

BALLARAT

Highlights

- \$5 billion Regional Rail Link
- \$950 million wind farm
- Lucas master-planned suburb
- \$518 million rail upgrades
- Ballarat West Growth Zone
- Regional centre for: manufacturing, agriculture, education, tourism, health services, retailing and mining.

Suburb - houses	Typical prices
Ballarat	\$370,000
Ballarat East	\$285,000
Ballarat North	\$330,000
Buninyong	\$360,000
Wendouree	\$245,000

Ballarat is one of Australia's strongest regional cities. It thrives through a diverse economy, a growing population and proximity to Melbourne.

Ballarat is the centre of the historic goldfields region, attracting tourists throughout the year.

Mining has been supplanted by other economic drivers, including agriculture, manufacturing, tourism and an emerging hub for information technology.

Ballarat is also the centre for a region with a number of major wind farm developments.

The city's prospects have grown with the completion of the \$5 billion Regional Rail Link, adding to Ballarat's appeal as an affordable city within commuting distance of Melbourne jobs.

Ballarat suburbs have median house prices ranging from \$244,000 to \$376,000, emphasising the city's appeal as an affordable lifestyle alternative to Melbourne.



Economy and Amenities

The combination of affordable housing and regular rail links to Melbourne are key factors in the growth of Ballarat's population.

A fast train service started in 2006, cutting the journey from Ballarat to Melbourne to about 60 minutes (faster than driving via the Western Highway). The completion of the Regional Rail Link has brought further improvements.

Ballarat is seen as an emerging "knowledge" city – a regional hub for data processing services and research & development. Federation University Australia (formerly the University of Ballarat) and the Greenhill Enterprise Centre are both associated with the development of IT.

Health care and social assistance also have a strong bearing on the local economy. Between 2007 and 2014, this sector experienced Ballarat's largest increase in the number of jobs with 1,844, followed by accommodation and food services (999), education and training (886) and construction (619), according to the City of Ballarat.

Major industries

- Education

The education sector employs 3,554 people and contributes \$139 million to regional exports.

Federation University is regional Victoria's largest institution with three campuses in Ballarat where it has 1,500 staff and 25,000 students.

The Ballarat Technology Park, which has served Ballarat for 20 years, employs 1,500 and contributes \$100 million to the regional economy each year.

- Health

Ballarat is western Victoria's largest provider of health care, delivering services for a region of 250,000 people, says the City of Ballarat. The health and community sector is the largest employer in the region with 6,800 people employed in the field.

As retirees from regional Victoria move to Ballarat for aged health care, the number employed in the health industry is expected to rise to 10,300 by 2031.



Location

- 110km north-west of Melbourne
- Strategic position amid major freight, tourism and commuter transport routes
- Four main highways – the Western, the Midland, the Glenelg and the Sunraysia – connect to Melbourne, Adelaide, Geelong, Bendigo, Mildura and Portland
- LGA: City of Ballarat



Population:

- Population (2011 Census): 95,600
- Projected population by 2031: 140,000
- One of Australia's largest inland cities.

Source: ABS



Unemployment - December 2016

Ballarat: 5.3%
Victoria: 5.2%

Source: ABS

- Manufacturing

There are 200 manufacturing businesses in the region, many of which add value to the agricultural output. The ABS puts the total gross value of agricultural production at \$40 million a year.

Employment in manufacturing is generated by a group of major operators which include Masterfoods Australasia, Haymes Paints, Maxitans (Australia's largest supplier of road transport trailing solutions), McCain Foods and Gekko Systems – manufacturers of mining equipment.

Ballarat manufacturer Alstom builds trains for Melbourne's rail system. Alstom invested \$8 million to upgrade its Ballarat facilities and was awarded a \$176 million contract to build eight trains for Melbourne's fleet in 2013. Alstom won another contract for 30 carriages in 2015.

- Tourism

Tourism is a key industry. Data revealed by Tourism Research Australia shows a 15% increase of domestic travellers in the year to June 2016, with 2.5 million people visiting the city for an estimated economic input of \$400 million.

As the heart of the Goldfields, Ballarat attracts 13% of visitors to Victoria. Chinese tourists tracing their ancestors in the gold mines are significant to the tourism industry.

Sovereign Hill, an open-air museum and historical park, was named best major attraction in Victoria in October 2014. It is in the Tourism Victoria hall of fame after three consecutive wins in the past.

The tourism sector has a local workforce of 2,013 people employed in accommodation, cafes and restaurants.

- Gold mining

Ballarat still has a gold mining industry. A 2013 report said the Ballarat Gold Project had produced \$43.4 million in revenue in its first full year of operation by Castlemaine Goldfields (owned by Singapore-based LionGold Corp Ltd).

- Construction

Enhanced by industrial estates in Ballarat West and infrastructure developments in the health sector, the construction sector continues to provide a significant level of employment. It contributes \$847 million to the local economy and employs over 2,000.

Property Profile

In 2013 Ballarat was ranked in Australia's top 10 investment areas by *Australian Property Investor* magazine. Ballarat's score was based on affordability, population growth, employment, rent returns and accessibility to Melbourne.

More recently, data from the Real Estate Institute of Victoria revealed that two-bedroom houses in Wendouree outperformed metropolitan areas by delivering a return of 5.9% for investors in the December 2016 quarter.

With improvements to the Western Highway and the newly-completed Regional Rail Link, Ballarat is positioned to attract an influx of city "refugees" – those leaving Melbourne because of the high cost of housing and in search of a more relaxed lifestyle.

New housing estates to accommodate the growth are currently under construction.

- Building approvals

Building approvals in Ballarat have been growing strongly, with 900–1,100 dwellings approved every year between FY2010 and FY2015.

In summary, approvals for the last three years are:

- FY2016 - 864
- FY2015 - 1,069
- FY2014 - 901.

The areas highlighted for residential growth include central Ballarat and Wendouree, while Canadian Valley has been earmarked for protection against inappropriate development.

- Sales and price history

Ballarat has a busy market, with 1,160 house sales in the past 12 months. Alfredton has recorded good median price growth of 10% in the past 12 months, but growth rates elsewhere have been more subdued.

Recent growth has nudged the long-term averages, i.e. the average annual growth in median house prices over 10 years, up to 4-6% per year for several suburbs of Ballarat.

Solid rental yields above 5% can be found in Sebastopol, Wendouree, Delacombe and Redan.

- Vacancy rate

The vacancy rate in postcode 3350, according to *sqmresearch.com.au*, is currently 2.5%.

The Ballarat property market can be summarised as follows:-

Suburb	Sales Houses	Median Houses	1-year Growth	Growth Average	Median Yield
Alfredton	212	\$375,000	10 %	2 %	4.4 %
Ballarat Central	92	\$376,000	6 %	6 %	3.9 %
Ballarat East	136	\$285,000	2 %	5 %	4.9 %
Ballarat North	64	\$330,000	5 %	4 %	4.4 %
Black Hill	40	\$298,000	-1 %	3 %	4.7 %
Buninyong	55	\$360,000	-3 %	4 %	4.3 %
Delacombe	99	\$320,000	4 %	4 %	5.2 %
Redan	66	\$250,000	-1 %	3 %	5.2 %
Sebastopol	180	\$248,000	3 %	3 %	5.5 %
Wendouree	216	\$244,000	0 %	3 %	5.5 %

Source: CoreLogic – “No. of sales” is the number of house sales over 12 mths; “Growth ave.” is the average annual growth in median house prices over 10 yrs. “Snr”: statistically not reliable

Future Prospects

Ballarat stands out among Australia’s regional centres as a place with a high level of development of infrastructure and property projects.

Ballarat’s proximity to Melbourne makes it an attractive alternative to city living and higher city property prices, especially now the Regional Rail Link has made Ballarat within easier commuting distance of Melbourne’s CBD. The Victorian Government has reported a 13% increase in rail commuters on the Ballarat rail line in 2015.

The City of Ballarat is transforming greenfields land into residential estates, beginning with Ballarat’s western employment zone.

An area of 569ha north of Ballarat, nestled around Miner’s Rest and bounded by the Western Freeway and Midland Highway, has also been earmarked for long-term residential development by the Council.

- Road and Rail Transport

The \$5 billion Regional Rail Link was completed in June 2015. The aim of the Rail Link was to ensure Ballarat trains were no longer caught behind Metro trains between Sunshine and Southern Cross Station, improving service reliability and enabling capacity for more V/Line services in the future.

CORE INFLUENCES

Transport Infrastructure

Government Policy

Boom Towns

However, the Ballarat rail line has continued to have performance issues, with congestion and delays. This prompted the State Government to announce in April 2016 that \$518 million would be spent on further upgrades.

These include the duplication of a 17km section of single track between Deer Park West and Melton as well as 3km of track west of Warrenheip. Three additional crossing loops will be built at Bacchus Marsh, Ballan and near Bungaree, while stabling facilities will be built at Melton and Rowsley.

The loops will provide more ways for trains to pass each other, meaning fewer delays to the line.

The upgrades are the first steps towards future electrification of the line to Melton, which could be completed by 2026.

Extra services will also be introduced, while \$280 million will be invested in 27 new V/Locity carriages to allow space for 2,000 extra passengers across the regional V/Line network.

Ballarat firm Alstom has begun processing a State Government contract, awarded in March 2015, to manufacture 30 train carriages. Each carriage will cost \$75-\$90 million and will ensure ongoing employment for 70 workers.

More recently, train and tram maker Bombardier has announced a partnership with local company, DW Controls, to help build new E-class trams for Melbourne. The additional workload will require 30 new employees.

The Ballarat Link Road is a key transport priority of the City of Ballarat. The 16km road will be a major north-south arterial road and will provide a direct link from the Western Highway to the Midland Highway. The project will be delivered in stages over the next 25 years, subject to demand and funding.

The link road will support the development of the Ballarat West Employment Zone as well as the city's rapidly expanding suburbs.

Longer term, there are plans for stage 2 of the Ballarat Western Link road. The project is expected to cost \$150 million and will be delivered over 20-30 years, with both the land acquisition and construction subject to funding.

- Education

When it comes to education, as Business Ballarat says, the city is "in a class of its own". Ballarat has two universities (Federation University Australia and Australian Catholic University), a TAFE Institute, nine secondary schools (four government and five private) and over 50 primary schools.

Federation University's \$2.1 million Ballarat Technology Park opened in March 2014. There are plans for a \$9 million expansion of Ballarat's CBD-based technology park, which would create 200 new jobs and start new businesses.

Elsewhere, the State Government spent \$29 million on building two new schools in Ballarat and improving three others in 2015. Another \$18 million is to be spent on upgrades of five kindergartens and several secondary schools across the region in 2017.

- Ballarat West Precinct and Employment Zone

The Ballarat West Employment Zone (BWEZ) is a staged development of 438ha near the Ballarat Airport. The zone will encompass an industrial estate for a range of manufacturing, agribusiness, construction, freight and logistics, and research uses. It will include large lots, a freight hub, access for high-productivity freight vehicles and infrastructure.

Local construction firm Pipecon began construction of the BWEZ in 2016. Broadbent Grain, Agrimac and Kane Transport are three businesses which will establish a base in the hub.

The \$30 million joint initiative between City of Ballarat and the State Government is expected to generate 9,000 jobs in the long term.

A shopping centre is to be built at Cherry Flat Road as part of the BWEZ. The centre will include a discount department store, supermarket, speciality stores, a mini-major store, fast-food restaurant, medical centre, offices, gymnasium and a Kmart Tyre and Auto Centre.

BALLARAT WEST PRECINCT AND EMPLOYMENT ZONE – FAST FACTS

- 18,000 homes over 30 years
- 9,000 jobs
- \$5 billion in economic activity annually.

- Ballarat West Intermodal Freight Hub

The Intermodal Freight Hub will take up 16ha of the BWEZ. Stage one will see the development of a road freight facility, which will include warehouses, hardstand, access roads, fencing, buildings, a weighbridge, truck wash, container storage and rest areas.

The hub is designed to improve transport efficiency, service the freight demands of the region (expected to double in the next 30 years) and improve the cost competitiveness of regional firms. It is expected to contribute \$60 million annually into the economy and support 239 jobs.

- General infrastructure

Much is happening in Delacombe, where a \$60 million shopping precinct is under construction. The shopping centre will house Woolworths, Kmart and cinemas, eventually servicing 12,000 residents by 2030.

Residential estates are beginning to appear and at least 3,000 lots have been approved. Construction of the 700-lot Pinnacle residential estate and the 1,100-lot Winterfield master-planned community has begun.

The relocation of the Ballarat saleyards to Miners Rest was approved in 2015. The \$20 million saleyards would have an annual throughput of 1.6 million sheep and 70,000 cattle. At peak events, 17 staff, 48 agents, six livestock contractors, 12 drovers and up to 100 patrons would be in attendance. It would host 48 prime cattle sales, 51 sheep sales and 13 store cattle sales each year.

Miners Rest is also marked by the local council for long-term development.

In June 2015, the Victorian Government committed \$31.5 million to the Ballarat Major Events Precinct. The funding will support the development of a sporting hub capable of hosting premier cultural, entertainment, recreation and sporting events. The funding covers:

- \$15 million: Eureka Stadium
- \$9 million: Ballarat Sports & Events Centre
- \$5 million: Ballarat Showgrounds
- \$2.5 million: C.E Brown Reserve

The City of Ballarat has committed \$5 million to the Ballarat Sports and Events Centre.

Other planned projects include the \$9.13 million Ballarat Intermodal Freight Hub, a bio-energy co-generation plant, and a Bio-Technology Innovation Centre. Federal funding will be sought for these.

- Wind farms

Wind farms are a growth industry for the Ballarat district. Currently, there are four operating wind farms, the largest being located at Waubra. The Waubra wind farm generates enough electricity to power 145,000 homes each year.

A further four projects, including the \$950 million Stockyard Hill farm near Skipton, could be up and running by 2020. With 149 turbines, Stockyard Hill would generate 471 megawatts of renewable energy each year, enough to supply 250,000 homes.



Another major wind farm project is the 75-turbine Ararat Wind Farm. The contract for this development was signed by Partners Group, RES, OPTrust and GE in June 2015. Costing \$450 million, Ararat Wind Farm will provide around 6% of Victoria's energy, or power 120,000 homes.

Meanwhile, the latest wind farm proposal at Rokewood, the Golden Plains Wind Farm, could become the largest wind farm in the Southern Hemisphere. Featuring between 200 and 240 turbines, the farm is expected to be able to generate enough power to run 450,000 homes.

In 2014, the \$260 million Mount Mercer wind farm was completed. It supplies power for 100,000 homes.

- Agriculture

While agriculture does not feature strongly within the City of Ballarat, it does hold significant value in the neighbouring shire of Golden Plains. Agriculture is Golden Plains Shire's largest industry sector, taking up 26% of the local workforce.

The Golden Plains region produces 21% of Victoria's eggs, 11% of poultry, 5% of pigs and 4% of Victoria's sheep and lambs. The shire also has a strong tradition of grain growing while goat dairy products are gaining traction.

This sector will receive a boost with the installation of an 18km water pipeline between Ballarat and Geelong. The pipeline will supply 4,000ha of prime farmland, ensuring a reliable water supply and increasing irrigation capability. The \$12 million cost will be jointly funded by the Federal Government, Barwon Water, the State Government and Golden Plains Shire.

Experts say the pipeline could generate \$160 million when it's fully realised, which could take up to a decade, and create 700 jobs.

Projects impacting on the Ballarat region include the following:-

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Western Highway duplication John Holland Group	\$505 million Highway duplication from Ballarat to Stawell with state and federal funding	Under construction	
Ballarat railway upgrades State Government	\$518 million Passing loops and duplication of the Ballarat line to Melton	Approved Major construction will commence in 2018 and be completed in 2019	To reduce delays for Ballarat trains to Melbourne
Ballarat Link Road Ballarat City Council	\$100 million 16km linking the Western Hwy to Midland Hwy to be built in stages	Under construction	
Midland Highway upgrade, Ballarat to Creswick State Government	TBA Part of a \$340mil state-wide package	Proposed	

INFRASTRUCTURE – SPORT AND ENTERTAINMENT

Project	Value	Status	Impact
Eureka stadium upgrade	\$32 million 11,000-seat stadium	Under construction	Jobs 38 construction Economic benefit \$3.8 million
Ballarat Sports and Events Centre redevelopment	\$24 million Includes a 3,000-seat show court	Proposed Construction of stage 1 is expected to begin in 2017	Jobs 34 construction 10 operational
Lake Wendouree master plan	\$20 million New and revamped recreational facilities	Proposed	

RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
Lucas, master-planned suburb	TBA 14,000 homes, supermarket, medical centre, park and community centre	Under construction	Jobs 2,000
Pinnacle Residential Estate, Smythes Creek Abiwood	\$200 million 700 lots, opposite Delacombe shopping centre	Under construction	
Winterfield master-planned suburb Goldfields	TBA 1,100 lots, a primary and secondary school, retail precinct, medical centre and cafes	Under construction	

INFRASTRUCTURE – HEALTH AND MEDICAL FACILITIES

Project	Value	Status	Impact
Ballarat Base Hospital redevelopment	\$49 million Includes a helipad, multi-deck car park and 60 extra beds	Under construction	Jobs 130 construction
Ballan District Health Care expansion	\$16 million Two surgeries and a larger aged care facility	Proposed Would be reliant on Govt funding	
Lucas retirement village Omega Communities & Gannon Lifestyle Group	\$63 million 226 houses, cinema and communal facilities	Under construction	

MANUFACTURING CONTRACTS

Project	Value	Status	Impact
Processing plant for TMAC Resources Gekko Systems	\$70 million The plant is destined for a gold mine in Canada	Under construction Stage 1 completed in August 2016; stage 2 to be finished by late 2017	Jobs 40

RESOURCES AND ENERGY

Project	Value	Status	Impact
Stockyard Hill Wind Farm Origin Energy	\$950 million 149 turbines will supply power for 250,000 homes	Approved A revised application was submitted in September 2016	
Lal Lal Wind Farm WestWind Energy	\$300 million Facility will power 44,000 homes	Proposed A revised application was submitted in August 2016	Jobs 190 construction 20 operational
Ararat Wind Farm Partners Group, RES, OPTrust and GE	\$450 million 75 turbines will power 120,000 homes	Under construction Completion expected in mid-2017	Jobs 165 construction
Golden Plains Wind Farm, Rokewood WestWind	\$1.5 billion Would be able to power 450,000 homes	Proposed	

INFRASTRUCTURE - GENERAL

Project	Value	Status	Impact
Relocation of saleyards to Miners Rest Ballarat City Council	\$23 million	Approved Work is expected to begin in 2017	
Fire fly hub, Ballarat airport Ballarat City Council	\$33 million A designated base for aviation firefighting	Abandoned A feasibility study estimates the project would cost \$70-100 million, not \$33 million	Jobs 100 construction Economic benefits \$43 million
Innovation Lab and Digital Space, Ballarat CBD Ballarat City Council	\$19 million A complex including the Doveton St library will be developed on the old Civic Hall site	Proposed Council will contribute \$6mil, State Govt \$4mil. The balance of funding is yet to be sourced	Jobs 200
Ballarat to Geelong water pipeline Barwon Water	\$12 million Would ensure a reliable water source for 4,000ha of prime farmland	Proposed	Jobs 700
Civic Hall redevelopment Ballarat City Council	\$20 million	Under construction	

COMMERCIAL DEVELOPMENTS

Project	Value	Status	Impact
Stockland shopping centre expansion, Wendouree	TBA 15 new shops and a food court	Proposed A \$110mil expansion was previously approved, but allowed to lapse by Stockland. Revised DA lodged in April 2016	
Woodman's Hill project	\$50 million Resort with retail space; to be known as Rivers Park	Proposed Approved by Ballarat Council in Jan 2015	Jobs 400
Ballarat West Employment Zone Ballarat Council and State Government	\$30 million A multi-purpose industrial estate	Under construction	Jobs 9,000 long term
Export grain handling facility, BWEZ Broadbent Grain	\$24 million	Approved	Jobs 50
Ballarat Station Precinct redevelopment	\$50 million 4-star hotel, convention centre and retail	Approved. Work is expected to begin in 2017	Jobs 140
McCain Foods plant upgrade	\$58 million The upgrade will extend the life of the plant for 15 years	Under construction	Jobs 648 retained; 100 will be upskilled
Delacombe Town Centre development H Troon	\$60 million Woolworths, Kmart, pharmacy and cinemas	Under construction Completion expected in late 2017	Jobs 300 construction; 500 retail
New brewery Broo Ltd	\$100 million	Proposed	Jobs 100 operational

