

EXECUTIVE SUMMARY

Background

Ballarat is one of Australia's fastest growing regional cities. It is Western Victoria's regional hub for economic activity and the largest city in the Goldfields region of Victoria. The city is also a significant tourist destination recognised for its culture, history, and its well-preserved Victorian era heritage.

The Ballarat Station Precinct (the Precinct) plays a pivotal role as a gateway for public transport in Ballarat, significantly contributing to connectivity within and to/from Ballarat. The Station is a CBD landmark and one of the grandest Victorian era station buildings in the State. It sits at the northern end of the historic retail and commercial zone and is perfectly placed to service corporate and leisure guests arriving at the main transport hub.

To activate the site, and grow the Ballarat economy, the State wishes to facilitate the development of a hotel and exhibition/convention/ centre on the Station Precinct site, including adaptive reuse of the ~3800m² unused Heritage Goods Shed. It is acknowledged that this Project is not privately commercially viable without government support.

To ensure the successful establishment and ongoing sustainable operations of the hotel and conference facility, and integration within the station precinct, the State has committed to making a financial contribution to assist the development and operation of the facility. Any surplus or remaining funds are to be applied to ancillary public realm and transport works in the precinct.

An amount of up to \$25 million dollars (plus GST) has been allocated by the State for this purpose and part of this will be granted to the successful consortium to realise the Project objectives.

The Project represents an outstanding opportunity to grow and enhance the economy of Ballarat and the surrounding region.

Context

As this Business Case has a primary purpose of implementation rather than appropriation, a template derived from, but not identical to the DTF investment standards has been used. Its focus is feasibility, risk, implementation, and transaction issues.

It contains two parts:

Part 1 – Demand Study, Market Sounding, Hypothetical Appraisal (CBRE Hotels)

Part 2 – Financial, Economic, Feasibility, Risk, Commercial, Implementation (Biruu)