facilitating this development.



WHAT HAS BEEN ACHIEVED

Most areas of the the economy have performed strongly in their own right and relative to state or national averages.

Table 1 provides an overview of Ballarat's economic performance over the past decade.

Table 1 – Summary – Ballarat's economic performance

Economic indicator ²	Result	Reason
Population growth (ABS 3218.0)	✓	Highest rate of population growth across Victoria's regional cities (AAGR 1.5% 2004 - 2014)
Output / growth (NEIR, 2012)	✓	AAGR of Gross Regional Product (3.85%) and Gross Regional Product per Capita 2001 – 2011 exceed state averages (3.5% and 2.02% respectively)
Employment (Small area Labor Market Publication)	✓	Unemployment rate continued to decline to 6% (equivalent to state and national averages)
Productivity (NEIR, 2012)	✓	Labour utilisation (1.3%) and labour productivity (1.0%) increased over the period 2001 - 2011
Participation (ABS Census, 2011)	✓	Participation rate increased from 58.3% to 59.6% over the period 2001 - 2011
Building approvals and housing affordability (ABS Building Approvals and REV 2013)	✓	Non-residential and residential building approvals have increased significantly and year on year since 2001
		House prices remain stable at around 55% of Melbourne prices
Business growth ABS 2014 and Remplan Analysis 2014)	✓	Number of businesses increased 9.5% over the period 2009 – 2012
		AAGR Ballarat's output of 3.4% over the period 2007 - 2014
Innovation (ALGA, 2012)	✗	Patent and innovation expenditures below Australian averages
		Rate of growth of innovation expenditure below national averages
Education and training (ABS Census, 2011)	✓	During the period 2006-2011 the number of Ballarat residents with qualifications increased, with above state average growth in Graduate Diploma and Graduate Certificate qualifications (34.2% increase compared to 28.8% in Victoria)

Of these indicators, it is only in the area of innovation spending where Ballarat's economy is behind state or national levels. It is worth noting that Ballarat's innovation spending profile is consistent with other Australian regional cities and other regions that have significant industrial activity, such as high levels of manufacturing. Increasing the level of innovation spending is an area where the economy can further develop and this presents significant development opportunities.

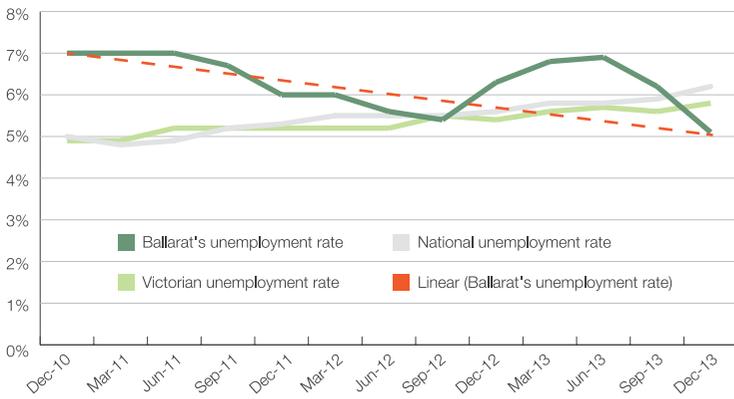
Further to these indicators, the growth and development of Ballarat's economy is reflected in the lowering of the unemployment rate, which has traditionally been around 8%, to now being at, and over periods of the past several years, below state and national averages.

The strong downward trend in the city's unemployment rate compared to the state and national figures is shown in Figure 1¹.

¹ It is not uncommon to see more variability (such as is represented in Figure 1) in the unemployment rate at an LGA level compared to wider areas.

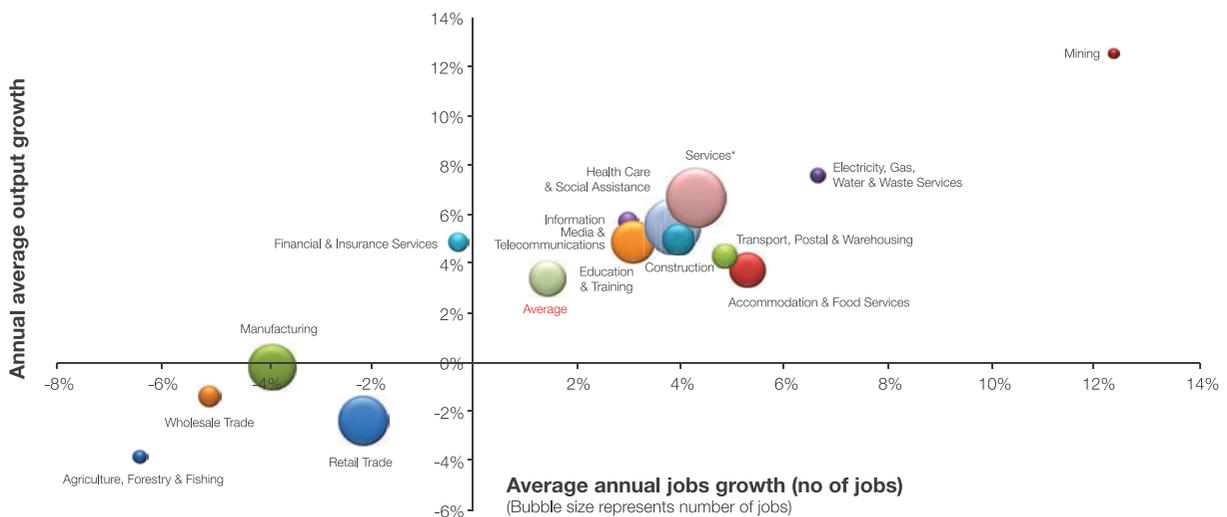
² Data source in brackets

Figure 1 - Ballarat's unemployment rate (2010 – 2014)



The growth and job creation of the economy over the period 2007 – 2014 is shown in Figure 2.

Figure 2 - Industry Growth Matrix (2007 - 2014)²



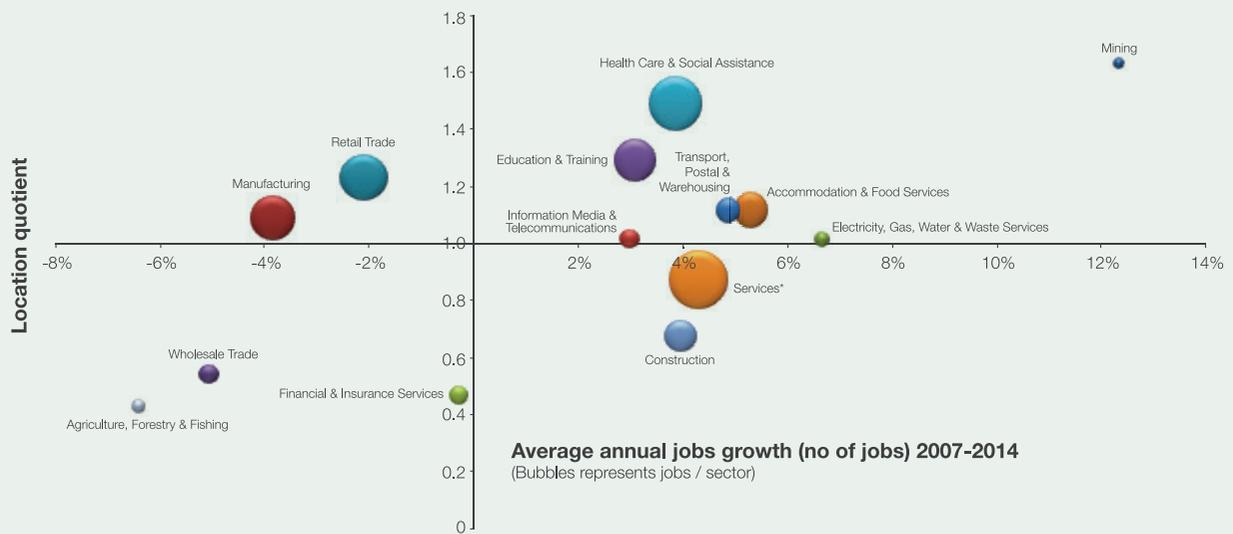
As displayed, the economy had an average annual growth rate of 3.4% and jobs growth rate of 1.4%. Pre-GFC, Ballarat's economy was growing at around 6% and creating employment at around 2.7% annually.

Figure 2 also highlights the performance of the economy's key sectors. There has been strong service sector output growth in areas such as education, health and professional services but declines in the manufacturing and retail sectors. These trends are consistent with national and international trends.

An alternative approach to reviewing the sectoral performance and growth of the Ballarat economy over the period 2007 – 2014 is to compare to the average size of that sector across Victoria. Figure 3 shows this analysis.

²The industry codes used to identify sectors were changed in 2010. Therefore, for service sectors, some of the sectors used in 2014 do not align with those used in 2007, making direct comparison impossible. To overcome this issue and throughout this report an asterisk (*) is used to identify where multiple service sectors have been accumulated under the heading of services so that analysis of the data over an extended period can be undertaken. The specific industries combined are rentals, hiring and real estate services, professional, scientific and technical services, administrative and support services, public administration and safety, arts and recreation services and other services.

Figure 3 – Industry growth compared to state averages



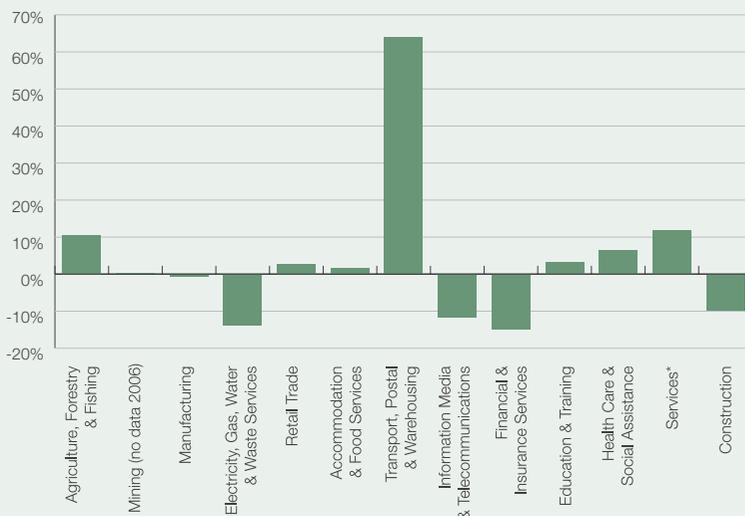
Of those sectors that are relatively more concentrated in Ballarat than across the state (location quotient >1), the majority are expanding, showing positive jobs growth. The manufacturing and retail sectors have reduced staff over this time, which is a reflection of factors impacting on these sectors, such as the value of the A\$, changing spending habits, such as a shift towards internet-based shopping.

Sectors with a location quotient less than 1, but with positive jobs growth, are expanding and will offer opportunities for greater relative growth as their concentration increases. The services and construction sectors for Ballarat offer such opportunities.

The growth / decline of individual sectors relative to the growth / decline of these sectors across the state is shown in Figure 4. The analysis is based on the movement in the location quotients over the period 2006 – 2014.



Figure 4 – Relative growth of sectors (2006 – 2014)



This analysis puts some of the other performance figures into perspective by comparing sectoral performance to state averages. Compared to the remainder of the state, manufacturing and retail have behaved in a nearly identical manner; that is, the reduction in their share of the Ballarat economy mirrors that of the state.

The relative increase in services such as professional, scientific and technical is noteworthy and further demonstrates the strong growth being seen in this sector. Equally noteworthy is the decline in construction, indicating that Ballarat firms did not enjoy the same relative levels of growth as the state average.

This may be due to the relatively smaller scale firms being unable to undertake large scale construction works. Notwithstanding, it highlights an area for potential development.

The transport, postage and warehousing sector has grown quite significantly compared to state averages, albeit from a relatively small base, and agriculture has also increased relative to the state.

The decline in ICT employment indicates the local sector's growth has not been as strong as the state averages, whereas education and health are slightly higher.

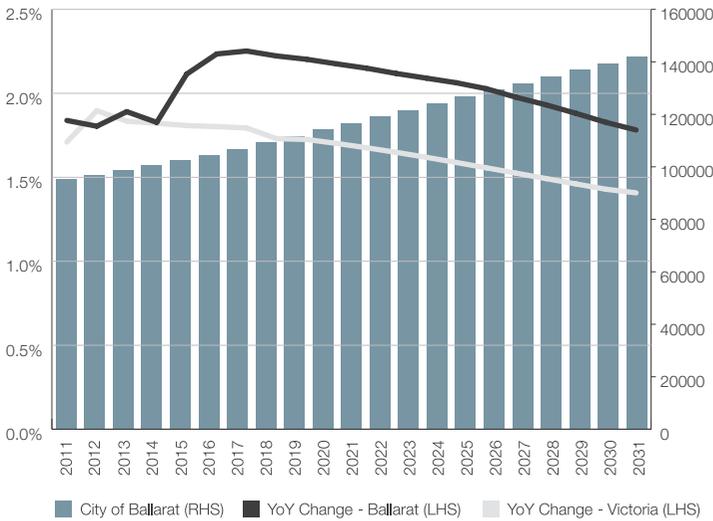


KEY DRIVERS

3.1 POPULATION

The forecast growth in Ballarat’s population will be the single most important factor influencing the city’s economic development in the short, medium and longer terms.

Figure 5 - Ballarat’s forecast population 2011 - 2031



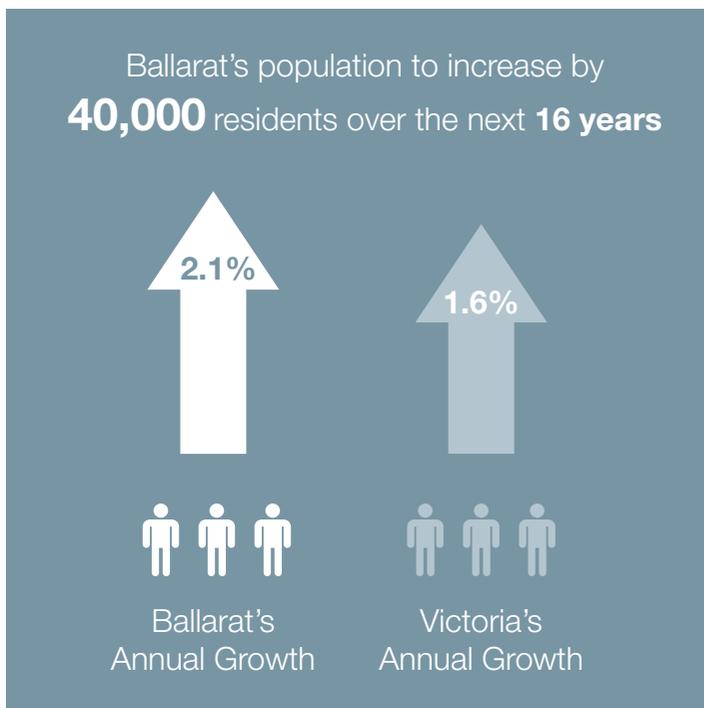
According to the latest available forecasts from Victoria in the Future (2014), Ballarat’s population growth will result in the estimated residential population exceeding 142,000 residents by 2031, an increase of around 40,000 residents over the next 16 years.

This equates to an average annual growth rate of 2.1% over this period, exceeding that of Victoria, which is forecast to achieve a rate of 1.6%.

Population is one of three drivers of economic growth (the others being the rate of workforce participation of residents and productivity or utilisation improvements). Therefore, the forecast level of population growth presents significant economic opportunity for the city and its residents.

Accommodating these high growth levels will be a major driver of economic growth across a range of sectors including health, education, general support services and especially construction. However, the key to delivering economic benefits to the city over and above this will be:

- Increasing the rate at which local firms are able to participate in this growth through development of lead sectors, such as manufacturing and infrastructure (thereby increasing the participation of local firms in the economy);
- The ability to turn the impact of positive growth-related outcomes, such as improved services, culture and diversity of opportunity, into increased liveability factors (which will in turn draw knowledge workers and firms to the region); and
- Increasing the rate of new business formations (which will increase if knowledge workers are attracted to live and work in Ballarat).



3.2 REGIONAL ROLE

The growth in Ballarat's service sector has been dramatic in the past decade. Ballarat's service economy has grown in absolute and relative terms during this period.

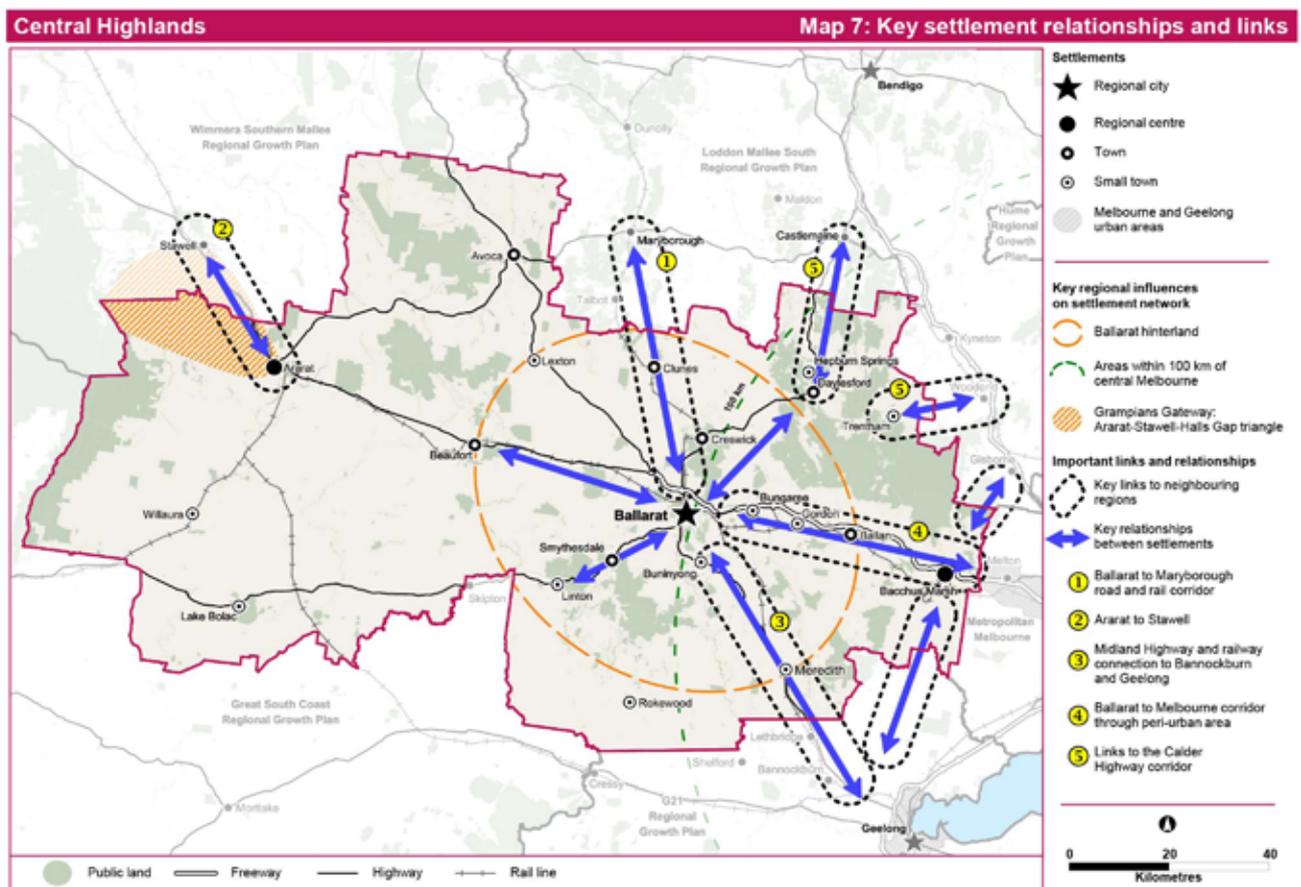
Ballarat's dramatic growth in the services sector in the past decade is the result of several factors. Most importantly, the change reflects the role and regional function Ballarat provides, and will continue to provide as a major services hub for the region.

Different services have differing population catchment areas, e.g. higher order health services such as the Ballarat Cancer Centre will draw people from further away than other services, such as personal recreation services.

As a result, ascertaining the size of Ballarat's service catchment is an imprecise exercise; however, it is reasonable to estimate that Ballarat's resident catchment population presently exceeds 250,000 people (extending west to Horsham, south towards Meredith, north towards Maryborough and east to Bacchus Marsh), and up to 400,000 (Ballarat Regional Capital Plan, 2014).

Figure 6 shows Ballarat's key catchments and the key relationships it enjoys with other settlements in the region. These relationships are critical in explaining the growth in Ballarat's service economy, as well as expected future growth in a number of key regional service sectors, such as health, education, retail and business services.

Figure 6 - Ballarat catchment and settlement relationships



There are significant economic opportunities arising from the need to service these regions with services and the production of goods and services.

Ensuring connectivity to / from Ballarat and ease of access through location and frequency of public transport and car parking all contribute to the ease with which these markets can be serviced.

This is an ongoing role to ensure these elements are further developed.

Beyond its regional service function, Ballarat should also continue to act as a destination for employment for people living outside of the city but working in it.

The Ballarat West Employment Zone (BWEZ) is an example of a development that will provide employment opportunities for residents who live outside Ballarat.

There is an economic development requirement to ensure firms are able to access the right sorts of skills from Ballarat's hinterland through the further development of key connections and transportation, as well as working with nearby regional stakeholders to build these regional opportunities.

3.3 OPPORTUNITY CREATION

For Ballarat's economy to reach its economic potential, current and future residents must be able to find and/or create employment and commercial and economic opportunities.

Economic opportunity is not just employment or job creation, it must also include commercial opportunity. New business creation is being viewed more and more as critical to economic growth and a major source of employment. In an environment where advancing technology is increasingly forcing many people from employment, there is a need to create an environment that is conducive to firms 'starting up'. The need recognises economic opportunity does not solely come through direct employment, but through self-employment and new venture creation.

Indeed, it can be argued that without an emphasis on creating an environment that encourages new firm creation there will not be sufficient employment to match Ballarat's forecast population growth.

The creation of commercial areas designed to encourage networking, development and marketing of Ballarat's 'competitive identity' link to:

- educational and research institutions;
- lower cost facilities
- youth retention strategies
- open access to data and information;
- access to quality connections and integrating technologies

are all mechanisms that contribute to the creation of an economic environment conducive to new firm creation.





POLICY CONTEXT

Ballarat's forecast growth will not occur in a vacuum. It is necessary to assess the current policy settings that will influence the growth and development of the economy.

To align to Federal Government policy positions, the Program must take into account current and potential free trade agreements. It must then link these to Ballarat's current and potential export markets and align to the opportunities outlined in the recently-released Industry and Innovation Competitiveness Agenda. There is currently an Agricultural Competitiveness White Paper being developed which has relevance to Ballarat's agricultural and related supply chain industries. Notably, the Federal Government's regional policy position is reflected in its key funding programs of infrastructure (local roads, and rail and road program) and grants (stronger regions).

The Victorian Government has a major influence on regional economies and can positively influence regional economic outcomes through a variety of policy levers. The Regional Jobs and Infrastructure Fund (RJIF) is the Victorian Government's \$500 million overarching regional development package. It will invest in growing jobs, building infrastructure and strengthening communities in regional Victoria. As a dedicated regional development fund, RJIF addresses key challenges and opportunities to unlock regional Victoria's growth potential. The economic success of regional Victoria is critical to the longer-term success of the state. Regional Victoria makes an important contribution to Victoria's economy and liveability and accounts for around one third of the state's exports. It also has a wide range of economic assets and natural resources. Regional Victoria is home to a quarter of the state's population. With Victoria's population set to rise from 5.7 million to 10 million by 2051, regions are well-positioned to accommodate and capitalise on this growth.

The State of Cities policy advocates the growth of regional cities as a means to improve the liveability of all Victorians. The Regional Cities group has prepared a detailed analysis of Ballarat's competitiveness and an action plan to support Victorian Government policy. The plan aligns to Victoria's economic and settlement ambitions articulated through State of Cities and the Economic Reform Agenda.

The Victorian Freight and Logistics Strategy seeks to improve freight efficiency, grow productivity and better connect Victorian businesses to markets, whether local, national or international. This Program dovetails into the Food for Asia Strategy which seeks to significantly grow agricultural production, value adding and research and development within the agricultural industry and

related supply chain industries in order to take advantage of the growth in demand for Victorian produce in Asian markets.

At a local level, the importance of Ballarat's economy and the role it plays in supporting the city's liveability and wellbeing of its residents is articulated in the Council Plan. The opportunities for Ballarat in the developing tourism industry are identified in the Destination Management Plan.

The CBD Strategy, Activity Centres Strategy and the Ballarat Strategy are the strategic documents that build a framework to support the appropriate development of Ballarat's CBD and activity centres across the city. Finally, the Ballarat Regional Capital Plan identifies key projects that are necessary to ensure Ballarat can develop into the 'capital of western Victoria' in an ordered and coherent manner.

Appendix A – Policy context and analysis: details these key policy positions of federal, state and local government and identifies their likely impact on Ballarat.





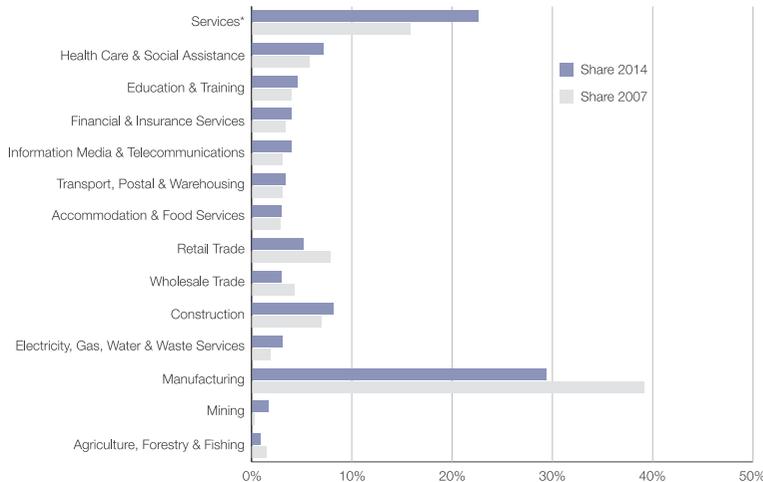
CONSIDERATIONS

5.1 CHANGING ECONOMY

The nature of Ballarat's economy is changing. There is a distinct movement towards the increased provision of services to its immediate residents and also to those of neighbouring areas.

The share of the economy by key sectors for the period 2007 – 2014 is shown in Figure 7 and Table 2. The analysis of movement in the sectors over this time is analysed in Figure 8.

Figure 7 - Industry share of output (2007 - 2014)*



Over the period 2007 – 2014 the economy of Ballarat increased its output from \$7.8b to \$10.3b.

The change in the underlying make up of Ballarat's economy is not so much that manufacturing has decreased (there has been a small decline of 1.3%) but that there has been a significant increase in the size of Ballarat's service sector.

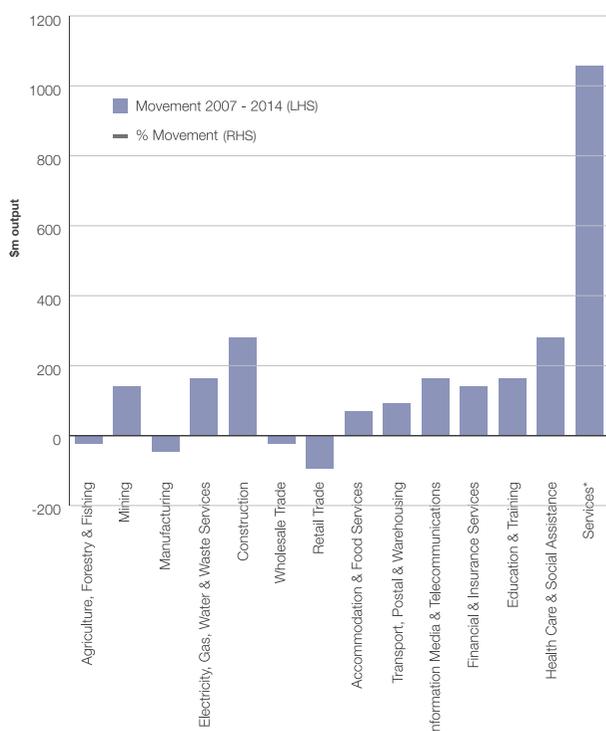
Figure 8 shows the growth or contraction in the sectors over 2007 – 2014, in both absolute terms and as a percentage of the total movement.

Table 2: Sector output in absolute terms (2007 & 2014)

Sector	2007 (\$m)	2014 (\$m)
Agriculture, Forestry & Fishing	118	93
Mining	21	172
Manufacturing	3,074	3,035
Electricity, Gas, Water & Waste Services	147	314
Construction	550	846
Wholesale Trade	340	311
Retail Trade	620	532
Accommodation & Food Services	228	310
Transport, Postal & Warehousing	240	345
Information Media & Telecommunications	244	408
Financial & Insurance Services	270	409
Education & Training	311	474
Health Care & Social Assistance	456	743
Services*	1,241	2,338
Total	7,859	10,331

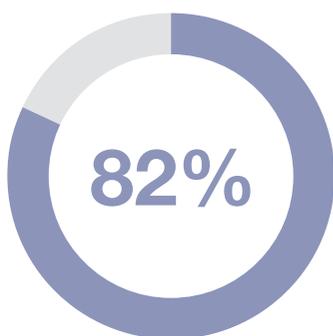
*Refer page 8 for services definition

Figure 8 - Analysis of movement in sectors 2007 - 2014



Of the \$2.5b growth that occurred in Ballarat's economy over the period 2007 - 2014:

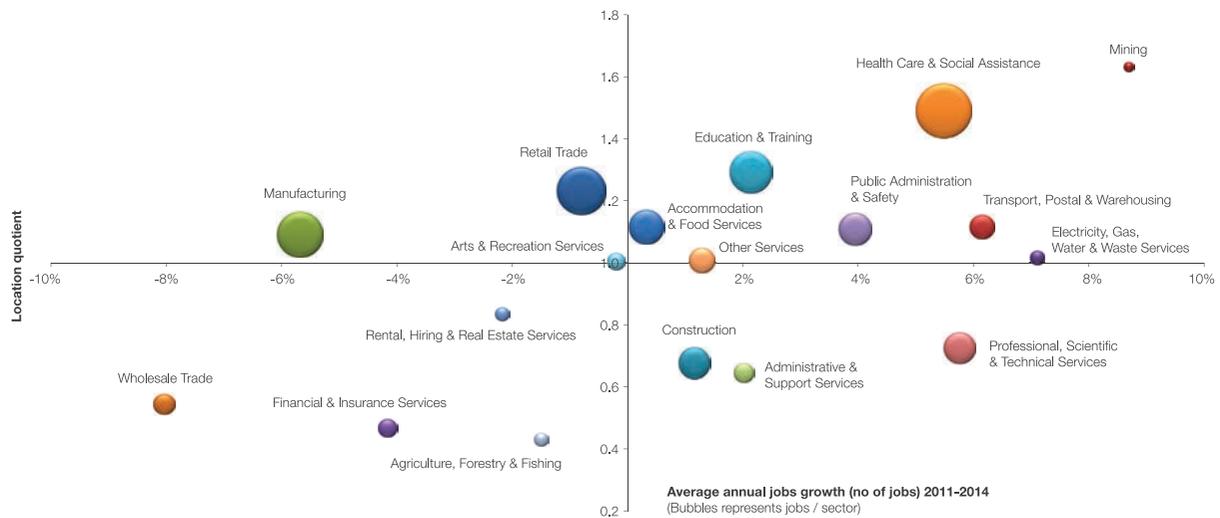
-  Over 44% (**\$1.1b** of output) was from the service economy;
-  **\$162m** from education and training (7%);
-  **\$280m** from health care (12%);
-  **\$297m** from construction (12%); and
-  **\$164m** from ICT (7%).



The five sectors of services, health education, construction and ICT are responsible for 82% of the growth in Ballarat's economy from 2011 - 2014.

Figure 9 shows the intensity of Ballarat's industry's compared to state averages (location quotient, 1 = state average) and the growth in jobs by industry sector over the period 2011 - 2014 (post GFC).

Figure 9 - Location quotient



There is underrepresentation (location quotient <1) in professional services and construction, indicating opportunities to grow these industries. The decline in manufacturing and retail trade since the GFC is also reflected in this analysis.

Despite the decline in manufacturing and retail, both sectors remain important to the Ballarat economy. Continuing decline in these sectors presents risks to Ballarat's economy. The increasing importance and strength in health, education and food / tourism sectors is also highlighted by this analysis

5.1.1 Implications for Ballarat Economic Program

The rapid increase in Ballarat's service economy is reflective of changes in the city's role and in the demands of its residents, as well as broader changes in the Victorian and Australian economies. Parts of the service economy such as professional, scientific and technical services are under-represented compared to state averages, but expected to continue to grow and develop. This program reflects this change and ensures service industry growth is supported.

To achieve this, the benefits this change can bring to the city and its residents must continue to be embraced by the city's leadership.

Active promotion of the development of the local service economy must continue.

Although it needs to be recognised that services, particularly higher order ones such as banking and finance, tend to cluster in major cities (therefore limiting the growth potential of some business and professional service industries), there are opportunities for growth in sectors underrepresented compared to state averages as the demand for these goods and services is currently being met by importing them.



Over **\$330m** of business-related services activity were imported into Ballarat during 2014.



Over **\$147m** of construction-related activity were imported into Ballarat during 2014.



5.2 REGIONAL ASSETS (ALIGNMENT, LEVERAGE AND LINK)

Through delivery of this program, actions and investments will be consistent, focussed and coordinated over the short and longer term.

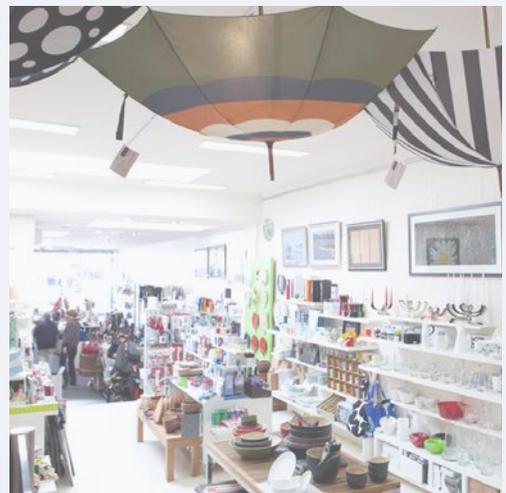
Regional leadership must act in unison and have a shared understanding of the economic direction adopted.

Two concepts are critical:

1. **Alignment** - leaders must continue to be aligned, have common understanding, act and think cooperatively and collaboratively to address the competitive challenges and opportunities within Ballarat; and
2. **Linking and leveraging** - this ensures investments are coordinated, work together and maximise economic outcomes and opportunities. Linking is undertaken through formal and informal partnerships, whereas leveraging assets requires making investment commitments that mutually reinforce each other. Such investments have the potential to generate higher economic returns than investments made in an uncoordinated manner.

5.2.1 Implications for Ballarat Economic Program

- This Program is predicated on Ballarat's economic leaders continuing to act in concert to deliver outcomes and opportunities for the city's residents.
- The Program will seek to identify, link and leverage assets as a means to achieving the highest of economic returns.
- Ballarat has a raft of assets that underpin its economy and the creation of economic opportunity. These are identified as part of this Program.



5.3 TRADEABLE SECTORS

5.3.1 Importance of tradeable sectors

Traded sector companies are those that sell goods and services outside Ballarat, and in doing so bring in fresh dollars to support local business and government services.

Essentially tradeable sector companies are those that export to outside regions, states and internationally.

Such companies create new wealth within Ballarat rather than recirculating existing wealth.

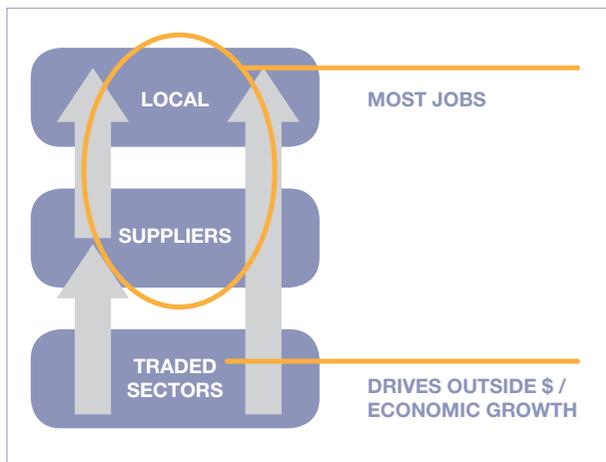
Local businesses that sell goods and services exclusively or primarily to local customers and which face little direct competition from outside Ballarat add to the local quality of life, provide entrepreneurial opportunities for citizens and act as the springboard to help launch / grow into tradeable companies / sectors.

Traded sector companies tend to cluster because they draw competitive advantage from their location – specialised workforce, specialised suppliers and a shared base of sophisticated knowledge about their industry.

Most jobs are not in the tradeable sector – they are local services and suppliers; however, as the tradeable sector brings in outside dollars, focus should be towards these jobs, as via the growth of such sectors other elements of the economy will grow.

This relationship is shown in Figure 10.

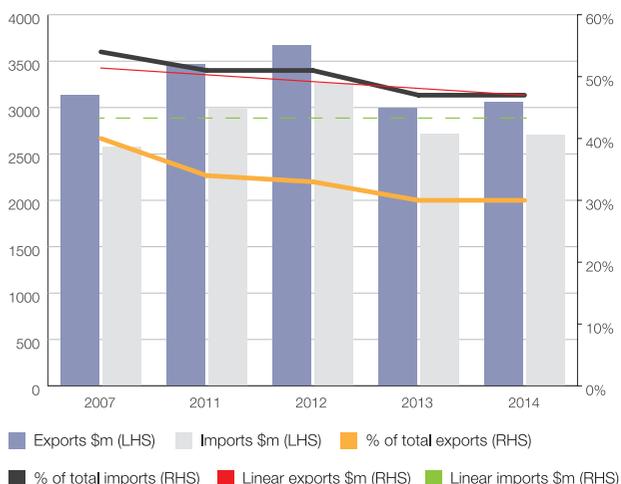
Figure 10 - Tradeable sector model



5.3.2 Ballarat's tradeable performance

In 2014, Ballarat exported 30%, or \$3.1b, of output. The recent level and percentage of output exported (and inputs imported) is shown in Figure 11.

Figure 11 - Export and import analysis



The analysis indicates a decline in exports over the 2007 – 2014 period, output being exported down from 40% to 30%. This is due to the relative significant decline in manufacturing, the largest of Ballarat's exporting sectors, as a portion of Ballarat's economy over this period.

For Ballarat's economy to continue to grow this trend must be reversed and sectors other than manufacturing be developed to the point where they are capable of sustainably exporting.

Figure 11 also shows the level of imports coming into Ballarat. Imports have declined from 51% of inputs to 47% over the seven year period. This, too, reflects the contraction in manufacturing, which is also a sizeable importing sector. More broadly the decline reflects a change in the intensity of importing, with several sectors such as manufacturing importing less of their inputs as a percentage in 2014 than in 2007.



Figure 12 - Import Intensity (2007 - 2014)

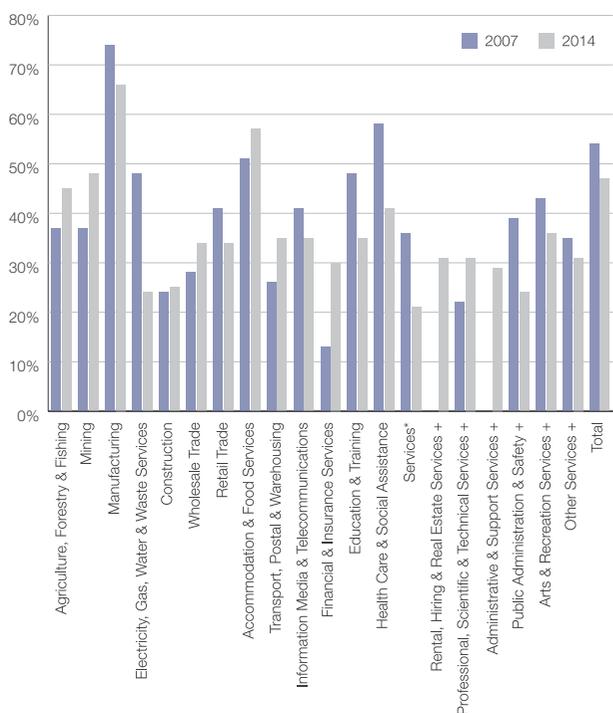


Figure 12 further analyses the intensity (rate of imports, not the amount) of Ballarat's importing sectors.

The analysis indicates a fall in imports, or a rise in the rate at which local firms have been able to replace imports over the period 2007 – 2014. This is notable across such sectors as:

- Services (36% reduced to 30%);
- Manufacturing (74% to 66%);
- Electricity, waste and water (48% to 24%);
- Education (48% to 35%); and
- Health (58% to 41%)

There has been an increase in import intensity in mining, agriculture, transport and wholesale trade.

Opportunities to continue import replacement across all sectors should be actively pursued.

Based on the analysis of the Ballarat economy, the principal tradeable sectors are detailed in Table 3.

*Refer page 8 for services definition

Table 3 – Ballarat's principle tradeable sectors

Sector	\$m of output	\$m of output exported	% of output exported
Manufacturing	3,035	1,859	61%
Health	743	236	32%
Mining	172	124	72%
Education and training	474	120	25%
Scientific and professional services	567	84	15%

5.3.3 Implications for Ballarat Economic Program

- The significance of manufacturing as a creator of economic value through exports has implications for the economy;
- The need to grow industries and sectors capable of providing goods and services to outside markets; and
- Import replacement opportunities would provide local suppliers an opportunity to increase economic activity, with an increase of \$231m evident in 2014 over 2007 numbers.



5.4 CITIES AND URBAN ECONOMICS

It is generally accepted there is a positive relationship between the productivity of an economy and increasing density of economic activity up to the point whereby the density of activity produces negative outcomes that deter further economic growth³.

This coming together of firms in cities underpins their position as the engines of modern economies. Modern cities represent the clustering of firms which benefit from their co-location.

Agglomerating of firms creates benefits for both the firms and the region through; access to skills, specialised suppliers, network effects and most significantly the speed and flow of technologies and ideas.

While the scale of development within regional cities will not match metropolitan capitals (in the short term), there is significant opportunity for regional capitals such as Ballarat to grow and facilitate greater diversification of economic sectors. Conventional thinking of clusters' urban form is often associated with business parks, or the co-location of industry in areas 'fit for purpose'; however, the role of the CBD is to foster collective groups of economic sectors across a diverse range of industry types. The power of the CBD is to elevate levels of activity, networks, collaboration and access to markets within one shared location. Rather than actively pursuing activities beyond the extent of the city, increased activity within a CBD enables use of existing infrastructure and provides opportunities for growth within a contained locality.

5.4.1 Implications for Ballarat Economic Program

- Ballarat's forecast growth is likely to produce efficiencies, which are likely to lead to increases in the standard of living of residents in and of itself;
- Recognising the higher order role and function of Ballarat's CBD is central to unlocking economic growth and opportunities;
- Facilitating productivity gains from the city's growth should be a policy focus; and
- The development of Ballarat's CBD has a key role to play in supporting the agglomeration of firms and, therefore, the speed and flow at which ideas and technologies are shared (which is critical to innovation further occurring).



³ Measuring the impacts on productivity of increasing urbanisation is more difficult and subject to some conjecture, particularly the type of benefit that produces the most significant productivity benefit and whether the benefits are derived from increasing the size / density of a city (urbanisation benefits), or from more localised or industry level benefits arising from increased access to skills, suppliers and technology, specialisation and lower production costs.

5.5 CLUSTERING AND ECONOMIC GROWTH

Clusters are groups of similar and related firms that share common markets, technologies and employee skills. They are often linked by buyer - seller relationships. Firms in clusters are typically involved in active trading with each other.

Cluster development requires policy to move from narrow 'investment attraction' type strategies, which are predicated on a region being the 'lowest cost' alternative, and which seek to attract one or maybe several firms to a region through manipulation of the cost of doing business, to considering a broader focus on a range of factors that influence competitive advantage of a group of firms.

This approach aims to benefit a number of interrelated firms within an 'industry cluster'.

Clusters provide a range of benefits to firms, including:

- Increased capacity to deliver increases in productivity;
- Providing access to a range of specialised skills and suppliers to deliver a range of benefits such as increased productivity, higher value and improved problem solving;
- Ability to cooperatively collaborate to secure contracts and tenders; and
- Access to more up-to-date and relevant information, allowing firms to better respond to market needs.

In an age when information can be accessed from multiple places, sources and platforms, the most valuable source of advantage - knowledge tends to remain in specific locations. Knowledge resides in people and people live in communities. Knowledge is therefore 'tacky'; it tends to stick to a location as the people who possess it build lives and lifestyles in locations and places (such as Ballarat). Information is transportable, knowledge is far less so.*

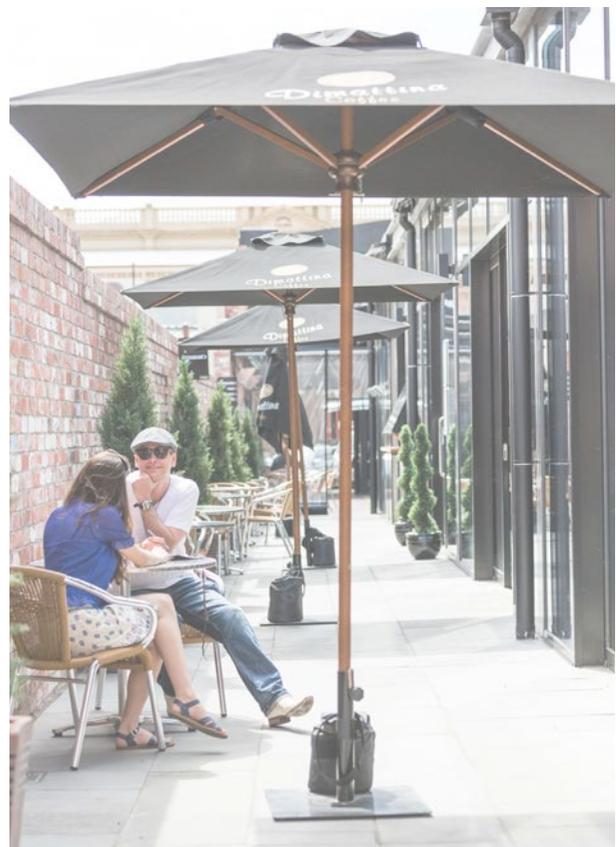
Firms, therefore, locate close to these sources of knowledge, which is place dependant. The source of competitive advantage for many firms rests within the location through its network of suppliers, customers, employees, information and networks.

*New Growth Theory - NGT

A clustering approach can help firms achieve a competitive advantage by promoting their common interests and can make the public sector more effective in supporting the economy. Working with clusters can enable member firms to identify the most promising opportunities to encourage further innovation, develop particular skills and improve productivity. Clusters are dynamic - through the competition and cooperation they create an environment that further drives improvement and productivity.

For clusters to be successful, it is generally accepted the following elements need to be present:

1. Well-resourced, high quality research university or universities
2. Network of influencers or executive champions and support groups
3. Local government
4. Start-up companies and
5. Large companies.



The extent to which element needs to be evident will be situation specific and depend on a range of issues such as the maturity of the cluster and industry, the extent of existing industry and cluster networks and local geographic and economic conditions.

Clusters are not a government activity; they are an economic phenomenon that can be facilitated and aided by government. Clusters are not a program; they are a way of thinking about local economies. They are not something that occurs because of a 'program', although 'programs' can support their development and maturation process.

The natural creation of clusters around local economic conditions and capital means that winners are not picked and clusters 'created'. Clustering occurs because it is beneficial for private firms to relocate, remain and start up in a specific location because of the conditions associated with that location. Therefore, clustering strategies must also be location specific. Cluster strategies are based on giving consideration to the individual needs of local firms and the issues they face and the role of government in facilitating the cluster's development in conjunction with local firms.

Economic analysis undertaken on the Ballarat economy indicates some clustering is evident in the following sectors:

- Food process manufacturing
- Machinery and transport equipment manufacturing
- Information, technology and communications and
- Health, specifically rural health provision.

Further, the local economy has potential clusters in the following areas:

- Equine and racing
- Beer brewing
- Waste and bio energy and
- Agricultural research and development industries.

5.5.1 Implications for Ballarat Economic Program

Clusters can be key drivers of job growth, wage growth, new business formation, and innovation. This Economic Program adopts the principles of clustering and tradeable sectors as key mechanisms to delivering economic growth, jobs creation and opportunity and innovation.

The following factors can contribute to facilitating cluster development:

1. Quality education at all levels, from kindergarten to secondary school and beyond;
2. Globally competitive infrastructure – both 'physical' as in roads, airports, the Internet, and city services; and 'smart', as in talent, capital, and know-how;
3. A quality of life that attracts and keeps a broad range of talented people, as well as business people and entrepreneurs; and
4. Enlightened government with a regional and, increasingly, a global orientation.

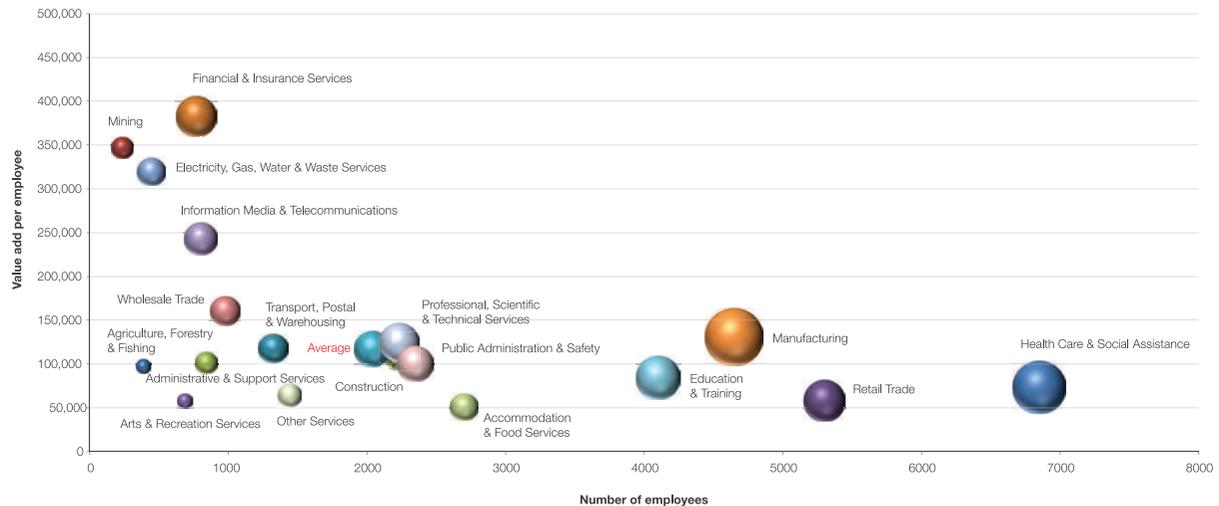
The role of the local government is to provide high quality infrastructure, open space, good transportation, arts and recreation facilities, and competitive rate structures for services and utilities; these all contribute to the quality of life.



5.6 ECONOMIC VALUE ADD

The value add per employee (a measure of the relative profitability of each sector and, therefore, a proxy for the ability of a sector to increase the living standards of the broader Ballarat region) is shown in Figure 13.

Figure 13 - Value added analysis (Ballarat, 2014)⁴ (Size of bubble = \$ Total Value Add)



The analysis highlights the diversity of the Ballarat economy, the relative importance of manufacturing, health, and retail and education and the value created by some of the higher order service sectors, such as finance and insurance and ICT.

An analysis of the movement in EVA from 2007 to 2014 is shown in Table 4 .

⁴Please note rental, hiring and real estate sector is excluded from this analysis due to technical issues related to the way value added is calculated in this sector.

5.6.1 Implications for Ballarat Economic Program

- There have been some significant increases in sectors over the period 2007 – 2014, specifically, construction, retail trade, ICT, finance and insurance, education and health
- While not exactly representing productivity, the annual average increase in EVA of 3.6% infers there have been improvements in productivity over this time as the EVA increase exceeds the average inflation rate over this period (2% - 3%)
- Strong growth of the service sector, and the positive impact this can have, are reflected in this analysis
- The ongoing challenge is to continue to grow value add in each sector, not just to grow each sector.
- With population increases, there will be a natural movement of sectors to the right of the graph (Figure 13). This program seeks to ensure growth in each sector is accompanied by movement to higher levels of EVA.
- Given the global financial crisis occurred through this period, resulting in sluggish international demand and periods of relatively high exchange rates, the Ballarat economy has performed strongly over this time and
- The analysis also highlights that Ballarat has many low value adding sectors. Increasing the overall value added of the economy should be a focus on this program.

Table 4 – EVA analysis – 2007 - 2014⁵

Industry Sector	2007			2014			Movement %		
	Jobs	VA \$M	VAE \$ (000)s	Jobs	VA \$m	VAE \$ (000)s	Jobs	VA	VAE
Agriculture, Forestry & Fishing	559	66	118	386	38	97	-31%	-43%	-18%
Mining ⁶	32	8	256	234	81	346	631%	888%	35%
Manufacturing	5,903	660	111	4,646	609	131	-21%	-8%	17%
Electricity, Gas, Water & Waste Services	236	82	346	441	141	320	87%	73%	-8%
Construction	1,621	170	104	2,240	256	114	38%	51%	9%
Wholesale Trade	1,321	146	110	975	157	160	-26%	7%	45%
Retail Trade	6,081	301	49	5,299	311	58	-13%	4%	19%
Accommodation & Food Services	1,700	99	57	2,699	138	51	59%	40%	-12%
Transport, Postal & Warehousing	875	104	119	1,324	156	117	51%	50%	-1%
Information Media & Telecommunication	632	121	191	799	194	242	26%	60%	27%
Financial & Insurance Services	785	168	214	770	295	383	-2%	75%	79%
Education & Training	3,215	236	73	4,101	346	84	28%	47%	15%
Health Care & Social Assistance	5,005	363	72	6,849	505	73	37%	39%	1%
Rental, Hiring & Real Estate Services*				459	594	1,295			
Professional, Scientific Technical Services*	2,375	324	136	2,233	278	124	-6%	-14%	-9%
Administrative & Support Services	1,049	105	100	841	86	102	-20%	-19%	1%
Public Administration & Safety*				2,347	236	100			
Arts & Recreation Services	1,033	67	64	688	40	57	-33%	-41%	-11%
Other Services	1,145	69	59	1,442	93	64	26%	36%	8%
Average	1,975	\$182	\$92	2,041	\$240	\$117	3%	32%	28%

The analysis shows average VAE has increased from \$92k to \$117k, an average annual increase of 3.6%. Also notable is the significant increase in the value add of certain sectors, such as construction, retail trade, ICT, finance and insurance, education and health.

⁵ The classification of some industry sectors has changed over this period. Those sectors most directly affected have been denoted *

⁶ The significant increases in this sector are due to the small base in 2007.

5.7 BALLARAT'S COMPETITIVE AND COMPARATIVE ADVANTAGES

Ballarat has demonstrable capabilities and assets that underpin its competitiveness. The key sources of these advantages are outlined in Table 5 and will underpin the development of the Economic Program.

Table 5 – Source of Ballarat's competitiveness

Source	Nature
Location	Proximity to Melbourne to the east and key agricultural areas to the west provides access to markets, skills and international gateways as well as supply inputs for value adding activities.
	Proximity reduces costs of production, such as transport and storage.
Catchment and population	Population provides customer base and access to skills exceeding local population.
	Strong growth likely to produce increasing agglomeration related benefits.
Diversity of economy	Reduces the impact of industry decline and external shocks on the remainder of the economy.
	Provides a range of opportunities for residents and industry.
Economic scale in key industries (food processing, machinery manufacture, ICT, education and health)	Provides scale and scale related benefits for firms such as access to skills, knowledge and specialist suppliers.
	Clustering more likely to be the source of inbound investment as critical mass increases.
Connectivity	Provides liveability options for residents and reduces cost of doing business for local firms.
Planning	Underpins city liveability and standards of living.
	Provides certainty for firms and lowers costs of doing business.
Heritage assets	Unique assets supporting a range of liveability benefits and associated industries such as tourism.
Investment attraction	Demonstrable capability to identify and understand needs of relocating firms and government agencies.
Education and health infrastructure	Unique levels of education (primary, secondary and tertiary) and health provision are major attractors of new residents for the city.
Regional agricultural assets	Existence of a range of regionally significant agricultural assets and events such as sale yards and showgrounds are located within Ballarat.

5.7.1 Implications for Ballarat Economic Program

- Program and recommendations should be based on competitive advantages;
- The nature of some of these sources of advantage is changing over time; and
- Regions have the ability, over time and commencing with strategy, to construct areas of future competitive advantage.



5.8 STRENGTHS CHALLENGES, OPPORTUNITIES, RISKS (SCOR) ANALYSIS

Table 6 outlines the results of a SCOR interpretation (Strengths, Challenges, Opportunities and Risks).

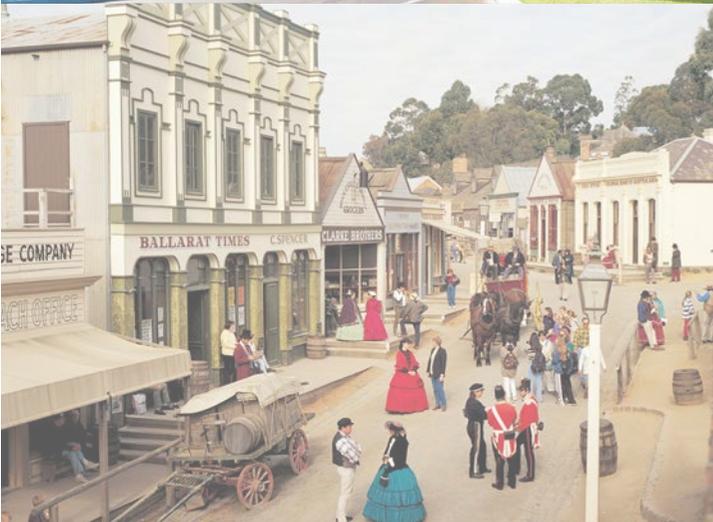
This analysis has been used to identify the strengths, challenges (capacity constraints), opportunities and risks to Ballarat.

Table 6 – SCOR Analysis

SCOR Analysis	
<p>Strengths</p> <ul style="list-style-type: none"> • Location (Melbourne, agricultural regions) • Liveability / lifestyle options • Diversity of industry / economy • Proximity to Melbourne • Key clusters (manufacturing, ICT, health, education) • Knowledge industries / assets • Experience in relocating government departments and developing ICT industry • Heritage and richness of city assets • History and cultural assets • Population growth • Housing affordability • Council relationship with industry / engagement • City's institutional and governance framework 	<p>Challenges</p> <ul style="list-style-type: none"> • Low levels of innovation • Under-developed service sector • Education attainment levels needed for future industry development • Shortage of quality commercial / office space • Demographic is ageing with outward migration of younger cohort • Landlocked technology park • Shortage of professional skills
<p>Opportunities</p> <ul style="list-style-type: none"> • Build on reputation, particularly in knowledge asset related and those industries with clustering potential • Further development and support for educational precinct and assets • Build entrepreneurial base • More significant levels of engagement with tertiary education sector • Further development of CBD • Innovative infrastructure funding models • Development of business / professional services sector • Population growth / migration • Increasing tradeable sectors • Continual and ongoing development of transport assets and connections • Further development of Science, Technology, Engineering and Mathematics (STEM) base education and training 	<p>Risks</p> <ul style="list-style-type: none"> • Declining national competitiveness in key sectors such as manufacturing • Employability of workforce (particularly in declining / lower skilled sectors) • Unplanned development • Infrastructure finance / funding not accessible impacting liveability • Youth leaving city

5.8.1 Implications for Ballarat Economic Program

- Program should build on strengths to pursue opportunities while actively seeking to overcome constraints and managing, or mitigating weaknesses;
- Constraints are barriers to accessing potential sources of growth and, hence, if removed, overcome or reduced, represent sources of economic growth; and
- Council in a position to influence outcomes through the use of a range of resources and methods.



VISION

6.1 ECONOMIC VISION

The economic vision for the City of Ballarat, created as part of the development of the 2010 Economic Strategy, has been endorsed by the Council and the city's economic leaders for the 2015 Economic Program.

This vision was originally conceived for a 20 year period and based around three key themes. The aspirations and themes contained in the vision remain the essence of Ballarat's economic future.



Theme 1: Regional Development – The Capital of Western Victoria

Ballarat will consolidate its position as the capital of western Victoria over the next 20 years. The communities of western Victoria will look to Ballarat to meet their higher order retail, service, business, institutional, entertainment, recreation and cultural needs. Ballarat will achieve this status by building on its existing regional role to provide enhanced services and facilities, including enhanced government services and facilities and infrastructure linkages.



Theme 2: Economic Growth and Diversification – Australia's Premier High Tech & Knowledge Based Regional Economy

Ballarat will build on its strengths to become the premier high tech and knowledge based regional economy in Australia. The city's diversified knowledge-based economy – defined by higher education, health services, research, manufacturing, information technology and business services - will grow, integrate and evolve to generate significant new investment and jobs, including a large number of highly skilled jobs. Workers from around Australia will look to relocate to Ballarat to access its high quality job and lifestyle opportunities.



Theme 3: Capitalising on Population Growth - A Bigger and More Diverse Community

Ballarat will accommodate a much larger and more diverse population as the local economy grows and diversifies and the city's status as regional capital and nationally significant knowledge-based economy reaches new levels. Inward migration of people will accelerate as the city embraces and facilitates growth by providing appropriate housing, retailing and other services, in partnership with other spheres of government and the business community.

Baseline performance indicators are provided in the subsequent section in support of the vision.

In order to achieve these aspirations, a significant consultation process has been undertaken which identified the city's key platforms for growth. These platforms form the strategic action areas which will support the economic growth and development of the city as it seeks to capitalise on the opportunities forecast, and so it is well placed to achieve through the results of previous work. The themes are consistently applied to all aspects of Ballarat's growth and echoed in the Ballarat Strategy (2015).

Council must, therefore, be adaptive and flexible in its approach towards the implementation of this Program. Council's key roles are outlined below.

6.2 ROLE OF COUNCIL

The Council has a key role to play in the economic development of the city.

6.2.1 Leadership

The Council must take a key role in leading economic development initiatives across the city, and increasingly for the region. Council must act to ensure the economic vision for Ballarat is widely understood and supported. Resources for actions and implementation should be identified and allocated. Governance of programs and strategy needs to be of the highest order. Outcomes need to be evaluated and programs delivered.

Core activities for Council should include establishing business and commercial culture, identifying opportunities to increase Ballarat's competitiveness and supporting the development of innovation and entrepreneurship. Perhaps more than any other, Council's leadership in this area can have a long term and long lasting positive influence on the development pathway Ballarat's economy's will take.

6.3 POPULATION

The City of Ballarat's Regional Capital Plan outlines a vision for Ballarat in 30 years.

This vision pictures Ballarat as:

- A premier regional centre in Australia, providing a 'capital city' experience and contributing to the economic wealth and cultural breadth of both Victoria and the nation.
- A regional employment hub, reflecting industry and employment diversity across the key sectors of health care and social assistance, education, manufacturing, construction and retail.
- The thriving retail, commercial, community, educational and cultural focus of western Victoria.
- A place that reflects the unique character, aspirations, abilities and history of the community.
- Cohesive and accessible by people of all abilities, ages and means of transport, and easy to move around on foot.
- A vibrant, exciting and friendly place that attracts visitors, residents, shoppers, students, artists and business investment.
- A leader in ecological practice that is balanced and productive.
- A place with a proud heritage, reflected in its buildings, streetscapes and living history - all of which showcases its innovation and creativity.

Over this period, Ballarat's economy will also undergo change. Using population data from 2014's Victoria In the Future (VIF), the Ballarat economy is likely to have the following key features:

- Continuing increase in service and knowledge based industries;
- Significant growth in health and education;
- A more diverse economy;
- A growing and significant manufacturing sector that remains the economy's largest sector in terms of output, but is relatively smaller, not due to its contraction but because of the continued high levels of growth in other sectors; and
- Notably more significant construction and ICT sectors.



6.4 OUTPUT

Using the population forecasts as a basis, the potential impacts on the Ballarat economy have been modelled out to 2031 under two scenarios:

- Under Scenario A ('No Productivity'), there is no productivity increase, the economy's output increases at 2.5% per annum per year; and
- Under Scenario B ('Productivity'), the economy grows at the rate it has grown over the past seven years (3.56%), implying productivity increases of 1.06% per annum per year.*

The following assumptions have been used in this modelling:

- There are no major economic shocks to the Ballarat economy;
- Increase in population consistent with the VIF, 2014 forecast, with Ballarat's population estimated to reach 142,000 residents by 2031;
- An increase in the workforce participation rate from 60% to 61%; and
- The percentage of the population able to work remains at 63%.

The impact of the productivity difference is \$3.7b Table 7 shows the impact until 2031 if the economy is able to achieve a 1.06% increase in productivity year on year.

Table 7 – Output (\$B) of scenario modelling

	2014 (\$b)	2031 (\$b)
Scenario A (No productivity)	10,331	20,504
Scenario B (Productivity)	10,331	24,173

The economy's future output by sector, under the two scenarios, is shown in Figure 14 and Figure 15.

Figure 14 - Output modelling 2031: 2 Scenarios

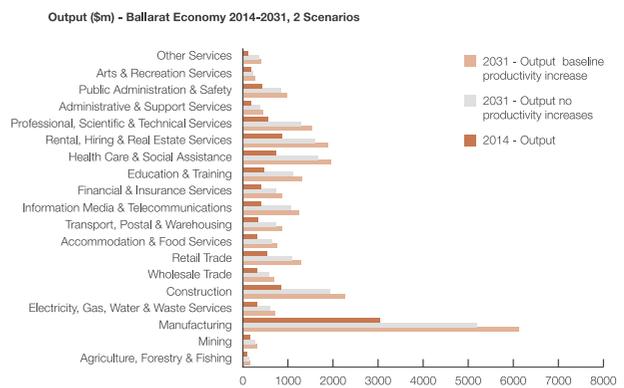
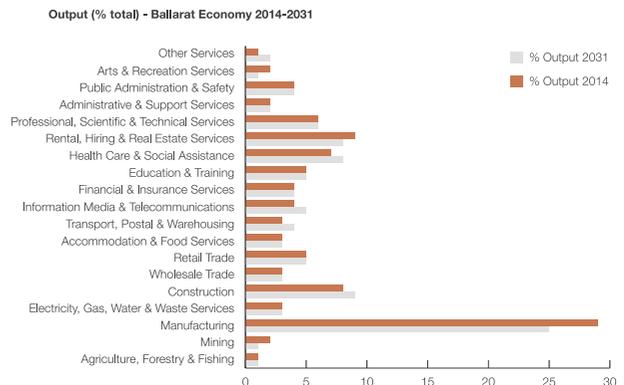


Figure 15 - Ballarat economy 2031 (% of output)



Under these scenarios:

- Scenario A – No productivity increase, total output increases from \$10.3b in 2014 to \$20.5b;
- Scenario B – Productivity increases, output increases from \$10.3b to \$24.2b, a \$3.7b increase over the base case scenario; and
- Under both scenarios, manufacturing output falls from 29% to 25%, whereas construction, health, education, ICT and services generally increase.



*This figure is based on the average increase in EVA over the period of 3.56%, less on average inflation rate of 2.5%. (refer 5.6.1 for future details).



DIGGERS

BELS

FORMER

AC

6.5 PARTICIPATION

The impact on future employment by sector to 2031 is shown in Table 8. Employment growth over the period 2014 – 2031 is estimated to run at an average annual rate of 2.05%.

Table 8 – Employment by sector, 2014 - 2031

	Employment 2014	Employment 2031	% Increase
Agriculture, Forestry & Fishing	386	408	5.7%
Mining	234	248	6.0%
Manufacturing	4,646	5,353	15.2%
Electricity, Gas, Water & Waste Services	441	568	28.7%
Construction	2,240	3,435	53.3%
Wholesale Trade	975	1,239	27.1%
Retail Trade	5,299	7,341	38.5%
Accommodation & Food Services	2,699	3,809	41.1%
Transport, Postal & Warehousing	1,324	1,923	45.3%
Information Media & Telecommunications	799	1,401	75.4%
Financial & Insurance Services	770	950	23.4%
Education & Training	4,101	6,471	57.8%
Health Care & Social Assistance	6,849	10,349	51.1%
Rental, Hiring & Real Estate Services	459	566	23.2%
Professional, Scientific & Technical Services	2,233	3,425	53.4%
Administrative & Support Services	841	1,187	41.1%
Public Administration & Safety	2,347	3,175	35.3%
Arts & Recreation Services	688	971	41.1%
Other Services	1,442	1,898	31.6%
Total	38,773	54,718	41.1%

The impacts on future employment by sector are shown graphically in Figure 16 and Figure 17.

Figure 16 - Ballarat 2031: Employment by sector

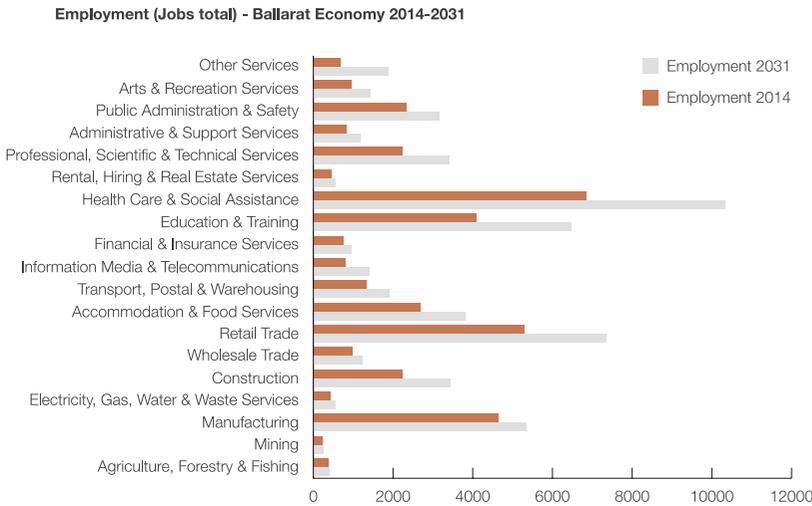
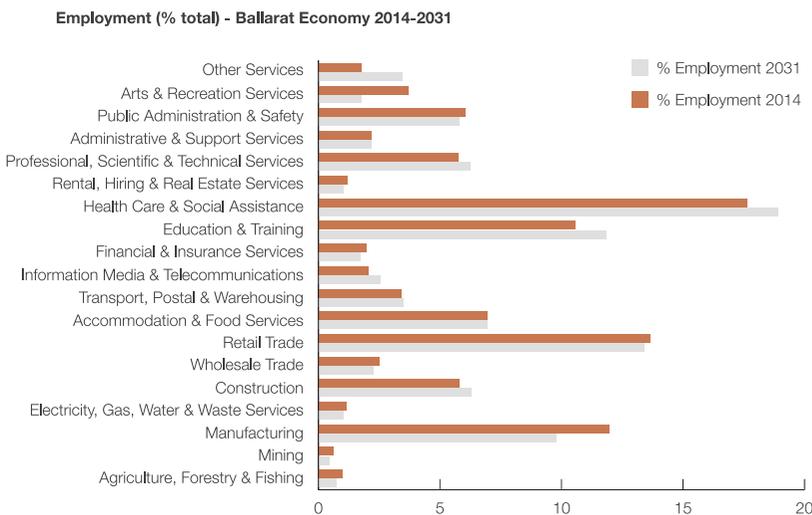


Figure 17 - Ballarat 2031: Employment by sector (percentage)



The total number of jobs in the city increases from **33,773** in 2014 to over **54,700** by 2031.

Health and education increase their respective employment shares of the economy.

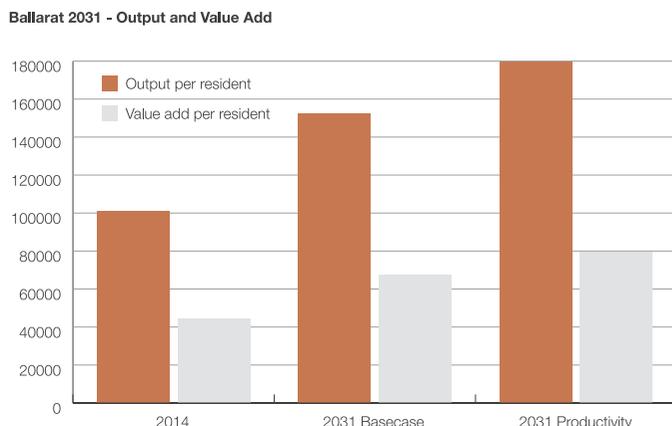
These two sectors, together with Retail and Manufacturing, continue to be the economy's largest employment sectors.

The increase in workforce participation from **60%** to **61%** will trigger an additional **900 workforce places, worth \$91m in output in 2014 terms.**

6.6 PRODUCTIVITY

This program will reinforce and identify a range of actions aiming to make the Ballarat economy more productive.

Figure 18 - The importance of productivity



In terms of context, the impact of boosting the annual productivity rate by 1.06% represents around one-third of 2014 Ballarat's economy by 2031, or \$3.7b. About 15% of the economy's output by that time will be due to increases in productivity.

Using value add per head of population as a proxy for standards of living, each resident will be around \$11,300 better off by 2031 due to the increases in productivity.

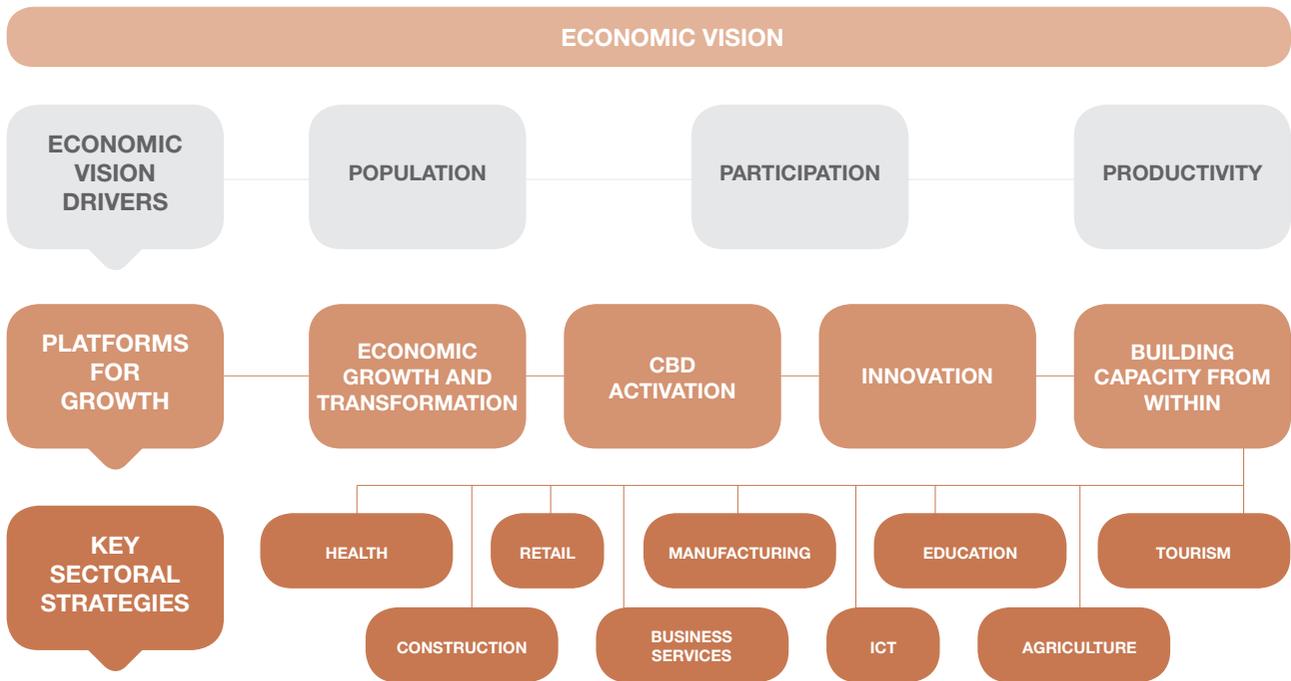
6.7 FRAMEWORK

A framework for the development of the Program links the vision for the Ballarat to the drivers of economic growth and the strategies needed to deliver the vision.

The actions and recommendations will provide guidance to the City of Ballarat in budget preparation and program delivery.

The framework (Figure 19) links the vision for the Ballarat to the drivers of economic growth and the strategies needed to deliver the vision. The actions and recommendations will provide guidance to the City of Ballarat in budget preparation and program delivery.

Figure 19 – Economic Development Framework





PLATFORMS FOR GROWTH

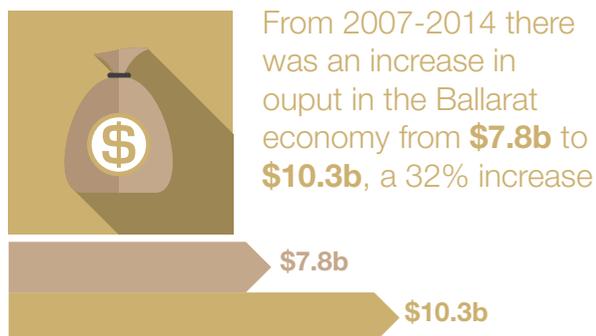
7.1 GROWTH AND ECONOMIC TRANSFORMATION

Link to vision

Actively supporting Ballarat's population growth and nurturing the opportunities for local firms this creates will assist in delivering productivity gains, improving participation levels and through attainment of population forecasts, providing the basis for ongoing economic and industry growth.

Rationale

- Ballarat will experience unprecedented population growth; this needs to be strategically managed to ensure the highest possible economic and social returns are generated
- To support Ballarat's forecast population and to provide local firms with a sustainable competitive position, it will be necessary to plan for and implement key infrastructure projects
- Regional cities are competing for talent, as there is a high correlation between educational attainment, innovation and economic growth
- Focussing from investment attraction to asset attraction refocuses efforts to include people and knowledge and other intangible assets that also have an economic value and can produce in economic activity and the creation of economic opportunity
- Attracting people to a region presents opportunities to influence the economic direction of the city as well as support the development and economic opportunity for business



Policy alignment

- Plan Melbourne - State of Cities
- Central Highlands Regional Growth Plan
- Securing Victoria's Economy - Private sector investment and employment, infrastructure and transport and connecting Victoria to new markets
- Innovation and Competitiveness Agenda – a more skilled labour force and better economic infrastructure
- Free trade agreements
- Ballarat Strategy (2015) and Making Ballarat Central (2011)
- City of Ballarat Capital Plan
- Multicultural Victoria Act (2010)
- Victorian Multicultural Commission and Regional Advisory Councils
- Office of Multicultural Affairs and Citizenship

Benefits

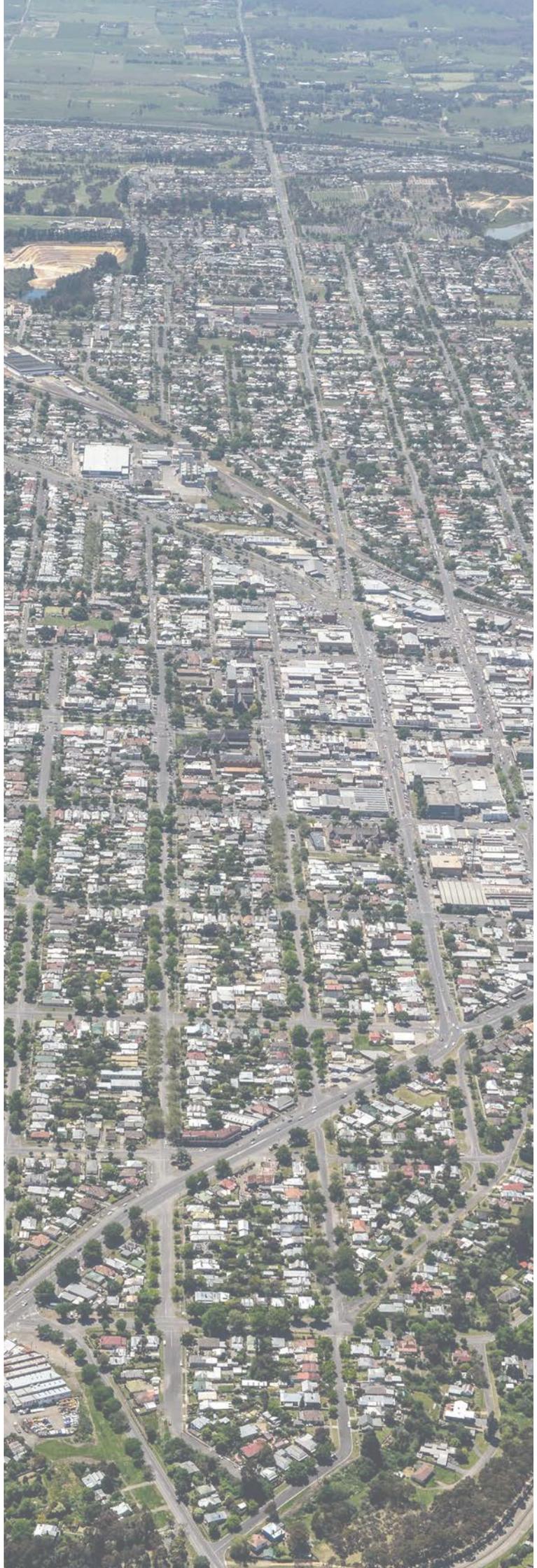
- Increased innovation, economic growth, diversification and opportunity for residents
- Maintain and increase competitiveness and standards of liveability for residents
- Cohesive strategic framework for city growth across critical council functions
- Creates economic national and international linkages
- Provides links to key federal and state government economic and investment agencies
- Infrastructure development is an economic driver of employment in and of itself

Implementation

Table 9 – Growth and Economic Transformation Implementation

Strategic Actions
Drive the Ballarat Strategy as Council's long term plan and vision to enable sustainable and equitable change in Ballarat over the next 25 years.
Maintain and expand strategically significant economic precincts throughout the city to improve productivity and inspire innovation.
Deliver the Ballarat West Employment Zone as a key plank of future sustainable economic growth, productivity and innovation.
Develop and attract the human capital required to build a skilled workforce which supports population growth and a high tech and knowledge-based economy building advantage from within.
Maximise economic opportunities through the Investment Facilitation Group, assisting lateral solutions to complex issues that would otherwise prevent projects from proceeding.
Leverage local and regional competitive advantages to deliver a targeted investment attraction plan to support population growth and economic transformation.
Undertake marketing activities to position Ballarat as a destination for international trade and investment, strengthening existing and encouraging new international relationships in export markets. This should include specific reference to international students ⁶ .
Use the Ballarat Regional Capital Plan as an investment mechanism for transformative growth delivering a pipeline of capital projects and incorporating innovative funding options.
Investigate the need for changes to petroleum-related distribution and storage infrastructure within Ballarat (and the broader region) and develop an appropriate response.

⁶ International students who have studied at regional universities are seven times more likely to work outside capital cities after graduation than their city-based counterparts (University of Queensland, 2014)



7.2 CBD ACTIVATION

Link to vision

CBD's are recognised as sources of growth and productivity in their own right. Activation of Ballarat's CBD will further develop the city's 'economic turbine', with economic benefits from scale and spill-over occurring.



Over **\$330m** of business-related services were imported to Ballarat during 2014.

Rationale

- Growth is not only an economic but also a social process
- There is a strong relationship between innovation (innovation is essentially a 'socialisation process') and economic growth, and the ability and desire of people to meet on a face-to-face basis. The CBD plays an important role in this exchange process.
- CBD 'offer' needs to place Ballarat at the forefront of the western region - the 'hub' and port of call for this part of Victoria.
- The CBD needs to be activated in order to shape it as a vibrant tourist, working and living destination.
- The CBD and inner city areas are identified in the existing Ballarat CBD Strategy as highly suitable for higher density housing. This outcome would help make the area more dynamic and vibrant, with widespread benefits for the economy and residents who would have access to an increasingly lively centre for entertainment, retail and services.
- Further implementation of the CBD strategy is critical for the future and should embrace and enhance those things that make it highly valued by the local community as identified in Ballarat Imagine.

Policy alignment

- Ballarat Strategy (2015)
- Securing Victoria's Economy - Private sector investment and employment
- Plan Melbourne - State of Cities
- Central Highlands Regional Growth Plan
- Making Ballarat Central – the CBD Strategy
- Innovation and Competitiveness Agenda – better economic infrastructure

Benefits

- Investment in the CBD will induce private market responses, further benefitting the CBD
- Reinforces the '10 minute city' aspiration of the Ballarat Strategy
- Promoting the CBD for a Regional Housing Role to better reflect the changing nature of regional cities and provide convenient and affordable housing utilising existing infrastructure
- Economic growth, improved and higher order retail, knowledge transfer / exchange

Implementation

Table 10 – CBD Activation implementation

Strategic Actions
Implement 'Making Ballarat Central' CBD strategy as the basis for guiding future land use and precinct development.
Implement and support the Activity Centre hierarchy as current in the MSS and Ballarat Strategy to grow Ballarat's retail sector across the city.
Drive development of the railway precinct and a CBD-based conference and exhibition centre to elevate commercial and community activity within the CBD.
Leverage the CBD Place Manager role to activate and co-ordinate infrastructure and arts and culture events across the CBD to maximise the value of the 'people walking' economy.
Support key CBD sites for revitalisation and infill development including residential, commercial and car parking.
Lobby the attraction of a major government services provider to the CBD to underpin and stimulate the local professional services sector.
Implement the Business Services and Retail Sectoral Plans (within this document) to foster growth, acknowledging the critical role these sectors play in CBD activation.
Undertake streetscape upgrades emphasising urban design and greening to reinforce landscape character and enhance the appeal and vibrancy of the CBD.

7.3 INNOVATION

Link to vision

In the long run, it is only a region's innovation that increases its productivity; without innovation the city's liveability and standards of living will not increase.

Rationale

- Innovation can be seen as the *means to increase the quality of business and economic activity in a region. This, together with business and economic growth (the means to increase the quantity of business and economic activity),* are core to any activities that aim to create employment and increase the standards of living of those people who live in a region.
- Both product and process innovation has been shown to improve productivity.
- Skills development is critical to support both innovation and economic growth.
- To remain competitive, it is necessary to foster innovation and entrepreneurship.
- New firm creation is a major source of employment, and generally requires knowledge intensive skills.
- Once firms are established, they are generally 'sticky' as to location creating the opportunity for expansion and development.
- Adoption of a 'constructed advantage approach' towards waste to energy would build on Ballarat's strong industry and manufacturing base and provides additional competitive advantages to local firms.

Policy alignment

- Securing Victoria's Economy - Positioning Victoria as the knowledge capital and Connecting Victoria with new markets
- City of Ballarat – Capital Plan
- Innovation and Competitiveness Agenda – industry policy that fosters innovation and entrepreneurship and better economic infrastructure

Benefits

- Improved productivity, and standards of living
- Creation of employment and economic opportunity and a new revenue stream for the City of Ballarat
- Increases in export of goods and services to regions outside of Ballarat
- Increases in the knowledge base of the region and entrepreneurial business culture
- Creates conditions to encourage diversified economic activity
- Increased attractiveness to other assets, people and investments through provision of lower costs for business, possibly through waste and energy
- Improve environmental outcomes for the city (and broader region) with a target of 40% of waste being converted into a productive resource
- Creation of new industry for the city around bio-economy and waste to energy



The ICT industry contributed **\$256m** of economic value add to the Ballarat economy in 2014.

Implementation

Table 11 – Innovation implementation

Strategic Actions
Actively support the Ballarat Industry Innovation Group to grow industry through research, collaboration and mentoring.
Identify opportunities and support the future development and expansion of the Ballarat Technology Park, capitalising on this regionally significant employment asset.
Collaborate with universities to build industry research and development capacity so as to encourage commercialisation and stimulate innovation and productivity through the establishment of an innovation centre.
Commence the development of an innovation measurement tool to gain a better understanding of the nature and type of innovation undertaken in Ballarat and the region.
Explore potential new industry and constructed advantage cluster opportunities across the region including assessment of the bio-economy and the Bio-Economy Innovation Centre.
Support innovations that will help manage local waste resources, effectively addressing land fill and environmental challenges and strengthening the regional economy by investigating waste to energy solutions.
Implement the ICT Sectoral Plan to leverage Ballarat's reputation as a high tech and knowledge-based economy and drive cross-sectoral innovation and investment attraction opportunities.
Become a signatory to the UN's Global Compact Cities Programme.
Support the development of creative industries, including exploration of opportunities in teleworking, creative hubs and co-working spaces.



7.4 BUILDING CAPACITY FROM WITHIN

7.4.1 Business development

Link to vision

Improving the capabilities of local firms and the manner in which the local economic development systems function are important determinants of economic growth and employment creation.

The importance of internally generated and created growth is increasingly being recognised as the primary source of growth and employment with a region.

Rationale

- Assisting business to improve and develop creates economic value and opportunity
- Integration of Council with business and related communities increases the awareness of issues and capacity to respond
- Work with industry to identify long term needs and responses
- A lower cost, business friendly environment
- Industry policy that fosters innovation and entrepreneurship

Policy alignment

- Securing Victoria's Economy - Connecting Victoria to new markets and private sector investment and employment
- Innovation and Competitiveness Agenda

Benefits

- Increased employment and economic opportunity for residents
- Increased standards of living for residents
- Growth in the economy and improved production and profitability
- Diversification of economy
- Maintain and enhance relationships between Council and industry

Implementation

Table 12 – Business development implementation

Strategic Actions
Utilise Council's local content expenditure to build local capacity through implementation of the Ballarat Industry Participation Program (BIPP).
Deliver the TenderWrite series to maximise opportunities for local businesses to successfully compete for contracts from all tiers of government.
Assist businesses to access state and Federal funding grants to support innovation and value add opportunities.
Support key industry groups to promote industry capability and deliver networking and business development opportunities.
Foster incubation and acceleration of start-ups in collaboration with the Ballarat Business Centre and Ballarat Technology Park and other similar providers.
Implement the Sectoral Plans (within this document) to foster growth, acknowledging the critical role these sectors and current business play in our region's economy.

The drop in import replacement from **51% to 47% = \$231m** per annum into the local economy.



7.4.2 Sectoral Plans

Link to vision

Ballarat has built a strong model of economic development through sectoral engagement, partnership and collaboration. Building on this approach, as well as further developing the model, is an important element in supporting strategically significant sectors to grow and increase employment and opportunity.

Rationale

- The primary role and function of City of Ballarat's Economic Development Department
- Focus on industry and business needs and their development
- Considers sectoral needs and barriers, as well as broader cross industry considerations
- Guides nature and extent of sectoral interactions between Council and Economic Development Unit
- Build and continue to develop existing networks and relationships

Benefits

- Grow existing industry sectors, create employment
- Strengthen economy's cornerstone / foundation industries and grow emerging industries
- Engage with key industry stakeholders
- Create pathways to access industry and industry associations
- Focus resources and activities to critical areas / economic hot spots

Link existing industry to current policy positions

Sector level engagement

- Health
- Retail
- Manufacturing
- Education
- Tourism
- Construction
- Business Services
- Information, communication and telecommunications
- Agriculture



HEALTH

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
6,849	743	505	74

Rationale

- Adds considerably to Ballarat's competitive advantage and is a major attractor of people to the city (which results in economic value creation)
- Largest employment sector, with over 6,800 directly employed and is the third largest value adding sector with over \$500m of annual value added
- Opportunities to develop sector and link more closely with Ballarat's competitive identity
- Sector plays a major role supporting the region / regional economy, with significant opportunities for related industries, such as allied health to develop in conjunction with the primary sector
- Continued growth expected in line with local and regional population, as well as in additional / new services



Health Care contributed **\$280m** (12% of the total) of the growth in Ballarat's economy from 2007-2014.

Policy alignment

- Securing Victoria's Economy - Positioning Victoria as the knowledge capital
- Innovation and Competitiveness Agenda – a more skilled labour force
- City of Ballarat – Regional Capital Plan
- Regional Growth Plan
- Ballarat Strategy (2015)

Benefits

- Sector attracts residents and, therefore, adds considerable economic value to the city
- Sector will grow alongside population in worst case scenario, presenting development opportunities for supporting sectors
- Provides region wide economic and social benefits
- Opportunity to leverage the sector's attracting capabilities into other sectors, e.g. tourism, food and accommodation

Implementation

Table 13 – Education sector implementation

Strategic Actions
Develop the Ballarat Health and Knowledge Precinct Plan in conjunction with hospitals, universities, residents and commercial partners to provide for enhanced functionality/amenity outcomes and facilitate certainty and coordination of further investment.
Position Ballarat as a world class provider of health and well-being services, which will meet population challenges, create jobs and drive economic growth through the Revitalisation Australian Catholic University Hospital Precinct Project (RAHP).
Work with health providers to grow a skilled health workforce through initiatives, including the new residents program.
Support investment in regional health infrastructure to ensure Ballarat can continue to deliver quality health care as the major referral centre for the Grampians region.
Work with health providers to integrate health assets into Ballarat's branding, marketing and investment attraction strategies.

RETAIL

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
5,300	532	311	58

Rationale

- Strong service centre role with opportunity to grow, diversify and become more sophisticated as the CBD further develops and population growth materialises
- Sector has underperformed over recent years, but it is still the second largest employing sector, responsible for over 5,300 direct jobs
- Complements and underpins other strategies, including CBD development and population attraction
- Key role to play as a source of liveability and attractiveness for existing and potential residents

Escape expenditure for retail, food and accommodation in 2014 totalled **\$174m**, some of which could be delivered locally.



Policy alignment

- Central Highlands Regional Growth Plan
- Plan Melbourne - State of Cities
- City of Ballarat – Capital Plan
- Ballarat Strategy 2015
- CBD Strategy - Making Ballarat Central

Benefits

- Source of ongoing employment and learning, particularly for younger people
- Attracts people into Ballarat, that produces flow on benefits
- Retains local expenditures
- Source of liveability for Ballarat and residents, and plays a service centre role for Ballarat's catchment
- Utilisation of key assets and infrastructure with significant capacity

Implementation

Table 14 – Retail sector implementation

Strategic Actions
Implement and support the Activity Centre hierarchy as current in the MSS and Ballarat Strategy to grow the Ballarat Retail sector across the city.
Implement the Making Ballarat Central CBD Strategy as a key pillar to support and develop the retail sector within the CBD.
Initiate a retail business development program to assist businesses leverage online retail opportunities and capitalise on current and projected population growth.
Support the development of the Glenelg Highway Major Activity Centre to deliver a quality weekly shopping experience for residents.
Deliver a targeted 'buy local' campaign, building the capacity of local retailers to capture escape retail expenditure.
Support Commerce Ballarat to promote retail industry capability through the delivery of networking and business development activities.
Undertake a retail sector capability and gap review, focusing on retail brand supply opportunities for the CBD.

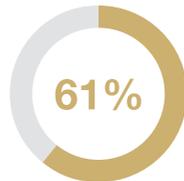
MANUFACTURING

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
4,646	3,035	609	131

Rationale

- Ballarat's largest sector, responsible for over \$3b or 29% of Ballarat's output and over 4,600 jobs, the third largest employing sector of the economy
- This industry has two discernible sectors that represent clustering opportunities: food processing; and machinery and transport equipment manufacturing

Manufacturing is the largest exporting (tradeable) sector of the Ballarat economy, exporting **\$1.8b** or **61%** of Ballarat's exports.



- Largest importing sector, accounting for 53% (\$1.6b) of imports
- Manufacturing is becoming increasingly sophisticated requiring new skills, increasingly emphasising Science, Technology, Engineering and Mathematics (STEM) based education and skills.

Policy alignment

- Securing Victoria's Economy - Connecting Victoria to new markets and positioning Victoria as the knowledge capital of Australia
- A More Competitive Manufacturing Industry: New Directions for Industry Policy and Manufacturing
- Innovation and Competitiveness Agenda
- A more skilled labour force
- Industry policy that fosters innovation and entrepreneurship
- Free trade agreements

Benefits

- Growing the two major sub-sectors (food processing, machinery and transport equipment manufacturing) will increase exports and add value to the local economy
- Development of this sector should result in export opportunities being identified
- Clustering benefits - higher order skills, increased supplier specialisation, returns to scale will accrue through the development of the sector
- Growth in this sector should enable import replacement to take place across the economy (for example, in manufacturing, construction and mining) and for export growth opportunities to be pursued.

Implementation

Table 15 – Manufacturing implementation

Strategic Actions
Continue implementation of the BWEZ Master Plan as a key driver of future sustainable economic growth and innovation.
Lobby for and complete the Western Highway duplication and the Ballarat Western Link Road to improve transport connections and ensure access for high performance and high mass freight vehicles. Lobby for inclusion of Ballarat in the Metropolitan Freight Terminal Network.
Commercialise the BWEZ Intermodal Freight Hub to deliver competitive advantage for existing businesses and the Ballarat export industry.
Identify sector supply chain gaps and target import replacement through investment attraction activities.
Actively support the Ballarat Industry Innovation Group to grow the manufacturing sector through research, collaboration, mentoring and the development of STEM related skills and disciplines..
Optimise the economic potential of Ballarat Airport through targeted investment, including development of the Ballarat Aviation Emergency Services Hub and related industry.

EDUCATION

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
4,101	474	346	84

Rationale

- Adds considerably to Ballarat's competitive advantage and is a major attractor of people to the city (which results in economic value creation)
- Fourth largest employment sector, with over 4,100 directly employed
- Opportunities to develop sector and link more closely with Ballarat's competitive identity
- Sector plays a major role supporting the region / regional economy
- Sector growth expected to continue in line with local and regional population growth and increasing demand for education-related services
- Potential for increased retention rates



Education & Training contributed **\$162m** (7% of the total) of the growth in Ballarat's economy from 2007-2014.

Policy alignment

- Securing Victoria's Economy - Positioning Victoria as the knowledge capital
- Innovation and Competitiveness Agenda – a more skilled labour force
- Free trade agreements
- Rural Education Plan
- DEECD 2013 – 2017 Strategic Plan
 - Provision of education, training, development, wellbeing and child health services to support all Victorians and build communities that prosper and are engaged and healthy
 - Encouraging strategies that support lifelong learning
 - Education identified as central to safe, healthy communities, economic growth, productivity and employment

Benefits

- Education options open to residents increase
- Knowledge creation is a key economic asset and builds on existing capacity
- Sector attracts residents and, therefore, adds considerable economic value to the city
- Sector will grow alongside population in worst case scenario, presenting development opportunities for supporting sectors

Implementation

Table 16 – Education sector implementation

Strategic Actions
Support investment in regional educational infrastructure to ensure Ballarat can continue to deliver quality educational outcomes and drive the city's vision as a premier, high tech and knowledge-based regional economy.
Work with education providers to integrate educational assets into Ballarat's branding, marketing and investment attraction strategies.
Leverage the success of Federation University's 'Earn as you Learn' program in investment attraction initiatives.
Explore opportunities for further education linkages within the Revitalisation Australian Catholic University Hospital Precinct Project (RAHAP).
Continue to support development and expansion of the Ballarat Technology Park, thereby building on Ballarat's reputation as a high tech and knowledge-based economy.
In conjunction with local universities, explore the possibility of developing a 'multiversity' in Ballarat by exploring integration opportunities.
Implement the innovative 'Platform for Growth' strategic actions (within this document) to build cross-sectoral R&D capacity that supports commercialisation, innovation and value adding opportunities.
Work with local firms, industry, IBM and health providers to promote Science, Technology, Engineering and Mathematics (STEM) based subjects and to assess the appetite for the Pathways in Technology Early College program (P-Tech) to promote access to technology from an early age.
In collaboration with Ballarat secondary schools and other government providers, draw attention to skill shortages, career pathways and emerging industries to enhance school leaver opportunities and promote school retention rates to young people.
Work with education providers to ensure existing and future growth constraints are addressed.

TOURISM

Jobs ⁷	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
2,699	310	138	51

Rationale

- Tourism can be developed into a significant tradeable sector, generating economic benefit and opportunity. For example, an independent study found Sovereign Hill's contribution to the Victorian economy was \$228.5m and 1,422 jobs in the 2012/13 financial year, of which the contribution to the Ballarat economy was \$173.8m and 1,273 jobs.
- Build on recent tourism developments such as National Road Racing, Heritage and Beer festivals. These events have had a positive economic impact on the city and add to the brand recognition of Ballarat.
- Ballarat has a compelling tourism offer that includes built form, heritage, cultural and man-made attractions. Located within easy reach of Melbourne, the Grampians, the Great Ocean Road, Ballarat is on the Melbourne to Adelaide route.
- There is an opportunity to leverage and develop the tourism assets to generate higher marginal returns to the industry.

Policy alignment

- Destination Management Plan
- Securing Victoria's Economy - Connecting Victoria to new markets
- Free trade agreements

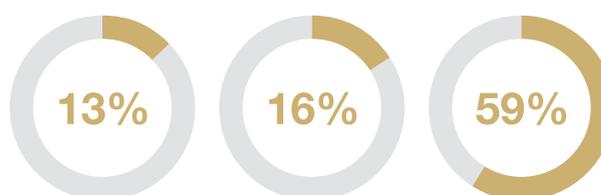
Benefits

- Source of ongoing employment and learning, particularly for younger people
- Attracts people into Ballarat, which produces flow-on benefits
- Promotion of Ballarat outside of 'traditional' geographic and industry markets
- Adds considerably to Ballarat's competitive identity / brand
- Tradeable sector, adding value to Ballarat's economy

Implementation

Table 17 – Tourism sector implementation

Strategic Actions
Support Ballarat Regional Tourism (BRT) to advance the development of the Tourism sector.
Grow tourism in Ballarat by supporting the Destination Management Plan and development of the Tourism Digital Strategy.
Work with BRT and tourism providers to integrate tourism assets into Ballarat's branding, marketing and investment attraction strategies.
Support further development of key sporting tourism precincts, including: <ul style="list-style-type: none"> • Equine precinct - racing industry and related tourism; • Eureka stadium - AFL games; • Ballarat Regional Soccer Facility – State level matches and tournaments; • Lake Wendouree - aquatic sports events; and • Ballarat Aquatic Centre - major short course swimming events.
Undertake a post-implementation review of the updated BRT governance structure to ensure the continued development of the industry.
Continue to support the development of Sovereign Hill's infrastructure expansion, including an upgrade to the sound and light show and the establishment of an internationally branded hotel in Ballarat.
Encourage the tourism industry, through BRT, to work with other sectors within Ballarat to ensure the economy-wide benefits of tourism are fully leveraged



Analysis of Tourism Research Australia data indicates visitation to Ballarat increased by **13%** between 2002 and 2012, with an increase of **16%** in domestic day trips, and a substantial increase of **59%** in international visitors..

Community events attract around 250,000 attendees each year in Ballarat including:

Begonia Festival	66,000
Heritage Weekend	25,000
Springfest	15,000

⁷ This data has been taken from the industry sector accommodation and food services, as a proxy for the broader tourism industry

CONSTRUCTION

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
2,240	846	256	114

Rationale

- The Ballarat economy and region is undergoing significant growth and this sector can lead this development
- Strong local builders and developers, with the potential to expand into regions outside of Ballarat and develop into a tradeable sector
- Despite the relative strength of the sector, there remains \$148m of imported construction activity in 2014. The continued development of this sector will reduce this deficit
- For every additional \$1 of output, construction is the strongest economic driver of local economic activity, with an output to local supply conversion ratio of 0.52. The next best output conversion ratio is electricity, waste and water, with 0.42. These utility based industries also have construction related components



Construction contributed **\$297m** (12% of the total) of growth in Ballarat's economy from 2007-2014.

Policy alignment

- Plan Melbourne - State of Cities
- Regional Growth Plan
- Innovation and Competitiveness Agenda – better economic infrastructure

Benefits

- Employment and opportunity creation
- Additional growth has a significant impact on the local economy; the sector is a strong driver of local employment creation and economic value
- Supports local housing affordability
- High levels of youth participation
- Natural pipeline of new enterprises

Implementation

Table 18 – Construction implementation

Strategic Actions
Facilitate delivery of the Ballarat West Growth Zone and implement the Development Contribution Plan to ensure an adequate pipeline of greenfield development opportunities.
Ensure an adequate and appropriate supply of industrial land for construction related industries through the delivery of Ballarat West Employment Zone.
Drive the Ballarat Regional Capital Plan as the investment mechanism for delivering a pipeline of capital infrastructure projects to support forward planning of the construction industry.
Initiate key urban renewal opportunities including the Selkirk Creswick Road Precinct, Railway Precinct and Delacombe Industrial Precinct.
Assist delivery of major construction projects over \$2m through Council's Investment Facilitation Group maximising jobs and investment to the city.
Continue to support and further grow the Developers Forum as a key network and business development initiative for the sector.

BUSINESS SERVICES

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
2,233	569	278	124

Rationale

- Business services is a high value adding sectoral; in itself but also through increasing value of other sectors
- Supports Ballarat's service sector role and plays a role in CBD activation
- City has a proven ability to attract service-related firms
- Fast-growing sector and currently underrepresented in Ballarat, therefore indicates a significant level of business services 'imported' with over \$330m of services imported into Ballarat during 2014

Policy alignment

- Securing Victoria's Economy - Positioning Victoria as the knowledge capital of Australia
- Plan Melbourne - State of Cities
- Innovation and Competitiveness Agenda
 - Industry policy that fosters innovation and entrepreneurship; and
 - A more skilled labour force

Benefits

- Growth of the sector increases economy's knowledge assets, which then acts as a further industry, asset and people attractor
- Supports transition from traditional sectors to strengthen and diversify Ballarat's economy
- Innovative and entrepreneurial culture
- Add to Ballarat's competitive identity / brand
- Provides career path for younger people
- Tradeable sector, adding value to Ballarat's economy and retention of escape expenditure

Implementation

Table 19 – Business Service implementation

Strategic Actions
Implement the Making Ballarat Central CBD strategy as a key pillar in the development of the Business Services sector.
Implement and support the Activity Centre strategy to grow the Business Service sector across the city.
Undertake a detailed analysis to identify import replacement opportunities for the Business Service sector to improve retention of escape expenditure.
Continue to advocate for the relocation of a high value major professional services firm to Ballarat, strengthening and diversifying the economy.
Undertake an analysis of future CBD commercial office space requirements utilising the current VIF population figures.
Continue to support professional and business service firm networking.

INFORMATION, COMMUNICATION AND TELECOMMUNICATIONS

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
800	408	194	243

Rationale

- Fifth largest value adding / employee sector (\$243k) and major employer, directly employing over 800 people
- Significant national sector which has major growth potential
- Established cluster - Ballarat ICT – is in place and positioned to guide cluster activities into the future
- Major attractor of knowledge-based workers to the city
- Potential to support innovation in other sectors and city's competitiveness generally through relatively higher adoption of ICT technologies
- ICT sector is an enabler for aligned and supporting strategies, such as CBD development and tourism



ICT contributed **\$164m** (7% of the total) of growth in Ballarat's economy from 2007-2014.

Policy alignment

- Securing Victoria's Economy - Positioning Victoria as the knowledge capital of Australia
- Plan Melbourne - State of Cities
- Innovation and Competitiveness Agenda
- Industry policy that fosters innovation and entrepreneurship and
- A more skilled labour force
- Free trade agreements

Benefits

- Growth of the sector grows economy's knowledge assets, which then acts as a further industry, asset and people attractor
- Innovative and entrepreneurial culture which adds to Ballarat's innovation baseline
- High value adding sector, increasing standards of living of the region via expenditures made by industry participants
- Adds considerably to Ballarat's competitive identity / brand
- Tradeable sector, adding value to Ballarat's economy

Implementation

Table 20 – ICT sector implementation

Strategic Actions
Review the role of Ballarat ICT and refocus its strategic direction to align with current industry needs, building Ballarat's capacity as a high tech and knowledge-based economy.
Support key stakeholders such as universities and ICT firms to maintain an appropriate skills pipeline through workforce development initiatives to build on the established ICT industry base.
Enable industry to identify and capture unique business development opportunities from the early roll-out of NBN.
Advocate for continued investment in and development of enabling ICT infrastructure.
Facilitate innovation through Council open data access, and support of initiatives that interrogate open data (e.g. Gov Hack, coded dojo).
Position Ballarat as a world class provider and centre for ICT and integrate into Ballarat's branding, marketing and investment attraction strategies.
Support the future development and expansion of the Ballarat Technology Park, capitalising on this regionally significant employment asset.

AGRICULTURE

Jobs	Output (\$m)	Value Add (\$m)	Value Add/Employee (\$'000)
386	94	38	98

Rationale

- Small but strategically important base which extends along value chain from research and development, productivity enhancing activities, such as seeds and fertiliser manufacturing, to the growing produce
- Critically important sector for Ballarat as the city is responsible for significant value added activities, notably in food processing
- Location of regionally significant agricultural assets are located within Ballarat including the sale yards
- The Victorian Government is focussing on research and development activities, with the aim to increase Victoria's agricultural production over the next 20 years
- Taps into strong research and industry niche that within Ballarat that can be leveraged into export earnings and developed as a tradeable sector

Policy alignment

- Securing Victoria's Economy - Connecting Victoria to new markets
- Growing Food and Fibre initiative
- A More Competitive Manufacturing Industry: New Directions for Industry Policy and Manufacturing
- Innovation and competitiveness agenda
- Free trade agreements
- Agricultural competitiveness white paper

Benefits

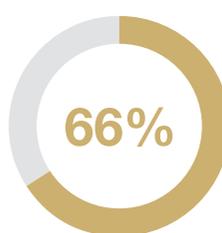
- Develop research and development capabilities
- Service markets outside Ballarat and develop export earnings for the city
- Ballarat's blend of lifestyle, location and opportunity acts as a strong attractor for agricultural related workforce
- Supports one of the region's key competitive sectors and sources of competitiveness (agricultural and food processing)

Implementation

Table 21 – Agricultural sector implementation

Strategic Actions
To capitalise on growing demand for food and fibre, undertake and implement an assessment of the region's agricultural capability, supply chain and value add opportunities and facilitate delivery of strategic direction and actions.
Assist the agriculture sector to identify new market and value add opportunities and work with the Victorian Government to explore local opportunities within the Food to Asia Strategy.
Support Cultivate (formerly CHAF) to promote industry capability and deliver networking and business development opportunities to the region.
Support the Ballarat Agricultural and Pastoral Society (BAPS) in determining its future direction.
Encourage development of a modernised saleyards facility as a key regional asset.
Ensure land use planning protects agricultural uses.

In the coming decades, population and personal income growth will increase global demand for food. Over the period from 2007 to 2050, Asia's demand for food is expected to double, led by a rapidly expanding consumer class with a greater ability and willingness to pay for high quality imported food and beverages.



By **2030**, Asia will be home to **two-thirds** of the global 'middle class' generating significant opportunities for Victoria's food sector.

(Food to Asia Action Plan, Department of Environment and Primary Industries, 2014).





APPENDIX A – Policy context and analysis

FEDERAL GOVERNMENT

Free trade agreement

The Federal Government through the Department of Foreign Affairs and Trade (DFAT) has an extensive agenda of liberalising trade through the establishment of Free Trade Agreements (FTA's). FTA's help Australian exporters access new markets and expand trade in existing markets.

Australia currently has seven FTAs currently in force with New Zealand, Singapore, Thailand, United States, Chile, the Association of South East Asian Nations (ASEAN) (with New Zealand) and Malaysia. The countries covered by these FTAs account for 26% of Australia's total trade.

Australia has recently signed FTAs with China, Korea and Japan. These agreements will enter into force when domestic processes have been completed. Korea and Japan account for 5% and 11% of Australia's total trade, respectively, and China is the largest trading partner.

Australia is currently engaged in six FTA negotiations. There are two bilateral FTA negotiations: India and Indonesia; and four plurilateral FTA negotiations: the Trans-Pacific Partnership Agreement (TPP), the Gulf Cooperation Council (GCC), the Pacific Trade and Economic Agreement (PACER Plus), and the Regional Comprehensive Economic Partnership Agreement (RCEP).

Industry Innovation and Competitiveness Agenda: An action plan for a stronger Australia

The fundamental aim of the Federal Government's Economic Action Strategy is to provide a competitive environment that allows businesses to create the jobs and prosperity needed for strong, secure communities and to maintain high living standards in Australia. The Innovation and Competitiveness Agenda is framed around four 'ambitions'. These are outlined in Table 22.

Table 22 – Innovation and Competitiveness Agenda

(source: Department of Prime Minister and Cabinet, 2014)

Ambition	Which means
A lower cost, business friendly environment	<p>The government will make it easier and cheaper to do business by:</p> <ul style="list-style-type: none"> • Reducing the burden of regulation; • Reducing the burden of taxation; and • Improving access to international markets and opening up the economy to greater domestic and international competition.
A more skilled labour force	<p>The government is committed to increasing the skills of our workforce to better prepare for the jobs and industries of the future by:</p> <ul style="list-style-type: none"> • Improving Australia's education and training system; • Attracting the best and brightest to Australia; • Returning our workplace relations system to the sensible centre; and • Helping parents stay in the workforce.
Better economic infrastructure	<p>To meet our country's economic infrastructure needs for the 21st century, the government is increasing public investment and encouraging greater private investment in infrastructure, and improving infrastructure project selection, funding, financing, delivery and use.</p>
Industry policy that fosters innovation and entrepreneurship	<p>The government is refocusing industry policy to drive innovation and entrepreneurship, not dependence on government handouts and protection. Industry policies will be re-targeted to capitalise on Australia's strengths and accelerate the growth prospects of our high-potential small and medium sized enterprises and most promising sectors. Government will consult with industry and researchers on a plan to focus the government's \$9.2 billion per year investment in research to get a better commercial return.</p>

The Innovation and Competitiveness Agenda also outlines a series of key initiatives that detail how the ambitions will be delivered. The key initiatives are:

- Encourage employee share ownership;
- Establish Industry Growth Centres;
- Reform the vocational education and training sector;
- Promote science, technology and mathematics skills in schools;
- Accept international standards and risk assessments for certain product approvals; and
- Enhance the 457 and investor visa programmes.

The Innovation and Competitiveness Agenda will support and reinforce Australia's G20 growth strategy. The world's major economies have committed to undertake ambitious reforms with the goal of lifting collective G20 GDP by more than 2% above the current trajectory over five years. G20 member countries' growth strategies were be announced in November 2014 at the G20 Leaders' Forum and focus on reforms in investment and infrastructure, trade, competition, employment and participation.

Agricultural competitiveness White Paper

The Australian Government has commissioned a White Paper to boost agriculture's productivity and profitability. This is consistent with government identifying agriculture as one of the five strategically important growth sectors of the economy in its innovation and competitiveness agenda.

The White Paper will drive the long-term agricultural policies of the government and aims to identify pathways and approaches for growing farm profitability and boosting agriculture's contribution to economic growth, trade, innovation and productivity.

As part of this process, a Green Paper has also been produced. It identifies the direction for agricultural policy in Australia and its key principles are:

- Increasing returns at the farm gate
- Keeping families as the cornerstone of farming
- Building the infrastructure of the 21st century
- Creating employment opportunities in agriculture
- Reducing unnecessary regulation at all levels of government
- Promoting access to key export markets
- Focusing on Australia's competitive advantages
- Supporting strong and vibrant regional communities and
- Maintaining access for all Australians to high quality and affordable fresh food.

Regional policy

The Australian Government, through the Department of Infrastructure and Regional Development, works in partnership with regional, rural, remote and Indigenous communities. The principle means through which this is conducted is via a network of 55 Regional Development Australia Committees comprising of government and non-government representatives. Funding from the department is organised around infrastructure and grants, such as funding for local roads, investment road and rail programme (infrastructure) and the National Stronger Regions Fund (NSRF). The Department has a position that encourages partnership approaches to funding, regional development and infrastructure.

STATE GOVERNMENT

Regional policy

The Victorian Government has an economic reform strategy that responds to current challenges and positions Victoria to capitalise on opportunities from global economic shifts. The strategy has four pillars:

1. Improving productivity, through investment in economic infrastructure, skills reform, creating competitive markets and reducing business costs;
2. Growing the economy and export markets to support Victorian businesses, particularly through enhanced international engagement;
3. Creating significantly stronger budget capacity to fund infrastructure, maintain high quality services and keep taxes competitive; and
4. Supporting industries and employees in transition.

This economic reform agenda provides the foundation for the development of the government's approach to regional growth.

The Victorian Government has a policy position that regional and rural Victoria is the key to balancing the state's future growth. A key government policy for regional Victoria is accelerating growth in regional cities.

In recent times Melbourne and its outer suburbs have experienced comparatively high population growth. Regional Victoria, which is also growing strongly, has a role to play in managing population growth throughout the state. Boosting regional growth can improve quality of life in regional areas and help to reduce pressures on Melbourne.

There is a strong body of evidence internationally that suggests accelerating growth in regional cities and rural regions can improve long term aggregate economic performance⁸. This requires a place-based approach where policies are designed with a detailed understanding of the unique growth enablers and constraints within each region. It includes a simultaneous focus on building human capital, promoting innovation and investing in infrastructure.

⁸ OECD (2011) *OECD Regional Outlook – Building Resilient Regions for Stronger Economies*, OECD: Paris.

Regional Jobs and Infrastructure Fund

The Regional Jobs and Infrastructure Fund (RJIF) is the Victorian Government's \$500 million overarching regional development package. It will invest in growing jobs, building infrastructure and strengthening communities in regional Victoria. As a dedicated regional development fund, RJIF addresses key challenges and opportunities to unlock regional Victoria's growth potential. The economic success of regional Victoria is critical to the longer-term success of the state. Regional Victoria makes an important contribution to Victoria's economy and liveability and accounts for around one third of the state's exports. It also has a wide range of economic assets and natural resources. Regional Victoria is home to a quarter of the state's population. With Victoria's population set to rise from 5.7 million to 10 million by 2051, regions are well-positioned to accommodate and capitalise on this growth.

Regional Strategic Plan

In 2010 the region released The Central Highlands Regional Strategic Plan (the Regional Plan). It provides a framework for a coordinated approach to achieving economic, social and environmental outcomes for the region over the next 10 – 15 years. The regional plan identifies the following major attributes of the region:

- Sustained Population growth: Affordable and appealing urban and rural residential environments, and proximity to Melbourne via rail and road links, which enables daily or regular commuting;
- Mining heritage;
- Higher education and training system delivery model;
- Located on the east-west transport corridor connecting Melbourne, western Victoria and Adelaide and large areas within Melbourne's peri-urban influence;
- IT and computing services: Central Highlands has the highest concentration in regional Victoria;

- Agriculture: Some of Victoria's most productive soils and highest quality horticultural growing conditions; and
- Growth of Ballarat: Victoria's third largest city.

Challenges for the regional economy include managing growth, development and change at the regional scale; managing the provision of services and facilities for a growing and changing population; capitalising on the capacity and liveability of existing cities and centres and building them into a strong cohesive network; improving inter- and intra-regional connectivity through transport and IT; facilitating education and training, workforce planning, job generation and investment to meet future workforce needs; and strengthening the management and sustainable utilisation of the region's natural resources.

Strategic actions to build on these economic strengths and address the challenges are:

- Managing land use and regional scale assets – support for the region's areas of productive soils that provide for horticultural production by securing their water resources and implementing a plan to ensure that they are not lost to residential/rural living development;
- Further investment in transport infrastructure – strengthen the east-west transport spine to create a 'regional corridor of opportunity';
- Tourism development – establish Australia's first heritage region linked to the goldfields heritage;
- Expanded services – use of IT and broadband to roll out a model of co-located and integrated primary healthcare facilities across the region; and
- Ballarat CBD revitalisation – provision of additional housing, including student housing and stronger higher education and vocational training capacity in the CBD.

Plan Melbourne - State of Cities

Plan Melbourne is a strategic planning document which outlines the vision for Melbourne's growth to the year 2050. 'A State of Cities' is a chapter within the plan which lays out a vision for how the growth potential of Victoria should be maximised through an increased capture of overall population growth by the regions.

While Victoria's population has increased by 15% in the last decade, 86% of this growth has occurred in Melbourne. The state's population is projected to further increase from 5.5 million to 8.4 million by 2051 and the regions, particularly the regional cities, must take a greater share of this population growth.

A State of Cities considers an alternative growth scenario to that of the past, whereby a greater share of Victoria's population growth is focused on regional centres. In this scenario, the cost of servicing new residents is significantly less than in the metropolitan and growth areas of Melbourne.

The plan outlines the following directions to increase population growth in the regions:

- Deliver a permanent boundary around Melbourne;
- Re-balance Victoria's population growth from Melbourne to rural and regional Victoria over the lifetime of the strategy;
- Integrate metropolitan, peri-urban and regional planning implementation; and
- Improve connections between the cities.

Plan Melbourne's commitment to encourage and facilitate population growth in Victoria's regional cities represents a great opportunity for the future growth and development of Ballarat. Ballarat is geographically well positioned to capitalise on regional population growth, being 110km from Melbourne and 85km from Geelong by car, and currently 1hr 20mins by rail to Melbourne's CBD. With these links and other regional connectivity set to improve, commuter and freight opportunities will be further enhanced, as well as Ballarat's capacity to service regional towns in its hinterlands.

Providing local direction to Plan Melbourne's commitment to growth in the regions are eight Regional Growth Plans which have been prepared for Victoria. The Central Highlands Regional Growth Plan provides broad guidance for land use and development across the region, of which Ballarat has the greatest influence on growth and development.

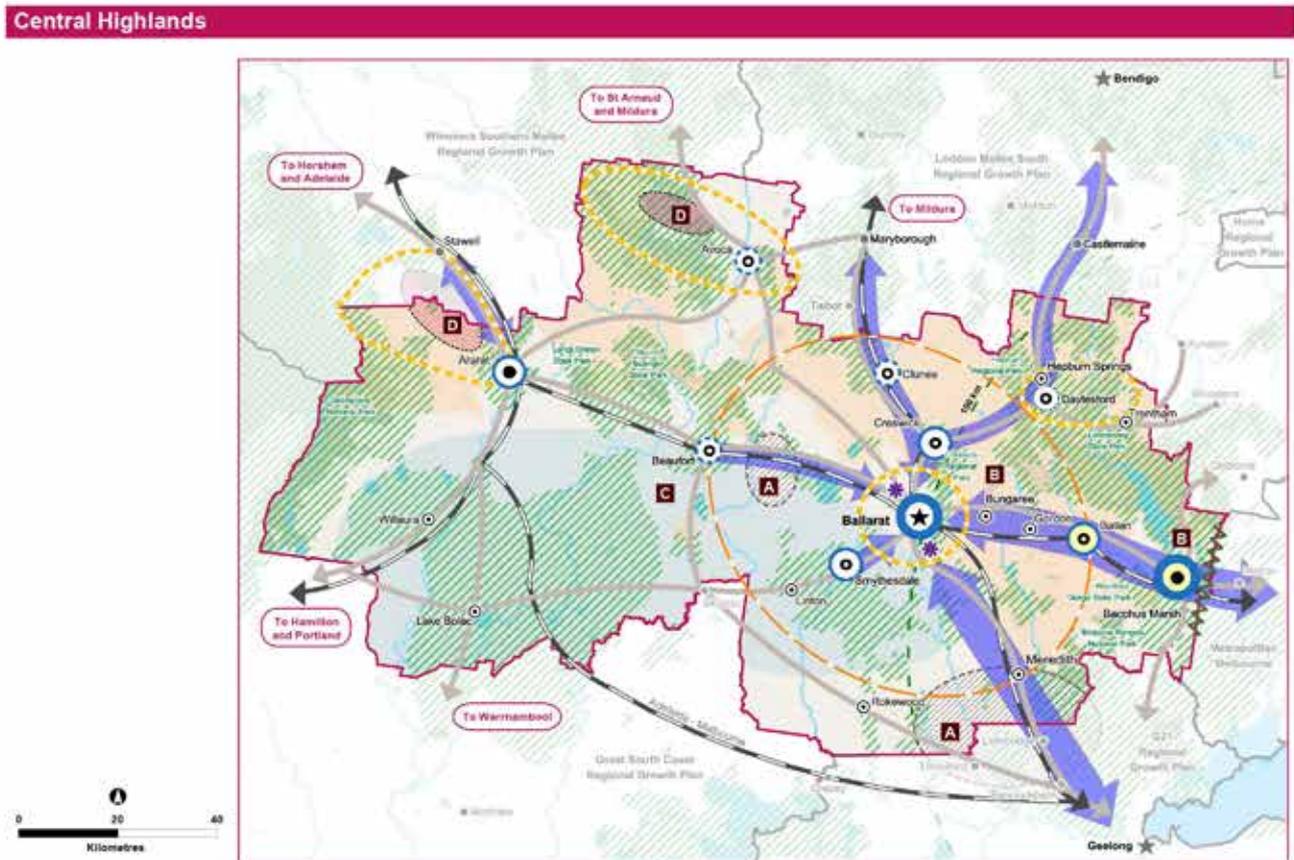
Population growth also breeds an increase in the number and variety of resources available in terms of manpower, skills and knowledge which, if managed appropriately, have the potential to give Ballarat a competitive edge.



Regional Growth Plan

The Central Highlands Regional Growth Plan (2014) details the Land Use Planning Platform for the Central Highlands Region for next 20 - 30 years. The plan contains a range of relevant policy directions for Ballarat. Figure 20 outlines these key directions.

Figure 20 – Regional Growth Plan



Future directions for Ballarat outlined in the plan are to:

- Support development and investment that is consistent with Ballarat's role as a regional city and the largest settlement in the Central Highlands;
- Facilitate growth of the city, particularly through planned development to the west and through infill opportunities;
- Encourage the development of Ballarat's Central Business District as a higher order activity centre with major employment, cultural, service and retail attractors;
- Provide appropriate social, physical and transport infrastructure to support growth; and
- Encourage the provision of regionally significant services and ensure they are easily accessible to their regional catchment through integrated land use planning and transport provision.

Future settlement role envisaged for Ballarat in the Regional Growth Plan is as a regional city, meaning that Ballarat will have:

- The highest levels of population and employment outside metropolitan Melbourne;
- Urban areas that encompass a variety of residential opportunities, with a clear commercial centre and smaller activity centres servicing suburbs;
- Offers the highest level of goods and services in regional Victoria, with at least one major retailing centre, and may include the head offices of major regionally-based firms, major retail firms, universities, regional hospitals and headquarters for policing and fire services; and
- Services a network of settlements on a regional scale and can influence the role of smaller settlements surrounding them from a lifestyle and commuter perspective.



The expected growth potential is for Ballarat to experience significant growth which means the city will experience:

- Strong and sustained development of multiple or significant individual new housing areas on fringe or infill sites of cities, centres and towns to meet strong local and external demand; and
- Pressure on existing and future infrastructure (already evident).

The level of planning policy support for growth of the settlement is to actively promote growth, which means:

- Proactively encourage and facilitate opportunities for major growth; and
- Support significant growth in areas identified in municipal strategic statements, framework plans, precinct structure plans, infrastructure planning and delivery programs.



Regional Cities Analysis - Ballarat

The Regional Cities group prepared economic analysis documents for its members. Using a place-based approach; the profiles contained key strategic initiatives that each city should consider further developing. For Ballarat, the key initiatives outlined are as follows:

Table 23 – Regional Cities Analysis - Ballarat

Strategic Initiative	Which means
Investment in export oriented industry and supporting infrastructure	<ul style="list-style-type: none"> • Leverage research and development capabilities for innovation. • Support Technology Park expansion and facilitate enabling investment in innovative enterprises (particularly building on ICT, manufacturing and health-care specialisation). • Support the identification of NBN leveraged opportunities.
Coordinated planning of infrastructure and land supply in growth areas	<ul style="list-style-type: none"> • Support for capacity development and early roll out of utilities and public transport infrastructure in growth areas. • Ensure accessibility to core community facilities. • Balance residential, industrial and agricultural demands for land.
Unlocking industrial development opportunities in West Ballarat	<ul style="list-style-type: none"> • Facilitate integrated transport logistics hub and employment zone near Ballarat Airport. • Plan for industrial opportunities and connections with residential growth areas.
Continued development of health and aged care facilities	<ul style="list-style-type: none"> • Investment to increase the scale of health facilities and their ability to service the surrounding region. • Investment in supporting medical clinics. • Support for infrastructure that increases access to health and other social services (public transport/ICT).
Improving transport networks, facilities and services	<ul style="list-style-type: none"> • Coordinate delivery of arterial road networks (especially Western Link Road). • Ongoing development of train station facilities and supporting infrastructure. • Improve reliability and frequency of public transport services.
Increasing educational pathways and aspirations	<ul style="list-style-type: none"> • Support for school retention and youth engagement programs. • Identify opportunities for new service deliveries as a result of NBN. • Support for higher education facilities developments and Industry partnerships.
Development of cultural and historical assets	<ul style="list-style-type: none"> • Investment in recognised cultural and historical assets (e.g. Art Gallery, Sovereign Hill). • Improve parklands, lakes and community facilities.

The Regional Cities Analysis also identifies strategic growth and challenged industries in Ballarat. These are identified in Table 24.

Table 24 – Regional Cities – growth and challenged industries

Strategic growth Industries	Challenged Industries
<ul style="list-style-type: none"> • Food Product Manufacturing • Construction • Other Retailing • Transport Equipment Manufacturing • Food Retailing 	<ul style="list-style-type: none"> • Gas, water and waste • Accommodation services





Victorian Freight and Logistics Strategy

Victoria – The Freight State outlines the long term strategy to improve freight efficiency, grow productivity and better connect Victorian businesses with their markets, whether local, national or international.

The Plan is supported by a series of key directions, strategies and actions intended to provide greater certainty to the private sector and to help inform business planning and investment decisions.

Regional Victoria generates around a quarter of the state's economic output (around \$71 billion annually) and one third of Victoria's exports. Agricultural exports contribute 29% to the national total of this sector, making Victoria the largest food and fibre exporting state, with exports totalling \$9 billion.

The manufacturing sector is also a key driver of regional freight demand, with growing investment in many regional locations. The state government recognises that port connections, while crucial, are only part of the regional freight solution. A substantial amount of Victoria's regional production is either part of a value-add process across the state or consumed domestically. As a result, links to Melbourne, across regions and to interstate destinations, are also critical to maintaining the competitiveness and productiveness of Victoria's regional industries.

The plan addresses regional rail freight network and capacity and covers regional freight bottlenecks, improved efficiency for regional access to export markets, enhanced regional connections for both road and rail, and management of freight impacts on regional communities. The key directions for regional freight include:

- Deliver the Transport Solutions program;
- Deliver other targeted works to improve the condition of Victoria's roads; and
- Work with regional councils and industry to develop a targeted approach to maintenance of the state's regional road assets as a part of delivering the recently announced enhanced road maintenance package.

Food to Asia (2014)

The Victorian Government recently released its key agricultural related policy, Food to Asia Action Plan - Putting Food and Beverages on Asian Tables. The principal objective of the Food to Asia Action Plan is to build on the strengths of Victoria's agricultural industry to boost exports of premium food and beverage products to Asian markets. The strategy aims to complete this objective through lifting productivity, profitability and innovation along the food supply chain.

The strategy outlines the opportunities to grow food related exports to Asia, where demand for food is expected to double by 2050. Particular emphasis is placed on the growth of the Asian middle class, which will represent two thirds of the global middle class by 2030. This growth creates opportunities for increasing sales of high quality imported food and beverages, driven from growth in discretionary income, as well as changing preferences towards meat and processed foods rather than traditional staples such as grains. These factors will be the source of increased demand for Victorian food related products and services.

In order to realise these opportunities, Food to Asia identifies seven areas to develop:

1. Improved access to Asian markets;
2. New markets for premium products;
3. The right workforce to supply Asia;
4. More efficient movement of products to Asian markets;
5. Better targeted R&D, extension and innovation;
6. Streamlined regulation and reduced red tape; and
7. Increased capital investment.

Critically for this project, the strategy recognises that regional Victoria is home to the majority of Australian's food industry related jobs and the initiatives, therefore, have a strong focus on actions that support economic and employment growth in regional and rural Victoria. The plan also recognises the role that SME's will play in delivering the Food for Asia strategy.

LOCAL POLICY

Council Plan

The City of Ballarat’s Council Plan (2013) is a statutory requirement of the Local Government Act. It outlines:

1. The strategic objectives of Council;
2. Strategies for achieving the objectives for at least the next four years; and
3. Strategic indicators for monitoring the achievement of the objectives.

The current plan, covering the period 2013 - 2017 identifies four themes. Each theme has a number of strategic objectives to be delivered over the four year period and a set of indicators to measure the level of success in achieving these objectives.

Three of the themes are externally focussed and referenced explicitly in the Ballarat Planning Scheme at Clause 21.03 of the Local Planning Policy Framework (LPPF).

These three themes⁹ are shown in Table 25.

Table 25 – Ballarat City Council – Council Plan

Theme	Which means
Growth and development	Ballarat as a well-planned city that maintains a unique urban character, provides accessible, connected and safe urban areas and facilities, supports diverse housing and active transport options, and uses resources sustainably while adapting to changes in climate.
People and communities	Ballarat as a safe and well-served city that provides equal access to opportunities for its citizens at all stages of life, has connected communities that participate actively in civic life and offers diverse and accessible recreation, leisure and sporting opportunities that encourage healthy lifestyles.
Destination and economy	Ballarat as a city with a prosperous, growing economy that attracts and retains innovative businesses and enterprises, who employ a highly skilled local workforce, attracts new residents and promotes the city’s unique heritage and vibrant cultural life.

⁹ There is an internally focussed theme, managing our business which refers to Council’s plan to manage its own operations in an effective and efficient manner.

Implementing the strategies identified in the Council Plan will ensure the following objectives are achieved:

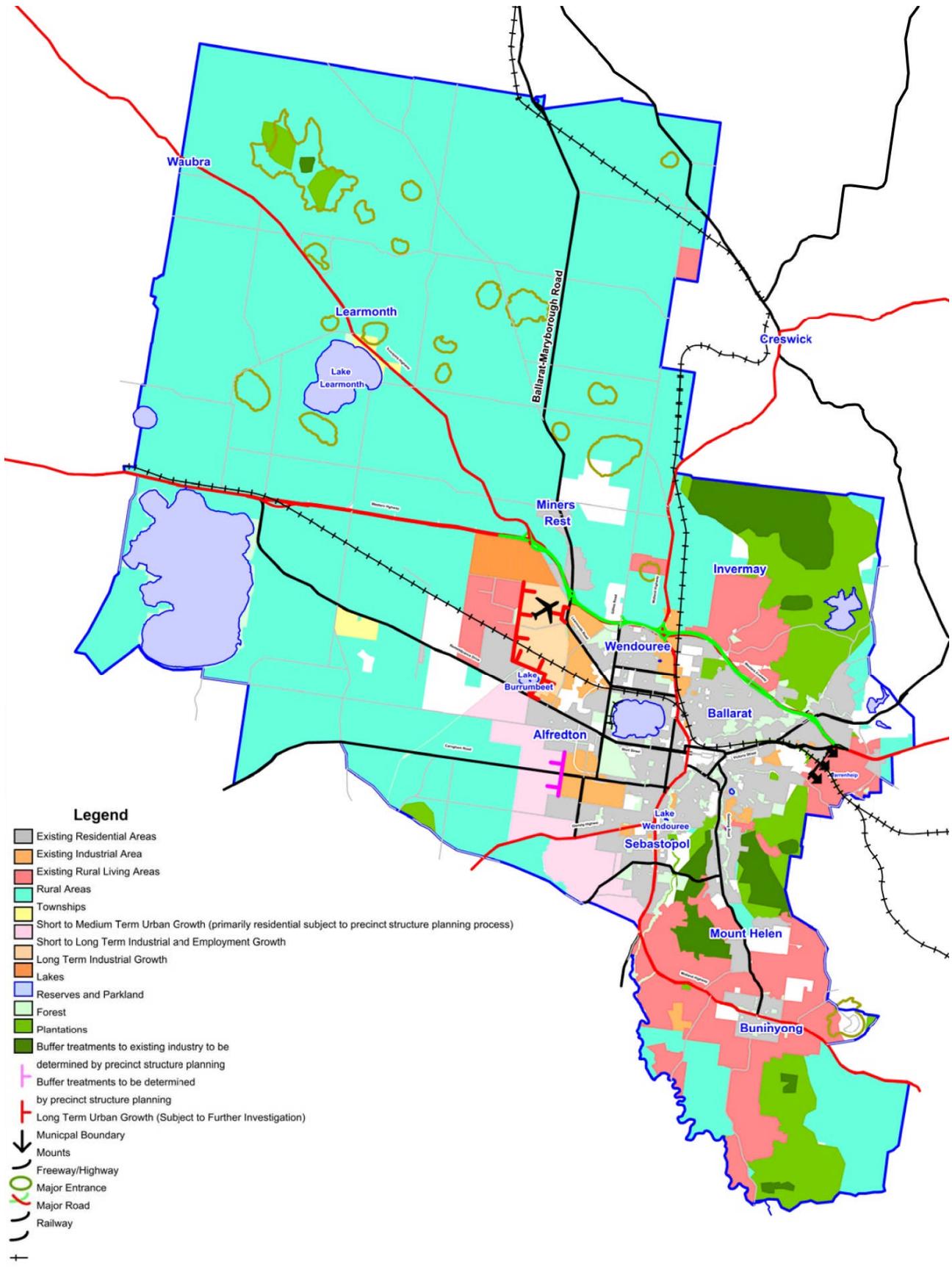
- Stimulating job growth and a stronger economy;
- Creating a more vibrant city;
- Beautifying the city;
- Managing its assets; and
- Working towards innovative waste, water and energy solutions.

While this Economic Program has a natural home as part of the destination and economy portfolio, the linkages between each of the themes means that the Program must act to influence them all and countenance issues arising as part of the growth and development and people and communities themes. Delivering economic outcomes will aid in the delivery of the objectives outlined in the Council Plan.

The following Overall Framework Plan for the municipality provides an overview of existing land uses and proposed directions for growth (Figure 21).



Figure 21 - Ballarat Planning Scheme







Destination Management Plan (DMP)

The Destination Management Plan (2013) identifies nine priority projects which meet the strategic goals of growing length of stay and yield, growing the economic value of tourism, meeting key market segment need, improving visitor experiences and providing innovation in tourism.

The priority projects are:

- Railway precinct exhibition space;
- Wendouree Sports and Events Centre expansion;
- Contemporary budget hotel;
- 4.5 star hotel and conference centre;
- Health precinct masterplan;
- Lake Wendouree Framework plan;
- Sovereign Hill's reinvestment in Blood on the Southern Cross, new play space and Post Office dam works;
- Centre of Craft Beer Excellence; and
- Large exhibition precinct.

The construction phase of these projects will result in \$500m of economic value and create 900 jobs, with an estimated \$60m of ongoing increase in output and 500 jobs.

In addition to this, the DMP identifies a further eight projects to be undertaken in Ballarat's nearby historic villages. While these villages are not within Ballarat's geographic boundary, they leverage off Ballarat and are complementary to the city's tourism offer and include links to the Victorian gold rush, arts and cultural tourism, nature based tourism and they are within a short trip from / to the Ballarat CBD.



Making Ballarat Central – The CBD Strategy (2011)

Prepared over 2010-11, the Strategy includes a long-term vision for the CBD and identifies objectives, strategies and actions under five theme headings.

An implementation plan accompanies the document and details responsibilities, key stakeholders and priorities. The long-term vision for Ballarat proposes that in 25 years the CBD will be:

- A premier regional centre in Australia, providing a 'Capital City' experience and contributing to the nation's economic wealth and cultural breadth;
- The thriving retail, commercial, community, educational and cultural focus of western Victoria;
- One that reflects the unique character, aspirations, abilities and history of the community;
- Cohesive and accessible by people of all abilities, ages and means of transport and easy to move around on foot;
- A vibrant, exciting and friendly place that attracts visitors, residents, shoppers, students, artists and business investment;
- A leader in ecological sustainability practice;
- A place with a proud heritage reflected in its buildings, streetscapes and a living history, while showcasing innovation and creativity; and
- Elegant and beautiful, exciting and multi-layered.

The Strategy became a Reference Document and is listed at Clause 22.10 of the Ballarat Planning Scheme.

Activity Centres Strategy (2012)

The Ballarat Activity Centres Strategy was prepared in 2012. The Strategy focuses on 13 existing and two planned Activity Centres in the City of Ballarat as shown in figure 22. Accordingly, the Strategy focuses on centres designated for retail and commercial office uses as well as centres that generate employment through special uses such as health and education.

The strategy identified a hierarchy of centres (13) across Ballarat and these centres accounted for almost 688,900sqm of floorspace¹⁰. The greatest share of floorspace, equivalent to 426,662sqm or 61.9% of all floorspace, was located within Ballarat's CBD.

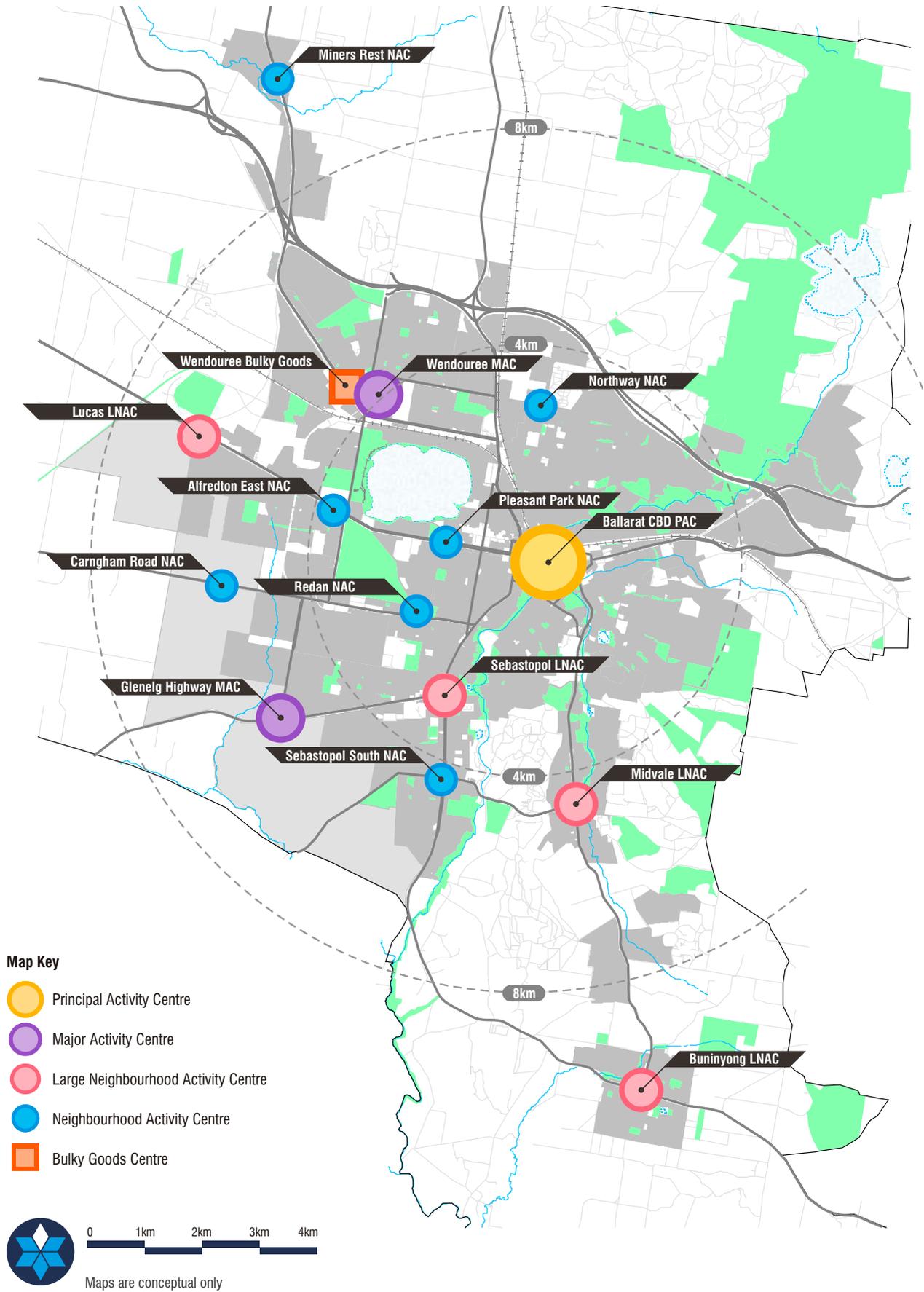
Other centres of note include Howitt Street, Wendouree (69,981sqm or 10.2% of floorspace) and Wendouree including Stockland (57,918sqm or 8.4%). The floorspace analysis for each of the activity centres is shown in Table 26.

Table 26 – Floorspace analysis

Centre	Retail	Commercial	Community	Other	Vacant	Total	Proportion of Total
Alfredton Aldi	3,698	100	-	-	54	3,852	0.6%
Ballarat CBD	194,749	123,428	3,851	86,083	18,551	426,662	61.9%
Ballarat City Peripheral	23,635	25,974	1,922	15,037	3,008	69,576	10.1%
Ballarat Marketplace	14,767	-	-	-	-	14,767	2.1%
Buninyong	2,470	3,060	-	555	374	6,459	0.9%
Maxi Food	2,658	542	-	111	-	3,311	0.5%
Midvale	4,199	563	-	74	46	4,882	0.7%
Miners Rest IGA	1,779	-	-	150	-	1,929	0.3%
Northway	1,708	-	-	-	-	1,708	0.2%
Pleasant Park	1,990	694	-	-	-	2,684	0.4%
Sebastopol	4,668	909	360	3209	55	9,201	1.3%
Sebastopol North	14,718	520	-	308	405	15,951	2.3%
Howitt Street Wendouree	35,305	10,722	-	21,162	2,792	69,981	10.2%
Wendouree	42,239	4,077	-	3,416	8,186	57,918	8.4%
Total Floorspace	348,583	170,589	6,133	130,105	33,471	688,881	100.0%

¹⁰ Ballarat Activity Centres Strategy Hill PDA (2012:42)

Figure 22 - Current Activity Centres Source: Ballarat Strategy 2014



Ballarat Strategy (2015)

The Ballarat Strategy was released for preliminary comment in November 2014. It is a visionary document setting out Ballarat's growth aspirations to 2040, including:

- A new approach to managing change in a historic city;
- A new hierarchy of Regional Capital Precincts and infrastructure required to support their growth;
- The '10 minute city' to guide decision-making;
- A new approach to manage environment and connecting neighbourhoods;
- A future spine network of frequent, logical and convenient public transport, and the land use decisions needed to make it happen;
- Guidance on the future of infill and redevelopment; and
- Empowerment and support for rural and township communities.

Of particular relevance to the Economic Program is 'A new hierarchy of Regional Capital Precincts' which builds on the CBD Strategy and Activity Centres Strategy.

It notes that:

- The Activity Centres Strategy has been very successful in promoting vibrant retail centres and preventing the spread of development in an unplanned and ad-hoc manner. However, this hierarchy is a retail based hierarchy, meaning it deals primarily with commercial nodes of shops, offices and supermarkets but doesn't consider other key sites such as: Sovereign Hill; Lake Wendouree; Federation University and the Technology Park at Mount Helen; Ballarat West Employment Zone; or the health and hospitals precinct in Mair Street; and
- These other centres are equally, and some cases more significantly, offering the services and jobs to the community but are not currently considered in the planning scheme as part of a formal hierarchy.

A key action of the Ballarat Strategy is that all key centres require recognition via the development of a new and more inclusive hierarchy that builds on the current strategy.

Building on this is the concept of 'Regional Capital Precincts', which captures areas across Ballarat offering a service, cluster, business or innovation or a destination that significantly contributes to Ballarat's position as the 'capital of western Victoria'. These precincts will become increasingly important over the long term as they attract investment and co-location of ancillary businesses and institutions. A skilled labour pool, enabling infrastructure and convenient public transport, will support knowledge sharing and the ongoing development of these areas into increasingly vibrant precincts and popular destinations.

The proposed future hierarchy outlined in the Ballarat Strategy recognises these precincts and will propose to embed them in the Ballarat Planning Scheme. This is a key linkage with the Economic Program as Ballarat readies itself for the next period of sustained growth. It is proposed to implement an approach similar to the new Victorian Government hierarchy approach for Melbourne.





Ballarat Regional Capital Plan – Ballarat Capital of Western Victoria

Ballarat Regional Capital Plan, A roadmap for transformative growth to strengthen Victoria’s state of cities, outlines Ballarat’s vision for itself into the future. Key to achieving this is:

- For Ballarat to become a premier regional centre in Australia, providing a capital city experience and contributing to the nation’s economic wealth and cultural breadth; and
- A thriving retail, commercial, educational and cultural focus of western Victoria.

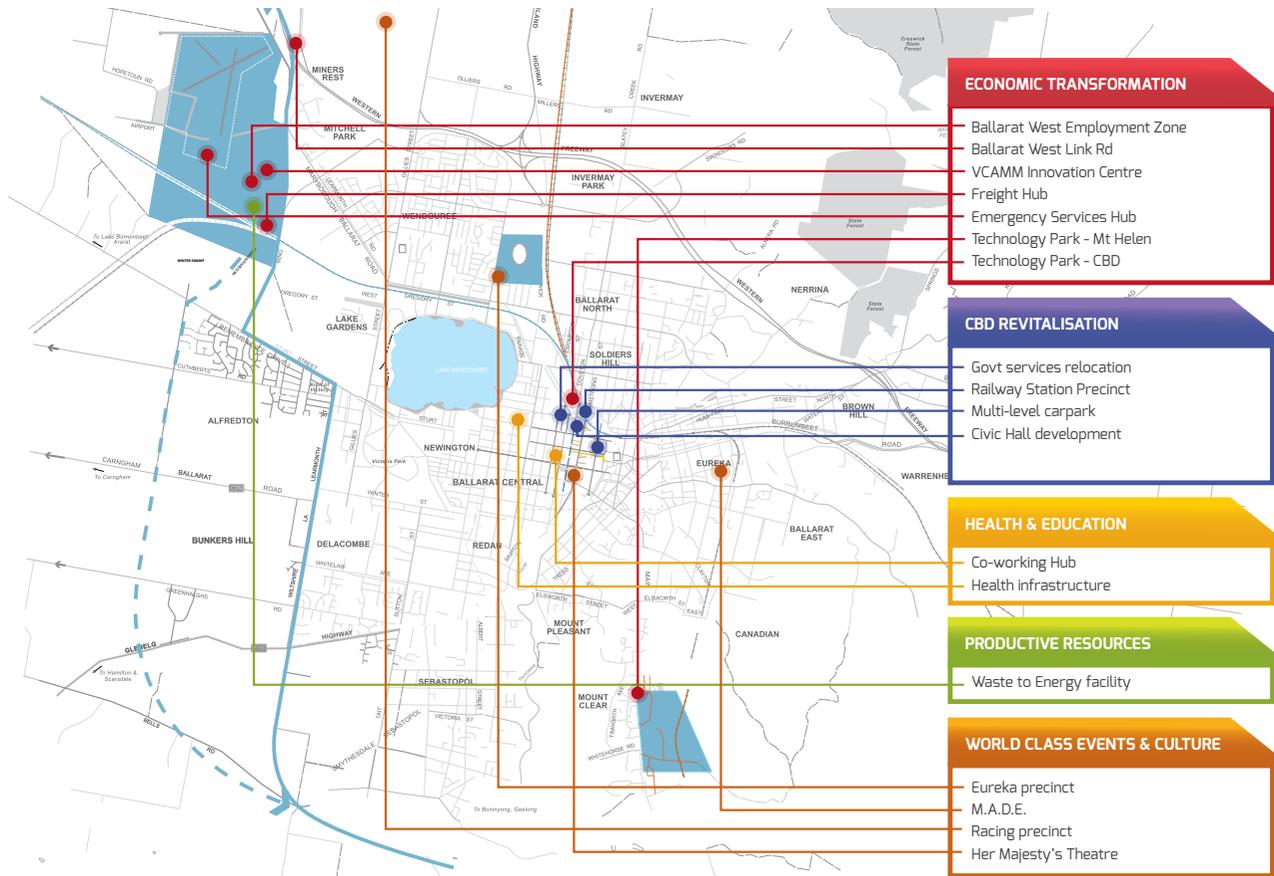
The Economic Program directly addresses the state of cities strategy outlined in Plan Melbourne and details how Ballarat can play a role in delivering on this strategy.

The Capital Plan lays the roadmap for how this Program will be achieved through the delivery of 24 key and strategic projects worth more than \$824m over the six thematic areas outlined in Table 27 and Figure 23.

Table 27 – Ballarat Capital Plan – Strategy areas

Thematic strategy area	Which means	Project value (\$m)
Ballarat Regional Capital Fund	Dedicated project funding to deliver the key transformative projects to support the future growth of the region.	1
Economic transformation	Improved productivity and competitiveness that can generate the future jobs a growing population requires.	527
CBD revitalisation	A vibrant CBD that supports retail, cultural enterprise, professional services, and residential development.	64
Regional health and education	Improved regional health and education capabilities to meet the growing demands of an ageing population and other sectoral needs in terms of workforce development, re-skilling, structural adjustment and growth.	139
Productive resources	A balanced approach to key resource usage, focusing on energy and waste	22
World-class events and culture	The facilities to attract and house world-class cultural and sporting events, as befits a capital city.	71
	Total Project Value	\$824

Figure 23 - Regional Capital Plan projects





CITY OF
BALLARAT 

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