

RESEARCH & INSIGHTS NOTE 3

REGIONAL INNOVATION PROGRAMS REVIEW

Prepared by Advance Queensland Insights Unit, Department of Tourism, Innovation and Sport, Feb 2021



Rapid review of Advance Queensland Regional Innovation Programs

The rapid review of selected regional programs is intended to provide a high level assessment of outcomes contributing to the Advance Queensland (AQ) strategic objectives.

Key review questions are:

1. To what extent have recipients implemented and delivered according to their plan?
2. To what extent have recipients achieved their outputs and outcomes?
3. Are the selected regional program objectives of ongoing relevance to the broader AQ strategic policy priorities for innovation?
4. How have programs contributed to AQ strategic priorities?
5. What has been the role of government in the regional innovation ecosystem?
6. What are the key lessons learned from the programs which can be used to inform next steps?

This Insights Note summarises selected key findings from the full report.

OVERVIEW:

Selected AQ regional programs in this review are:

1. Advancing Regional Innovation Program (ARIP)
2. Regional Angel Investors Support Program (RAISP)
3. Regional Startup Hubs Support Program (RSHSP)
4. Regional Startup Onramp (RSO)
5. Regional Network Fund (RNF)-collaborative projects

This rapid review carried out a desktop assessment of over 250 program reports and documents. The review was conducted from Oct to Dec 2020.

The scope of this rapid review is focused on the above programs, however the influence of other AQ programs, other government support and private sector activities on regional innovation are also acknowledged.

Key Insights

Achievements against AQ Objectives

The current phase of AQ regional investment has **successfully facilitated the development of Queensland's regional innovation ecosystems** and contributed to AQ strategic objectives.

Significant progress has been achieved since the inception of AQ in 2015-2016.

Programs are contributing to the strategic priority of growing our regions.



Regional programs demonstrate a good breadth of reach through events and engagement with innovation stakeholders.

As at 30 Sept 2020, programs in this review had:

2,000 Engagement events across regional Queensland

54,500 Regional Queensland attendees

Recipients of regional programs have reported results that contribute to the AQ objectives. The distribution of recipients who reported results accordingly are:



42% Supporting innovation culture

26% Building innovation capability



22% Fostering collaboration



7% Increase investment

3% Scale for jobs & growth

Lessons and Opportunities



1 The net result of AQ support is the establishment of a strong foundation for regional innovation ecosystems to flourish and mature.

Results reported by recipients of regional programs most closely aligned with AQ objectives of improving innovation culture, building capacity and fostering collaboration.

While other state-wide AQ programs (outside the scope of this review) significantly contributed to increasing investment and scaling for jobs and growth in regional areas, future approaches to regional innovation may require policy intervention to place greater focus on these objectives.

Key Insights

Regional and Local

Regional innovation capacity and capability varies across locations and is influenced by local ecosystem maturity level.

Regional ecosystems generally have lower density of startups than in large capital cities. Regional innovation activities and events tend to attract SMEs (small and medium size businesses) because these are the most common types of local business entities.

In addition, suitably experienced and qualified local talent already in the region is a significant challenge in small regional centres.



Sustainability

Most programs in this review are near the end of implementation or have concluded their funding round but have not been evaluated. This review has gleaned the significant efforts and achievements obtained so far.

A notable omission in recipient reports was evidence of planning for legacy and sustainability after government funding.

However, anecdotal reports indicate that planning is occurring locally, and ecosystem sustainability is a pressing concern among regional stakeholders.

Lessons and Opportunities

- 1 One size does not fit all- regions have unique innovation aspirations based on local context and strategic priorities.

There are opportunities to collaborate with relevant agencies to optimise government investment to:

- Drive collective efforts towards achieving the Government's objectives for jobs of the future, backing SMEs and growing our regions.
- Ensure differentiation (not duplication) in service delivery.

- 2 Designing for sustainability remains critical to investment success.

A continued focus on sustainable regional innovation ecosystems is vital - through mass collaboration and public and private partnerships, geared towards projects that achieve local collective impact, and which deliver legacy both within and across regions.

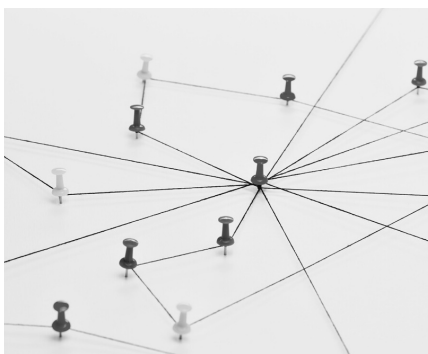
Key Insights

Regional Ecosystems and Collective Impact

Regional innovation ecosystems are maturing at different rates.

Common factors among successful recipients who achieve greater reach for their activities and ecosystem development include the following:

1. An appetite for partnerships and cross sectoral collaboration
2. Partnerships that drive demand for innovative businesses, products and services
3. Strong public and private partnership that supports stages of innovation ecosystem development- seeding, startup, growth



Examples from projects supported by the ARIP include:

The Toowoomba and Surat Basin Enterprise successfully facilitated investment connections for local start ups in the AgTech and energy space.

Businesses that have accessed investment from external funding include: Data Farming, Big Sky Tech, Goanna Ag, DIT and AG NA.

The Central Highlands Development operates the Food and Fibre Plus project which aims to generate new business opportunities in the food and fibre industries such as agritourism and circular economy in Central Queensland.

The project is working across sectors and regions by engaging with Central Queensland University, Central Highlands VET Cluster Drones Program and other ARIP recipients in Outback Queensland and the Sunshine Coast.



An example of a successful partnership approach in the innovation ecosystem is the **Sunshine Coast Regional Innovation Program** support by ARIP funding.

The program has mobilised co-contributions from 33 partners to develop and spur innovation driven growth. The program leveraged existing networks (such as the Australasia Accelerator Network) to amplify the next generation of startup businesses, support innovation and focus on global reach.

Lessons and Opportunities

- 1 The regional level is an appropriate starting point for developing and delivering services to entrepreneurs and innovators with a view to increase competitiveness across regional Queensland.

Regional innovation development has been achieved primarily through a grants mechanism which on the whole has transformed aspirations to drive local solutions.

Regionally-led collaborative partnerships and shared ownership will drive sustainable and successful innovation economic growth.

- 2 Business capability and regional partnerships to drive innovation takes time to mature to a level where collective impact can be felt.

ARIP funded projects demonstrate the various partnership formations and the influence of local dynamics, talent, resources, infrastructure and leadership.

State government has a role in leading the development of regional innovation infrastructure, supporting R&D, setting the policy and regulation environment and facilitating cross regional and sectorial collaborations.

Key Insights

Implementation

Most regional program recipients have implemented their activities according to schedule.

Changes to agreements during implementation are part of the program lifecycle.

Almost all recipients had at least one variation to their agreement or contract, with ARIP recipients having an average of 2.1 variations.

ARIP recipients reported that the administrative load associated with variations and reporting was challenging.



Preliminary feedback from program officers have observed similar challenges with program administration.

High value grants pose significant administration burden on recipients and departmental officers.

For instance, program recipients require support to meet compliance with their progress and financial reports, particularly for funding and co-contribution from multiple partners, which need careful oversight.

For large programs such as the ARIP, implementation support takes up the bulk of officers' time and leave little space for regional engagement.

Adequate resourcing over the life of the program is needed for a large grant such as the ARIP, to cover administration, management and engagement, in addition to delivering large events such as conferences and festivals.



Reporting Framework

Assessment of progress and outcomes achieved according to plan at the recipient and program levels is fragmented in the current reporting system.

Tracking of progress requires alignment between activities completed, and results achieved against the original plan; specified targets and indicators associated with program outcomes.

Limited standardisation in reporting of results within and between programs is a challenge for assessing the extent of program effectiveness.

Lessons and Opportunities

- 1 Program administration and reporting systems could be designed and optimised for efficiency.

For instance, process for contract variations could be streamlined and linked to ensure automated updates in administration and reporting data bases.

- 2 Future program design could consider the functions and resources required to deliver complex collaborative programs.

For instance, a separation of functions for administration, contract management and regional engagement.

- 3 An integrated reporting framework and system is needed to measure investment impact.

Increasing standardisation in program reporting and identifying and incorporating intended outcomes will enable assessment of program effectiveness.

Reporting systems should allow for changes to activities and indicators for results and outcomes.