Global Regions
The Local and the Global in the Ballarat Region of Victoria

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Abstract

A broad consensus has been reached at the three levels of government in Australia that economic growth for non-metropolitan regions will be driven by ‘knowledge-based’ industries that aim to compete for international markets. This has resulted in a massive investment in the roll-out of information and communications technologies (ICT), investment in export-oriented transport systems, and the nurturing of new enterprises that appear to have the ‘correct’ orientation. The emphasis is on high-tech and high speed. The strategy has also been vigorously supported by regional universities and is rarely questioned in the academic literature on regional development. However, serious questions remain to be addressed about the social and environmental impacts of the forms of economic growth that are being so vigorously pursued. This paper questions many of the assumptions underlying the prevailing strategy for regional development and examines the way the strategy is being pursued in the region centred on Ballarat in Victoria. The author has conducted an extensive case study of the impacts of globalization in the region centred on Ballarat and a further paper based on this research will be published in a future edition of Local-Global.

Keywords: knowledge economy, exports, restructuring, sustainability.

Introduction

In the growing body of literature critical of corporate globalization, the attention given to global transformation can often push equally significant ‘local’ manifestations of globalization to the background. The role of free trade institutions and neo-liberal ideas in furthering the ever-widening gap between rich and poor nations has been much dissected. The transformation and neo-liberal restructuring of Australia’s regional economies receives comparatively little attention.

Australian socio-economic institutions have been increasingly integrated into
the global marketplace. Such a ‘globalized’ future is widely seen as desirable and inevitable.¹ In fact global integration has been a project chosen by successive Australian governments. The belief of the Hawke and Keating administrations that efficiently-produced (high-tech) exports could lead to high industrial growth rates (‘export-led recovery’) and transform businesses based in Australia into globally competitive market forces gave rise to the post-Fordist cultural ambitions of the ALP policy known as ‘Knowledge Nation’. Since then, the notion that Australia must strive on the ‘global racetrack’, that ‘competitiveness in a globalized world’ is the only possible option, has become a religious mantra.² In the academic ‘regional development’ literature ‘global competitiveness’ — and the presumed need for closer linkages between individual regions and the global marketplace — is accepted as a given. Strategies (including industry ‘clusters’, business incubators and foreign direct investment) that link Australia’s regions to global markets and assist regional workforces to develop globally-competitive skills and competencies are given the academic seal of approval.³ Likewise, with the strategy of ‘The Learning Region’ aimed at making regions more (globally) competitive in knowledge-intensive industries.⁴ Surely it is time to examine more critically some of the assumptions underpinning this literature.

The regional development strategies energetically pursued by current Australian governments (both federal and state) are premised on the global integration and competitiveness of regions. This requires the further development of the regional ‘knowledge economy’ and further encouragement of an export-orientation for regional industries. The neo-liberal trade agenda of Austrade and other government agencies is vigorously advocated in the regions. New enterprises in regional cities and towns are encouraged to target niche global markets and specialize in export-based high-tech ‘knowledge’ products. Towards this end, some areas of rural and regional Australia are at present undergoing a significant process of economic, social and cultural restructuring. In this paper I explore, as a case study, the extent and nature of this restructuring in the Ballarat region of Victoria. However, first we must look more closely at the arguments for a ‘knowledge economy’.

The ‘Knowledge Economy’

Knowledge-based technologies have become central in Australian industry — in manufacturing, mining and agribusiness, and services. However, is the ‘knowledge economy’ capable of delivering long-term economic benefits? Frankel has recently argued convincingly that the ‘prevailing dominant version’ of the knowledge economy/post-industrial society is a mirage. According to Frankel, the impact of the new technologies is undeniable but the actual ‘knowledge economy’ falls well short of the nirvana pictured in market hype. Only a tiny percentage of new jobs in Australia are ‘knowledge economy’ jobs. Knowledge-intensive industries are not labour-intensive and will only employ a small fraction of the labour force. Also, the so-called post-industrial sectors have the highest levels of casual labour. Alongside the new high-tech reality, therefore, is another sobering reality: mass unemployment and underemployment; a minority of well-paid, creative and analytical jobs
alongside a vast majority of lousy, low-paid, insecure jobs.\(^5\)

Furthermore, an export strategy based on products of Australia’s ‘knowledge economy’ is not likely to succeed. Australian exports of elaborately transformed manufactures and services as a percentage of total exports have stagnated or declined and will probably continue to do so in the face of competition from China. It is doubtful whether Australia’s export-orientation is economically sustainable. In the longer term, a high level of (economic) self-sufficiency in all areas and at all levels—from the household to the nation—offers a greater degree of economic sustainability and security than the present global orientation of regional economies. Reliance on global exports complements the already high degree of reliance on global imports and precludes self-sustaining or self-sufficient local economies.\(^6\) Even more disturbingly, the export-orientation of regional industries (mining, agriculture and international tourism) appears to be unsustainable from an environmental perspective.

The industries touted as potential ‘engines of regional growth’ are the ‘sunset’ industries which have emerged in the ‘new economy’—including tourism, viticulture, health care, education and training, information and communications technology (ICT), advanced manufacturing, biotech, nanotech, microtech, business and professional services.\(^7\) These industries need more critical assessment. In particular, and contrary to the pervasive myths surrounding them, ICT and large-scale tourism can damage the social fabric of local communities. Clive Hamilton has noted that information technology has entranced many—including social-democratic politicians—with ‘a sort of mystical power’ that can supposedly erode hierarchy and disadvantage. ‘Interconnectivity’, the marketing slogan accompanying the rapid emergence of ICT, even suggests the technology is reinforcing social bonds. But Hamilton suggests that ‘people know less of their neighbours than ever before in human history’.\(^8\)

The replacement of industrial forms of employment by new post-industrial (post-modern) forms of ‘cultural’ production is undermining older styles of work, politics and culture. And not everyone is celebrating. John Hinkson suggests that ‘high-tech has undermined much of our social life, turning direct relations between persons into relations defined by distance’; Paul James believes the internet as a ‘technology of mediation’ has increasingly extended social relations ‘across space’; and Guy Rundle observes that the culture of face-to-face relationships experienced by generations of rural Victorians is being replaced by a ‘new culture of excellence, innovation and enterprise’ based on ‘abstracted modes of interaction’.\(^9\)

Tourism is another ‘new economy’ industry requiring scrutiny. As a regional development strategy it involves many risks. The catalogue of problems associated with the industry is long. Beer, Maude and Pritchard, for example, warn that employment generated by tourism is typically ‘casual, unstable, seasonal and low-paid’.\(^10\) Large-scale tourist development raises land and house prices, pushes up the cost of living and requires capital from outside the region. Jim Ife also emphasizes the threat that tourism can present to the ‘fabric of the community’—the economic benefits of tourism, he argues, may only be
achievable at enormous social cost.\textsuperscript{13}

The project of making Australia ‘globally competitive’ is a cultural process involving the ‘rationalization’ of all Australian institutions and values which are not predominantly oriented to the global market.\textsuperscript{14} Seen as inhibiting steps towards the new global future are many deep-seated rural cultural traditions: primary ties of country towns to their hinterlands; family-based agriculture; attitudes of rural conservatism; and even the expectation that local councils will serve ratepayers in the first instance.

\section*{Contested Meanings of Sustainability}

The terms ‘sustainability’ and ‘sustainable development’ both require definition. Some weak versions of ‘sustainability’ assert a compatibility of the concept with economic growth and free-trade. Stronger versions, however, stress the biophysical limits to growth and the importance of ecological imperatives—‘living within the carrying capacity of supporting ecosystems’. Claiming ‘ontological primacy’ for the natural environment over the human economy, Peter Hay has criticized ‘the apparently successful capture of ‘sustainable development’ by a neo-liberal world-view disinclined to make the slightest concession to ecological imperatives’.\textsuperscript{15}

Clive Hamilton also sees an ‘unbridgeable gulf’ between the values of environmentalism and the instrumentalist ‘sustainability’ of politicians and business people. For Hamilton, economic growth is eroding the resource base of human life and the ecological systems that sustain it. ‘Growth’, therefore, has definite ecological limits and current material consumption levels are unsustainable. Hamilton’s sophisticated critique of ‘growth fetishism’ points also to the corrosive social effects of the ‘development mentality’.\textsuperscript{16} From his ecologically-based community development perspective Jim Ife has likewise urged the need to limit growth:

Another important feature of sustainability is limiting growth. Growth has become the norm in many mainstream structures, yet growth is, by its very nature, unsustainable. Establishing structures, organizations, businesses and industries which do not have to grow to survive is a major challenge for community development.\textsuperscript{17}

Furthermore, the Task Force of the 1999 International Forum on Globalisation\textsuperscript{18} denounced economic globalization as ‘intrinsically harmful to the environment’ because ‘it is based on ever-increasing consumption, exploitation of resources, and creates waste-disposal problems’. What is ‘especially damaging’, the report continued, is ‘export-oriented production’ which increases ‘global transport activity, fossil fuel use, refrigeration and packaging, while requiring very costly and ecologically damaging new infrastructures: ports, airports, dams, canals, etc.’ According to the report, export-oriented production also accelerates conversion to industrial-style agriculture with corresponding increases in pesticides, water and air pollution, and biotechnology. Such elements, combined with many other wasteful aspects of global trade, are also powerful contributors to the problems of global climate change, ozone
depletion, loss of habitat, and unprecedented levels of pollution.

Put simply, the level of production for export is already contributing to climate change even before we consider further growth! Australia’s production of exports generates significantly high levels of greenhouse gas emissions. Also, the dependence of the Australian economy on agricultural and mineral exports has devastated our natural environment. The proposed Australia-United States Free Trade Treaty (AUSFTA) will increase transport-generated pollution and agricultural production for export, and further exacerbate environmental problems.¹⁹ The expansion of export-focused food processing and resource-based industries in regional Victoria increases rural transport networks and greenhouse emissions, and encourages unsustainable and harmful agricultural technologies.²⁰ The export orientation of the ‘post-industrial’ service sector is not exempt from ecological criticism. Tourism, in particular, is an energy-intensive industry, with fuel used in air travel contributing directly to the greenhouse effect.²¹ The growth of inbound international tourism to Australia is putting new strains on the environment.

In the technocratic view of the world, technology and technique are seen as (neutral) forces of salvation. According to the version of ‘sustainable development’ preached by advocates of growth, technological advances can guarantee economic growth and render growth sustainable through the manageable efficiency of resource use. Accordingly, high-tech production is central to federal and state governments’ visions of regional development. The justification of the drive for growth in the regions rests on the supposed superiority of high technology, allied to high-growth, as a solution to economic and environmental problems. Hence, we get proposals such as the $550 million Fast Rail Project in Victoria that is touted as ‘a twenty-first century rail system’ because it is both high speed and high-tech.

The emphasis on high-tech opens the door for multinational corporations who have access to the latest technologies. Hence, the ‘environmentally sustainable’ way forward for agriculture in Victoria is guaranteed only to those agribusinesses who can afford to pay for the expensive systems involved in the adoption of intensive, high-tech systems of resource management. Similarly, transnational water corporations are seen as being best suited to control our local water because their ‘leading edge’ (micro filtration) technology will deliver ‘world’s best quality drinking water’. High-tech approaches to water management then assumes that water scarcity is merely a technical problem requiring a technical solution, ignoring questions of climate, climate change and social attitudes. High-tech approaches to ‘sustainability’ prevent us from looking at models of agriculture and food production that would put less strain on fragile environments. Rather than more of the same, we need to change the practices that have created so many of our environmental problems. We need to take water scarcity as a given rather than something that can be overcome.
The Restructuring of Rural and Regional Victoria

The Victorian State (Labor) government accepts ‘competitiveness in a globalized world’ as an inescapable framework for strategic planning. Planning, therefore, aims to maximise the economic competitiveness of Melbourne and regional Victoria and the development of an export-oriented state economy is the major pre-occupation. Melbourne and regional exporters are challenged to develop a competitive advantage over ‘rivals’ in Asian cities and regions. A massive rise in the volume of trade through the port of Melbourne is projected, and to boost export industries the government plans a $100 million Port of Melbourne upgrade and the dredging of Port Phillip Bay. To attract the investment of ‘knowledge-intensive’ foreign firms, Victoria is branded as ‘a smart economy’ ensuring appropriate infrastructural support.

In summary, the economic development model of the Victorian state government emphasizes:

1. ‘globally competitive’ rural industries of food processing, agribusiness, irrigated intensive horticulture, niche markets for ‘exotics’ such as olives and wine, mineral sands, bluegum plantations—most of which threaten the futures of local family-based farming; and

2. high-tech, ‘knowledge-based’, globally-competitive ‘manufacturing excellence’.

The government’s rationale for this model of regional economic development is the supposed changing relationship between metropolis and regions. According to this rationale, Melbourne traditionally sold its goods within the state of Victoria whereas now the city is said to be increasingly selling to overseas markets and therefore expanding opportunities for producers in rural and regional areas. Melbourne and the regions, then, are seen as facing the same challenge—i.e. developing and maintaining a place in the global market. For this reason, state government strategies posit the integration of metropolis and regions, or at least the integration of regional centres with metropolitan Melbourne to boost business investment and export opportunities in and for rural and regional Victoria.

Since assuming office in 1999, the Bracks government has ideologically embraced the jargon of the ‘smart’ (or ‘new’) economy and the notion of the ‘information society’ with technocratic gusto and has mobilized departments of state to service development of the techno-sciences. The application of ‘knowledge’ in business expansion and innovation underscores a general orientation toward a high-tech economy and culture. Leading state government figures are actively promoting Melbourne as a world-class bio-technology centre. Higher education is being transformed for an expanding economic role: universities seek global reach and begin to commercialize their research with state backing. The government is ‘growing’ concentrations of interconnected companies and institutions (so-called ‘clusters of excellence’) in Information and Communications Technology as a vehicle for promoting and maintaining global competitive advantage. Cluster development for the fledgling ICT industry in regional Victoria is at present centred in Ballarat. To attract ‘higher value’ manufacturing and service industries and to encourage regional industry
clusters, land is being provided near universities and other research institutions.

However, the incorporation of rural and regional Victoria into the global economy—opening the state to global forces and prodding local businesses to ‘go global’—requires restructuring of the existing rural and regional economy. Infrastructure for this restructuring is the responsibility of state government bodies such as the Department of State and Regional Development which is now spreading out through regional Victoria to promote an ‘export culture’ through export marketing plans/networks and global branding.\(^{26}\) Within this framework, the three key infrastructure support programs of the government are:

1. **Partnerships Victoria**, involving government sharing the costs of infrastructure investment with private businesses.

2. **Linking Victoria**, including the Fast Rail Links Project, aiming for improved access for regional industries to international markets (including tourism).

3. **Connecting Victoria**, the means for growing the state’s ICT industry in the regions. This includes provision of telecommunications infrastructure integrating regional centres with metropolitan Melbourne, and the provision of ‘e-commerce’ capacity for the regions (particularly training in IT skills, proceeding now under the pretentious banner of ‘The Learning Society’ which is aimed at inculcating a ‘culture of lifelong learning’.

Associated with the development of a culture of ‘lifelong learning’ is the effort to change the demographic profile. The Hawke-Keating federal Labor governments re-evaluated ‘culture’ as a legitimate sector of economic activity; i.e. as an ‘industry’ that could be harnessed to the project of building a globally-competitive ‘productive culture’. With the leisure industry now contributing profoundly to employment, productivity, and export earnings (principally through tourism), there has been an efflorescence of government sponsorship of the arts (street life, heritage festivals, etc). As Boris Frankel put it:

> Cultural diversity and cultural heritage policies may be naively seen by creative artists and curators as preserving their plural notions of culture, but they are all being homogenised, emptied of their original spiritual or social-movement meanings and industrialised by the economic accounting steamroller.\(^{27}\)

The major long-term spin-off from cultural diversity is the encouragement given to settlement of ‘knowledge’ workers, particularly ‘skilled’ migrants. Faced with global competition for visitors, Tourism Victoria is developing sophisticated marketing techniques for ‘branding’ the regional ‘product’ for the world wide web.

Corresponding to the integration of metropolis and regions is the integration of levels of government. The adaptation of governments (national, state and local) to globalization is slowly eroding the distinction between the levels of government. Paris-based OECD representative Bernard Hugonnier, in his keynote presentation to the Regional Australia Summit in October 1999, suggested that ‘all regions can derive advantage from greater internationalization
of their activities’ and he called for ‘new governance frameworks’ to facilitate
this. Similar notes have been sounded by Australians, such as the futurist Peter
Ellyard, who favours the establishment of thirty regional governments for the
whole of Australia. Ellyard’s vision is utopian and fanciful but a process of
‘regionalization’ is actually taking place in Victoria. Local municipal authorities
begin to define their role in terms of regional economic development and adopt
regional policies. At the same time, state government powers are devolving to
local councils. Local government officers involve themselves in new areas of
regional decision-making. So, embryonic regional forms of government begin
to emerge. The source, arena and target of decision-making is increasingly at a
regional level. The regionally organized tourism support structure is possibly
the best example of the regional form overwhelming and absorbing older local
forms of organization. Local government is now an integral part of the overall
tourism support infrastructure but its role is subordinate to regionally based
bodies. Democratic control of the ‘regional’ has now become a necessary goal for
democratic local governance.

‘Birthplace of the Australian Spirit’?: Ballarat and the Restructuring of Western
Victoria

Ballarat’s tourism entrepreneurs, using the symbolism, if not the spirit, of the
Eureka rebellion, have branded the city for global and domestic consumption
as ‘the birthplace of the Australian spirit’. If the Australian spirit means
anything more than a business enterprise, I suggest the tag ‘the cemetery of the
Australian spirit’ might be more appropriate. The city’s leading technocrats
embrace ‘globalization’ and follow federal and Victorian state governments
in accepting the global economy as an inescapable framework for investment
decisions. Foreign investment, particularly from exporting firms, is welcomed,
and an export orientation is seen as the salvation of local businesses. A plethora
of pro-export organizations (including government agencies from all three
levels of government) are pushing hard to orient Ballarat’s manufacturing base
towards exports.

Ballarat’s main export industries are in manufacturing, and the service
‘industries’—education, tourism, health, and aged care. Through their own
expanding regional role, the City of Ballarat and the University of Ballarat
seem to be playing a role in the development of new regional and rural export
industries. These industries will be discussed below, not because they belong
directly to Ballarat but because Ballarat is the increasingly influential and leading
centre for the whole of western Victoria.

About eighty Ballarat manufacturing companies are currently active exporters.
The largest of these are Mars Confectionery, which employs over 700 and exports
40 per cent of its product mainly to Asia and the Pacific, and Bendix Mintex,
which employs 800 and exports automotive friction materials. Significantly,
however, some of the new crop of active Ballarat exporters are companies
founded on high-tech. Oztrak, incubated at the University of Ballarat, develops
and produces mobile data communication products. Gekko Systems (touted as
‘a global success story’) specializes in mineral processing (gravity separation)
equipment for use in the gold mining industry and has big sales in South Africa.

Also establishing a global export reach are those Ballarat service industries which represent the rise of new ‘post-industrial’ and ‘post-Fordist’ cultures. Embracing and incorporating high-tech unequivocally, the University of Ballarat is striving to become a ‘global’ university that sells ‘knowledge’, and exports skills and expertise, everywhere. 31 Ballarat’s secondary school sector also offers itself as an export production zone through the development of school ‘clusters’ and exchanges with Inagawa High School in Japan. Queen Elizabeth Aged Care Solutions (QEACS) — a commercial division of Ballarat Health Services — exports health education programs, mainly to the Japanese market. On the solid foundation of Eureka and Sovereign Hill, and with intensive campaigns involving heritage and wine trails, the City of Ballarat has spawned a support structure for businesses seeking to capture a slice of the global tourist market. Over 120,000 international visitors come to Ballarat each year and the number is growing at seven per cent per annum.

**Agribusiness and the Exploitation of Resources for Export**

The Victorian government is encouraging the Ballarat region to expand industries based on food processing and resource development. This involves the development of ‘high value’ irrigated agriculture and export-driven food processing industries and businesses. There is also encouragement for the development of new crops for export and smaller food companies are urged to carve out ‘niche’ export markets.32 Hence, increasingly, throughout western Victoria, exotic specialties such as legumes, pulses and oilseeds, are grown for niche or specialist export markets. The principal oilseed crop is canola. When overseas chemical giant Monsanto announced plans to grow genetically-modified canola in Victoria the Bracks government indicated support. However, a mass community campaign of opposition to GM food restored sanity and forced the government to impose a moratorium.

Foreign agribusiness investment is likely to increase under direct government sponsorship. An example that will have implications for the Ballarat region is the project mounted by three northern Victorian regional shires (Bendigo, Loddon, Gannawarra) to combine under the branding name ‘New Mediterranean’ in order to offer enticements to foreign agribusiness investment.

In the resources sector, vast areas of western Victoria have been given over to the export of forest products for the benefit of overseas multinational timber interests. Export sawmillers continue to log for woodchipping in native forests such as the Wombat Forest, which occupies a large area north of Ballarat. Thousands of hectares of farming land in the state’s west have been turned into industrial plantations and sown with quick-growing bluegum trees for woodchip export to Japan. According to environmentalists, these developments threaten entire ecosystems.33

Further afield, the Murray Basin region of south-eastern Australia, which includes large areas of the Mallee and Wimmera in north-west Victoria, is being targeted as a major source of mineral sands, a high value export product. By
2000, at least ten companies were exploring for mineral sands in this region and had invested $100 million to do so.\textsuperscript{34} The social and environmental implications of mining in these remote and sensitive areas include huge infrastructure costs (including the cost of building container handling facilities at Portland and Geelong) and the industry’s consumption of enormous quantities of water. Yet in 1999, a Forum initiated by the Kennett state government\textsuperscript{35} advocated ‘minerals development’ as one of four key growth industries for western Victoria and the Iluka mineral sands project has gathered pace in the Hamilton region.

**Evolution of the Regional Development Strategy**

The regional economy of western Victoria is being restructured to encourage new export-oriented industries. Enthusiasts of current economic development strategies suggest that Ballarat is to become ‘Australia’s Silicon Valley’ — the pace-setter for the establishment of regionally-based, export-oriented, high-tech manufacturing. Alongside this scenario, Ballarat and nearby Daylesford are to foster the development of new forms of globally-oriented tourism. Traditional, local family-based agriculture is to be systematically replaced by international agribusinesses specializing in exotic monocultures (such as olives, wine grapes, bluegums, and canola) aimed at the global marketplace. This could see the precious water reserves of rural Victoria being handed over to virtual, if not formal, private ownership by multinational ‘water management’ corporations. The integration of metropolis and regions proceeds and the city continues to transform the countryside in its own image.

The strategy for radically restructuring the regional economy of western Victoria began in the latter months of the Victorian conservative government led by Jeff Kennett — under its ‘Rural and Regional Strategy’ — and has been taken further by the policies of the Bracks Labor government.

In 1999, the Kennett government launched its Rural and Regional Strategy after establishing five regional Forums across Victoria to explore options for regional development and growth. The Western Region Forum, which included David James of Ballarat University and Tina Banitska of Daylesford’s high profile Convent Gallery, produced a glossy strategy document called ‘Victoria’s Golden West’, which outlined a plan to ‘revitalise the region’. The strategy document waxed lyrical about export industries: ‘agribusiness and manufacturing for the twenty-first century’, minerals development, and ‘tourism and heritage’.\textsuperscript{36}

The Forum’s ‘Vision’ for the Western Region in 2011 included sizable increases in economic growth and population growth. ‘Wealth creation’ was seen as following from ‘diversification’ of the regional economy and the encouragement of new emerging industries. The Forum therefore strongly advocated a ‘mix of population groups’ — making necessary a change in the ‘population profile’. The Forum’s document used the term ‘breaking down the resistance of the internal culture’ which presumably means overcoming the habits of traditional residents. The three principal means of achieving the change in the population profile (and overcoming the resistance of the internal culture) were: an ‘integrated marketing strategy’; the spread of Information Technology (to become a ‘smart region in a global economy’); and a new ‘fast transit link’ between Ballarat and Melbourne.
As a means of spreading IT, the Forum recommended ‘high technology centres’ linked through a ‘regional connectivity’ network.

The Bracks government—through departments such as the Department of Infrastructure and the Department of State and Regional Development—has maintained and accelerated the emphases of the Kennett government’s Rural and Regional Strategy. For example, in the Ballarat region, the key recommendations of the Western Region Forum were enthusiastically adopted by the incoming Bracks government. Ballarat was apparently chosen in the 1990s (ie, before the election of the Bracks government) as a potential ICT centre of regional Australia. A plan adopted in 1994 — the ‘Ballarat IT 2010 strategy’ — cast the city as pioneer of ICT development and central to the state government’s strategy for growing the ICT industry in Victoria. The driving forces locally have been Ballarat’s home-grown technocratic groups—the city’s business development arm Business Ballarat and the technocratic-minded leaders of the University of Ballarat. The description of Ballarat as ‘Australia’s Silicon Valley’ seems to have originated with them. Ballarat is now a centre for state government-sponsored ‘demonstration projects’ aimed at incubating globally-competitive, ‘knowledge-based’ industries.

The key strategies of the Bracks government for the development of the Ballarat region centre on: the shift to ‘knowledge-based’ labour; the development of what Business Ballarat has called ‘televillages’; the notion of Ballarat as a ‘Learning City’; a ‘regional connectivity project’; further development of ICT infrastructure; the fast rail project; and a major water recycling initiative.

A New Concept of Labour

Perhaps the most important requirement for the ‘new economy’ in the Ballarat region is the development of ‘knowledge-based’ labour. In this regard, the role of the University of Ballarat is pivotal. In 1995 the University and the City Council established a Technology Park at Mount Helen to incubate globally competitive businesses. The Technology Park now incorporates an integrated hi-tech business incubation complex—including the ICT Cluster Development Centre, the Greenhill Enterprise Centre, the Centre for Electronic Commerce and Communications (CECC), and the Centre for Regional Innovation and Competitiveness (CRIC). The university’s embrace of information technology is encapsulated in its slogan ‘Information Rich’ and the current Vice-Chancellor Professor Kerry Cox sits on the state government’s Information and Communications Technologies Advisory Group (ICTAG). The former Vice-Chancellor Professor David James still sits on the state government’s Council for Knowledge, Innovation, Science and Engineering (KISE). In August 2002, ‘Ballarat Advantage’, an organization linking Ballarat businesspeople with University of Ballarat technocrats, hosted Swedish innovator Anders Nilsson of the Ronneby Soft Center, which is a close collaboration between a local Swedish university and the new high-tech industries that have grown in symbiotic relationship with one another and with the university.

An intimate and symbiotic relationship between the university and IBM Global has developed at the Technology Park. Links with the private sector
have emboldened the university to declare its interest in becoming a private university generating funding from non-governmental sources. Departing from the traditional model of a university, it seems obsessed with its own commercial activity and heavily markets services to industry and government. Seeing itself as a ‘global’ university, it exports skills and expertise overseas, and prides itself on being able to perform within an increasingly sophisticated and competitive global environment.

The concept of ‘televillages’ is being piloted in two sites in Victoria—Ballarat and Portland. As envisaged by Business Ballarat, the regional ‘teleVillage’ is characterized by a universal application of ICT: for e-commerce, for skills development in business and commerce, for lifelong learning, and for export development. To promote the integration of ICT into the region, Business Ballarat has initiated a network of Telecommunity Centres under the auspices of a company called c-Ballarat Limited. In July 2002 Business Ballarat also announced the establishment of the Collaborative Optical Leading Testbed (COLT).

The ‘televillage’ concept probably originated with the technological utopian writer Alvin Toffler who suggested universities need not be based on physical presence or physical space. His prediction that learning could be sold and delivered as a commodity electronically, in cyberspace, is now taken seriously.

The ‘televillage’ extends into the notion of the ‘learning city’ and in May 2000 Ballarat was one of nine Victorian locations to receive funding from a Victorian government initiative called Learning Towns Network. The ‘Ballarat, A Learning City’ organization was thus established with an executive office and advisory board and a vision that by 2010 Ballarat would be recognized nationally and internationally as a ‘learning city’. IT-driven schooling has been one by-product of this. Underpinning the notion of the ‘learning city’ has been the way in which the idea of ‘lifelong learning’ has been popularized in Ballarat by Professor Philip Candy of the University of Ballarat. Candy acknowledges his intellectual debt to OECD sources and the post-industrial ideas of Toffler. However, despite the high-mindedness of Ballarat’s Learning City pronouncements, it becomes clear on reading the literature that ‘excellence in export’ is the prime motivation. Ballarat might become the centre for ‘exporting’ this kind of project to the rest of western Victoria. With federal government funding from ‘Networking the Nation’, the University of Ballarat and the Greenhill Enterprise Centre have initiated a network of ‘high technology centres’ throughout the western region with a ‘demonstration project’ already involving Horsham, Nhill, Minyip, Ararat, Edenhope and Daylesford. The conception of ‘regional connectivity’ appears to have been at least partly inspired by Japanese examples. The goal is to allow new and existing businesses to overcome geographical isolation and orient towards global competition.

**Clustering and Connecting**

In his keynote presentation to the Regional Australia Summit in October 1999, the Paris-based OECD representative Bernard Hugonnier called on regions to ‘internationalize’ their activities by developing ‘clusters’ capable of
competing for global niche and specialist markets. A similar mantra was heard at the November 2000 Sustainable Economic Growth for Regional Australia Conference in Ballarat and the Ballarat Technology Park has established an ‘IT Cluster Development Centre’. Whatever its origins, the term ‘cluster’ in the Ballarat region has become a byword for any group of institutions working collaboratively to integrate IT for the ultimate benefit of businesses and industry with an export orientation. However, the language has even penetrated the education and health sectors with schools and health services being encouraged to form themselves into clusters to attract international attention and a proposal for an ‘arts and culture’ cluster that would be aimed at the international tourism market.

Indeed it is fascinating, if disturbing, to see how the infiltration of new language can change mindsets. For example, it has become Victorian government orthodoxy to say that success in the ‘new global economy’ depends on being ‘business smart’ and ‘IT smart’; so much of their infrastructure programs for regional Victoria are now aimed at creating an ‘e-commerce capacity’. Local businesses are being urged to switch to e-commerce as a matter of priority. So, the government’s Connecting Victoria strategy incorporates a ‘Building a Learning Society’ component (aimed at training people in IT skills as part of their ‘lifelong learning’), a ‘Growing the industries of the future’ component (aimed at boosting the IT sector), the ‘Boosting e-commerce’ component (already discussed), and the ‘Connecting communities’ component (also based on IT). And fundamental to all this is the emphasis on ‘Improving infrastructure and access’ in which the government claims to be ‘working with industry and local communities’ for high speed access to online technologies in rural and regional Victoria.

During the 1990s, demand for Information Technology grew rapidly in rural and regional Victoria. By 1999 the state government had set up a separate portfolio for IT and telecommunications and in June 2000 Telstra—through the $420 million ‘Networking the Nation’ program—commenced a huge telecommunications roll-out in country Victoria. Ballarat’s high-tech projects, such as the Technology Park and the ‘televillage’ initiative mentioned above, are fuelling demand for high-speed broadband internet services. So even more infrastructure is needed and a fibre optic cable is planned as part of the Regional Fast Rail Project (see below). Ballarat’s telecommunications hardware manufacturer AACE Worldwide is negotiating with Vic Track for work on the proposed Melbourne-Ballarat fibre optic cable and the City of Ballarat has given the local broadband fibre optic services contract to Neighborhood Cable Limited.

‘Solving’ Problems of Distance and Scarcity

‘Linking Victoria’ is the name of a $3.5 billion transport infrastructure program that is supporting the state government’s plans for regional Victoria and the component of this that has most impact on Ballarat is the Fast Rail Project. In their vision of Ballarat’s future, the city’s civic leaders and technocrats have linked the themes of high-tech and high-speed as mutually-reinforcing elements and global tourism provides a convenient justification for an investment in high-
speed. Once again the University of Ballarat Vice Chancellor Kerry Cox has been quoted in the local media as a chief advocate of the global benefits of the new investments by saying of the Fast Rail Project that ‘we want to be able to say to the rest of the world that you can commute from Ballarat to Melbourne in less than an hour’.\textsuperscript{45}

Access to water is also a prerequisite for a ‘growing region’ and this presents a challenge to a region known for the scarcity of its water resources. So, Central Highlands Water Authority has initiated a $50 million SmartCycle strategy in Ballarat that seeks to increase the use of reclaimed waste water, particularly for use in agriculture.\textsuperscript{46} What is not mentioned is that the water will be made available to agricultural and horticultural businesses that have an export orientation. And it has become good for business to promote a reputation for having best practice in the sustainable use of resources. The management of the region’s water resources has moved increasingly into the hands of international corporations since the former Kennett government’s BOOT (Build, Own, Operate, Transfer) scheme offered twenty-five year lease agreements to private sector water managers. As a result of this scheme the Central Highlands Water Authority has signed a twenty-five year agreement with United Water International—an international consortium consisting of Thames Water, Vivendi and Halliburton KBR—to operate the facilities providing town water to Ballarat.

Ballarat has been clamouring for ‘skilled migrants’\textsuperscript{47} and the settlement of such migrants and ‘knowledge workers’ is a key motivation for programs focussing on cultural diversity and the arts. This overlaps with the pitch for international tourists as indicated in the way the ‘Goldfields region’ brands its attractions as Arts and Culture, Golden Heritage, Wine and Food, Parks and Gardens, and Festivals and Events. The neighbouring Macedon Ranges and Spa Country offers the ‘Pure Indulgence Tour’.

**Regional Governance**

A complication for regional development strategies in Australia is that they require support from all three levels of government—national, state and local—and this can be difficult to co-ordinate at a regional level. In the Ballarat region we are seeing the emergence of some embryonic regional decision-making forums and agencies that may come to assume increasing importance beyond the reach of existing electoral structures. Two key regional governance initiatives have been the Central Highlands Area Consultative Committee (CHACC) and the Regional Connectivity Project, both funded by the federal government. Local government officers from Ballarat and Daylesford collaborate on CHACC and actively support the regionally-organized strategies for the promotion of tourism. These developments were both reflected in, and further encouraged by, the Sustainable Economic Growth for Regional Australia (SEGRA) Conference\textsuperscript{48} hosted by Ballarat in November 2000.
Endnotes

1 ‘It is an article of faith within local and regional economic development policy in Australia that our domestic markets are too small to guarantee prosperity and that businesses and regions need to inject themselves into international trade in order to secure a more prosperous future’. So say Andrew Beer, Alaric Maude and Bill Pritchard in *Developing Australia’s Regions: Theory and Practice*, Sydney, UNSW Press, 2003, pp. 19-20. The authors claim (p. 11) that ‘Australia’s regions now exist within a global—rather than national—network of regions’. For a strong counterargument against the ‘inevitability’ of (corporate) globalization, see Boris Frankel’s *Towards an Alternative Australia*, in Paul James, ed., *Technocratic Dreaming – Of Very Fast Trains and Japanese Designer Cities*, Left Book Club, 1990.


5 Boris Frankel, *Zombies Lilliputians and Sadists – the Power of the Living Dead and the Future of Australia*, Curtin University Books, 2004, pp. 118-119, 123-124, 126, 130-132. Frankel notes that nine-tenths of the estimated 2.5 million new jobs created in Australia (1985-2001) have been low-paid, or part-time/casual, jobs—not ‘knowledge economy’ jobs. He argues only a minority of jobs in service industries, biotech industries, mining and manufacturing will require the application of advanced research-based knowledge.


Beer et al (op. cit. p. 121) also note much of the income generated by tourist spending flows out of the region to pay for imported goods and service.


Boris Frankel, *From the Prophets Deserts Come*, Arena Publications, Melbourne, 1992, p. 242. Guy Rundle has written: ‘Globalisation is the period and the process in which global trade and global communication become so important and so pervasive in their effects as to change every dimension of life, from fundamental social relationships, to political institutions, to cultural forms, to the structures of human personality’. Guy Rundle, op. cit.


Hamilton, op. cit, pp. 97, 120, 177. For Hamilton, economic growth is the product of population growth and growth in consumption per person.

Ife, op. cit, p. 181.


According to Michael Cebon of Trade Watch, in a submission on AUSFTA to the federal parliament in June 2003 titled *Environmental Costs of an AUSFTA*. According to Cebon, Australian Bureau of Statistics figures from 2002 show that 29 per cent of the total energy consumed in Australia goes into the production of goods and services for export. Overall, about 23 per cent of Australia’s energy-related greenhouse gas emissions are generated in the production of exports. Cebon argues that export orientation in agriculture has led to forms of land use that caused salinisation due to land clearing and over irrigation, excessive water and energy use, biodiversity loss, and the run-off effects of increased pesticide and fertilisers use. Cebon’s report suggests that AUSFTA will result in declining employment in rural Australia and declining incomes for farmers.

A report to the federal Department of Immigration, Multicultural and Indigenous Affairs, by Barney Foran and Franzi Poldy of CSIRO Sustainable Ecosystems titled *Future Dilemmas – Options to 2050 for Australia’s Population, Technology, Resources and Environment*—pointed out that freight transport is a significant contributor to Australian energy use and emissions to the atmosphere. CSIRO Working Paper Series 02/01, October 2002, p. 290.
The report by Foran and Poldy (ibid) estimates that New Zealand’s inbound and domestic tourism accounts for more than 20 per cent of the primary energy use in that country. The report notes that the greenhouse gas implications could also be significant in international terms. Jet fuel for international aviation is included in national energy usage, and combustion products are allocated to Australia’s greenhouse gas account since the national economy benefits from visitors and their expenditure.

Terms such as ‘manufacturing excellence’ and ‘smart economy’ are peppered through many Victorian state government publications. For a detailed outline of government ambitions for industry, see Growing Tomorrow’s Industries Today: The Victorian Government’s 2010 Information and Communications Technologies Industry Plan, Department for State and Regional Development, November 2001.

See Challenge Melbourne: Issues in Metropolitan Planning for Twenty-first Century, Department of Infrastructure, 2000; Globalisation, Competitiveness and Metropolitan Strategy – Technical Report 3 Summary, prepared by Spiller Gibbins Swan Pty Ltd, commissioned by Department of Infrastructure; Regional Victoria: the place to be to do business, Department of State and Regional Development, 2001; and Regional Revival – Shared Growth, Regional Infrastructure Development Fund, Department of State and Regional Development.

The quarterly newsletter Risk and Reward (Encouraging Innovation in Victoria) produced by the Science, Technology and Innovation Division of the Victorian Department of State and Regional Development publishes information on the commercialisation of science, technology and innovation in Victoria.

A Commonwealth Technology Port is proposed for Docklands, as a private sector business development zone where technology-based companies, and research and educational institutions, can commercialise their ideas aided by the most advanced telecommunications infrastructure available. The cluster at Monash University will include the hugely expensive ‘synchrotron’ and leading-edge technology for micromanufacturing, nanotechnology, and biotechnology. For Monash, see Jim Clarke, Hot cluster, Risk and Reward (Encouraging Innovation in Victoria), no. 10 (2002), Science, Technology and Innovation Division of the Victorian Department of State and Regional Development.


Bernard Hugonnier, a representative from the OECD office in Paris, gave a keynote address at the Regional Australia Summit in October 1999 titled Regional Development Tendencies in OECD Countries.

Ellyard envisions a single tier of government based on amalgamation of former state/local governments. He places Geelong, for example, in a region...
encompassing Warrnambool, Hamilton, Ballarat and Werribee (with Ararat as the regional capital), as reported in The Geelong Advertiser May 17, 1994. See also Peter Ellyard’s Ideas for the New Millenium, Melbourne University Press, 1998.

30 Austrade, the Department of Foreign Affairs and Trade, the Australian Institute of Export, the Australian Industry Group, and the Victorian Employers’ Chamber of Commerce and Industry (VECCI) have all made their presence felt at ‘Ballarat—Exporting to the World’ events, and have contributed material on ‘free trade’ to the curricula taught in Ballarat schools. Federal Trade Minister Mark Vaile has urged Ballarat industries to target South-East Asia where markets are being opened up and tariffs lowered.

31 As David James, ex-Vice-Chancellor of the University and leading state government technology advisor, put it: ‘We incorporate IT into teaching in all our schools, and through the application of IT we can not only take the world to the western districts of Victoria, we can also bring the world to our university. This means that whilst the University plays an integral role within the local landscape it is also evolving into a credible international player. In addition to our cohort of international students, we also deliver a number of programs overseas. Governments and corporations around the world are becoming increasingly aware of our research strengths and capabilities’. In Information Rich published by the University of Ballarat circa 1999.

32 As reported regularly in Taste of Victoria, published by Food Victoria.

33 Anthony Amis (Friends of the Earth), Recent Plantation Developments – A Brief Overview (Forest Summit Paper April 1999, updated August 1999).


35 The Western Region Forum (see later)

36 According to the document: ‘The Western Region is a vibrant agribusiness export industry centre. Innovative agricultural technology combined with access to global markets ensures that our high quality produce has a sustainable edge in the global export arena’. Victoria’s Golden West – Western Region Strategies for Growth, March 1999. See also Lead On: Victoria’s Northern Region Action Plan, March 1999.


40 See Securing Success in Victoria’s West, Weekly Times Supplement, 6 December,
2000; *Connecting Victoria*, Multimedia Victoria newsletter no. 6/October 2001 (a Victorian government publication); *Regional Victoria: the place to be to do business*, Department of State and Regional Development.


42 *Ballarat A Learning City A City Celebrating Learning Achievement Year Book 2002/3*, published by the City of Ballarat and The Ballarat Courier.


44 Yoshihiro Tabe, *Strategies in Regional Japan for its Sustainable Future*, a paper to the Sustainable Economic Growth for Regional Australia Conference, November 2000, Ballarat and the paper by Professor David James, Vice-Chancellor University of Ballarat, at the same conference called *The Importance of IT Connectivity to Regional Development*.


46 According to a Central Highlands Water advertisement in The Ballarat Courier, of June 1st, 2002, the SmartCycle Water Reuse Project is ‘expected to deliver environmental benefits and agribusiness opportunities to the region’.

47 See *Migrants are the Future of Ballarat* Editorial in The Ballarat Courier, February 8, 2002.

48 SEGRA 2000 was sponsored by agencies representing all three levels of government—the City of Ballarat, CHACC, and the Department of State and Regional Development.

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This paper is based on more extensive research carried out by the author. A further paper based on this research will be carried in a future edition of Local-Global.

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