

MOTION WITHOUT NOTICE

CORPORATE AND COMMUNITY SERVICES - 10th April, 2017

1. CORPORATE AND COMMUNITY SERVICES REPORT NO. 29/2017 - Digital Strategy and the New Venture Institute - Ref. AF17/119

Chief Executive Officer reported:

Council's Digital Strategy provides direction and a comprehensive number of actions over five key areas including the establishment of a digital innovation hub in Mount Gambier (action 4.2). Models of innovation hubs vary but with a generally common focus of business innovation, start up mentoring, commercialisation of concepts/ideas, ideas and information exchange, training and leadership, business development and innovative use of technology as an enabler not necessarily as an end in itself.

Councillors have previously been advised (via memo 16th March, 2017) of discussions between The New Venture Institute (NVI) (aligned to the Flinders University). The NVI has presented to business in Mount Gambier and the CEO and General Manager City Growth have visited the NVI at Tonsley Park in Adelaide to discuss opportunities for an innovation hub centred in Mount Gambier.

Since the last Councillor update in mid March, further discussions have occurred focussing on the business case to attract funding for an innovation hub in Mount Gambier. NVI has also sought support from Limestone Coast RDA, District Council of Grant and Wattle Range Council. Funding is partly from stakeholders, NVI and grant funding from the National Science and Innovation Incubator Support initiative of either \$500,000 to \$1,000,000. External funding is dependent on matched local and NVI funding with commitment from stakeholders still pending.

A Limestone Coast incubator/innovation hub will:

- have a physical incubator space in Mount Gambier serving the region
- provide programs for business capacity building
- connect to Tonsley Park Innovation Centre and other national centres
- drive and support start up businesses
- prove the regional incubator model
- access to research and development and commercialisation capacity
- boost economic development particularly in the "new economy"
- be a tangible facility providing direct practical support for local business

The support, technical capacity, grant funding reach and access to similar innovation hubs via NVI provides a huge opportunity that is beyond Council's current capacity to deliver independently. By partnering we are able to provide a major project in line with our Digital and Economic Development Strategies.

As is often the case, the project is grant funded dependent with the grant application being managed by Kathryn Anderson, Deputy Director Enterprise, New Venture Institute. Further, support from other Councils and the RDA is needed to secure the Federal Grant Funding.

Potential location of the physical facility is Mount Gambier due to the opportunity of accessing the high speed optic fibre link owned by Australian Academic Research Network (AARNET). Further, Mount Gambier will have NBN by mid 2017 should AARNET connection not be feasible or cost prohibitive. Council also has an MOU with the State Government and UniSA that, in part, seeks to maximize the potential of the optic fibre link.

The potential incubator/innovation hub in partnership with local stakeholders and NVI delivers on Council's Digital and Economic Development outcomes that individually we would have difficulty delivering. While further work is necessary by NVI to gain grant funding and commitment from stakeholders it is important that the City of Mount Gambier provides solid support and financial backing for the project to maximise the potential for grant funding. If there is no local commitment then there will be no grant funding.

This report proposes that Council provides in principle support for the establishment of an incubator/innovation hub in Mount Gambier in partnership with the NVI and local stakeholders and dependent on Federal grant funding. To assist in securing the external funding and providing strong economic development and leadership opportunities for the City, Council supports the project with an allocation of \$50,000 in 2016/2017 and the same amount in 2017/2018. Adequate funds remain in the 2016/2017 Economic Development Budget and also in the Draft 2017/2018 Budget. All Council allocations are dependent on Federal funding, NVI funding and local stakeholder funding (Councils and RDA).

Summary

The opportunity to partner with New Venture Institute and tapping into their incubator and innovation experience and connections to establish a regional hub in Mount Gambier is a project that would be difficult for the Council to do alone. Significant work still needs to be completed and part of this is to gain funding commitment from stakeholders to attract external funds. Council's commitment to this project supports our endorsed strategies and provides leadership and tangible outcomes for economic development and the new economy

moved it be recommended:

- (a) the Corporate and Community Services Report No. 29/2017 with the New Venture Institute (NVT) to establish an incubator/innovation hub in Mount Gambier be received;
- (b) Council provides an allocation of \$50,000 from funds remaining in the 2016/2017 Economic Development Budget and a further \$50,000 already allocated in the Draft Budget for Economic Development;
- (c) provision of Council funds is dependent on NVI securing Federal Grant Funding and local stakeholder funds that collectively ensure the viability and success of the incubator/innovation hub and a physical presence in Mount Gambier;
- (d) a further report is provided to Council on the achievement of point (c) above prior to final Council commitment and provision of the Council funds.

seconded