

# Goondiwindi AgTech Innovation Hub Feasibility Study and Business Case

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## Executive summary

Innovation ecosystems add value to economic and community development in a region. Innovation hubs can play a critical role in these ecosystems by providing centralised access to networks, capital, technology, community and social support.

Goondiwindi is exploring implementation of a local innovation hub that will leverage the local strengths of the agricultural sector. This report follows a structured approach to assessing the feasibility of an innovation hub and developing an actionable business case and plan.

A summary of findings is outlined below:

- **Presumptions and Principles**
  - Two presumptions of the report are that: **1)** A physical space is not required to meet the functions of an innovation hub; and **2)** Achieving innovation outcomes in a region requires more than an innovation hub.
  - Innovation ecosystems are proven to bring value both to a region and to individual entrepreneurs through economic diversity, access to new markets, attraction of talent and new industries, and building local entrepreneur capability.
  - This value-building can take time and is built on core principles, including: **1)** Ensuring diversity and redundancy; **2)** Social and physical connectivity; **3)** A culture of entrepreneurship and experimentation; **4)** Broad participation in the community; **5)** A multi-faceted governance model; **6)** An acknowledgment of complexity; and **7)** Allowance for outcomes over a long period of time.
- **Context**
  - **The agricultural sector is significant in Goondiwindi** – with agricultural exports representing 60% of gross regional product (GRP) (\$433M agricultural exports of \$728M GRP).
  - **Agriculture is diverse in Goondiwindi** - with a combination of cattle, wheat, pigs, chickpeas, and cotton comprising 70% of the sector. The diversity provides for resilience and multiple avenues for innovation activity.
  - **Agriculture innovation is growing in Australia** - The Goondiwindi hub contributes to the wider Australian and global innovation ecosystem. There are over 25 start-up-related hubs and programs focused on agriculture in Australia.
  - **Strengths in the region** – include the existing entrepreneurial culture, the agriculture strength and diversity, existing momentum towards innovation activity, central logistics hub, nationally-recognised lifestyle and strong social fabric.
  - **Weaknesses in the region** – include a lack of digital connectivity outside of the town centre, distances from populated areas, lack of density of entrepreneurial support, and limited specialised service providers focused on entrepreneurial activity.
  - **Opportunities in the region** – include current innovation funding, leveraging momentum from neighbouring regions (Toowoomba) and momentum from ongoing digital disruption.
  - **Threats in the region** – include competition from neighbouring regions, maintaining a social licence to operate for current farm practices, changing consumer food-related expectations and purchasing behaviour, new entrants in the food market (organic, plant-based 'meat'), impacts from climate variability, and digital disruption driving a need for greater connectivity.

- **The Goondiwindi hub will engage with innovation activity in surrounding regions -**  
The Goondiwindi innovation hub will engage with surrounding regions in three strategies: **1)** Collaborate with, and differentiate from, established innovation programs and initiatives (e.g. Toowoomba, Western Downs); **2)** Raise awareness and align where possible (e.g. Southern Downs, Tenterfield); and **3)** Partner with and help (e.g. Balonne).
- **Asset map**
  - A map of existing assets was conducted to assess innovation-related roles and functions supported in Goondiwindi.
  - **Roles where capability can be increased** related to entrepreneur support: Education and support organisations, industry associations and peak bodies, an innovation hub, investment/capital, large corporations/multinationals, service providers, a backbone organisation to support entrepreneurial activity, start-up entrepreneurs, and a connection/virtual hub.
  - Other roles relative to entrepreneur support were identified to moderately increase or maintain focus.
  - **Functions related to entrepreneur support that were most provided** include: advocacy, building the ecosystem, entrepreneurial support, creating entrepreneurial culture, mentoring, tourism and entrepreneurial pathways.
  - Other functions were moderately provided or not observed. Capability can be increased and additional roles provided across the functions, as is expected in a low-population region.
- **Interviews/consultation**
  - **Interviews and community consultation were conducted** with over 25 members in the community, including: the local Chamber of Commerce, education providers, entrepreneurs related to small business, farmers, technology, and suppliers, service providers, local government, and state government.
  - **Current approaches to starting a business** were identified as: **1)** Having no central options; **2)** Use of existing business networks and resources; **3)** Use of services outside of Goondiwindi; **4)** Community and cultural assets; and **5)** Doing it on their own.
  - **The shared vision for success** included aspects of: talent attraction; infrastructure; community; inspiration and promotion; focus and execution; a hub of information; and operational structure.
  - **Challenges and opportunities related to establishing the hub** related to: **1)** The local Goondiwindi culture versus change and an entrepreneurial culture; **2)** Leadership roles and functions; **3)** Promotion of the hub brand and concept; **4)** Services provided; and **5)** The structure of the hub and management approach.
- **Options**
  - **A dedicated stand-alone coworking space is proposed as low viability** based on expected low demand, observations in other regional communities, and existing options in cafes, an existing business hub, and the library.
  - **An innovation hub is proposed as a preferred option**, with minimal emphasis on physical space. Essential elements include: curation of members, emphasis on firms

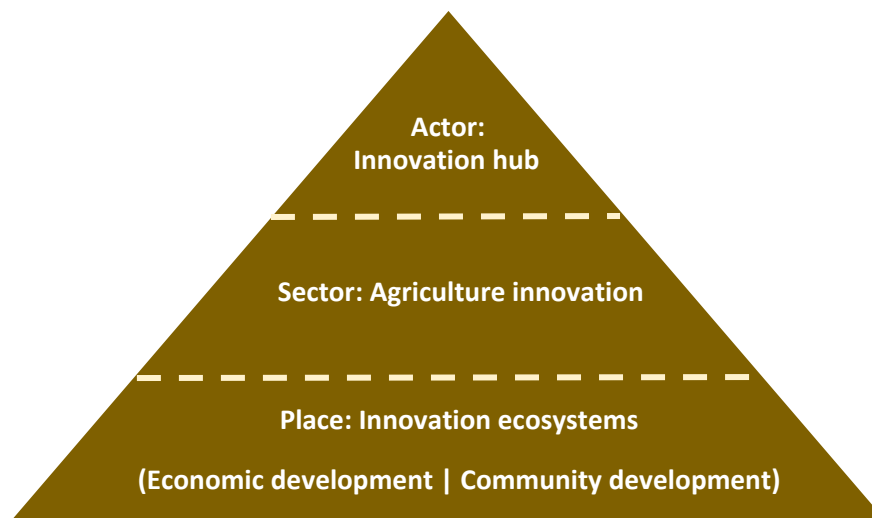
with high growth potential while accommodating the full business maturity life cycle, provision of operational activity including events and programming, establishing a mentoring pool, providing appropriate leadership capability, and placing an emphasis on challenge-led programs over generic entrepreneur-development activities.

- **An application product centre where the hub provides access to technicians to address local challenges is not recommended** based on an assessment of other market examples and the capability and resources available in Goondiwindi.
  - **A technical provider model can be further explored if supported by a primary sponsor** to provide specific services to the community, such as data hosting or provision of specific technology (virtual reality, data analytics or processing).
  - **The establishment of an investment group focused on entrepreneurial activity can be further explored**, including setting up a local angel investor network, joining an existing angel syndication, or establishing a dedicated angel fund.
  - **A backbone organisation is recommended** as part of a Collective Impact initiative to support overall entrepreneur and innovation activity in the region. The backbone structure can begin as a steering committee, and evolve into a dedicated not-for-profit structure providing an outsourced economic development function for the region.
- **Physical space**
    - The report was commissioned to explore the potential implementation of physical infrastructure of an innovation hub.
    - Ten existing locations and a new greenfield development were considered.
    - When considering current and potential functions and roles of innovation activity in the region, **a physical space is proposed as not being an initial priority.**
- **Budget and resourcing**
    - General annual budgets are proposed for the options, including a coworking space, innovation hub, hackathon, challenge program and backbone organisation.
    - An innovation hub with a physical space can operate at a deficit of around \$160,000.
    - Without the physical asset of a building and associated coworking services, the deficit can be reduced to around \$50,000.
    - The deficit is usually owned by government, university, corporate, investor or a private philanthropic individual.
    - One solution in regional areas is to address the deficit as an outsourced economic development function of the local council.
- **Proposed structure and resourcing**
    - **Prospective owners for the Goondiwindi innovation hub** include: local government, a private or collaborative body, an existing business group (such as a Chamber of Commerce), a university, or a corporation.
    - Within the context of Goondiwindi, an option is to have the backbone and hub be auspiced by local government, evolving into a new not-for-profit as momentum builds.
    - **Positions required** include: Community management; Operations support; Entrepreneur support and a Facilitator.

- **Resourcing options** include: leveraging existing staff, employing new staff, contracting staff on an as-needs basis, and outsourcing to a third-party.
- It is proposed in the first instance that a hybrid outsourcing model be developed with existing local resources, combined with contracting on an as-needs basis.
- **Strategy**
  - An indicative strategy is proposed across four areas, including: establish a sustainable base, cultivate the local culture, build the entrepreneur ecosystem, and support entrepreneurs.
  - The strategy is designed to build capability and capacity in roles to better provide functions identified in the asset-mapping process and address feedback from the consultation process.
  - The strategy includes 15 initiatives across the four focus areas.
  - The strategy is focused on 'current state', including the establishment of the backbone, hub and initial actions for each entity.

## Background, introduction and context

Three concepts are relevant to this report: innovation ecosystems, innovation in agriculture (with an emphasis on technology), and innovation hubs.



**Place: Innovation ecosystems** are important for individual competitiveness. The rapid pace of change requires regions to work together in new ways outside of relationships defined by traditional supply chains. Governments, universities, corporations, industry bodies, support programs, service providers and entrepreneurs form “ecosystems” to deliver innovation outcomes in a region. Global rankings of innovation ecosystems are an indication that the ability of an individual company to be competitive is based as much on the ability of the region to collaborate for shared economic outcomes as on individual performance.

**Sector specialisation: Innovation in agriculture** includes new activity that brings sustained value for the agricultural sector. The gross annual value of Australian agriculture is \$59 billion<sup>i</sup>. This value has almost doubled in the past decade, but faces constant pressure from agriculture megatrends of customer expectations, demand, competition for natural resources, climate variability, new entrants in the food market, and digital disruption<sup>ii</sup>. Innovation in agriculture helps farms and regions to mitigate risk and take advantage of opportunities to remain competitive and resilient in a changing market.

**Actor: Innovation hubs** perform a specific function in the innovation ecosystem to bring key stakeholders together and provide access to capital, markets, and networks. These hubs are both physical and virtual, and are supported by government, university, private and university funding.

This report brings these three lines of thought together to develop the case and implementation approach to review the innovation activity in Goondiwindi for the purpose of developing an Ag-tech innovation hub. The report borrows on other detailed reviews of innovation ecosystems and innovation in agriculture, and examines principles known to contribute to innovation ecosystem success, input from the Goondiwindi community, innovation hub business models, and a proposed operational plan based on preferred options.

## Project brief

### Goondiwindi Regional Council's Economic Development Vision:

*'The Goondiwindi region aims to be Australia's centre of agricultural excellence, a premier visitor destination, and a region celebrated for its prosperous rural lifestyle.'*

**History:** A community consultation identified an opportunity to establish a Centre for Agricultural Excellence to capitalise on the innovation generated in the region and the rapid advances in technology that are changing the face of agricultural production systems.

**Project Vision:** The Centre for Agricultural Excellence concept will see the creation of an ecosystem that will support local producers in developing a solution to their everyday farming issues using local businesses, funded by local investors and employing and educating locals, as well as attracting investment and additional personnel to the region.

The Centre will be community-led to resolve local issues and to serve local interests and industries. The facility is expected to be financially self-sustainable within a reasonable period. The Centre will act as an incubator for local businesses, offering opportunities for collaboration, mentoring, investment, education and technical support.

**Expected outcomes:** Identify the demand, potential users and other broader regional risks and opportunities. Identify practical governance, operational, investment and infrastructure models to ensure success. The Centre must be a local entity that is viable, sustainable and successful in providing solutions to agricultural challenges as identified by local farmers.

### Goondiwindi Region Centre of Agricultural Excellence Steering Committee

- Provide guidance to Goondiwindi Regional Council in the development of a tender for the feasibility study for the Agricultural Centre of Excellence;
- Provide leadership and guidance to the successful Consultant in developing the feasibility study for the Agricultural Centre of Excellence;
- Actively participate in learning opportunities about best practice in incubation hubs and agriculture innovation;
- Advocate for the project and communicate with the community regarding the benefits of the project; and
- Review the Consultants' final submission and make recommendations to Council.

### Expected benefits

- Locally-led successful Centre for Agricultural Excellence.
- Improved productivity and efficiency in local farming.
- Agricultural innovation developed through to commercialisation.
- Increased local presence of start-up businesses.
- Attraction of investment and skilled personnel to the region.

## Core definitions

It is important to clarify these core definitions for the context of this report:

- **Innovation** is defined as any value-adding process, service or product that is new to a region or sector. This definition is intentionally broad and inclusive. Value includes both economic and social returns. Technology is inferred as it is often required to deliver something new.
- An **entrepreneur** is an individual who creates something new in the form of personal ownership and takes personal risk for a potential future return.
- A **start-up** is an early-stage company or initiative with external commercialisation opportunity with high growth potential based on access to large markets and use of innovative technology.

## Presumptions

Two presumptions underpin the approach to the feasibility study: the role of physical space within a regional innovation hub, and the need to build the innovation ecosystem in parallel to the function of an innovation hub.

### *An innovation hub is more than a physical space*

First is the separation of the functions of an innovation hub from its physical space. An innovation hub provides functions including:

- access to networks, information, capital and technology;
- creating a community of practice specific to entrepreneurial activity; and
- personal development and support for entrepreneurs.

In addition, an innovation hub can provide access to space from which to work.

The use of space can also provide what is referred to as “serendipitous collision”, where being in close proximity to like-minded individuals and those who support them can lead to new opportunities. However, these collisions require a steady flow of traffic, the presence of surrounding amenities, and a continuous influx of people. These factors are unlikely to occur in regional areas. Further, apart from the value from access to high-speed internet, many people in rural areas are familiar with working from home or can find it inconvenient to travel into the town centre to work.

This is not to say that a physical space does not have value, but that the activities in an innovation hub need to be more structured and intentional beyond relying on the value of a shared workspace. This presumption has been tested through consultation, based on the emphasis placed on physical space by the interviewees.

### *Building the innovation ecosystem is different to the functions of an innovation hub*

A second presumption is the perceived need to intentionally build the innovation ecosystem outside the innovation hub. The innovation ecosystem includes the investment, mentors, government policy frameworks, service providers, business network and other individuals and organisation supporting entrepreneurs to build and scale businesses in a region.

An innovation hub requires a healthy innovation ecosystem, but the resources of an innovation hub are often not sufficient to both effectively run the hub and build the innovation ecosystem. There can also be conflicts of interest between running the innovation hub and building the innovation ecosystem.

## Building the business case

The case has been well-established for the value of investment into innovation and entrepreneurial activity. Benefits of entrepreneurial activity are both financial (e.g. profits, cash flow, return on investment, increases in gross domestic product [GDP]) and non-financial (e.g. independence, autonomy, competitive advantage, increased market share, employment, increased standards of living)<sup>iii</sup>.

For every dollar the government invests in agriculture Research Development and Extension (RD&E), there is a \$12 return on investment over 10 years<sup>iv v</sup>. The specific value of the entrepreneur to a region as part of this system is difficult to define explicitly, but it is a significant part of the innovation ecosystem. Intangible aspects such as entrepreneurial attitudes (entrepreneurial intention, capabilities to start a business, perspectives on opportunities to start a business, and knowledge of other entrepreneurs) are also proven to impact positively on GDP<sup>vi</sup>.

Investment source	Australian RDC investment (Council of Rural Research and Development Corporations, Funding Australia's research, 2018) <sup>70</sup>	Australian RDC investment (Council of Rural Research and Development Corporations, Impact of investment in research and development by the rural research and development corporations 2010) <sup>71</sup>	Australian Government investment <sup>72</sup>	US Public agricultural research <sup>73</sup>	US Public agricultural research and extension <sup>74</sup>
Results	4.5:1	10.5:1	12:1	10:1	21:1
Measure	Return on investment	Return on investment	Return to farmers	Return of benefit	Benefit cost ratio
Time horizon	30 years	25 years	10 years	40 years	50 years

### Investment in agriculture innovation<sup>vii</sup>

The value returned, however, can be dependent on the maturity of the local innovation ecosystem. As reflected in the table above from the 2019 EY report *Agricultural Innovation — A National Approach to Grow Australia's Future*, investment in research or innovation can take years to realise. This lag between activity and impact is stated here to manage expectations of local investment in the innovation hub. It also encourages a focus on less tangible metrics and identifying measures that can be used to demonstrate progress.

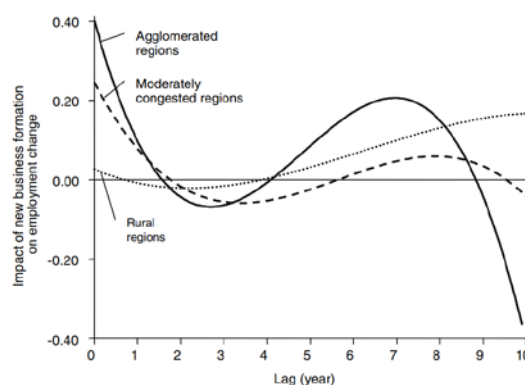
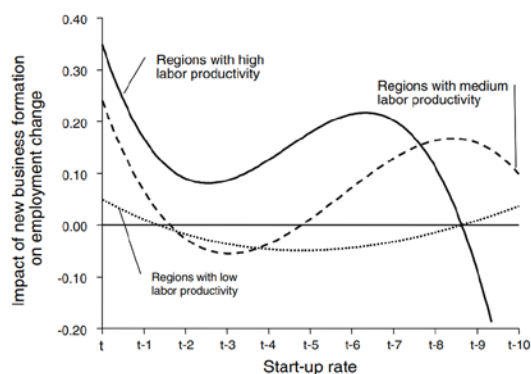
### The value of an entrepreneur to a region

It is widely understood that entrepreneurs add value to a region, but understanding what contributes to outcomes and the value returned is complex. Changes in employment, population, and other economic and social outcomes can result from a range of factors. The impact of entrepreneurship varies based on region characteristics and industry sector. Employment can come from resident unemployed or new companies bringing employment with them. Finally, new technology companies can have a higher risk profile but also a higher value from diversification and the ability to access revenue and other capital outside the region.

The Global Entrepreneurship Monitor, a global survey on entrepreneurship, shows a correlation between entrepreneurial attitudes and GDP, particularly in regions with lower innovation ecosystem maturity. A comprehensive study of regions in Sweden showed that entrepreneurship significantly correlated to employment in rural areas, particularly in regions with slower population growth rates<sup>viii</sup>. This research demonstrates that new entrepreneurial activity can have a more significant

impact when there is greater potential, as compared to regions where there is already high density or entrepreneurial activity.

After an initial uptick in economic impact, research also shows that new entrepreneurial activity can have a negative impact on the economy after the first two years due to displacing existing businesses and early-stage companies failing or leaving. This impact can then become positive within five to seven years of new business creation. This impact has improved results in rural regions and regions with higher productivity<sup>ix</sup>.



So, what does this mean for Goondiwindi? New entrepreneurial activity has the most impact where there is the most potential, and existing, productivity, such as the local agriculture focus. The relevance for Goondiwindi is to take advantage of the momentum generated by new entrepreneurs and build support infrastructure to mitigate short-term negative impacts and focus on expected longer-term outcomes.

### The value of an innovation hub to an entrepreneur

Entrepreneurs can bring in increased employment and population for a region. But what value does an innovation hub provide for the entrepreneur?

In three instances of speaking with entrepreneurs in the Goondiwindi region, the entrepreneurs owned existing businesses and were working on a new product on the side. Each case represented a different type of business: livestock, electronics manufacturing and materials manufacturing. The new products related to the established company's core business in that they shared technology and serviced existing customers. However, the new products also used new technology, required different supply chains to those of the established business, had access to significantly expanded markets, and required a completely new brand or represented a new position in the market (e.g. selling based on value rather than based on cost).

Each of the entrepreneurs in the three cases commented on an initial selection of providers who were unable to provide adequate support in manufacturing or distribution. All of the new products were funded from the profits or reserves of the established businesses. Each product needed additional support from legal, accounting and marketing service providers that were not accessed locally, and access to markets and networks outside the Goondiwindi region.

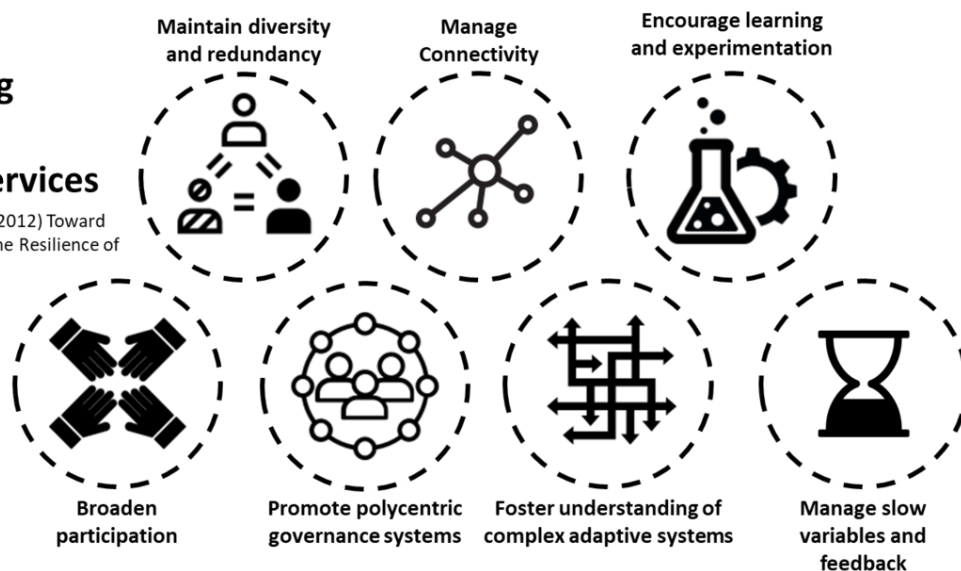
The costs from lack of access to professional services, delays of six to twelve months in getting product to market, lack of access to customers, and lack of input into production easily added up to over \$100,000 per example. Faster speed to market would have meant additional customer revenue and ability to bring on staff to support additional growth. These are all functions provided by an innovation hub and wider innovation ecosystem.

## Principles of innovation ecosystem services in regional areas

Regions are diverse and innovation ecosystems are complex. There is no single prescription to develop an approach to supporting innovation activity. Innovation systems operate on underlying principles that support effective decision-making.

### 7 principles for enhancing innovation ecosystem services

Sourced from Biggs et al (2012) Toward  
Principles for Enhancing the Resilience of  
Ecosystem Services



These principles are important for everyone to understand the reason behind activities. Framing the context of the report on principles ensures that these principles are embedded into the recommendations moving forward.

### Principle 1: Maintain diversity and redundancy



An innovation ecosystem requires multiple support options and as many pathways to market as possible. Diversity includes: 1) Variety (how many different elements), 2) Balance (how many of each element), and 3) Disparity (how different the elements are from one another). Redundancy provides “insurance” by allowing some system elements to compensate for the loss or failure of others. Both are important for a vibrant innovation ecosystem.

Regions that have a low population density can struggle to foster diversity. Communities naturally evolve towards being the same based on safety and efficiency of shared understanding and beliefs. Redundancy can be an issue in regional areas, as there may be only one actor and perhaps one individual filling a role, such as a single lawyer with start-up expertise or investor with knowledge of angel investing. Specific and intentional action is needed to attract different aspects of community, where those communities feel welcome and incumbent communities do not feel threatened.

Hubs play a key role in fostering diversity through networking events and programs, often aimed at segments of the community that are less represented. Hubs themselves can represent an under-represented aspect of the community of those who do not follow traditional business pathways. A lack of diversity in a region can result in a region neither accepting a local innovation hub, nor providing it the support needed for it to succeed. Entrepreneurs can then leave the region as they look for communities containing more like-minded people.

#### Goondiwindi application

The innovation hub in Goondiwindi can focus on strengths while including all segments of the community. This includes industry, age, culture and socio-economic diversity. The approach for these segments is both dedicated focus and inclusivity.

Dedicated focus can be required to introduce entrepreneurial activity to specific segments of the community, such as females or the tourism sectors. This creates a safe place to have conversations with like-minded individuals.

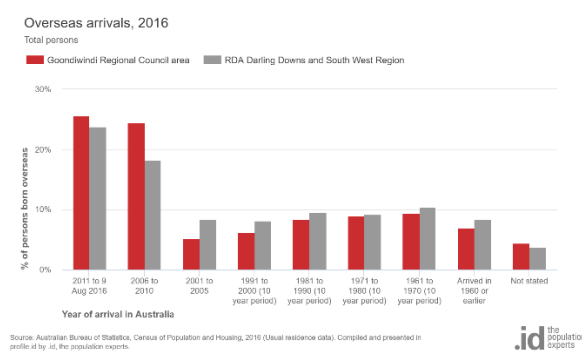
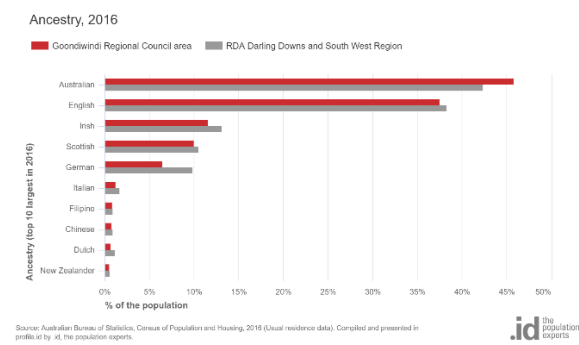
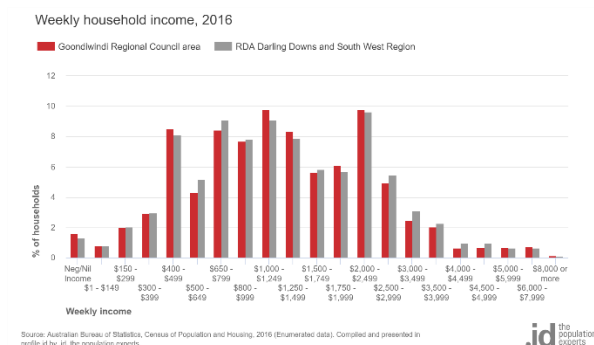
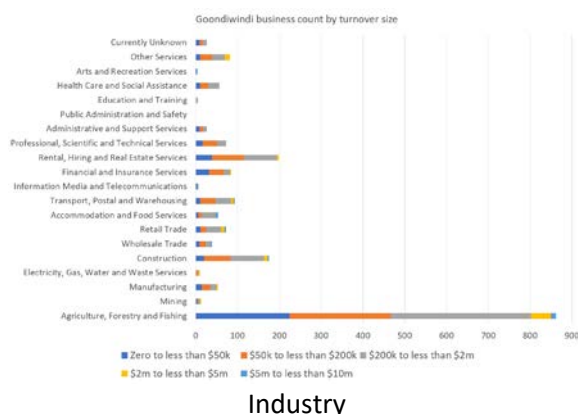
Inclusivity creates a space where everyone can feel that entrepreneurship is for them. A challenge with innovation hubs is that they can create an exclusive culture, where segments of the community may feel that the support is not available to them. Events and programs can intentionally create pathways to entrepreneurship for all segments of the community.

**Industry:** Agriculture and related support services dominate the region’s industry profile. While feedback from interviewees in Goondiwindi commented on a need for an innovation hub to focus on more than agriculture, the economic and social dominance of agriculture make an emphasis on the agricultural sector a mandate. However, other sectors need to be considered to ensure additional opportunities for value are identified, and a specific focus on an aspect of agriculture is recommended.

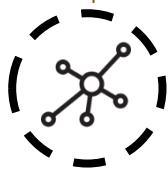
**Age and gender:** The innovation hub is expected to cater to the dominant age group of 40- to 50-year-old entrepreneurs who have the capability and capacity to leverage experience, networks, and domain knowledge and undertake new opportunities. However, there is also potential to support entrepreneurial thinking and skill-building in teens and develop an entrepreneurial community for the 20- and 30-year-old residents who remain in, or are attracted to, the region. Programs and events need to represent leadership and content for all genders, particularly in the 20- and early 30-year-old age groups where there is a greater representation of females.

**Socio-economic:** The moderate representation in the middle-income bands mean that it is expected that there are those who are able to invest in their own and others' entrepreneurial activities. There is also a small representation of those in the higher income bands who may have interest in supporting entrepreneurial activity through investment and mentoring.

**Culture and nationalism:** The Goondiwindi region's residents are of predominantly Australian and European ancestry. There is, however, an increase in residents who have arrived in the country from 2006. An opportunity exists for the region to develop programs that intentionally bring in a diversity of perspectives from different regions and cultures. In particular, immigrants are twice as likely to start a business, due in part to challenges in gaining existing roles in established businesses.



## Principle 2: Manage connectivity



Connectivity is the manner by which and extent to which resources, species, or social actors disperse, migrate, or interact across ecological and social landscape. It includes both physical infrastructure (transport, internet) as well as social (trade, information, relationships). Connectivity relates to connections across geography (between regions and national or global connections), as well as industries, age and socio-economic bands, and cultures.

Connectivity is especially important for early-stage entrepreneurs with aspirations for global markets. These founders require technologies, ideas, customers and regulation support from multiple sources that need to be varied, accurate, high quality, frequent and efficient. These relationships are shared with others in the local community, building resilience to disruptions and creating pathways for future entrepreneurs.

Hubs act as connection nodes in a community, providing opportunities for “serendipitous collisions”. They open up the technical, capital and customer networks necessary to help entrepreneurs. They also act as “boundary spanners”, creating conduits to national and global markets, diverse industry groups and technology communities. Issues arise when competitive tension in a community results in groups attempting to own or excessively monetise connections, slowing down flow of new capital and ideas, forcing entrepreneurs to physically leave the region to make the necessary connections, rather than leveraging their local hub.

### Goondiwindi application

Digital connectivity is a challenge in regional Australia. One in four residents in Goondiwindi do not have internet access from home. These figures are compounded when considering the lower speeds or higher costs of internet access. This is a significant barrier when competing for digitally connected knowledge talent in nearby regions.

	Internet accessed from dwelling	Internet not accessed from dwelling
Gwydir (A)	66%	34%
North Burnett (R)	69%	31%
Moree Plains (A)	70%	30%
Inverell (A)	72%	29%
Balonne (S)	73%	27%
<b>Goondiwindi (R)</b>	<b>75%</b>	<b>25%</b>
Southern Downs (R)	76%	24%
South Burnett (R)	76%	24%
Maranoa (R)	76%	24%
Western Downs (R)	77%	23%
Somerset (R)	79%	21%
Scenic Rim (R)	83%	17%
Toowoomba (R)	83%	17%

The impact of a lack of digital connectivity is significant, affecting the ability to start an entrepreneurial journey through selling online, engage in entrepreneurial thinking through online learning, and being exposed to new cultures and diversity of online communities that may have different perspectives. The provision of high-speed internet access in the hub is essential, as well as being a key driver for connectivity throughout the region.

Social connectivity is just as important, providing a means to cross geographic, social and technological boundaries. This is one of the main functions of the events and programs in the innovation hub: to act as a nexus to enable connectivity between different local groups and external providers.

### Principle 3: Encourage learning and experimentation



An innovative ecosystem service provides more to individuals than just personal learning: it enables them to learn and experiment as a community. Success is not guaranteed and failure at some point is inevitable. Learning as a community is based on what happens collectively when - not if - failure or disruption happens.

The concept of experimentation and learning from failure is embedded into the core of an innovation hub. Activities such as start-up weekends and hackathons encourage the development of the “minimum viable product”. Unfinished and imperfect products are presented for customer feedback as soon as possible to refine the approach or stop continued investment. The ecosystem of investors, corporations, mentors and researchers is intended to support the entrepreneur through each iteration. For many entrepreneurs, acceptance of failure will be a new experience in the innovation hub culture.

#### **Goondiwindi application**

Fear of failure was raised multiple times in the Goondiwindi interview consultation. This is not a reflection on Goondiwindi as much as it is a reflection of the Australian culture overall. Global surveys highlight that Australians report higher levels of fear of failure than other countries, particularly for non-entrepreneurs<sup>x</sup>. Of those Australians who report good opportunities to start a business, 41.4 % report that a fear of failure would prevent them from doing so, which is slightly above the figures for other developed countries. This may combine with other factors to lower youth intention for entrepreneurship, which is well below other developed countries.

The practical application for the Goondiwindi innovation hub is to create specific events, and embed a culture of experimentations and learning into the programming. This creates an intentional constructive counter-culture in the community related to the innovation hub. Events where leaders share lessons learned, participate in experimentation, and share case studies where failures resulted in eventual long-term success can help more people be willing to initially give it a go and try again after failure.

#### Principle 4: Broaden participation



Participation taps into the collecting capabilities of the region and returns value for those involved. More than that, however, is the value the participant receives from ownership of the outcomes of their participation. When more individuals, organisations and community groups participate in new ideas, transparency is improved, governance encouraged, and ideas and value grown and shared. It

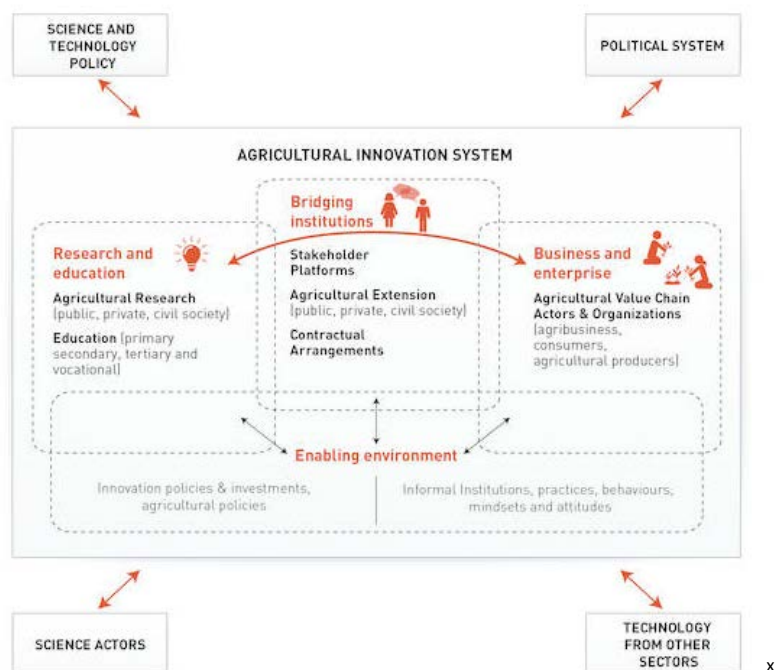
becomes easier to support initiatives when you have been a part of the process, and more difficult to stand aside and watch those initiatives fail when you have played an active part in their development.

Innovation hubs provide multiple opportunities for participation and shared value for almost any role in the community. Organisations can develop members and employees, individuals learn new skills, investors and corporations invest in opportunities, and more. Participation can come from early-stage design to practical execution, as well as multiple levels of participation including attendance, active involvement and personal investment.

#### **Goondiwindi application**

The Goondiwindi innovation hub needs to be intentional about building each aspect of the innovation ecosystem, as well as engaging with all community groups. Innovation opportunities are available to all communities, including small business (Chamber of Commerce, service providers), industries (peak bodies), policy and local community development (government, NGO), and education (schools, training providers, TAFE, university).

The innovation hub operates within a wider ecosystem of those supporting business. The hub's position will need to be clarified, as established groups question its relevance and whether it can contribute to their outcomes, and provide opportunities for a broad range of organisations to participate.



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## Principle 5: Governance



Innovation ecosystems are inherently decentralised. They can be seen as a response to the slow and risk-averse centralised governance structure of institutions such as corporations, universities and governments.

Governance in innovation ecosystems needs to strike a balance between non-existent and excessive. A lack of any governance makes operations inefficient due to lack of scalability, reliance on individual personalities, and increased risk of corruption and self-interest from lack of transparency. Excessive governance can result in burdensome reporting structures, slow decision-making, and poor communication from forced collaboration.

In regard to innovation hubs in regional areas, the innovation hub is not the same as the innovation ecosystem, but it can play a key role in the governance structure. If a local government or major university owns the single local innovation hub, governance may risk being centralised, limiting participation and diversity. Multiple smaller organisations without a central support body can result in minimal accountability and lack of collaboration. When everyone owns the outcomes, no one is accountable.

### Goondiwindi application

Goondiwindi is exploring the concept of the backbone organisation, outlined in detail further in this report.

## Principle 6: Foster understanding of complex adaptive systems



Innovation ecosystems are what is referred to as a complex adaptive system, characterised by uncertainty. Individual responses to that uncertainty combine to allow the system as a whole to adapt to changing environments. There is no straight path to the outcome and success can seem random and unpredictable. This can be contrary to traditional models of building a business or embedded supply chain

relationships.

Acknowledging innovation ecosystems as a complex adaptive system can fly in the face of structured approaches to building innovation ecosystems. Many successful entrepreneurs do not participate in structure innovation programs. Participation in a start-up accelerator is not guaranteed, or in some cases even likely, to result in a successful high-growth company.

An innovation hub provides a culture that allows complexity to result in unexpected success.

The hub's ability to accommodate, and even encourage, uncertainty can create tension due to investment from government, university, corporations or venture capital, which require planned KPIs and structured programs. Other stakeholders in the community often want to see a specific model, plan and outcomes before they will get involved. Adding extra processes slows and limits the opportunity for variability and change, and reduces the ability of the hub, and the region that it supports, to adapt to change.

### **Goondiwindi application**

The practical application for the Goondiwindi innovation hub is to embed feedback loops into the programs, develop programs that are open to change based on community response, and balance a focus on a few areas with scarce resources and working with other stakeholders to concurrently build multiple areas of the ecosystem.

### **Principle 7: Manage slow variables and feedback**



Building ecosystems takes time. This is contrary to political or commercial systems that are rewarded on short-term election cycles and market returns. Ecological comparisons would be measuring coal production versus rising sea levels or immediate crop yield over soil composition.

Metrics in a hub can include program participation, company formation, jobs generation and investment attraction. These metrics justify ecosystem-building activities but can come at the detriment of sustainable ecosystem development. For example, a local accelerator or innovation hub may create activity and investment, but without a culture and values to accept change, policies to support new businesses, and long-term community capital commitment to sustain investment, the value of new entrepreneurs will leave the region as soon as the program is over.

Innovation hubs can influence long-term variables such as culture, economic development capability and practical application of policy.

A challenge is in identifying who is accountable for the more long-term stabilising variables. Culture metrics for entrepreneurs include sentiment such as "Do I believe I can start a business in my region?" or "Do I know someone local who has started a business?" Other metrics include ease of starting a business in time and cost, access to technical or entrepreneurial talent, and infrastructure supporting entrepreneurial activity (transportation, internet, speed of personal networking). Hubs play a key role in influencing slow variables. However, they are often not adequately resourced or have the political influence to sustain the efforts required for managing long-term change or measuring and reporting on long-term impacts.

### **Goondiwindi application**

Acknowledging the time required to build capability, metrics comprise more than employment and investment. Short-term variables such as employment and investment are unlikely to materialise within the first 24 months. Yet participation alone, such as event attendance or social media engagement, is only one part of the reporting picture.

Additional measures will be embedded, including sentiment and networking behaviour, to determine if the underlying principles are being applied (e.g. is there diversity of participants and thinking, is there evidence of social connectivity, does the activity reflect the complexity of the ecosystem or is the programming and participants leaning towards homogeneity).

## Context, comparisons and assets

### Australian examples











The Goondiwindi innovation hub will join the growing ranks of organisation focused on driving innovation in Australia. Developing a working relationship with other actors in the ecosystem ensures broad support for entrepreneurs and builds capability and capacity in the local ecosystem.



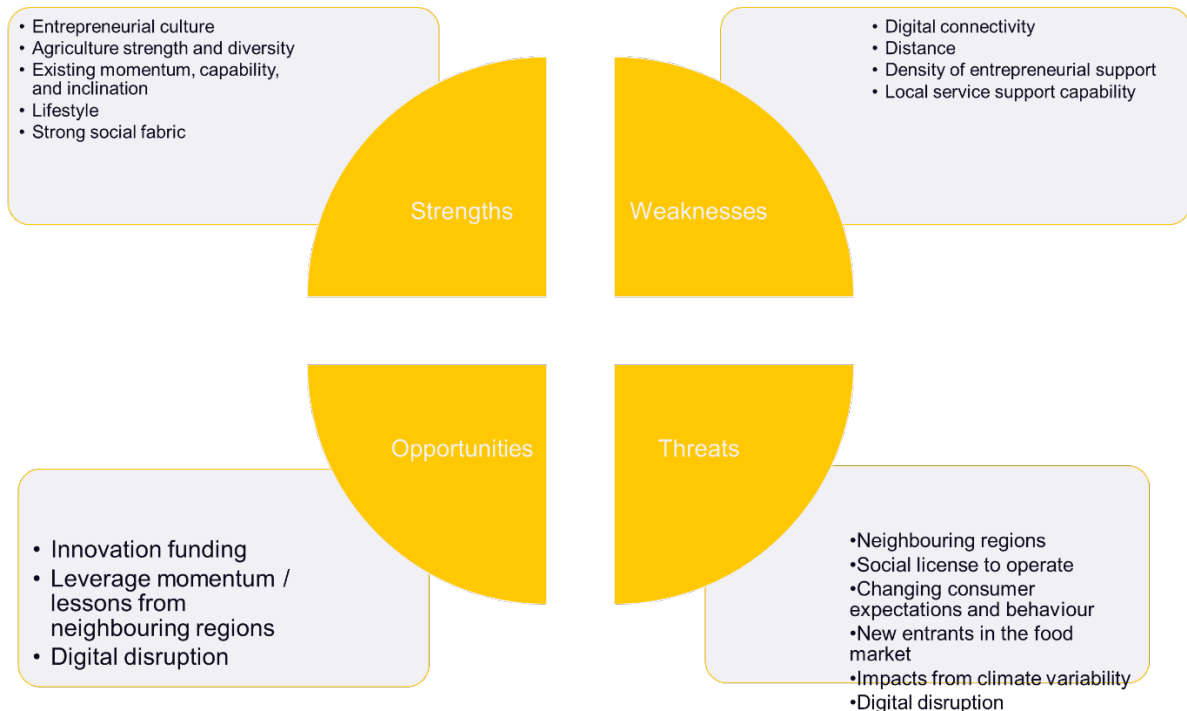
### Other regional innovation ecosystem examples

Each region is unique in its economic development and community profile, history and culture, and strengths and assets. However, lessons from other regions can be applied to identify shared principles and what can be learned from other business models that have been applied.

The regions outlined in the table below have innovation activity specific to innovation hub infrastructure that can be applied in Goondiwindi. A common aspect of the models is a central physical or virtual hub supported by a larger collaborative body, be that local government, a private entity, a community group or economic development body.

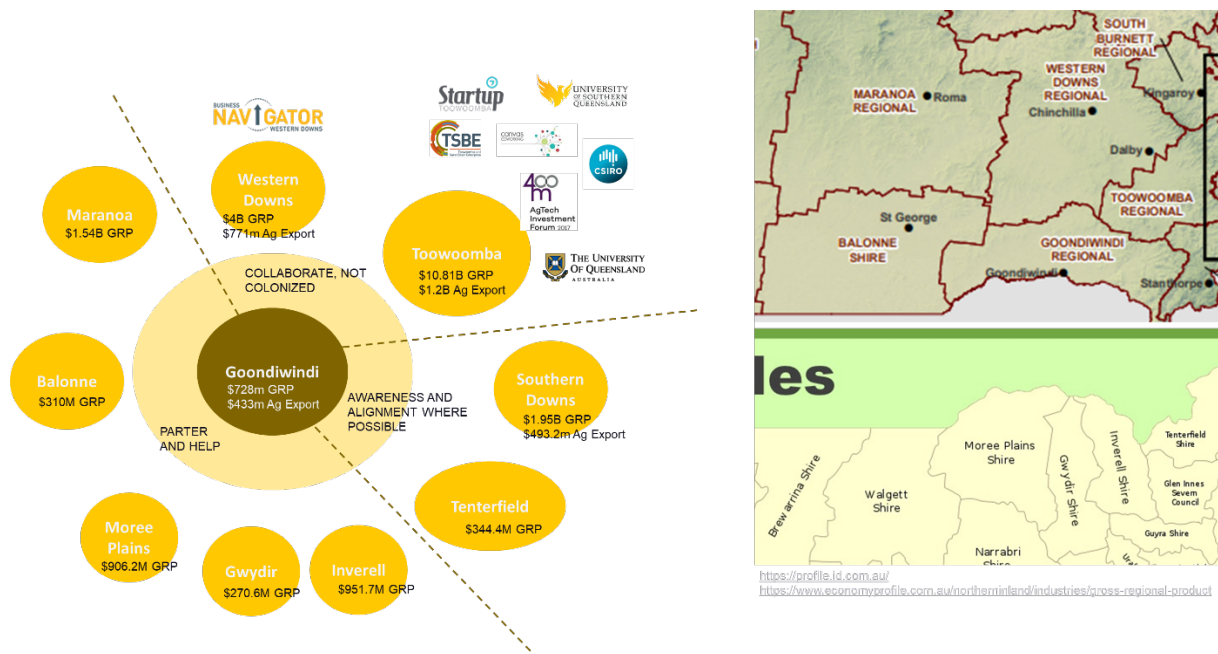
Region	Population	Hub	Model and description
Bundaberg	69,000		<p>Private entities, nominal local government support.</p> <p>Private innovation hub The Generator, recently sold to established BEC. BEC founder went on Startup Catalyst mission to the US to understand opportunity.</p> <p>Community group CLS manages large makerspace driving innovation in support for those with disabilities.</p>
Gladstone	33,400		<p>Private community group.</p> <p>Startup Gladstone is a local community group, similar to Startup Townsville, Startup Mackay, etc. Helps coordinate and promote programs for local corporates (Rio Tinto, ConocoPhillips) into schools and small business for community investment. No physical space.</p>
North Burnett	10,500		<p>External economic development organisation supporting innovation activities across the wider region. No physical space.</p>
Ipswich	200,000		<p>Local government owned and operated innovation hub. Limited programming and lack of central community manager.</p>
Atherton	45,200		<p>Local not-for-profit organisation supporting entrepreneurial activity, volunteer-based. No physical space.</p>
Longreach	3,130		<p>Separate economic development body RAPAD supports Outback Hubs, commissioned an Entrepreneur in Residence to mentor and run programs for 12 months for the wider region.</p>
Rockhampton	80,660		<p>Local government owned and operated innovation hub. Activity and programs driven by central community manager and supporting team.</p>
Toowoomba	134,037		<p>Major economic development body Toowoomba Surat Basin Enterprise, funded by local council, recently expanded into coworking spaces and developing export readiness programs. Private coworking space Canvas Coworking.</p>
Moreton Bay	425,000		<p>Major economic development body MBRIT focusing on Tourism, Business and separate function for innovation with Innovate Moreton Bay.</p>
Whitsunday	35,500		<p>Local government virtual innovation hub focused specifically on climate change.</p>

## SWOT



## Regional comparison

A high-level comparison has been conducted, examining surrounding regions to identify how the Goondiwindi innovation hub would integrate with surrounding regions.





24.5% Cattle & calves	4.5% Sorghum
19.2% Wheat for grain	4.1% Barley for grain
14.9% Pigs	1.9% Crops for hay
13.1% Chickpeas	1.8% Wool
11.1% Cotton	1.1% Sheep & lambs

The Goondiwindi agricultural sector is diverse, providing resilience against a downturn in any one commodity. The local sectors can provide consistent funding opportunities from local industry. While agriculture innovations can apply across multiple industries, the diversity also allows for various specialisation of technology solutions.

### Goondiwindi innovation ecosystem and asset map

A high-level map of assets relating to innovation are outlined below.



### Asset map: tool methodology and description

The following review is an assessment of the local asset map. The review is based on local interviews and observations by one individual at the time of the review. Some roles and functions are not directly observed and are based on an external perception.

The asset map describes roles and functions that make up the ecosystem. A **role** is an actor's position in the region. A **function** is an outcome achieved in the region.

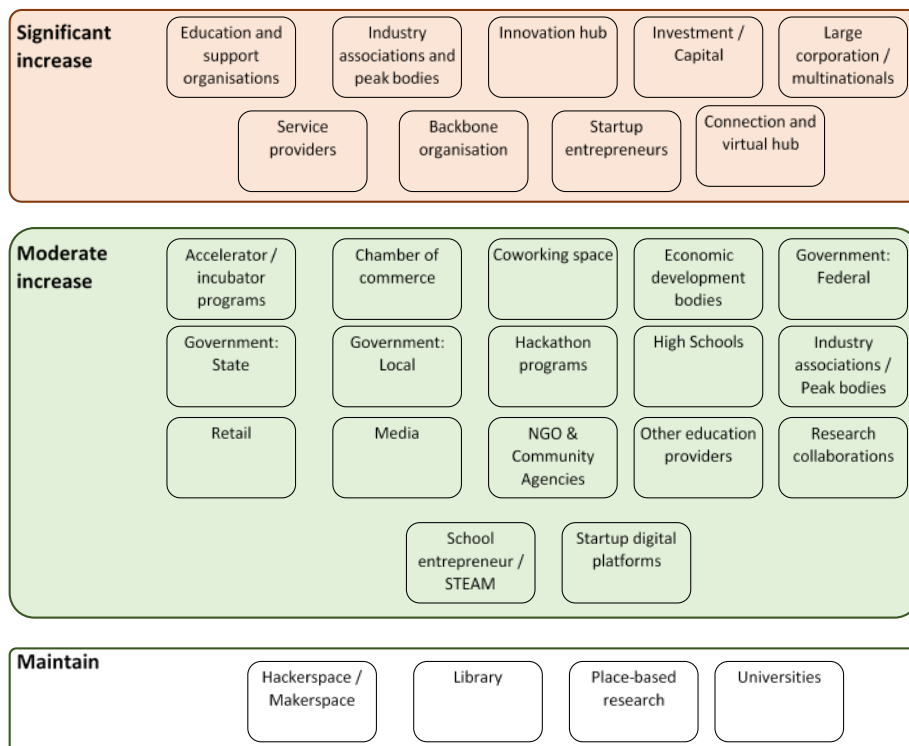
The scope includes roles and functions specific to "the development of early-stage, high-growth entrepreneurs". The **rating** is based on a score of 1 to 3 based on how effective and extent the role is considered to be in offering the function towards the development of early-stage, high-growth entrepreneurs. **Extent** is defined as the amount in time, duration and/or quantity of engagements. **Effectiveness** is defined as the value delivered towards the scope.

- **1:** The function is provided by the role to a minor extent and/or with minimum effectiveness.
- **2:** The function is provided by the role to a moderate extent and/or with moderate effectiveness.
- **3:** The function is provided by the role to a high extent and/or with high effectiveness.

The total **score** against each role and function is the sum of the ratings. Each score reflects the number of ratings and sum of the ratings. A high score may mean there are a number of functions served or a number of roles providing the function, or that a small number of roles provide the function.

Recommendations are grouped into three options—**Maintain, Moderate increase, and Significant increase**—based on the amount of change and corresponding shift in resources towards the role or function.

#### Asset mapping and recommendations based on change in focus



	Support functions for local early-stage, high growth potential firms																			
	Advocacy	Amenities	Build the ecosystem	Capital	Community	Create culture	Customers and Markets	Entrepreneurial support	Industry support	Infrastructure	Local impact	Marketing and promotion	Mentors	Networks	Personal development	Policy	Research	Physical Space	Technical support	Youth entrepreneurs
Support roles / Actors	6	2	9	1	4	5	1	6	0	3	2	1	5	3	3	3	2	4	2	4
Accelerator / incubator programs	0																			
Chamber of Commerce	4							1					1	1						
Entrepreneur community advocacy	6	1	2			1		1		1										
Coworking spaces	1																	1		
Economic development bodies	0																			
Education and support organisations	14	2	1		1	1		2				1	2	1	2					
Government: Federal	0																			
Government: Local	12	1	2							1	1					3	2			
Government: State	3		2							1										
Hackathon programs	0																			
Hackerspace / Makerspace	0																			
High schools	0																			
Industry / technology communities	9	1			1	1		1			1		1	1	1				1	
Industry associations and peak bodies	1																			
Innovation hubs	0																			
Investment / Capital	0																			
Large corporations and multi-nationals	0																			
Library	1																	1		
Retail, including cafes and hotels	5	2																2		
Media	1																			
NGOs and Community agencies	2																			
Other education providers (tafe, training)	3																		1	
Place-based research	0																			
Research collaborations	2		1																	
School entrepreneur / STEAM programs	1																		1	
Service providers	3							1										2		
Startup digital platforms	0																			
Startup entrepreneurs	12	1	1	1	2	2	1					1							1	
Universities	0																			

- 1: The function is provided by the role to a minor extent and/or with minimum effectiveness.
- 2: The function is provided by the role to a moderate extent and/or with moderate effectiveness.
- 3: The function is provided by the role to a high extent and/or with high effectiveness.

## Roles

Role	Description	Assessment	Consideration Year 1
<b>Accelerator/incubator programs</b>  <b>Score: 0</b>	Cohort-based programs with a start- and end-date designed to support early-stage, high-growth potential entrepreneurs to ideate, build, grow and/or scale their idea by providing access to networks, content and, occasionally, financial capital.	No accelerator or incubator present in Goondiwindi. The closest program is located in Toowoomba (Startup OnRamp, delivered virtually) or Western Downs (Business Navigator).	<b>Moderate Increase</b> Bring in an existing pre-accelerator program into the region. Use the program to establish and build capability in the local innovation hub. Consider running a program as part of a dedicated challenge-led program.
<b>Chamber of Commerce</b>  <b>Score: 4</b> Entrepreneur support: 1 Mentors: 1 Networks: 1 Entrepreneur pathways: 1	Provides advocacy for local business, events and networking, and dedicated mentoring programs. The focus varies significantly by region and various models exist. Some are funded by local government, while others rely solely on member fees to maintain independence for advocacy.	The Goondiwindi Chamber of Commerce focuses on events and networking. Mentoring and entrepreneur support happens to a minor degree only as part of general business, not specific to early-stage, high-growth business. The Chamber is supported by the local government, minimising the ability to provide advocacy for local business. The Chamber has one part-time employee who also delivers business services, minimising impact. A project is under way to help with the Chamber's role definition in the region.	<b>Moderate Increase</b> Build capability for general business support in areas of marketing and promotion, networking and mentoring as a pathway to the functions of the innovation ecosystem.
<b>Entrepreneur community advocacy bodies (backbone organisations)</b>  <b>Score: 6</b> Advocacy: 1 Build the ecosystem: 2 Entrepreneur support: 1 Create culture: 1 Infrastructure: 1	Provides connections and support for entrepreneurs, typically within a geographical, industry, or community segment scope. Can be considered an innovation hub without a physical space. Act to guide vision and strategy, support aligned activities, establish shared measurement practices, build public will, advance local policy, and mobilise funding. They are usually comprised of representation from the community including government, industry, education and general public.	Coordination of entrepreneurial activity has been grassroots and ad hoc, with individual instances of providers, community leaders, and entrepreneurs coordinating activity. A steering group comprised of local entrepreneurs, government, and industry has formed for the purpose of managing the process of the Ag Tech Hub Feasibility Study. Originally formed for the project of defining an Ag tech hub, there is potential to further legitimise and establish into a backbone organisation. The score is based on current observed activity. The steering committee is focused on the overall ecosystem development, with a sub-focus on local digital connectivity infrastructure.	<b>Significant Increase</b> Continue to formalise the steering committee, consider establishing a separate organisation and build the individual elements of the innovation ecosystem.

Role	Description	Assessment	Consideration Year 1
<b>Coworking spaces</b>  <b>Score: 1</b> Physical space: 1	A coworking space is based on a seat-for-hire business model, offering short-term office space and amenities. There can be an emphasis on community and collaboration, hosting events and programs that support entrepreneurs and business.	Goondiwindi is not expected to have the density or demand to support a dedicated coworking space. The Goondiwindi Business Hub focuses more on serviced offices, with room rental. The library offers free space in the mezzanine, but the shared space makes functions such as phone calls and meetings difficult. A number of local cafes are used for coworking by local service providers, with food and beverages used in lieu of desk fees.	<b>Moderate increase</b> Consider branding the options for coworking in the region in the local cafes, library and business hub. Establish dedicated “mentor hours” in local cafes, hubs and pubs. As demand increases, consider the establishment of a dedicated space supported by the functions of an innovation hub.
<b>Economic development bodies</b>  <b>Score: 0</b>	Advocate, inform policy and infrastructure, and provide access to networks. Related to a Chamber of Commerce, but at a larger scale, over a larger region, and with higher influence. The federally-supported Regional Development Authorities (RDA) are included in this category.	Goondiwindi falls within the remit of the Toowoomba Surat Basin Enterprise (TSBE), a major economic development body for the region. There is little activity specific to the local Goondiwindi innovation ecosystem.	<b>Moderate increase</b> The TSBE is supporting the establishment of a backbone function as part of an initiative with the MIT REAP (Regional Entrepreneur Accelerator Program). Leverage the activity to align outcomes in the Goondiwindi region.
<b>Education and support organisations</b>  <b>Score: 14</b> Advocacy: 2 Build the ecosystem: 1 Community: 1 Create culture: 1 Entrepreneur support: 2 Marketing and promotion: 1 Mentors: 2 Networks: 1 Personal development: 2 Entrepreneurship pathways: 1	Those in the community who provide education and support specific to early-stage, high-growth entrepreneurs for entrepreneur, investors and government. These providers often focus on a specific function (e.g. investment readiness, founder mental health, policy development). This category does not include traditional service providers such as accountants, lawyers or digital agencies.	Julia Telford (from Engage & Create Consulting, the primary recognised support organisation) is to assist with the specific scope of early-stage, high-growth, potential opportunities. Julia acts as a boundary spanner with the broader Australian innovation ecosystem to attract outside opportunities into the local area, allowing locals to access them. Support is limited in capacity based on a project-by-project basis, fee-for-service model, and lack of branding specific to the function to raise local awareness of the potential. Additional capability can be built into Julia’s role through further boundary-spanning excursions.	<b>Significant increase</b> Local council engage in an outsourced economic development model to support outcomes in the first year. Attract additional providers in specialist functions (investment, technical capability) and expand the role for redundancy of services. Transition functions to a dedicated innovation hub role in the community.

Role	Description	Assessment	Consideration Year 1
<b>Government: Federal</b>  <b>Score: 0</b>	Programs and activity by the federal government specific to entrepreneur support intended for the region. Excludes general policy.	No federal programs specific to the Goondiwindi region.	<b>Moderate increase</b> Use the steering committee and innovation hub to advocate and leverage funds through existing programs such as the Incubator Support grant as well as identify new funds for the region. Ensure equity of finding relative to other regions but avoid an over-reliance or dependency on government funds as part of the business model.
<b>Government: State</b>  <b>Score: 2</b> Build the ecosystem: 2	Programs and activity by the state government specific to entrepreneur support intended for the region. Excludes general policy.	Known examples include state-supported initiative to conduct a feasibility for the Innovation hub, and funding available through the Advance Regional Innovation Program.	<b>Moderate increase</b> Use the steering committee and innovation hub to advocate and leverage funds through existing programs such as ARIP, as well as identify new funds for the region. Ensure equity of finding relative to other regions but avoid an over-reliance or dependency on government funds as part of the business model.
<b>Government: Local</b>  <b>Score: 12</b> Advocacy: 1 Build the ecosystem: 2 Infrastructure: 1 Local impact: 1 Policy: 3 Research: 2 Tourism: 2	Programs and activity by the state government specific to entrepreneur support intended for the region.	Supportive local government driving initiatives such as the establishment of the innovation hub and connectivity. Limited by internal resource capacity, leveraging external specialist providers.	<b>Moderate increase</b> Continue current strategy for leveraging external resources and supporting existing momentum. Secure internal budget to subsidise early-stage, high-growth potential entrepreneurial activity in the economic and community development portfolios, with defined metrics to ensure justification of continued investment that is resilient to political cycles.
<b>Hackathon programs</b>  <b>Score: 0</b>	Hackathons are intensive challenge sessions to solve problems or create businesses by participating entrepreneurs.	No current hackathon approaches or an awareness of the concept.	<b>Moderate increase</b> Consider running a challenge-led event as part of a broader acceleration program.

Role	Description	Assessment	Consideration Year 1
<b>Hackerspace/Makerspace</b>  <b>Score: 0</b>	Hackerspaces, makerspaces and artspaces provide opportunities to test technology on self-driven projects. The emphasis tends to be on creating rather than commercialising. The spaces attract like-minded individuals and can develop early local talent for other areas of the ecosystem.	No known physical makerspaces in the Goondiwindi region. A number of local service providers and farms have manufacturing equipment and tools.	<b>Maintain</b> Establishing a makerspace is not deemed a priority at this stage unless a local leader is passionate and can lead the initiative. Consider leveraging external locations, and building capability in high schools.
<b>High schools</b>  <b>Score: 0</b>	Support STEAM programs for youth and youth entrepreneur programs. Provide a pathway for entrepreneurs to integrate into the local workforce.	Only the public school assessed, limited apparent resource and program support for STEAM and AgTech initiatives. Some external engagement into the school outside but limited observed support within the school.	<b>Moderate increase</b> Continue to cultivate relationship with the three schools; consider at least one youth-specific program in collaboration with the schools in a 12-month period.
<b>Industry/technology communities</b>  <b>Score: 9</b> Advocacy: 1 Community: 1 Create culture: 1 Entrepreneur support: 1 Local impact: 1 Mentors: 1 Networks: 1 Personal development: 1 Youth entrepreneurs: 1	Communities that form in local areas around industry and technology topics, usually in the form of a Meetup group. Bring a cultural strength to a local ecosystem, particularly when operating out of an innovation hub or coworking space.	The Young Guns group for under 30s is led by a local tech entrepreneur and has potential to cultivate interest in young entrepreneurs.	<b>Significant increase</b> Leverage the existing momentum with the Young Guns program for volunteers and participants in innovation programs.
<b>Industry associations and peak bodies</b>  <b>Score: 1</b>  Agriculture entrepreneurs: 1	Industry associations and peak bodies can provide access to a wide customer base, advocate for change, and connect influential people in communities and politics. These groups also often have initiatives to connect their members with new ways of thinking and new technologies.	Industry associations were not directly engaged in the engagement. The diversity of commodities in the region mean that a number of peak bodies would have a vested interest in innovation activity specific to the related sector.	<b>Moderate increase</b> Engage industry associations as overall partners or short-term sponsors for challenge-led programs.

Role	Description	Assessment	Consideration Year 1
<b>Innovation hubs</b>  <b>Score: 0</b>	A physical space or virtual group that commits resources to supporting entrepreneurs to build, grow and scale their business. Distinct from a coworking space is the evidence of resources dedicated to intentionally help entrepreneurs. Functions can include an entrepreneur or expert in residence, program managers, and business development managers focused on the programming and events for the entrepreneur support activities.	While some roles are filled in the region, such as education and support and an emerging steering committee, there is no dedicated support for entrepreneurs in Goondiwindi.	<b>Significant increase</b> Establish an Ag tech innovation hub focused on agriculture, delivering programming and providing a focus for the region on entrepreneurial activity.
<b>Investment/Capital</b>  <b>Score: 0</b>	Capital designed for early-stage, high-growth ventures. This usually comprises angel groups and other venture capital funds. Traditional banks can participate if they have funds or programs to provide specialised funding models for early-stage, high-growth potential firms.	There is no mechanism in Goondiwindi to connect capital to entrepreneurs, apart from personal relationships (founder, family and friends). Established farms and businesses indicated a willingness to engage in investment and joint ventures if there was a mechanism to do so and a means to support the development of the entrepreneur.	<b>Significant increase</b> Provide investor education training and consider establishing a fund or participating in an existing fund such as an established syndication.
<b>Large corporations and multinationals</b>  <b>Score: 0</b>	Large corporations provide access to networks, investment for marketing and research and development, and potential first customer opportunities.	Established farms in the Goondiwindi region provide opportunities to engage with local entrepreneurs to cross-transfer knowledge, networks and capital for shared outcomes. There were no observations of the established farming community engaging specifically with local entrepreneurs.	<b>Significant increase</b> Farmers spoken to were open to engaging, but needed a structured approach to make it easier. Engage farms in partnership opportunities for challenge-based programs, mentoring and investment.
<b>Library</b>  <b>Score: 1</b> Physical space: 1	Particularly in regional areas, libraries can act as a third space as a local knowledge centre, offering coworking and other community activities.	The Goondiwindi library offers coworking, computer access and an art centre. On two instances visiting the coworking space, there was someone from out of town using the space. They identified the library as a common location to use a desk.	<b>Maintain</b> It is not expected that the library will be leveraged as part of the initial innovation portfolio, but it should be considered as part of the overall asset base.

Role	Description	Assessment	Consideration Year 1
<b>Retail, including cafes and hotels</b>  <b>Score: 5</b> Amenities: 2 Physical space: 2 Tourism: 1	Retail plays a role in providing amenities and lifestyle in the local community. Cafes and pubs provide natural meeting locations and can provide venues for events. The availability of lifestyle functions such as gyms and a diversity of retail shops addresses basic living needs.	Goondiwindi main street has a good selection of cafes that act as a “third space” for community to congregate. The different cafes are used for different purposes in the community, and different groups are seen in each cafe. There is a lower selection of retail and other amenities such as the single gym. The lack of options was identified as a concern and incentive to shop out of town by some interviewees.	<b>Moderate increase</b> As an entrepreneurial community, intentionally engage in the local cafe culture. Be visible and give back to the community by collaborating with events and being present in events not related to the innovation hub.
<b>Media</b>  <b>Score: 1</b> Tourism: 1	Media plays a critical role in an entrepreneurial culture. Articles highlighting success and progress of local entrepreneurs signals our values to the community and encourages others to participate. Stories about the progress of the hub and upcoming events help educate and socialise entrepreneurial activity. Locally focused social media entries specific to the local entrepreneurial activity are also critical.	The <i>Goondiwindi Argus</i> is the local newspaper. National media related to start-up activity includes Startup Daily, InnovationAus, and Startup Soda. Social media is used, although many of the target audience may not be active on social media channels.	<b>Moderate increase</b> Engage the local paper to develop a regular narrative about local and agriculture-related entrepreneurial activity. Engage agriculture-specific media such as magazines, social media, and other print periodicals with media releases and stories about local entrepreneurial activity.
<b>NGOs and Community agencies</b>  <b>Score: 2</b> Indigenous entrepreneurs: 1 Entrepreneur pathways: 1	Community groups, including NGOs and churches support different aspects of the community, for example Indigenous, female and men’s groups, youth, etc. The focus can be on building community, health services and employment pathways.	There are existing organisations that provide support to areas of community work in Goondiwindi such as pathways to employment and Indigenous.	<b>Moderate increase</b> Work with providers to develop pathway programs for all aspects of the community. This usually involves identifying and cultivating individuals who demonstrate some entrepreneurial intentional and inclination.
<b>Other education providers (TAFE, training)</b>  <b>Score: 3</b> Youth entrepreneurs: 1 Entrepreneur pathways: 2	Programs at TAFE and other Registered Training Organisations can focus on entrepreneur outcomes.	The Gateway to Training (GTT) organisation has been awarded contracts to provide training in the region on behalf of other RTOs, with a focus on pathways to employment, cross-skilling and employment readiness.	<b>Moderate increase</b> Work with providers to develop pathway programs for all aspects of the community. This usually involves identifying and cultivating individuals who demonstrate some entrepreneurial intentional and inclination.

Role	Description	Assessment	Consideration Year 1
<b>Place-based research</b>  <b>Score: 0</b>	Placed-based research organisations focus specifically on researching attributes of a geographic location. National examples include the Australian Bureau of Statistics and the Regional Australia Institute.	There are no dedicated place-based research groups in Goondiwindi. Research is commissioned through one-off projects and consultancies and leveraged from projects by others such as the Toowoomba Surat Basin Enterprise.	<b>Maintain</b> Leverage existing resources in Goondiwindi Council to maintain a repository of local data, and include metrics developed from the innovation activity from the hub.
<b>Research collaborations</b>  <b>Score: 2</b>  Build the ecosystem: 1 Agriculture entrepreneurs: 1	An example of research collaborations includes the national Cooperative Research Centres and individual collaborative programs that often involve the universities, industry and government in a region and are focused on a specific sector or challenge.	An example in Goondiwindi is the Clean Growth Choices program, delivered through JCU, USQ, CSIRO, and private sector consultancy. While not specifically designed to develop local entrepreneurs, the program includes rapid prototyping and innovation platforms in delivery and brings together diverse groups in Goondiwindi to work on shared challenges.	<b>Moderate increase</b> Without an innovation hub or central program, the Clean Growth Choices was delivered as a separate project to the innovation hub feasibility, even though the same members were involved in both projects. Leverage the hub as the coordinating agent for related projects to align work in the region and deliver similar programs.
<b>School entrepreneur/STEAM programs</b>  <b>Score: 0</b>	Programs aimed at STEAM and youth entrepreneurship develop the culture of entrepreneurship in the next generation and can effect change through influencing parents. Programs are separate from schools as youth programs are often delivered as extracurricular programs and can be delivered outside school hours or premises.	Entrepreneur programs aimed at youth were not observed in Goondiwindi and youth were not involved in the engagement study.	<b>Moderate increase</b> Develop at least one program to socialise the idea of entrepreneurship in schools. Map the current programs in schools and develop champions in each school. Identify the appropriate pathway into each school, via principal, head of department, etc. Align programs with pathways to other initiatives such as Young Guns and Chamber of Commerce.

Role	Description	Assessment	Consideration Year 1
<b>Service providers</b>  <b>Score: 3</b> Entrepreneur support: 1 Technical support: 2	Service providers play a critical role in delivering services including accounting and finance, legal, export readiness, social media, marketing, sales, technical development, industrial design, digital development and more. Service providers supporting start-ups have specialist skillsets or products that are low cost and suitable for export markets, emerging technologies and investment structures.	<p>Service providers in Goondiwindi provide general services to companies. There was an acknowledgement by both providers and entrepreneurs of a need to go outside the region to access specialist early-stage support. Some entrepreneurs shared instances of losing time and money on local providers who were not equipped to give the necessary support.</p> <p>Among service providers, there was a desire to work together to build capability and offer a single-source referral approach.</p>	<b>Significant increase</b> Leverage skills outside the region by bringing in outside mentors, but intentionally integrate local providers to build local capability. If there is a significant gap, encourage a local presence or make access to external providers seamless, to reduce friction between functions and across geographic distance. Encourage the development of a referral group operating within the hub.
<b>Start-up digital platforms</b>  <b>Score: 0</b>	Platforms dedicated to mapping, measuring, managing and reporting on entrepreneurial activity, usually including CRM functions.	No evidence of a single approach to managing entrepreneurial activity in the region.	<b>Moderate increase</b> Implement a single source of data for managing entrepreneurial activity as the entrepreneurial activity in the region develops. Can begin with a simple spreadsheet, but assign accountability for custodian of the information.
<b>Start-up entrepreneurs</b>  <b>Score: 12</b> Advocacy: 1 Build the ecosystem: 1 Capital: 1 Community: 2 Create culture: 2 Customers and markets: 2 Mentors: 1 Youth entrepreneurs: 1 Agriculture entrepreneurs: 1 Tourism: 1	Successful innovation ecosystems are founder-led. However, early-stage entrepreneurs need to focus on their business and are limited in time and capital to invest in building the ecosystem. The ideal is involving entrepreneurs who have successfully exited their business and are giving back, but these are not always available in a region. Activity in the ecosystem is focused on the benefits the entrepreneur receives in building, growing and scaling their business, and metrics are defined by entrepreneur success.	Much of the growing momentum in Goondiwindi is driven by founders, and the region is responding through government and industry support. This is a strength of the region. Local entrepreneur-driven initiatives include the Young Guns community groups, and the Discover Farming tourist attraction initiative.	<b>Significant increase</b> Build on the current momentum, ensure entrepreneurs are involved in the conversations and program development. Bring in entrepreneurs from the outside to speak, and consider a rotating entrepreneur-in-residence program.

Role	Description	Assessment	Consideration Year 1
<b>Universities</b>  <b>Score: 0</b>	Universities can provide talent and research, and align with industry and entrepreneurs to commercialise research.	Goondiwindi does not have a dedicated university presence. University of Southern Queensland and University of Queensland are active in nearby Toowoomba.	<b>Maintain</b> Without a dedicated campus with related agriculture research, the value of a university may be limited. Attracting a university through specialist entrepreneur programs or research opportunities can be considered, but likely not in the initial 12 months, unless opportunity presents itself.

### *Functions*

Functions were assessed that were related to entrepreneur support in Goondiwindi. The assessment is based on observations during the time of the engagement.

#### **Functions being most provided**

Functions most provided include:

- advocacy;
- building the ecosystem;
- entrepreneurial support;
- creating entrepreneurial culture;
- mentoring;
- tourism; and
- entrepreneurial pathways.

While these were the dominant functions, they were provided by only a few roles, such as local entrepreneur support provider, local government and a small number of start-up entrepreneurs. The low number of providers for the functions means that these functions are at risk of not being served unless additional support for a greater number of providers is made available.

#### **Functions being moderately provided**

Functions moderately provided include:

- entrepreneur community;
- infrastructure (including internet connectivity);
- access to networks;
- entrepreneur personal development;
- entrepreneur-related policy;
- entrepreneur-supportive physical space;
- youth entrepreneur support; and
- agriculture entrepreneur support.

These functions were provided at a low-to-moderate level of capability and by few roles. These functions can be improved by increasing capability in the existing roles and expanding the functions across roles.

#### **Functions minimally provided or not observed**

Functions minimally provided or not observed include:

- entrepreneurs focused on local impact challenges and opportunities;
- research accessible to entrepreneurs;
- technical support specific to entrepreneurs (e.g. access to technical talent and hardware);
- access to start-up capital;
- access to customers and markets;
- entrepreneur marketing and promotion;
- Indigenous entrepreneur support, industry;
- support for entrepreneurs (including peak bodies); and
- female entrepreneur support.

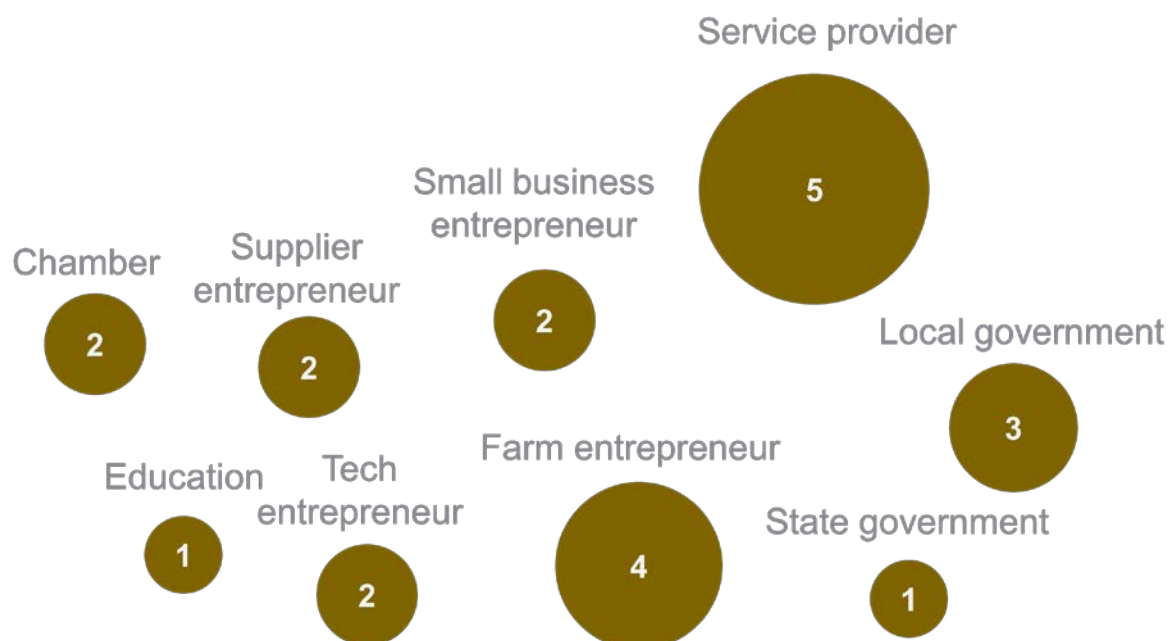
A description of each function is outlined below:

- **Advocacy:** Advocating on behalf of local entrepreneurs to secure funds, access opportunities and develop entrepreneur-friendly policy.
- **Amenities:** Local support elements, such as cafes, retail, gyms and other assets that support the lifestyle of the entrepreneur and their families.
- **Build the ecosystem:** Developing capability and capacity in different aspects of the ecosystem and bringing the actors together, including investment, policy, talent, service providers, and entrepreneur support providers.
- **Capital:** Providing capital for entrepreneurs, including angel investment, venture capital, grants and other funding.
- **Community:** Building the entrepreneur community, often through meetups and personal relationships.
- **Create culture:** Creating a local culture of entrepreneurship, including acceptance of failure, giving back, curiosity and openness to change.
- **Customers and Markets:** Provide access to new markets and customers in different industries and geographic regions.
- **Entrepreneurial support:** Providing support for the entrepreneurial journey, including programs and education.
- **Industry support:** Providing specialist support for a specific industry segment, including access to networks and sector-specific technical support.
- **Infrastructure:** Providing physical infrastructure needed for entrepreneurs, including accommodation, transport and digital connectivity.
- **Local impact:** Support specific or targeted local outcomes beyond general economic or community development.
- **Marketing and promotion:** Provide marketing and promotion of the entrepreneurs' outcomes.
- **Mentors:** Access to mentors who provide support in technical, network, customer and personal development areas.
- **Networks:** Provide access to networks in industries and/or geographic regions that can support the entrepreneur journey.
- **Personal development:** Providing personal development specific to entrepreneurs, including leadership and mental health support.
- **Policy:** Providing policy that supports entrepreneurs.
- **Research:** Conducting research with potential to support entrepreneurs, including commercialisation opportunities.
- **Physical Space:** Physical space that provides entrepreneurs with the ability to conduct business, such as coworking spaces.
- **Technical support:** Support for technical requirements, such as programming and manufacturing.
- **Youth entrepreneurs:** Support for youth entrepreneurs.
- **Indigenous entrepreneurs:** Support for Indigenous entrepreneurs.
- **Female entrepreneurs:** Support for female entrepreneurs.
- **Agriculture entrepreneurs:** Support for entrepreneurs in the agricultural sector.

- **Tourism:** Support for tourism, which can be leveraged for profiling a region to attract entrepreneurs and aligning entrepreneur programs with tourism activity.
- **Entrepreneur pathways:** Creating pathways for entrepreneurs from traditional service-based or survival business, and digital skilling and pathways to employment.

## Consultation: Interview themes

A range of stakeholders were interviewed as part of the engagement to understand the current culture and attitudes towards entrepreneurial activity.



The interview process followed a format with specific questions:

- How are new business ideas developed in the region? Who is involved? Who is good at it? What is your involvement?
- What are some of the main challenges facing the Goondiwindi region? The wider region?
- We are exploring ways to attract and develop new business ideas, with a focus on new technology and economic diversity. What would that look like for you? Would you be involved? How? (Having a new idea yourself, mentor, investor, host activity, advocate, services, etc.)
- What are things we need to watch out for?
- What are things that would help make it a success?

A summary of applications for the strategy are outlined below:

### Accessing new ideas

- **Provide a central resource for support for entrepreneurial activity.** Ensure the marketing and branding is clear, and clearly articulate the value proposition of the hub in relation to others providers of business support services in the community.
- **Work with existing leaders in the community already providing similar services** to explore transitioning and aligning current efforts into hub leadership. Develop multiple local leaders to build sustainability in the system, provide career progression, and ensure communities can engage with leaders with which they identify.
- **Leverage the hub to build capability in the local Chamber of Commerce.** Create clear distinctions in accountabilities for the Chamber and the hub. Focus local business support and membership for the Chamber while leveraging the innovation hub for specialist functions for high-growth firms.

- ***Make a clear business case for local government involvement*** from a perspective of economic development and community development outcomes. Leverage current goodwill for Council to be seen as supporting new business ideas and creation. Ensure political and operational aspects of Council are engaged with and aligned with the project.
- ***Consider providing existing events, programs, and communities of practice related the entrepreneurial activities with dedicated space and programming in the hub.*** Consider providing ownership of hub outcomes with established communities.
- ***Build capability in local service providers for services for early-stage, high-growth potential initiatives.*** Examples include: low-cost and adaptable structures for business formation; creating low-cost, high-engagement initial digital platforms; intellectual property protection for early-stage global companies; and legal documentation for early-stage companies that are designed for scale and acquisition. Create a referral network and ongoing series of workshops and programs in the hub to provide entrepreneurs with easy access.
- ***Create pathways for established businesses to interact with the entrepreneurs.*** Create a cohort of local established businesses undertaking innovative activities.
- ***Provide a channel for any external programs relating to entrepreneur support*** to maximise engagement and participation, share outcomes with and inspire others in the community, and support programs for future success.
- ***Integrate with the soft infrastructure of pubs, events and cafes.*** Share events, sponsorship and cross-promotion, while ensuring the messaging is specific to innovation and entrepreneurial activity to maintain the integrity of the position and differentiate from others in the community. Leverage these connections to bring new partnership channels into the region while avoiding competition with existing partnership relationships.
- ***Create programs and services that identify, acknowledge and support entrepreneurs at different stages and capabilities.*** Map programs against value propositions to communicate how, or whether, a person with an idea and a company can take advantage of the services.

## Current approaches to starting a business

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*“How are new business ideas developed in the region? Who is involved? Who is good at it? What is your involvement?”*

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### Community consultation feedback summary

#### Current options for entrepreneurial activity



When asking about how business ideas are currently supported in a region, responses are usually grouped into three areas: No central place, a specific individual or group, or multiple sources. This can be based on the respondent's personal experience or observation or their involvement in the process.

When considering responses for Goondiwindi, a few themes came up:

#### Business support option 1: No central option

A high number of respondents acknowledged that there lacked a central option for starting new business ideas. Others who had gone through the process identified a personal sense of being on their own and the uncertainty in the process.

- “Really? I don’t see anything here that would help facilitate that. If you talk about entrepreneurship and start-ups in Goondiwindi, there is no support. If someone comes with an idea, there is nothing here.”
- “There is no-one driving the town forward in a more strategic level.”
- “I have started and not sure if I do it right or the way everyone does it.”
- “Never know who is the gatekeeper here, just go and see the Mayor.”

#### APPLICATION OF FEEDBACK INTO HUB STRATEGY:

*Provide a central resource for support for entrepreneurial activity. Ensure the marketing and branding is clear, and clearly articulate the value proposition of the resource as well as that of others in related organisations in the community.*

#### Business support option 2: Existing resources

Respondents identified specific resources in the region for entrepreneurial support:

### **Specific leaders (Julia Telford)**

There are often one or more specific individuals in a region who support entrepreneurs, either as a direct function of their local business or on a volunteer business.

In the case of Goondiwindi, Julia Tilford's name was raised by many as a go-to for business development support, access to networks, support in grant writing, and personal support with business ideas.

- "Julia does a lot of good stuff in the community. If I needed help with something, trying to break out the mould of Gundy, trying for awards, a couple of times, what would I do here, I can go ask Julia."
- "Also use Julia. She is my go-to person as far as finding out who is the right person to contact."
- "Right now, people go to Julia, knows most about business development."

#### **APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Work with existing leaders in the community already providing similar services to explore transitioning and aligning current efforts into hub leadership. Develop multiple local leaders to build sustainability in the system, provide career progression, and ensure communities can engage with leaders they identify with.*

### **Chamber of commerce**

A local Chamber of Commerce can provide a range of functions in a community, including small business promotion and advocacy, networking, local business program management and delivery, and business-related content workshops and support.

The Goondiwindi Chamber of Commerce was acknowledged as a resource, but also lacking in specific focus or skill sets for the types of businesses targeted by the hub.

- "We did have a Chamber of Commerce business after hours, that was encouraging people to do something."
- "I imagine the hub to be more proactive, more consistent, whether the Chamber is manned, it reports to Council and the chamber board."
- "A lot of stuff available through the Chamber of Commerce, a lot of workshops, being able to promote small business."

#### **APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Leverage the hub to build capability in the local Chamber of Commerce. Create clear distinctions in accountabilities for the Chamber and the Hub. Focus local business support and membership for the Chamber while leveraging the innovation hub for specialist functions for high growth firms.*

### **Local government (Goondiwindi Council / Mayor)**

A local government can play a role in supporting innovation from both an economic development and community development portfolio perspective. However, support for high growth firms can require specialist skills not available in or attracted to a traditional local government environment.

Goondiwindi Council was seen as largely supportive of new business ideas, particularly in recent times.

- “Gundy Council has been very helpful in process of us moving, I cannot believe how helpful, particularly Cr Rob McKenzie and Megan in following things up.”
- “Council has come a long way, more open to assisting people.”

**APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Make a clear business case for local government involvement from a perspective of economic development and community development outcomes. Leverage current goodwill for Council to be seen as supporting new business ideas and creation. Ensure political and operational aspects of Council are engaged with and aligned with the project.*

**Existing events, programs, and communities of practice (Discover Farming/Young Guns)**

There are often existing programs to perform related functions to an innovation hub. These programs are supported by those in the community who see a need. It is important to align new initiatives with existing events and programs to increase participation in both.

Emerging programs such as Discover Farming and Young Guns were identified as creating a community and awareness for new ideas. The opportunity is to leverage these activities and provide a resource for existing programs to use.

- “In terms of lifestyle and living, Discover Farming – another example, started from meeting of about 7 people. Grew to most successful event this town has ever scene. This year will be bigger again. Running an event for a month.”
- “Discover farming – they approached us, we are happy to give to the community, it is great that it has gone so well.”
- “Other ones include Young Guns, at the meetings, we could solve something like that. Seen a lot of people pitching problems and discussions around ways they can be solved, but not seen how they can be solved.”

**APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Consider providing existing events, programs, and communities of practice related the entrepreneurial activities with dedicated space and programming in the hub. Consider providing ownership of hub outcomes with established communities.*

**Local service providers**

Local service providers such as accountants, lawyers, marketers, designers and digital specialists offer a critical role in supporting businesses on a fee-for-service basis. These providers often act as hubs to align efforts with others in and outside the community. These can also act as mentors for early stage companies to build goodwill as they become established and use more services as their business grows.

Local service providers were identified as a resource, although similar to Chamber of Commerce not necessarily having the specialist support needed for high growth entrepreneurs.

- “They really don’t have a central place to go to. Go to accountant, solicitor, or if they are lucky enough to have a mentor.”

**APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Build capability in local service providers for services for early-stage, high growth potential initiatives. Examples include: low-cost and adaptable structures for business formation; creating low-cost, high engagement initial digital platforms; intellectual property protection for early-stage, global companies; and legal documentation for early-stage companies that are designed for scale and acquisition. Create a referral network and ongoing series of workshops and programs in the hub to provide entrepreneurs with easy access.*

### **Established large companies (Woods Group)**

Established large companies can be a resource for entrepreneurial support. This can be to give back to the community, identify potential acquisition targets, and take advantage of early stage technology.

The Woods Group was mentioned by a few respondents as an example of a local innovative company and a resource for entrepreneurial support, while ensuring others are included in the approach.

- “You have some players like the Woods people, they are thinking of new ways of doing things. Traditionally they were farmers, in grains, but now gone into woods food and looking at value adding.”
- “It is good for us to be asked, they are not just asking Woods, Grains or Cotton growers.”

### **APPLICATION OF FEEDBACK INTO HUB STRATEGY:**

*Create pathways for established businesses to interact with the entrepreneurs. Create a cohort of local established businesses doing innovative activities to build capability in local established businesses.*

### **Business support option 3: External entities**

Entrepreneurs looked outside of Goondiwindi if they were not aware of or find sufficient capability in local support. These sources included: The Enterprise Queensland program, External peak bodies, Programs outside the state (South Australia), programs outside Goondiwindi (Toowoomba), and the female regional entrepreneurship WIRE Program.

In general, entrepreneurs would prefer to stay local but there is an underlying assumption in being regional that you have to travel to gain access to networks and specialist services. This assumption can be a self-sustaining core belief that needs to be acknowledged and can contribute to some of the culture challenges identified further in the interview analysis.

- “The USQ WIRE program was offered to women in business in regional areas. But was also need to hear from city and overseas people.”
- “Problems that business has in town might be unique to Goondiwindi. Something more broader to bring a specialist in. There are government departments that you can have access, as a retail business we are a member of the Australian Retailers Association. We can ask them for guidance.”
- “You can feel very isolated and feel cut off. I look at Ted Talks, try to find ways to work out what people are discussing in the world, have global conversations so you understand, the world is moving so quickly, trying to feel relevant, be relevant, when you are all the way out here in the middle of nowhere.”

- “A lot more information online, too much information online, hard to know what is relevant and what is taking you away from what your idea is in the first place.”
- “Enterprise Qld is paying for mentors.”
- “We had Steve Baxter come out a couple of times to run workshops. Some mentoring workshops from Toowoomba.”
- “South Australian University Workshop, gives an outline. If you sign up for the clinic, it is 3 modules every 3 months, need to achieve things in that module if you want to achieve your goal.

#### APPLICATION OF FEEDBACK INTO HUB STRATEGY:

*Provide a channel for any external programs relating to entrepreneur support to maximise engagement and participation, share outcomes with and inspire others in the community, and support programs for future success.*

#### Business support option 4: Community and culture assets

Many referenced the community and cultural assets, the “soft” infrastructure of the region that provides networks and relationships essential to starting a business. These are the third spaces that are not work or home, but where communities of practice can form and facilitate interconnectivity. These included the football club, the Larder, the pub, and the races.

- “If you want to build a business, you have to go to the Larder every morning and chat, it is very much about connecting with the right people in town, connecting with the right opinion person.”
- “There is no place for people to come and meet. We all go to the Larder. We need table, coffee, open, we need peace of quiet.”
- “Conversations around the farmers and what problems they have. Things like races, at the pub, client contacts.”
- “Funny how much a role football community plays, of who you know in those communities, the businessmen and farmers who make things happen.”

#### APPLICATION OF FEEDBACK INTO HUB STRATEGY:

*Integrate with the soft infrastructure of pubs, events, and cafes. Share events, sponsorship, cross-promotion, which ensuring the messaging is specific to innovation and entrepreneurial activity to maintain the integrity of the position and differentiate from others in the community. Leverage these connections to bring in new partnership channels into the region and avoid competing with existing partnership relationships.*

#### Business support option 5: Do it on my own

It is in the entrepreneur’s nature to get on and make things happen. Indeed, innovation ecosystems that are not focused on outcomes can become a community of those who do not have this nature and use the support programs as a reason to not start their business.

Many of the respondents gave examples of just getting on with building their business. They did this through leveraging existing family and business networks, hearing direct from customers and solving customer problems leveraging existing supply chains, finding their own mentors, and for large corporations using internal capabilities.

- “From a person that knows nothing about innovation development of that sort, we started off by servicing our customers. Our customers said we want to do this with your current product. We need to source this product, googled, found suppliers. It did not come about easy, had to speak to every Tom, Dick, and Harry.”
- “They really don’t go anywhere, you do it yourself.”
- “Innovation – wanted to be in control of what we are doing instead of relying on others. That just lets you down. When you are in control, you know what the end results are.”
- “What helped make a success? Other farmers wanting it. Other businesses were stuck on their ways and not about service, farmers did not have other options. We provided other options.”

#### APPLICATION OF FEEDBACK INTO HUB STRATEGY:

*Create programs and services that identify, acknowledge and support entrepreneurs at different stages and capabilities. Map programs against value propositions to communicate how, or whether, a person with an idea and a company can take advantage of what is on offer.*

### Challenges in Goondiwindi

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*What are some of the main challenges facing the Goondiwindi region? The wider region?*

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The question about challenges in Goondiwindi was to identify potential problems that the innovation hub could be used to address. The responses can be seen to be indicative of a regional community. The innovation hub can be used to focus on these challenges, adding value to the community.

- Distance - travel and logistics
- Digital connectivity
- Local shopping options
- Attracting and retaining talent
- Weather-related (drought, flooding, water access)
- Capability of local companies
- Gender inclusivity
- Cost of power

## Shared vision of success

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*We are exploring ways to attract and develop new business ideas, with a focus on new technology and economic diversity. What would that look like for you? Would you be involved? How? (Have a new idea yourself, mentor, investor, host activity, advocate, services, etc.)*

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### Talent attraction

- Ability to attract new staff

### Inspiration and promotion

- Challenge focused
- Creating examples for others
- Bringing in external people
- Focus on execution
- Hearing new ideas
- Promotion through more than traditional channels
- Sharing stories of how people made it.

### Structure

- Business structure - part of chamber
- Project manager to coordinate

### Community

- Collaboration and people meeting

### Hub of information

- Central location for access to information and networks
- Central point of information for related topics
- Guidance on early ideas and networks
- Introduce new business models and access new customers
- Service providers use as a resource for clients

### Focus and execution

- Focus on health care
- Inclusive, not exclusive
- More than Ag
- Supporting younger generation

### Infrastructure

- Internet access and connectivity speed
- Micro-centre

## What needs to happen?

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*What do we need to watch out for?*

*What would help make it a success?*

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	Challenges	Opportunities
<b>Culture</b>	Acceptance of status quo; Cliques; Competing groups; Fear of failure; Sharing ideas in a small town; Tall poppy syndrome	Acknowledge it will take a long time; Entrepreneurs with connection to the bush and community; Get a diverse group of people involved; Get the right people onboard; Opportunities for everyone, not just the usual people or organisations; Sharing mistakes and lessons learned
<b>Leadership</b>	Engagement depends on who is running it; Do not patronise	Central leader to provide mentoring and networks; Council to support but not lead; Ensure Council understands the business case; Capability of the leadership; Manage the change process in community
<b>Promotion</b>	Branding and marketing of the concepts; Unclear on what it looks like	Marketing of the idea; Creating a single town brand
<b>Services</b>	Business planning process; Difficult to see what is required for new business models; Conduct due diligence on new companies; Too busy to utilise	Focus on a few challenges; IP protection; Involve more than one industry; Locals getting outside experience; People need money and time for new projects
<b>Structure</b>	An over-emphasis on the physical space and not the underlying relationships; Include people outside of Goondiwindi; Needs to be utilised and not languish; Resources need to be paid and not volunteer; Skill levels of service provide	Access to mentors; Align with existing courses; Amenities (gym); Understand how it will evolve over time

## Options

Different options are available for innovation hub business models, as well as models of coordinating and aligning innovation ecosystem activity.

Each of these options are outlined below using the business model canvas. The business model canvas describes the business models using the following characteristics of a business:

- **Customer segments** – the recipients who derive value from the model, grouped by segments or audiences.
- **Value propositions** – the value that is proposed to be delivered to the defined customers.
- **Customer relationships** – the nature of the relationship with the customer.
- **Channels** – the ways in which customers are engaged.
- **Key partners** – organisations required to help deliver the value proposition to the customer.
- **Key activities** – activities involved in delivering the value proposition to the customer.
- **Key resources** - activities required to deliver the value proposition to the customer.
- **Revenue streams** – how the business will generate revenue as a result of delivering the value propositions.
- **Cost structure** – costs involved with delivering the value propositions to the customers.

### Coworking, physical space

The coworking model involves use of a physical space for working. Coworking is a growing business, with over 350 coworking spaces operating Australia-wide. Many regional communities have a dedicated coworking space or spaces that serve the purposes of coworking.

Coworking requires a population density and regular traffic of small business activity to provide a sustainable business model. This is typically not present in much of regional Australia.

In Goondiwindi, the library provides a function for coworking in the upstairs area. In addition, cafes provide the function of coworking. The Goondiwindi Business Hub provides dedicated office space and rooms for rent, but limited coworking space capacity.

<b><u>Key partners</u></b> <ul style="list-style-type: none"> <li>• Venue management</li> <li>• Community</li> </ul>	<b><u>Key activities</u></b> <ul style="list-style-type: none"> <li>• Member management</li> <li>• Facility management</li> <li>• Community events</li> <li>• Networking events</li> </ul>	<b><u>Value propositions</u></b> <ul style="list-style-type: none"> <li>• I have a place from which I can work when I am in town</li> <li>• Low-cost and flexible rent</li> <li>• I can meet like-minded people</li> <li>• I have a community</li> </ul>	<b><u>Customer relationships</u></b> <ul style="list-style-type: none"> <li>• Distant</li> <li>• Community support</li> <li>• Virtual</li> </ul>	<b><u>Customer segments</u></b> <ul style="list-style-type: none"> <li>• Entrepreneurs</li> <li>• Small business owners</li> <li>• Local service providers</li> <li>• Out-of-town workers</li> <li>• Students</li> </ul>
<b><u>Key resources</u></b> <ul style="list-style-type: none"> <li>• Member management system</li> <li>• Community manager</li> <li>• Operations manager</li> </ul>		<b><u>Channels</u></b> <ul style="list-style-type: none"> <li>• Social media</li> <li>• Word of mouth</li> <li>• Street frontage</li> <li>• Networking</li> </ul>		
<b><u>Cost structure</u></b> <ul style="list-style-type: none"> <li>• Rent</li> <li>• Facilities maintenance</li> <li>• Staffing (Community management, Operations management)</li> <li>• Consumables (printing, coffee)</li> <li>• Event catering</li> </ul>		<b><u>Revenue streams</u></b> <ul style="list-style-type: none"> <li>• Coworking membership (full-time, part-time, daily)</li> <li>• Dedicated office space</li> <li>• Event venue hire</li> </ul>		

### Innovation hub

Innovation hubs provide additional support specific to entrepreneurs looking to build, grow and scale their business. These services include access to mentors or an entrepreneur in residence, access to specialist service providers, delivery of entrepreneur programs such as accelerators, access to new markets and customers, delivery of content and events, access to specific technology or industry-specific content and skills, and introduction to investors and other forms of capital.

Innovation hubs are growing in Australia, with over 130 organisations acting as innovation hubs, eight of which have some emphasis on agriculture. Innovation hubs are often an extension of a coworking space. Membership in an innovation hub takes a different context to that of a coworking space, with an emphasis on access to networks and mentor support. In this way, membership becomes a form of fee-for-service consultancy, with the monthly payment equating to an hourly rate for mentor support.

Revenue is generated for the model based on membership fees. However, the fees are not sufficient to cover costs, requiring additional subsidised income from government grants, corporate sponsorship or donations. This revenue is in exchange for the economic and community impacts on the region, or specific outcomes from ventures supported or challenges addressed through the activity.

In Goondiwindi, the functions of an innovation hub are performed through Julia Tilford from Engage and Create Consulting and other service providers on an ad hoc basis.

The business model assumes a physical space associated with the functions of an innovation hub.

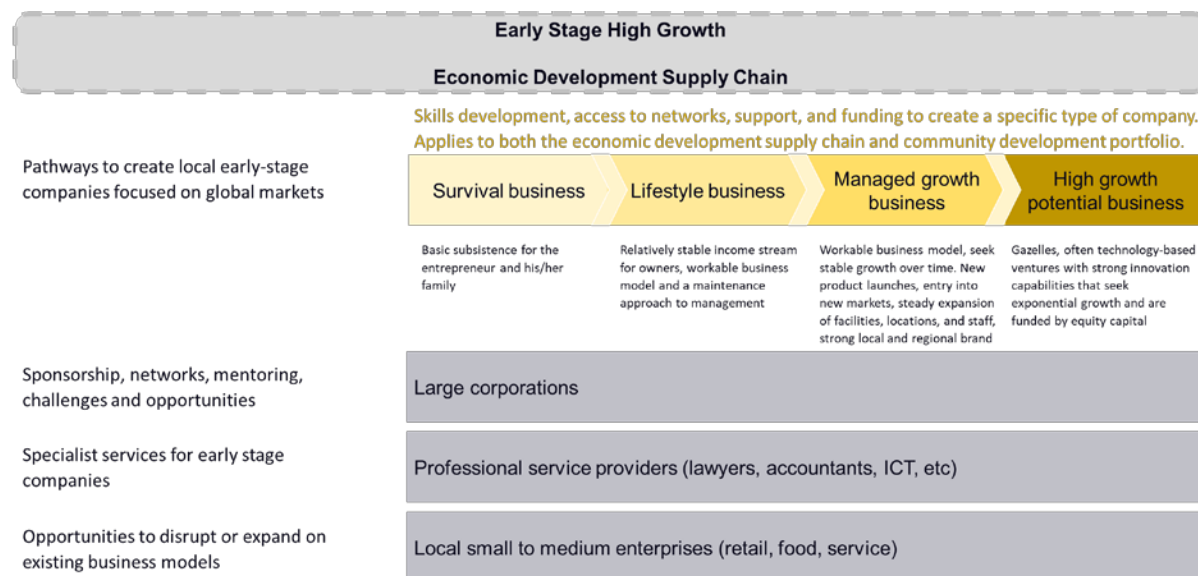
<b><u>Key partners</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Venue management</li> <li>• Community</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Mentors</li> <li>• Investors</li> <li>• Government economic development-related connections</li> <li>• Specialist service providers</li> <li>• Other innovation ecosystem actors</li> </ul>	<b><u>Key activities</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Member management</li> <li>• Facility management</li> <li>• Community events</li> <li>• Networking events</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Mentoring</li> <li>• Program delivery</li> </ul>	<b><u>Value propositions</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• I have a place from which I can work when I am in town</li> <li>• Low-cost and flexible rent</li> <li>• I can meet like-minded people</li> <li>• I have a community</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• I have access to new technology</li> <li>• I get introduced to new ideas and new ways of thinking</li> <li>• I have access to support for my business activities</li> <li>• I have access to new markets and customers</li> <li>• I have access to specialist industry and political connections</li> <li>• I have access to forms of capital</li> </ul>	<b><u>Customer relationships</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Distant</li> <li>• Community support</li> <li>• Virtual</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Direct support</li> </ul>	<b><u>Customer segments</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Entrepreneurs</li> <li>• Small business owners</li> <li>• Local service providers</li> <li>• Out-of-town workers</li> <li>• Students</li> <li>• Existing business</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Corporations</li> <li>• Investors</li> <li>• Government</li> <li>• General public, including all aspects of community (age, employment status, gender, business ownership, nationality, ethnicity, etc.)</li> </ul>
<b><u>Cost structure</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Rent</li> <li>• Facilities maintenance</li> <li>• Staffing (Community management, Operations management, Entrepreneur in residence/program delivery)</li> <li>• Consumables (printing, coffee)</li> <li>• Event catering</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Staffing (Entrepreneur in residence/program delivery)</li> <li>• Program purchase</li> </ul>	<b><u>Revenue streams</u></b> <b>Coworking</b> <ul style="list-style-type: none"> <li>• Coworking membership (full-time, part-time, daily)</li> <li>• Dedicated office space</li> <li>• Event venue hire</li> <li>• Innovation hub membership</li> </ul> <b>Innovation hub</b> <ul style="list-style-type: none"> <li>• Program sponsorship and grants (industry, government)</li> <li>• Professional consulting services</li> </ul>			

The functions of the innovation hub include operational activity, and access to mentors and programs.

### Curation

A key aspect of the innovation hub is the curation of members and activity. Everything related to the innovation hub needs to align with the premise to build, grow and scale businesses with an emphasis on high-growth potential businesses. It is important to differentiate from other local business support services such as the Chamber of Commerce and community event spaces.

The innovation hub plays a key role in a region's supply chain of supporting entrepreneurial growth. Existing support mechanisms such as local council economic development or the Chamber of Commerce provide strong networks and services for survival businesses to manage growth. These are required to build the capability, skills, and culture of entrepreneurial thinking. The innovation hub plays a key role in encouraging all organisations along the value chain to consider opportunities for new business models and scale.



### Operational activity

Operational activity includes the day-to-day support for entrepreneurs in the region. Expected activities include scheduled and ad hoc events, mentoring sessions, networking and presentations.

Operational events are delivered by the hub as well as by external parties, as long as the events align with the vision of the hub so as to not dilute and confuse the brand of the hub in the community.

Event topics include:

- 101 sessions: e.g. business models, start-up structures and taxation, sales and marketing, selling through social media, etc.
- Technology: e.g. drones, blockchain, artificial intelligence, virtual reality, etc.
- Communities of practice: innovation topics that relate to specific communities, e.g. sectors (agriculture, health, tourism), community segments (youth, Indigenous, females), functions (government, investment, small business).

As the hub develops a brand, hub staff promote the activity and engage external communities through speaking engagements.

### Mentoring

Access to local and external mentors. Internal mentors are available on a regular basis, with expected one-on-one or group sessions monthly or fortnightly. External mentors are available when they come into the region, usually monthly or quarterly. The role of the innovation hub is to make appropriate connections between mentors and mentees, communicate availability of visiting mentors, and support scheduling.

Mentors provide support in four general areas:

- expert knowledge in specific disciplines such as accounting, legal, software or other technical domains;
- accountability and project management support on the project or initiative;
- personal development of the entrepreneur; and/or
- access to networks and markets.

A value of the innovation hub is to maintain a regular and dynamic pool of quality mentors.

## Programs

Programs play an important role in an innovation hub. These programs provide structure and allow the community to learn as they work together towards shared outcomes within a structured theme.

### Hackathon

Hackathons are intensive challenge sessions to solve problems or create businesses by participant entrepreneurs, usually occurring over a weekend. These events provide an opportunity for diverse groups to work together towards a common challenge and engage the wider community in a collaborative event.

A hackathon typically includes an information and idea session two to four weeks before the weekend event where participants are introduced to the concept and topic, teams are formed, and initial ideas are tested. The weekend session runs from Friday to Sunday.

Friday involves reiterating the topic, developing ideas, and forming teams. Saturday involves masterclass sessions and mentoring engagement, idea development and customer validation. On Sunday, the final pitches are developed and presented to a panel of judges who select a winner. Prizes can vary from nothing to ongoing support for the selected ideas.

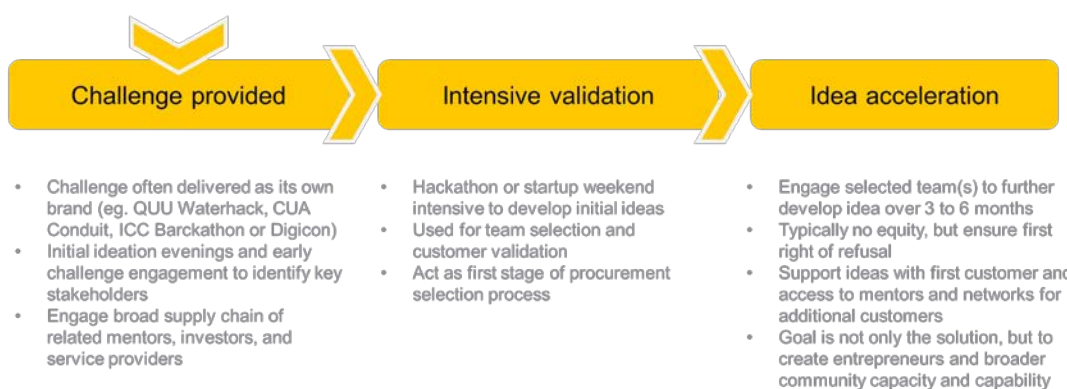
### Program – pre-accelerator/accelerator

An accelerator or pre-accelerator program is a structured program over a set period of time (six weeks to six months) to support entrepreneurial ideas. The programs typically include content for each week (e.g. sales, legal, marketing), access to mentors and accountability partners, and a cohort of between three to 15 companies and peers. Programs occasionally include funding, at times the funding is in exchange for equity, and occasionally includes a cost to the participant.

### Program – challenge-led innovation

Challenge-led innovation programs are variations on hackathon and accelerator programs. Challenge-led programs focus on a specific challenge for a community, corporation or industry sector. The hackathon approach is used to frame the challenge and develop initial solutions. Participants in the hackathon event are selected to take ideas forward, where they receive support from organisations that can benefit from the results and can act as early customers. This ongoing support can also include funding for operational activity.

Council or industry  
provides challenge



### Application or product centre

An application or product centre retains technical skills that can support local development of new ideas. This provides a resource for businesses and entrepreneurs to create prototypes and engage with new technologies. The form of the application or product centre can vary, depending on whether the ideas from the product come from outside of, or within, the centre.

The Blue Chilli accelerator is an example of an application centre that retains technical skills for non-technical founders. Founders apply to have their ideas built by the Blue Chilli technical developers in exchange for equity. One benefit of the model is that non-technical founders are able to have their ideas rapidly developed. Considerations to the model are: scale is required to ensure the high volumes that will make the model viable, technical solutions can be limited by the capabilities of the developers, and the high costs due to maintaining a diverse developer pool. These models can be supported by venture funds that fill the time gap between idea development and potential return from a public listing or acquisition of the idea.

Other versions of the model can be defined based on where the product ideas originate, and ownership. The model of the Innovys program in South Australia retains ownership of the idea and identifies entrepreneurs to take existing ideas forward in exchange for equity granted to the entrepreneurs. Other models act as “labs” or venture studios, such as Brisbane’s Made in the Now.

These models are often attached to existing development agencies that supplement the business model through fee-for-service work. Some models can utilise off-shore development resources to reduce the costs of a wider pool of technical resources. However, managing remote teams increases the capability requirements of local project management, product management, and technical specification and solution designers. These models can be combined with coworking to bring entrepreneurs with ideas next to development resources, such as the Logan Startup Hub in Logan.

This model is unlikely for Goondiwindi due to the capabilities required to manage a software development team and the need to attract a diverse development skillset.

<b>Key partners</b> <ul style="list-style-type: none"> <li>• Software development agencies</li> <li>• Recruiters</li> <li>• Overseas development</li> </ul>	<b>Key activities</b> <ul style="list-style-type: none"> <li>• Idea validation</li> <li>• Software development</li> <li>• Market testing</li> </ul> <b>Key resources</b> <ul style="list-style-type: none"> <li>• Product manager</li> <li>• Project manager</li> <li>• Software developers</li> <li>• Software management software</li> <li>• Software development infrastructure</li> </ul>	<b>Value propositions</b> <ul style="list-style-type: none"> <li>• I can get my idea validated and developed at a lower cost than at a digital consultancy</li> <li>• I can access new technologies for my ideas</li> </ul>	<b>Customer relationships</b> <ul style="list-style-type: none"> <li>• Direct</li> </ul> <b>Channels</b> <ul style="list-style-type: none"> <li>• Social media</li> <li>• Word of mouth</li> <li>• Business networks</li> </ul>	<b>Customer segments</b> <ul style="list-style-type: none"> <li>• Local businesses</li> <li>• Entrepreneurs</li> </ul>
<b>Cost structure</b> <ul style="list-style-type: none"> <li>• Staffing (software developers, project managers, program managers)</li> <li>• Software licences</li> <li>• Computer and technical hardware</li> <li>• Rent</li> <li>• Facilities maintenance</li> </ul>		<b>Revenue streams</b> <ul style="list-style-type: none"> <li>• Long-term return on equity</li> <li>• Software fee for service</li> <li>• Program sponsorship and grants (industry, government)</li> </ul>		

### Technical provider

A technical provider model emphasises a specific technical feature or function, such as hosting a data centre, access to specialist hardware such as virtual reality or drones, or industry-specific technical functions. These models are often attached to universities, corporations, research centres or training institutions such as TAFE. Corporate examples in Australia include Queensland Urban Utilities' innovation centre and Telstra Labs.

The specialist hardware requirements mandate that these models are financially supported beyond the returns generated by the hardware requirements.

<b>Key partners</b> <ul style="list-style-type: none"> <li>Specialist hardware and software providers</li> <li>Related service providers</li> </ul>	<b>Key activities</b> <ul style="list-style-type: none"> <li>Delivery of specialist functions (e.g. hosting, use of hardware or software)</li> <li>Technical support</li> <li>Ongoing training</li> <li>Maintenance</li> <li>Sales and marketing</li> </ul> <b>Key resources</b> <ul style="list-style-type: none"> <li>Technical and hardware specialist</li> <li>Program manager</li> <li>Account/sales manager</li> </ul>	<b>Value propositions</b> <ul style="list-style-type: none"> <li>I can use specialist technology or hardware and apply them to my business challenge</li> <li>I can learn about new technology</li> </ul>	<b>Customer relationships</b> <ul style="list-style-type: none"> <li>Direct</li> </ul> <b>Channels</b> <ul style="list-style-type: none"> <li>Social media</li> <li>Word of mouth</li> <li>Business networks</li> </ul>	<b>Customer segments</b> <ul style="list-style-type: none"> <li>Local businesses</li> <li>Entrepreneurs</li> </ul>
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### Investment

There is potential to mobilise local capital in the Goondiwindi region for investment into new companies created through the innovation activity. This capital can be managed in a new fund specific to the Goondiwindi region, attached to an existing fund, or syndicated through an existing Angel group such as Brisbane Angels.

Local angel groups are forming across Australia, such as Sunshine Coast's Suncoast Angels, northern Queensland's FNQ Angels, Redland Angels and Gold Coast Angels. Groups are forming to support the development of these groups, such as the Angel Loop program.

The establishment of a dedicated investment group for Goondiwindi is related to, but separate from, the establishment of an innovation hub. The process can be managed by the backbone organisation.

## Backbone organisation

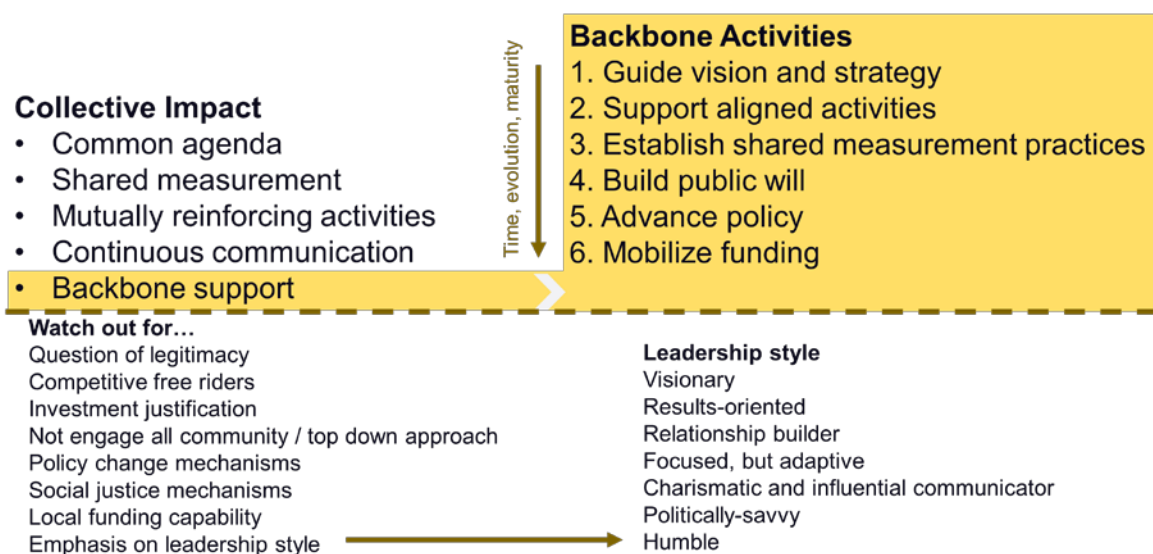
A backbone organisation operates independently of the centralised management team for partnership efforts towards a specific focus. In an innovation ecosystem, the backbone organisation brings all stakeholders together to focus on supporting entrepreneurs to build, grow and scale their business.

The functions of a backbone organisation include:

1. Guide vision and strategy.
2. Support aligned activities.
3. Establish shared measurement practices.
4. Build public will.
5. Advance policy.
6. Mobilise funding.

These activities are typically developed over time as the organisation and local ecosystem matures. For example, in the first year the emphasis may be on developing the vision and strategy and supporting activities. As the local community evolves, the focus moves towards measurement, branding, and advocacy, and then towards increased funding based on past success.

The backbone organisation operates separate from, and supports, the innovation hub activities. The organisation provides governance and transparency to overall innovation activity to allow the innovation hub to operate as a stand-alone business model. The backbone organisation operates within a framework known as Collective Impact, which includes attributes of: A common agenda; Shared measurement; Mutually reinforcing activities; and Continuous communication.



Collaborative groups have formed in Australia to support the function of entrepreneurship without the formal designation of a backbone. Examples include: Hunter Innovation project, Innov8 Logan, IgniteFNQ and the Canberra Innovation network. Other organisations form as a result of outsourced economic development models for specialist services (e.g. tourism, innovation), with examples including Innovate Moreton Bay and Toowoomba Surat Basin Enterprises.



Backbone organisations can be structured in a number of ways, including:

- Funder-based – a single entity funds the establishment and operations of the backbone organisation.
- Mission-oriented non-profit – an existing or new non-profit entity is used to act as the backbone organisation.
- Public agency – a government department is established or used to act as the backbone organisation.
- Steering committee – A dedicated steering committee acts as the backbone organisation.

Below is an overview of pros and cons of each model<sup>xiii</sup>:



There is an absence of dominant funders for a funder-based model, and Australia's political environment is not conducive to a public agency approach due to the risk of change in political direction and mandated broad community acceptance. The approach proposed in regional Australia

is for the formation of a steering committee approach evolving into a mission-oriented non-profit as the local ecosystem matures.

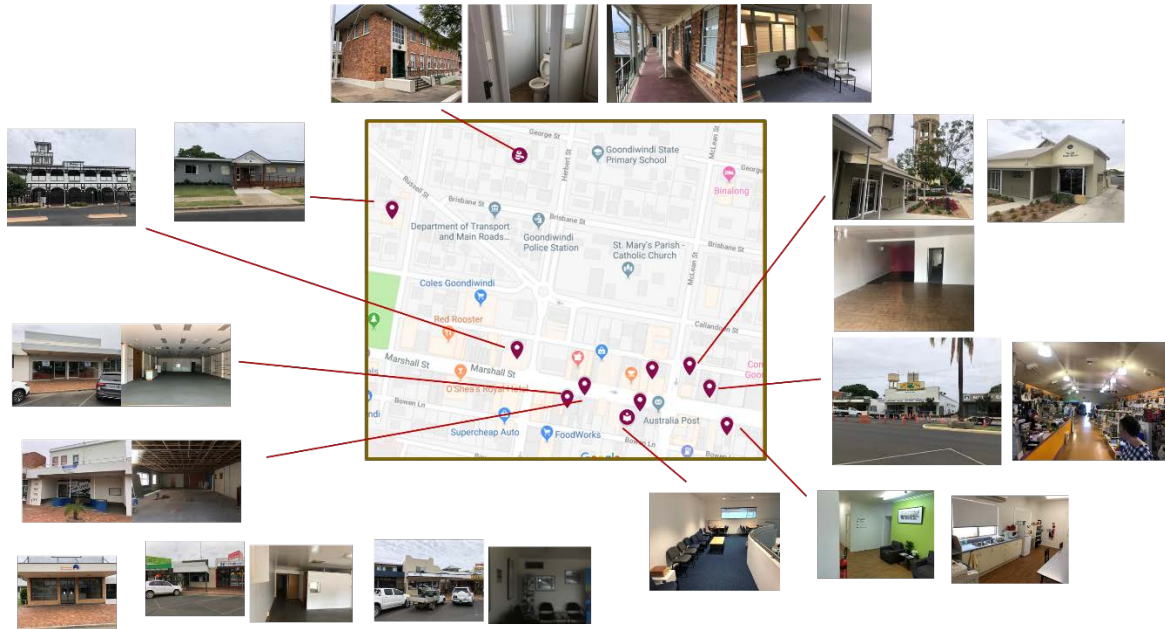
For Goondiwindi, an option may be to continue to work with the existing steering committee and expand into a dedicated not-for-profit as traction and credibility is developed to address some of the considerations with the not-for-profit model.



- PCYC Riverview Function Centre – Dedicated event space to rent, potential to turn into coworking.

*Locations close to the main city street*

Locations close to the main street include:



- Court house – Upstairs from courtroom, toilet not functioning, no disability access due to lack of lifts, need to pass through courtroom entryway to access, significant investment to make fit for purpose.
- The Sundial – Existing community event space, potential to turn into coworking.
- Previous Council building – street-front property, initial review from window appears strong fit for purpose.
- Previous Miller's building – street-front property, initial review from window appears strong fit for purpose.
- Library – Upstairs coworking access, utilised by at least one person on each sample visit showing need, no rooms for phone conversation, limited power points. Not considered viable as dedicated coworking or events.
- Power House Building - Dedicated office space just off main street, initial review from window appears strong fit for purpose.
- Goondiwindi Sports Building – large warehouse soon to be vacant, significant investment presumed for environmental controls in main area, but layout highly suitable.
- Goondiwindi Business Hub – existing serviced office space, limited capacity for coworking. Not considered.

An additional consideration for a new development on a greenfield site is included. This is not expected to be viable due to the significant capital expenditure.

*Location assessment*

The locations are rated below on a subjective assessment of 1 (poor or low) to 5 (good or high). Ratings are currently not weighted, in that proximity is given equal weighting as fit for purpose or capital expenditure.

- **Proximity** – How close the location is to amenities such as cafe and other support providers such as Chamber of Commerce, Council, or business support services such as Engage and Create Consulting.
- **Visibility** – Is the location visible from the street by the general population passing by or through Goondiwindi?
- **Accessibility** – Is the location accessible to all members of the community?
- **Fit for Purpose** – Does the location suit the needs for coworking and event delivery in terms of space and layout?
- **Operational expenditure** – The monthly operational expenditure associated with the space. This has not been calculated at this time, as inquiries into rent were not made due to potential commercial impacts.
- **Capital expenditure** – An assessment of the capital expenditure required, excluding furniture, to make the location fit for purpose.

	Proximity	Visibility	Accessibility	Fit for purpose	Operational expenditure	Capital expenditure	Score
Goondiwindi Airport	1	1	4	2		3	11
Department of Agriculture and Fisheries building	3	3	3	2		4	15
Gateway to Training	3	4	4	2		4	17
PCYC Riverview Function Centre	3	3	4	4		4	18
Court House	4	4	1	3		1	13
The Sundial	4	4	4	3		4	19
Previous Council building	5	5	5	5		3	23
Previous Millar's building	5	5	5	5		3	23
Power House Building	4	4	5	5		3	21
Goondiwindi Sports Building	5	5	5	4		1	20
Greenfield site	3	3	5	5		1	17

The recommendation is to:

- confirm if all assessment criteria are valid and if additional weighting is required;
- confirm assessment ratings;
- identify and rate the operational expenditure; and
- consider a short list of high-ranking items.

## Budget and resourcing

The budget for the innovation hub is dependent on the selected business model, defined by options for revenue and cost structures. A draft budget is outlined below demonstrating cost and revenue for different options. Each has been costed to be considered as cumulative and stand-alone. The stand-alone innovation hub option is assumed as virtual without the physical asset of the coworking space.

An application studio is pending costing, which will include a dedicated data centre.

	Coworking	Innovation hub	Hackathon	Challenge program	Application studio	Backbone organisation	
<b>COSTS</b>							
Rent / Venue	\$60,000		\$1,500				\$61,500
Facilities	\$6,000						\$6,000
Staff - Community manager	\$50,000					\$30,000	\$80,000
Staff - Operations support		\$24,000					\$24,000
Staff - Entrepreneur in Residence		\$80,000		\$15,000			\$95,000
Staff - Facilitator			\$2,500				\$2,500
Admin and misc	\$3,000	\$3,000				\$3,000	\$9,000
Events - operational and catering	\$3,000	\$3,000	\$2,000				\$8,000
Events - additional			\$500	\$1,500			\$2,000
Marketing	\$3,000	\$3,000	\$1,000				\$7,000
Program license				\$10,000			\$10,000
Participant support				\$20,000			\$20,000
<b>TOTAL</b>	<b>\$125,000</b>	<b>\$113,000</b>	<b>\$7,500</b>	<b>\$46,500</b>	<b>\$0</b>	<b>\$33,000</b>	<b>\$325,000</b>
<b>REVENUE</b>							
Membership	\$12,000	\$24,000				\$30,000	\$66,000
Corporate sponsorship		\$20,000	\$5,000	\$30,000			\$55,000
Grants and other funding		\$25,000	\$2,500	\$10,000			\$37,500
Event attendance	\$3,000	\$3,000					\$6,000
<b>TOTAL</b>	<b>\$15,000</b>	<b>\$72,000</b>	<b>\$7,500</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$164,500</b>
<b>NET</b>	<b>-\$110,000</b>	<b>-\$41,000</b>	<b>\$0</b>	<b>-\$6,500</b>	<b>\$0</b>	<b>-\$3,000</b>	<b>-\$160,500</b>

## Coworking

A coworking model is based on a per-seat membership. The table below outlines current initiative pricing in similar regional coworking models.

	Hourly	Daily	Weekly	Part time	Part time	Virtual / Social	Corporate	Meeting room	Hot desk	Permanent
Canvas, Toowoomba	\$4	\$25							\$217	\$500
Generator, Bundaburg		\$29		\$143	\$219	\$33			\$297	\$495
The Goondiwindi Business Hub	\$5	\$25	\$75					\$20		
The Space, Cairns				\$99	\$199	\$9			\$299	
Fire Station 101, Ipswich		\$20			\$150				\$250	
Split Spaces, Mackay		\$30		\$220	\$330	\$25	\$50			\$450
Smart Hub, Rockhampton		\$15	\$30						\$50	\$173
iNQ, Townsville				\$25	\$50	\$8	\$208			
<b>AVERAGE</b>	<b>\$5</b>	<b>\$24</b>	<b>\$53</b>	<b>\$122</b>	<b>\$190</b>	<b>\$19</b>	<b>\$129</b>	<b>\$20</b>	<b>\$223</b>	<b>\$405</b>
		<b>Daily</b>		<b>Part time</b>					<b>Hot desk</b>	
<b>Proposed</b>		<b>\$25</b>		<b>\$150</b>					<b>\$250</b>	
<b>Monthly memberships</b>					10				2	12
<b>Monthly revenue</b>					\$1,500				\$500	\$2,000
<b>Annual revenue</b>					\$18,000				\$6,000	\$24,000

For comparison, Ipswich has a population of 200,000. The innovation hub Fire Station 101 had a membership base between 30 to 70 at a given time. Most of these members were part-time. These numbers reflect anecdotal feedback from hubs in other regions.

Given this, Goondiwindi, with a population of 10,000, might expect five to 10 members, with potentially one to two full-time. This equates to an annual revenue of around \$24,000. Assuming an

annual rent of between \$40,000 to \$60,000 and staffing of 1 FTE at \$80,000 including on-cost, a dedicated regional coworking model is typically not sustainable.

This can be mitigated by offering dedicated office space, which realises a higher square metre (m<sup>2</sup>) return, but this impacts on the position as an innovation hub due to attracting traditional service-based businesses that can afford the higher rent.

### Innovation hub

An innovation hub requires additional base-level resources to provide delivery of entrepreneur support. Programs can include further costs, but also additional revenue potential through sponsorship. A hackathon and challenge program have been costed as additional items for consideration.

## Structure and resourcing

### Structure

As indicated by the budget, entrepreneur ecosystem development requires financial support beyond traditional fee-for-service revenue streams. This support comes from corporations, government, universities, investors or individuals in the local community. The investment typically defines the desired outcomes.

Owner	Description	Expected outcome	Pros	Cons
<b>Local government</b>	Goondiwindi Regional Council-owned and operated, managed through an outsourced provider or by Council employees.	Economic development and community development outcomes related to entrepreneurial activity in the region.	Sustained financial support if aligned with strategy and budgets. Stakeholder with a vested interest in the long-term outcomes of the region.	Subject to political changes. Risk-averse and procedural government culture does not align with entrepreneurial culture of rapid change and rule-breaking.
<b>Private or collaborative body</b>	Private individual or collaborative body owns and operates the hub.	Personal satisfaction of leader or company.	Entrepreneur-led initiative, flexibility in delivery, often local support.	Financial sustainability, with business development efforts for fund-raising impacting on hub outcomes. Leadership sustainability beyond the personality of the leader driving the initiative.
<b>Existing business group</b>	Existing group such as the Chamber of Commerce.	Expansion of support for business along the business lifecycle.	Single point of support for business from establishment to scale. Leverage local business connections.	Financial sustainability on an already subsidised business model. If business group is local, can be difficult to change perception and position for high-growth firms.
<b>University</b>	University-owned and -operated as an expansion of student and research services.	Commercialisation of research and attraction of students and funding.	Access to and development of talent, access to research, sustainable funding source.	Requires presence of university. Outcomes can lack commercial focus.
<b>Corporation</b>	Ownership by single corporation or industry associations.	Access to R&D and new ideas for acquisition, positioning as innovative leader.	Aligned with industry, access to customers and markets.	Requires presence or attraction of industry stakeholder. Subject to shift of corporate budgets and direction. Focused exclusively on outcomes aligned with corporate mandate.

Considering the pros and cons of the options, a proposed approach is ownership by a private or collaborative body, with financial commitment by local government and industry to realise the expected outcomes of each party.

### Positions

#### Community Manager

The Community Manager is the primary contact to bring the community together in the coworking space and deliver outcomes in the innovation hub. Often a “Jack of all Trades”, the Community Manager’s accountabilities can include:

- Business development and securing funding.
- Stakeholder relationship management.
- Event management.

- Community management, including entrepreneur support.
- Operations management, including financial management.
- Speaking and facilitation.

### Operations support

Operations support assists the Community Manager and Entrepreneur in Residence to deliver outcomes by performing administrative and coordinating tasks. As the effort grows, the Operations Support can become an Operations Manager, including physical asset management.

### Entrepreneur in Residence

The Entrepreneur in Residence offers mentoring and support to local entrepreneurs. The role can be filled by one or more people, and may be virtual, part-time or on-call. The role supports the Community Manager in focusing on entrepreneur outcomes and reducing the need for specialist skills in a community manager role.

### Facilitator

Entrepreneur events such as hackathons require specialist facilitation skills, understanding principles of entrepreneur activities as well as abilities to facilitate large groups of between 20 to 100 participants over several days. The Facilitator supports the Community Manager in event planning and coordination and can be a shared role depending on the skillsets of the Community Manager and Entrepreneur in Residence positions.

### Resourcing

Resourcing the activities can be performed through leveraging existing resources, employment of new staff, contracting on an as-needs basis, and outsourcing to a third-party management company.

**Leveraging existing staff** has the benefit of utilising existing budgeted resources and awareness of the local context. However, having staff available with the required skills can be unlikely. It can also limit the ability to develop a new culture in the region and be seen as something new by the community.

**Employment of new staff** provides some consistency of services but can be difficult, especially in regional areas, to find the required skillsets. Direct employment also has costs more for acquisition and risk of redundancy to replace an existing resource.

**Contracting on an as-needs basis** allows for flexibility in delivery, particularly if the services are program-based (virtual hub) as compared to ongoing support (coworking model). Contracting can have a higher per-engagement cost and depends on availability of resources, but can also provide flexibility to use different resources based on the need at the time.

**Outsourcing to a third party** has the benefit of leveraging an organisation with experience and specialist skills, but requires the availability of the organisation to scale to the region. An external provider can also take time needed to engage with a local community.

A proposed option is to consider an outsourcing model using existing local resources, combined with contracting on an as-needs basis.

## Indicative strategy

The strategy describes key areas where attention can be focused in the first 12 months. The focus areas of the strategy include: establish a sustainable base; cultivate the local culture; build elements of the ecosystem; and support entrepreneurs in established businesses, new entrepreneurs, and attracting external entrepreneurs.

Initiatives are proposed against each strategic area based on the asset-mapping process, community consultation, and contemporary thinking in ecosystem development. These initiatives provide a starting point for local leadership to review and adapt as necessary.

### 1.0 Establish a sustainable base

Establishing a sustainable base involves developing local leadership and accountability for entrepreneurial outcomes, developing the measurement and management systems, and establishing a local innovation hub as the engine for outcomes.

#### Initiatives

##### *1.1 Develop local leadership*

Defined, legitimate, and acknowledged leadership group to support development of early-stage, high-growth, potential entrepreneurs. This can begin with a steering committee and can evolve into a backbone organisation. Members should represent a cross-section of the local community with input from outside innovation and entrepreneur leaders. This also includes professional development of local leaders through training and missions to other ecosystems and bringing in leaders to build capability.

##### *1.2 Develop measurement and management systems*

Centralise data for early-stage, high-growth, potential entrepreneurs and related activity in the region. This can begin with an Excel spreadsheet with a single custodian and defined reporting. Establish agreed metrics and reporting protocols.

##### *1.3 Establish the local innovation hub*

Establish an innovation hub, develop the branding and position, and an initial series of themed events and programs. The hub does not need to initially be related to a physical space.

#### Expected activities/outcomes

At the end of 12 months, it would be expected that there would be:

- Leaders representing local diversity and external leadership influence.
- A key local leader with support and a succession plan.
- Consistent and transparent meetings
- Procedures, including terms of reference and evidence of governance.
- Structure and working groups as needed.
- Internal reporting and external evidence of activity and promotion.
- Community awareness of entrepreneur support.

### 2.0 Cultivate the local culture

Developing an entrepreneur culture requires consistency, trust and time. The effort is worth the investment, as a strong culture brings returns in the form of community support and a social licence to operate.

## Initiatives

### *2.1 Develop collaboration with existing business community*

A relationship with other local and established business communities is critical for the success of the hub. This involves creating clear value propositions so the community identifies the value in each group. Actions include shared events and cross-promotion of membership and business models.

### *2.2 Establish media plan, assets and relationships*

Create the branding and social media assets of the innovation ecosystem. Engage with the local *Goondiwindi Argus* to create a repeating section on local entrepreneurs. Establish relationships with other local social media channels and national media agencies related to entrepreneurial activity.

### *2.3 School/Youth programs*

Youth programs create pathways for young people to develop entrepreneurial skills, and influence parents in the community. Establish relationships with local high schools, and opportunities for the development of programs to encourage youth-orientated entrepreneurial programs such as youth accelerator programs.

### *2.4 Establish a new Meetup group*

A regular Meetup group provides a central group for entrepreneurial activity. Establish a new Meetup or Facebook group for the entrepreneur community in Goondiwindi.

## Expected activities/outcomes

At the end of 12 months, it would be expected that there would be:

- Co-branded events with local business communities, including the Chamber of Commerce.
- Active social media channels for the Goondiwindi entrepreneur community.
- Regular articles related to entrepreneurial activity in the local newspaper.
- Articles related to the Goondiwindi entrepreneur community in external media.
- At least one youth-related entrepreneur program or event.
- STEAM programs in schools.

## 3.0 Build the entrepreneur ecosystem

The entrepreneur ecosystem comprises the various functions including government, investment, industry and mentors.

## Initiatives

### *3.1 Investment*

Develop the local investment community. Bring in external agents to inform local leaders and investors about investment options, including establishing a fund, syndicating or other options.

### *3.2 Mentors*

Establish a database of mentors. Create a community of practice around local mentoring. Bring in a rotation of external mentors, leverage external mentors to build capability in local mentors, and share capability of local mentors across the region.

### *3.3 Established business/corporations*

Establish a database of, and build relationships with, local businesses and corporations as potential investors, mentors and first customers.

### 3.4 Government

Work with Goondiwindi Regional Council to align and integrate outcomes from entrepreneurial activities to strategic economic development and community development outcomes. Advocate for policy and programs that support and retain capability in early-stage, high-growth potential entrepreneurs and resilience in local business.

### 3.5 Service providers

Identify local service providers who can support start-ups and/or build local capability through external providers. Create a cohort of providers who can act as a local referral service.

### Expected activities/outcomes

At the end of 12 months, it would be expected that there would be:

- Identified local investors who have an understanding of how to invest and are aware of investment opportunities.
- An identified cohort of local and external mentors, and regular local mentoring activity.
- Identified local businesses who have engaged with entrepreneurial activity through sponsorship, mentoring and trial use of entrepreneur products or services.
- Strategic alignment and support between local government strategy and entrepreneur activities.
- Capacity in local service providers across the range of services for early-stage, high-growth potential entrepreneurs.

## 4.0 Support entrepreneurs

Entrepreneurs are at the centre of the strategy, and include options for structure pre-accelerator and accelerator programs, as well as an ongoing events schedule.

### Initiatives

#### 4.1 Pre-accelerator

On-farm entrepreneurs are developing ideas for new initiatives, or have ideas and are unsure where to start. Progress can be slow due to a lack of structure and access to information and networks.

A pre-accelerator provides a structured approach to developing ideas further and giving permission to test ideas in a safe environment.

#### 4.2 Challenge-led innovation program

Engage with surrounding farms to identify core challenges, and select one challenge to develop further through a challenge-led innovation program including a hackathon intensive and follow-up support program.

#### 4.3 Event schedule

Establish an events schedule to include a range of events: 101 entrepreneur sessions (e.g. lean canvas, pitching, sales development), technical (e.g. drones, virtual reality, artificial intelligence), and industry or community specific (health, agriculture, Indigenous, etc.).

### Expected activities/outcomes

At the end of 12 months, it would be expected that there would be:

- A number of established businesses that have developed and commercialised new products and services.
- A number of new local entrepreneurs developing scalable products.

## Schedule

An indicative schedule is outlined below, to be completed as part of the implementation process:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>1.0 Establish a sustainable base</b>												
1.1 Develop local leadership												
1.2 Develop measurement and management systems												
1.3 Establish the local innovation hub												
<b>2. Cultivate the local culture</b>												
2.1 Develop collaboration with existing business community												
2.2 Establish media plan, assets, and relationships												
2.3 School / Youth programs												
2.4 Establish a new Meetup group												
<b>3.0 Build the entrepreneur ecosystem</b>												
3.1 Investment												
3.2 Mentors												
3.3 Established business / corporations												
3.4 Government												
<b>4.0 Support entrepreneurs</b>												
4.1 Pre-accelerator												
4.2 Challenge-led innovation program												
4.3 Event schedule												
<b>Existing events</b>												
		Border State Knockout Challenge	Macintyre Valley Cotton Field Day	Goondiwindi Picnic Races	Discover Farming	Inglewood Cup and Main Street Traders Day (Race Day)	Texas Show	Bungunya State School Centenary	Inglewood Show n Shine			
		Young Guns Race Day	GRDC Grains Conference	Inglewood State School Trail Ride	Aspects Art Show	Goondiwindi Business Awards		North Star Polo Carnival	Gourmet in Gundy			
			Cardinal Cup Pre-Season Challenge	Australian Rocketry Down Under	Goondiwindi Show	Modifyre		Goondiwindi Apex Eisteddfod	QRRRW Conference			
			Inglewood Show	Easter on the Macintyre	Goondiwindi Cotton Cutting Autumn Spectacular			Goondiwindi Polo Carnival	Texas Country Music Roundup			
			Gundy State Fantastic Fete					Albins 400 Offroad Rally	Billa Billa Sport Club 50 Years Celebrations			
			Paddock Prelude					Total Ag Services Annual Cotton Awards Dinner				

## Appendix: Example backbone structure

### Roles

The group has three levels: a Governance Committee, Advisory members and Delivery partners.

#### **Governance Committee**

Members in the Governance committee:

- provide strategic leadership and identify risks and opportunities pertaining to the execution of the purpose;
- ensure adherence to the principles;
- provide oversight and governance over financial expenditure;
- make decisions relating to initiative and program scope, budget and schedule;
- make decisions relating to new Governance committee members, Advisory members and Delivery partners; and
- oversee stakeholder relationships, including reporting.

Governance committee members include:

#### **Advisory members**

Advisory members come from specialised areas in the community and contribute towards the purpose and outcomes. Advisory member roles include:

- inform and provide feedback and input into the purpose and outcomes; and
- provide resources towards initiatives for shared value.

Advisory members include:

#### **Delivery partners**

Delivery partners:

- deliver initiatives in agreed scope, schedule, and budget; and
- contribute towards promotion and execution of the outcomes.

#### **Governance Committee Meetings**

- The Governance Committee will meet no more than monthly and no less than quarterly.
- Meetings will be documented with minutes distributed following each meeting. Minutes will include topics discussed, decisions made and reported conflicts of interest.
- Decisions relating to material scope variance of agreed initiatives and new Governance Committee members, Advisory partners, and Delivery partners, require agreement by at least two committee members. Decisions made outside of committee meetings will be documented in committee meeting minutes.

- Monthly reports will be prepared, to include reporting on schedule, scope and budget progress.

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