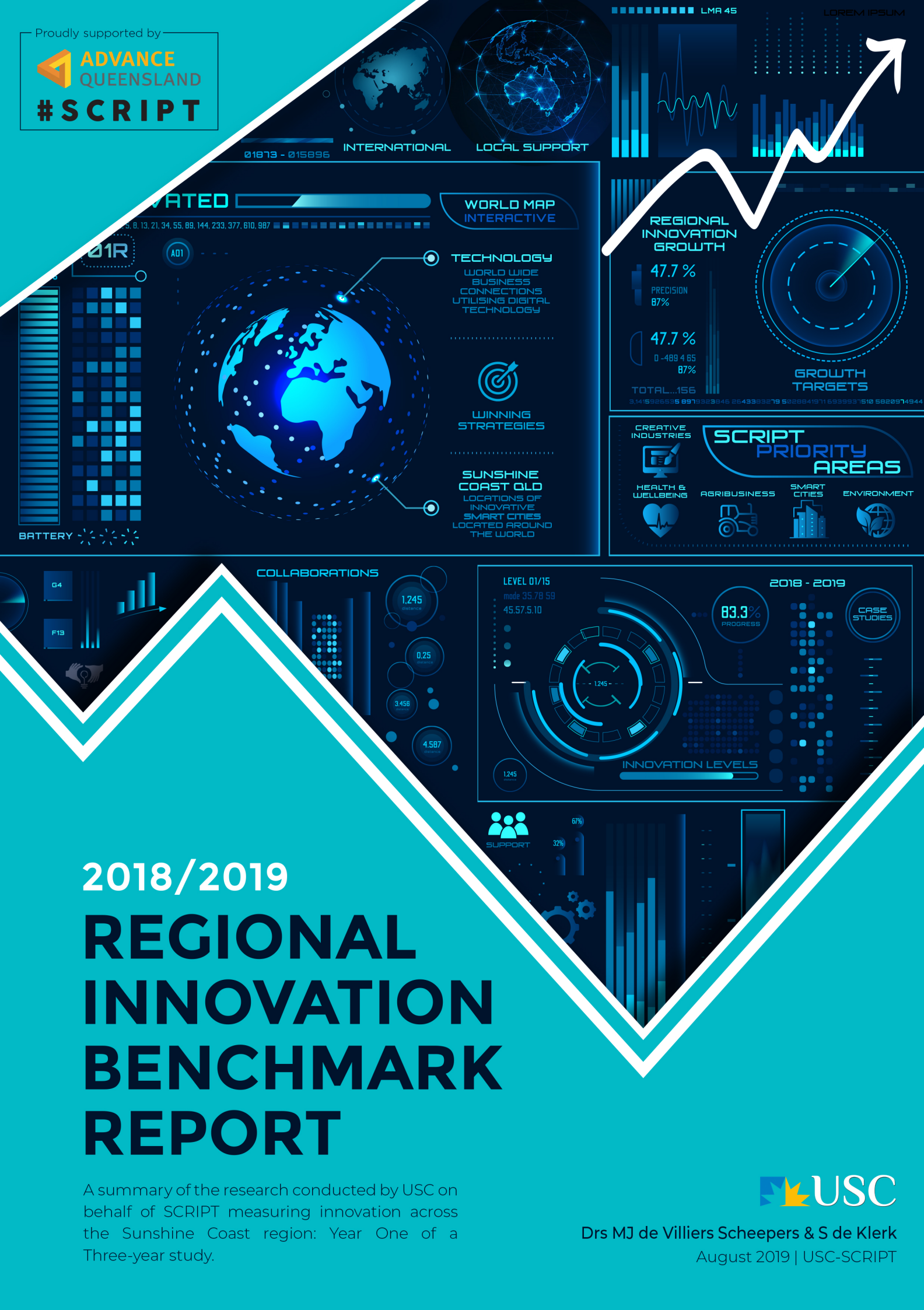


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# 2018/2019 REGIONAL INNOVATION BENCHMARK REPORT

A summary of the research conducted by USC on behalf of SCRIPT measuring innovation across the Sunshine Coast region: Year One of a Three-year study.



Drs MJ de Villiers Scheepers & S de Klerk  
August 2019 | USC-SCRIPT

## About SCRIPT

SCRIPT is an 31 partner collaboration to grow innovation and business capacity across the Sunshine Coast region, commenced in 2016 2017 with a \$1m budget to fuel innovation. More information [www.sunshinecoastinnovation.com.au](http://www.sunshinecoastinnovation.com.au)

#SCRIPT Lead applicant and Government Funders







#SCRIPT Project Partners (\$20k+ Funders)







#SCRIPT Round Table Partners (\$5k+ Funders)










#SCRIPT Contributors (in-kind)














#SCRIPT Future Partners and Contributors, Supporters and Interlink Partners






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## Acknowledgements

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The content and findings are that of the researchers and does not necessarily reflect or represent the official views of the University of the Sunshine Coast.







# Foreword

**Sunshine Coast is a creative, smart, fast-growing region with a A\$18.55 billion economy. It has diverse landscapes from open coastline to green belts and pristine hinterland communities. Our collective future *depends on* linking our natural advantages with game changing infrastructure investments and *our* innovative culture, *making this a great place to create, work and live.***

The Sunshine Coast-Noosa region has the ambition and reputation to innovatively respond to global challenges. The regional economy is evolving, with an average economic growth rate of 4% (2001-2016) based on sound growth in traditional industries, as well as emerging technologies.

The Sunshine Coast Regional Innovation Project Team's (SCRIPT) vision is to fuel the culture of innovation in the Sunshine Coast. We do this through advancing innovation sustainability, responding to business proposals, strong governance, partnering and measuring the performance of our investments and activities. Since its inception SCRIPT has:

- ◆ Encouraged the growth of the regional ecosystem from 2016 to 2019, witnessing an increase of 48% in places to work and connect, advocacy programs, incubator and accelerator programs, infrastructural investments and capacity-building education.
- ◆ Seeded investments in the key priority areas of food and agribusiness, creative industries, health and wellbeing, and supported technology investment and innovation enabling programs.

- ◆ Participated in the MYRIAD and QODE Festivals and GovHack.
- ◆ Invested in projects such as: the Australian Health Accelerator (AHx) program, Immerse High, Mayor's Telstra Innovation Awards, THRIVE, E-Games sport tournament, STRIVE, the Refinery, and Making Innovation Happen.
- ◆ Promoted and supported innovation events across the region such as: DeLorean Startup Day, Centre for International Development, Social Entrepreneurship and Leadership (CIDSEL), Earth Tech, illuminate, Leanne Kemp (Queensland Chief Entrepreneur), Startup Catalyst, StartUp Onramp, Sunshine Coast international broadband submarine cable project, Innovation and Enterprise Expo, Women in STEM, Steve Baxter Breakfast, Chamber of Commerce breakfasts, Advance Queensland conferences and events at co-working spaces.

The 2018-2019 Regional Innovation Benchmark is a candid glimpse into the ways in which innovation is approached and executed within the Sunshine Coast's regional innovation ecosystem. The benchmark provides a knowledge-sharing opportunity about how to develop innovations within new and existing businesses to boost competitiveness and business performance.

*The findings show that businesses who prioritise innovation increased their sales of new products and services by 20% or higher, providing more value to customers and increased productivity.*

*Leading business practices such as having a clear innovation strategy underpinned by digitally savvy approaches including an e-commerce enabled website and social media strategy underpin businesses' innovation success.*

The Sunshine Coast region is a special place as our communities are passionate about where we have come from and where we are heading as an innovative region that embraces not only cultural diversity, but also entrepreneurial diversity. I am encouraged by the performance measures and stories of local businesses that dedicate time to foster innovation, demonstrating that the Sunshine Coast and Noosa regions are great places that nurture innovators to achieve global recognition and success.

I present to you the 2018-9 Regional Innovation Benchmark.  
Myles McNamara  
SCRIPT Chair

**“SCRIPT continues to fuel the culture of innovation as our region's pedigree of entrepreneurial flare runs deep in communities.”**



*Myles McNamara*



\_\_\_\_\_

**Sunshine Coast**

NOOSA

CALOUNDRA

\* National Institute of Economic and Industry Research (NIEIR) 2018.  
Available: <https://economy.id.com.au/sunshine-coast/gross-product> and <https://economy.id.com.au/noosa>

## 3

The region is well positioned to support innovation-driven business growth<sup>1</sup> based on strong economic performance. Economic indicators show the region contributing \$18.55 billion to the Queensland state economy. Investments in the regional ecosystem to stimulate innovation has increased, but how much impact does this have?



The Regional Innovation Benchmark (RIB) (2019) measures the approaches local businesses take to innovate and the value this generates. To evidence the performance of these firms, and the commitment it takes to improve outcomes for customers, the RIB has developed:



Regionally relevant innovation measures, based on the **rigorous**, internationally recognised innovation measurement framework developed by the Centre of Business Research (CBR), Cambridge University.

Regional innovation performance over three years will be used to understand regional innovation dynamics.<sup>2</sup>



Five case studies of more than 10 businesses that collaborated on innovation projects, the benefits, and how to ensure collaboration works.

Regional innovation is assessed by comparing businesses in the greater Sunshine Coast and Noosa region, to Queensland and Australia.

## 2018 - 2019 REGIONAL INNOVATION ASSESSMENT

Based on a dataset of

# 1769

firms, using a survey methodology.

The case studies were developed based on

# 15 HOURS

of interviews.

Analysis of

# 18

**SECONDARY DOCUMENTS**

Survey conducted November 2018 to March 2019 from 255 firms. Data weighted using Australian Bureau of Statistics (ABS) to ensure representativeness. Data is benchmarked against Australian 2013-2014 innovation data.

<sup>1</sup> Sunshine Coast Council, 2019. Sunshine Coast innovation brochure. Available: <https://www.sunshinecoast.qld.gov.au/Business/Entrepreneurship-and-Innovation/The-Ecosystem>

<sup>2</sup> OECD, 2018. Oslo Manual 2018: Guidelines for collection, reporting and using data on innovation. Available: <http://www.oecd.org/sti/oslo-manual-2018-9789264304604-en.htm>

# INNOVATION HIGHLIGHTS SURVEY DATA

## 48%

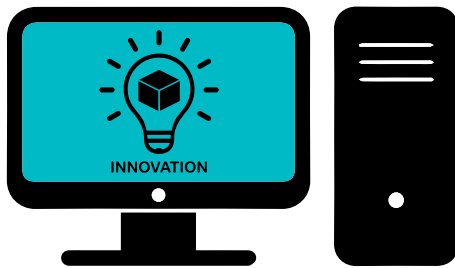
of firms in the greater Sunshine Coast report implementing new-to-the-firm innovations.

Sunshine Coast firms' innovation activities are comparable to Queensland and Australian firms.



**Innovators are likely to have:**

- **an innovation strategy**
- **a website enabled for e-commerce**



Sunshine Coast innovators are **significantly more likely to use knowledge-based sources for innovations**, such as professional conferences, journals, universities or research institutes, compared to the rest of the country.



**Less than 30% of firms collaborate but those who do:**

- \* expand their range of products and expertise
- \* develop specialist services to offer to their customers
- \* increase access to new markets



While 76% of firms are aware of support available, only 25% are likely to use it.

Most trusted sources for support: accountants, mentors, local and state government.



Sunshine Coast firms significantly benefit from sales of new products and services introduced.

## Top 3 reasons for innovating

- Profit-related
- Growth-related
- Productivity improvement





The case studies reveal that businesses who collaborate on innovation projects tend to:

- Display high levels of mutual trust, based on long-term relationships.
- Clearly spell out the expectations of each party to the collaboration.
- Are flexible to make changes to their agreement to create win-win situations, seeking benefits for themselves and their stakeholders.
- Make use of frequent communication to ensure everyone stays informed of changes.
- Are willing to experiment, learn and make changes based on the outcomes.

## Recommendations



Measure innovation activities in 2020 and 2021 to gain a more in-depth understanding of regional business innovation. The findings of the RIB will provide an evidence-based decision making culture, fostering the reputation of the greater Sunshine Coast.



Continue to widen access to innovation opportunities for local small to medium enterprises (SMEs), as the capacity to innovate and adapt is crucial within a globalised, connected world.



Leverage the infrastructure investments in the region through opportunity, development, acceleration programs for entrepreneurs, and nurturing public-private innovation initiatives.



Increase the number of novel innovators, who pursue new-to-the industry and firm innovations, given the potential for social and economic wealth creation.



Continue to strengthen and develop the regional innovation culture to fit with the growing and expanding ecosystem, attracting, activating and integrating new talent to the Sunshine Coast.

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# Purpose of RIB & Scope of Report



## PURPOSE

This report presents the results of the Regional Innovation Benchmark (RIB), a year after SCRIPT's activities began. Benchmarking is aimed at continuously improving performance, by identifying, understanding and adapting best practices of other businesses and regions.

## RIGOUR

SCRIPT embarks on the benchmarking process recognising it is an iterative and ongoing process of sharing information, promoting learning and sharing best practices. To ensure the Regional Innovation Benchmark for 2018-2019 is based on a rigorous, internationally recognised framework, SCRIPT tasked USC Entrepreneurship and Innovation researcher Dr Retha de Villiers Scheepers, together with a research team, to investigate the dynamics of regional innovation and develop a relevant RIB for the greater Sunshine Coast region.

## ESTABLISHED FRAMEWORK

The RIB measurement is based on an internationally recognised framework developed by the Centre of Business Research (CBR), Cambridge University, which has been used in Australia, New Zealand, the United Kingdom, and other countries. This framework recognises that firms' innovation activities have long-term consequences, and therefore regional innovation performance is investigated over three years. This approach is endorsed by the OECD (2005) Oslo Manual for innovation.





# What is being measured?

The innovation activities, processes and outcomes of 255 firms in the region was measured using panel surveys. Data was collected in November 2018 to March 2019. The responses were analysed and compared to available innovation data for Queensland and Australian firms from 2014, to find a baseline comparison as a starting point, working with University of Queensland researchers. This brought the total dataset to 1769 firms. The innovation activities, processes and outcomes in this report is presented by comparing:

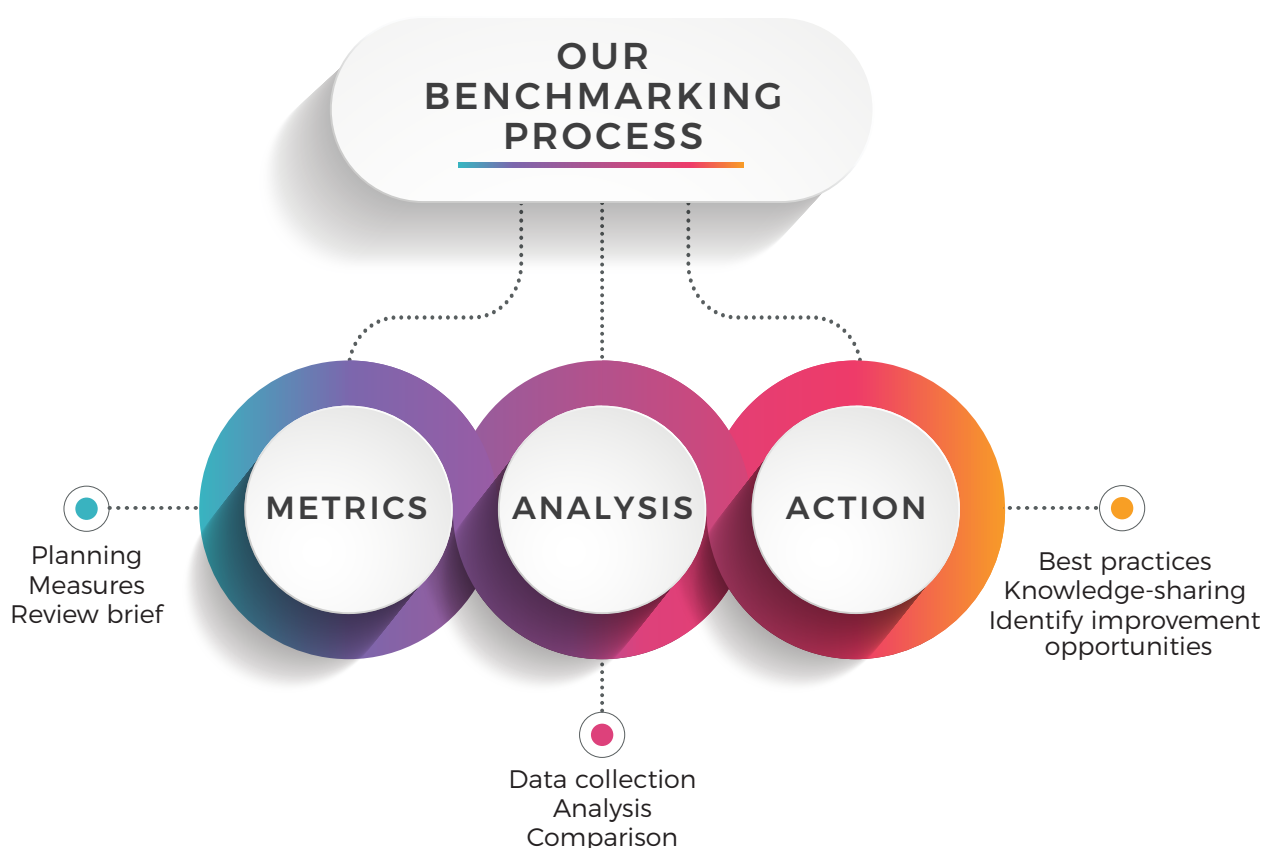
- Innovation types and degree of innovative activity
- Business practices of innovators
- Sources of ideas for innovation
- Collaboration activities of innovators
- Awareness and use of support available to regional firms
- Performance and benefits of innovation

In addition to the quantitative data in the benchmark report, five case studies are presented of firms who collaborated to bring about new innovations across SCRIPT's 5 priority industries.



# Benchmarking Process

The data presented in this report is available to all SCRIPT partners who support and promote innovation, local firms in the greater Sunshine Coast area, including Noosa firms, to other regional firms and economic development agencies, as well as Advance Queensland, Regional Innovation Program. It is intended to identify current practices and performance to determine how the greater Sunshine Coast as an aggregate is performing comparatively, to identify the differences between innovator and non-innovator firms and determine what actions can be undertaken to improve future performance.



## Which firms are part of the benchmark?

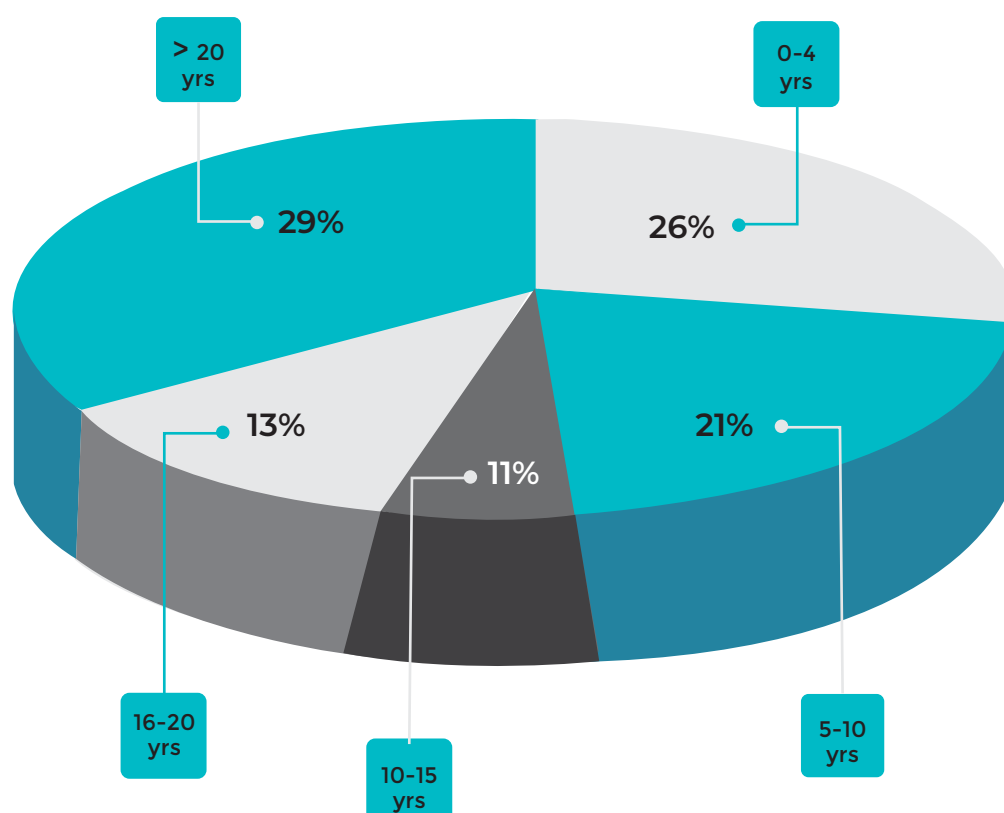
The data used for this benchmark for greater Sunshine Coast firms, collected 2018-2019 are from 255 firms, of which 248 responses were valid. The data has been weighted using Australian Bureau of Statistics (ABS) weights to fit the region's size, age and industry profile. The data from Sunshine Coast firms are compared against Australian innovation data, collected for the Department of Science, Information Technology and Innovation (DSITIA) by University of Queensland researchers in 2013-2014. The total dataset consisted of 1769 firms. Differences are reported as statistically significant at the 95% confidence interval.

# Survey Findings

## GREATER SUNSHINE COAST PARTICIPANTS

255 respondents completed the survey, with 248 valid responses analysed.

- ◆ 81% owner-managers, consisting of 55% men, 45% women completed the survey.
- ◆ More than two-thirds of responding firms were micro-firms employing five or less people.
- ◆ Most firms were in the retail, professional knowledge services, health care and social services and construction industries.
- ◆ A wide range of firms participated from startups of less than four years (26%), to established firms older than 20 years (29%).
- ◆ These respondents were weighted using ABS weights to ensure sample representativeness.



For the benchmarking purposes these respondents were compared with 2013-2014 Australian firms innovation data. The total dataset consisted of 1769 firms.



## INNOVATION LEVELS



### INNOVATION REFERS TO:

- ✓ *Product/service innovation*: a new or significantly improved manufactured product, or service product, is introduced to the market (product innovation), or
- ✓ *Methods innovation*: when a new or significantly improved production, or delivery method, is used commercially (process innovation), and
- ✓ *Process innovation*: when changes in knowledge or skills, routines, competence, equipment, or engineering practices are required to develop or make the new product, or to introduce the new process.
- ✓ *Business practice innovation*: when new or significantly improved business practices are introduced such as organisational processes, new media or marketing techniques, new Human Resources practices, or technological improvements in the supply chain.



### THE DEGREE OF NEWNESS WAS CATEGORISED AS:

- ✓ *New to the industry and firm*: High degree of novelty, which means it takes longer to be adopted, as customers and staff need to be educated.
- ✓ *New to the firm*: Medium degree of novelty, which means customers and other firms may be familiar with the innovation.
- ✓ *No innovation*.

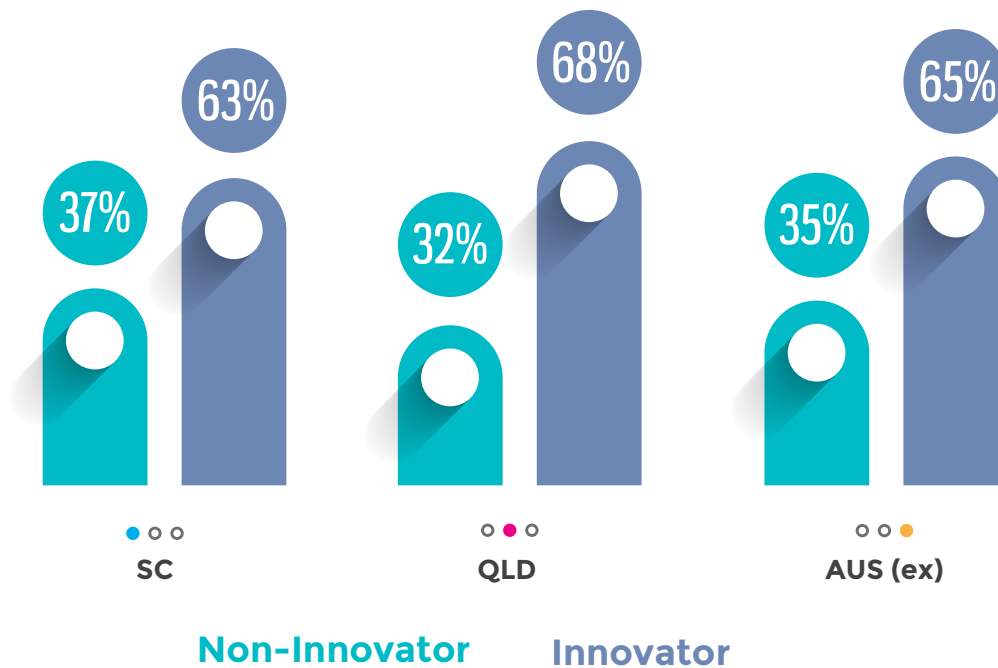




## SUNSHINE COAST FIRMS' INNOVATION COMPARISONS

The innovation activity of firms in the greater Sunshine Coast region are comparable to Queensland overall, and Australia (no statistically significant differences).

### INNOVATION COMPARED ACROSS REGIONS



#### Customer-driven innovation is a priority:

Customer satisfaction is a comparable performance outcome for innovators across the country

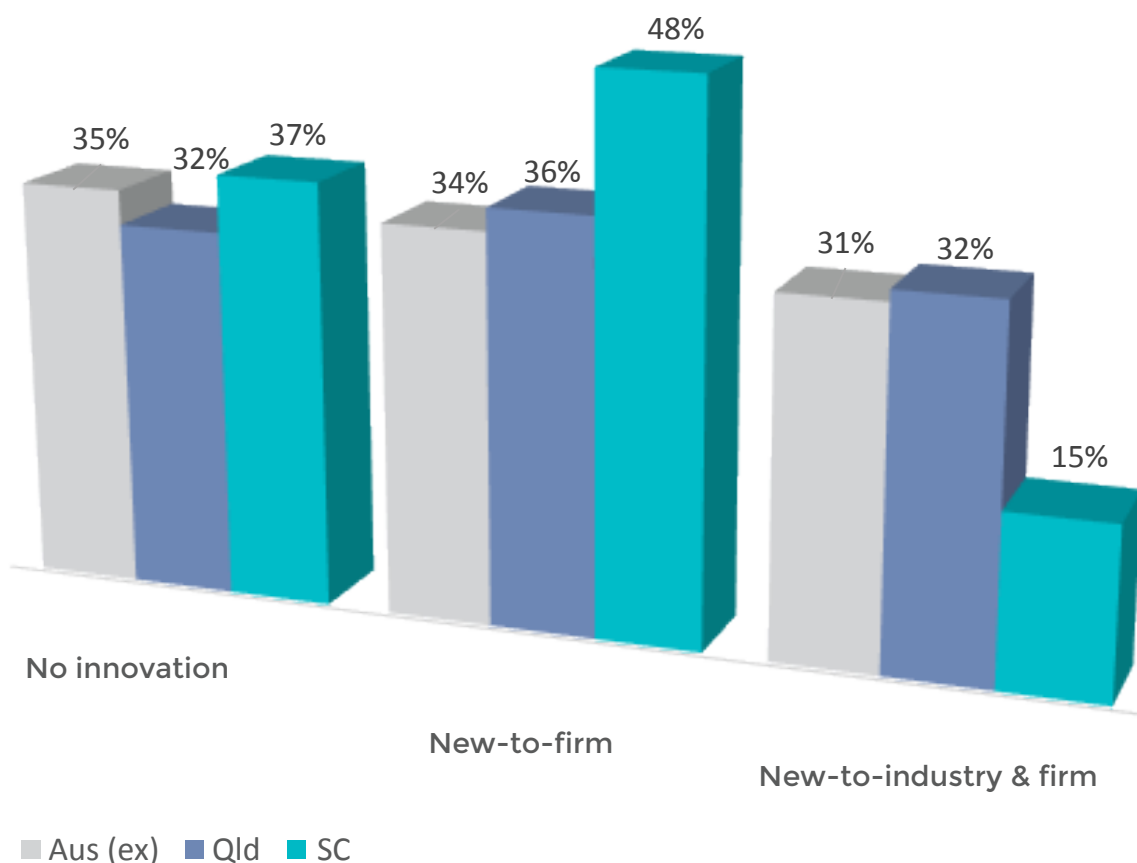




## NOVELTY OF INNOVATION COMPARISONS

Firms in the greater Sunshine Coast show higher levels of new-to the firm innovation, compared to Queensland overall, and the rest of Australia.

### NOVELTY OF INNOVATION COMPARED



Sunshine Coast innovators are more likely to introduce new-to-the-firm innovations, which may be an Australian first, but could have been trialled in other countries or markets. These types of innovations are less risky and costly for small firms, with limited resources, compared to new-to-the-industry innovations, which take longer to generate a performance return.



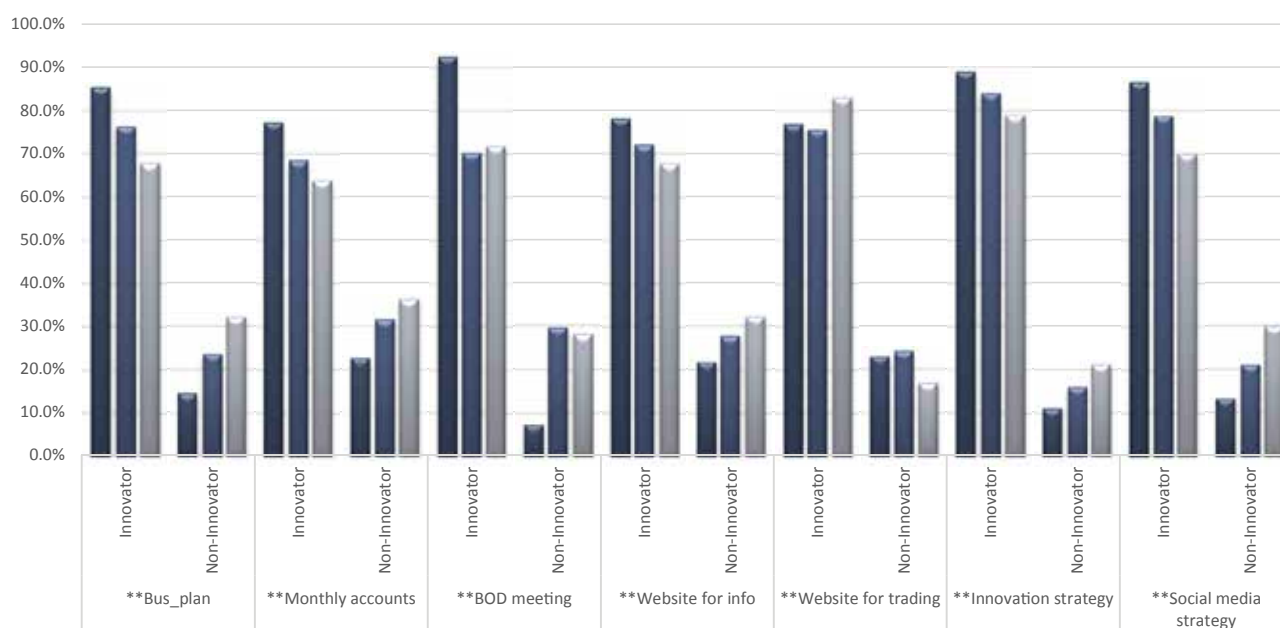
## INNOVATORS' BUSINESS PRACTICES

Innovators are significantly more likely to use contemporary business practices such as business planning, monthly management accounts, board of directors meeting, an innovation strategy, as well as a strong tendency to adopt digital practices.

Specifically using a social media strategy, a website providing information, and an e-commerce enabled website, was more prevalent among innovators.



### BUSINESS PRACTICES



Significant with P value < 0.001  
 ■ QLD ■ ROA ■ SC



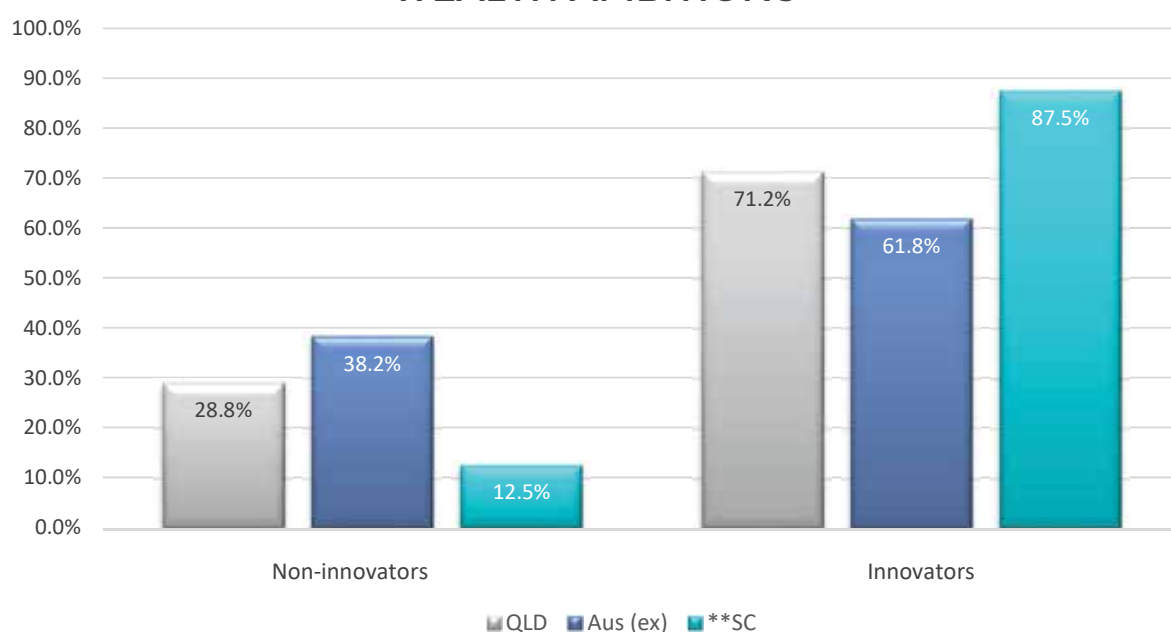
Sunshine Coast innovators are significantly more likely to have an innovation strategy and an e-commerce enabled website.

## WEALTH AMBITIONS AND LIKELIHOOD TO EXIT THE FIRM

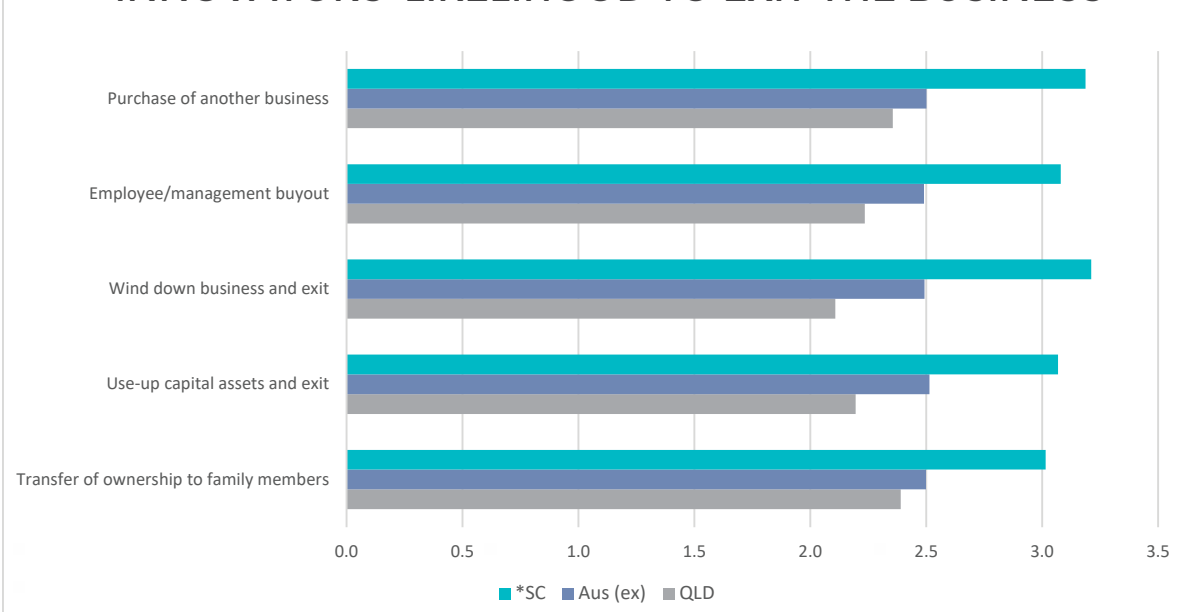


Sunshine Coast innovators have higher levels of wealth ambition comparatively and are more likely to have considered business exit in the next five years, comparatively. Innovators consider exit by being purchased by another business, transferring ownership to other family members or winding down the business.

### WEALTH AMBITIONS



### INNOVATORS' LIKELIHOOD TO EXIT THE BUSINESS

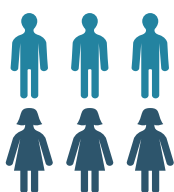
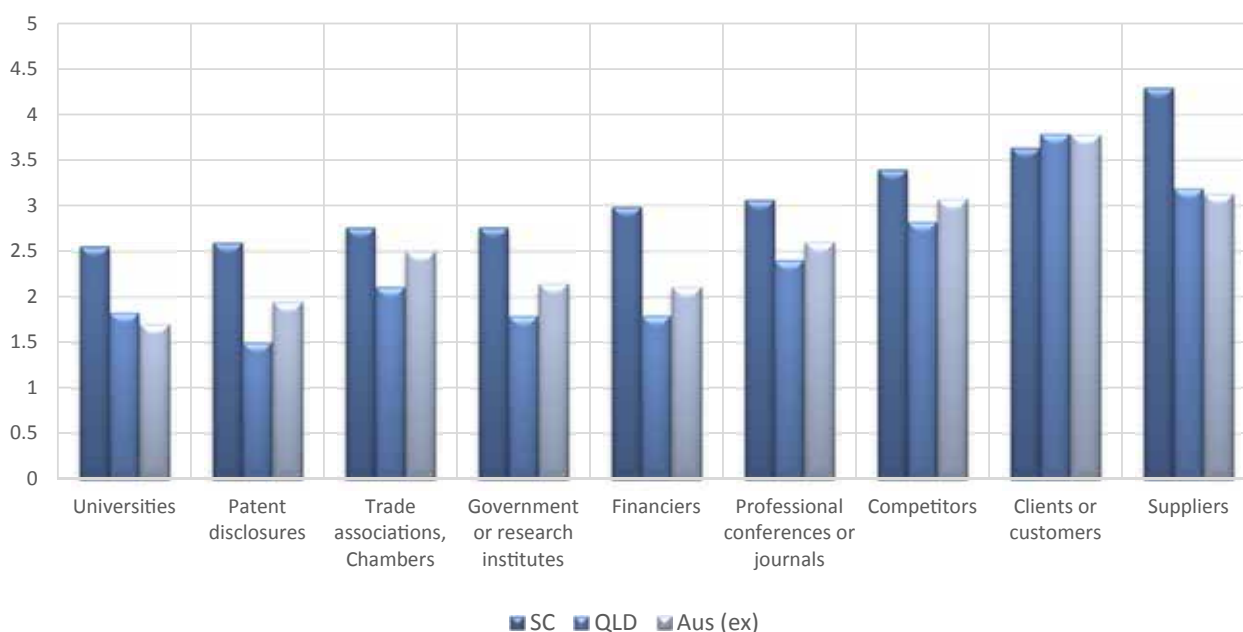


# INNOVATION SOURCES



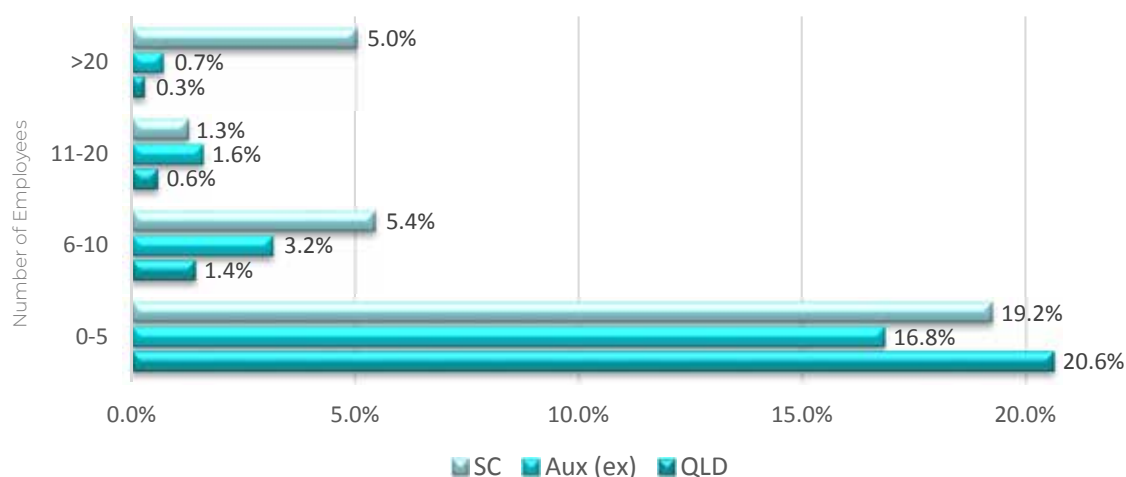
Sunshine Coast innovators are significantly more likely to use knowledge-based sources as the basis for innovation such as suppliers, universities, professional trade conferences, patent disclosures and government and research institutes, comparatively.

## SOURCES OF INNOVATION AMONG INNOVATORS



Although a small proportion of firms report engaging in Research and Development (R&D), Sunshine Coast firms employing more than six people are more likely to make use of R&D than similar sized firms in Queensland and Australia.

## PERCENTAGE OF STAFF TIME ENGAGED IN R&D



# COLLABORATION

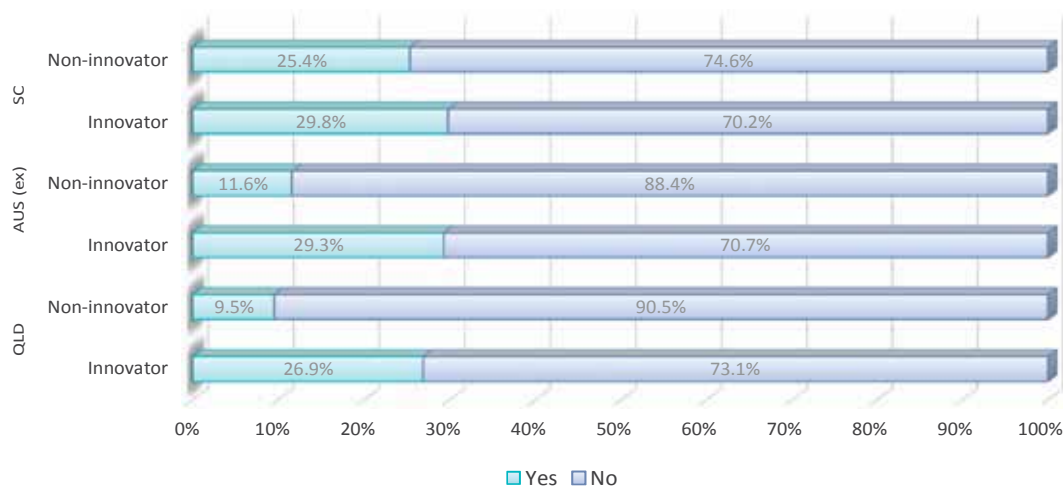


## 29.8%

of Sunshine Coast firms indicate that they collaborate, similar to firms in Queensland and the rest of Australia.



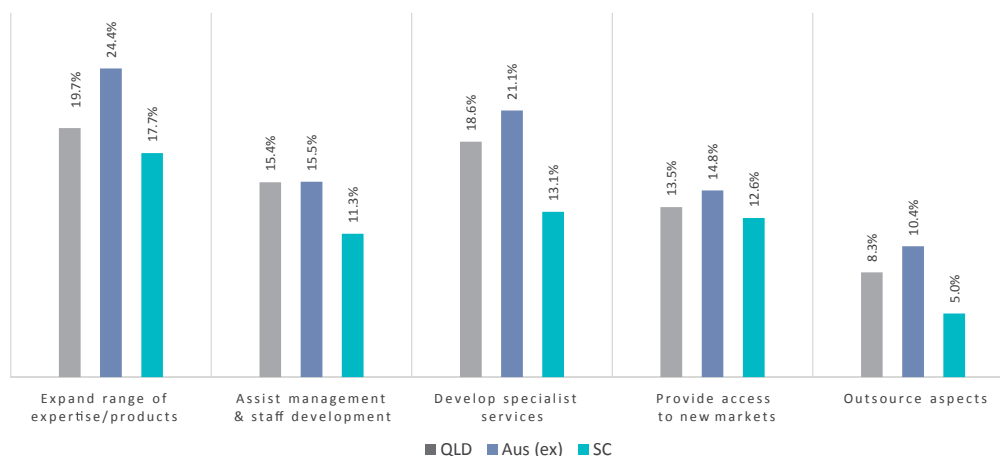
## COLLABORATION WITH OTHER FIRMS



Innovating alone offers benefits of speed and control, however collaborating with other firms offers the chance to share development costs and learn or develop new knowledge, skills and competencies.

Innovators who collaborate find they experience benefits such as expanding the range of their products and expertise, developing specialist services to offer to their customers and expanding access to new markets. Australian firms, outside Queensland, were more likely to obtain these benefits.

## BENEFITS OBTAINED FROM COLLABORATION





## AWARENESS AND USE OF SUPPORT



Various forms of business support are available to support and engage innovators.

Overall, Sunshine Coast innovators show high levels of awareness of support available, however less than a third of firms make use of this support.

The most used forms of support are business opportunity development workshops such as



exporting or skills-focused workshops

**30.8%**



mentoring

**28.2%**



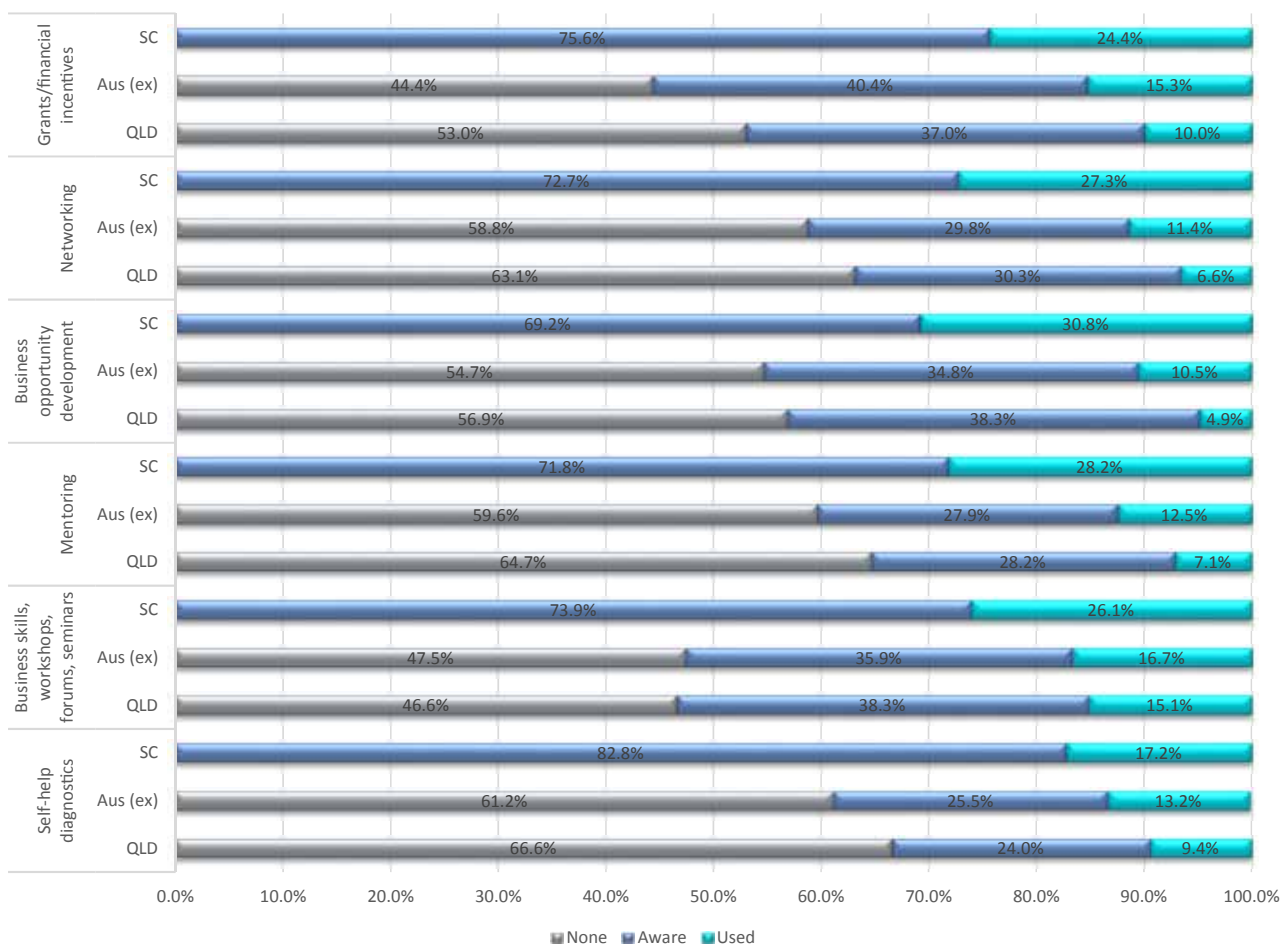
networking

**27.3%**



grants or financial incentives

**24.4%**



Sunshine Coast innovators are most likely to turn to the following **sources** for support:

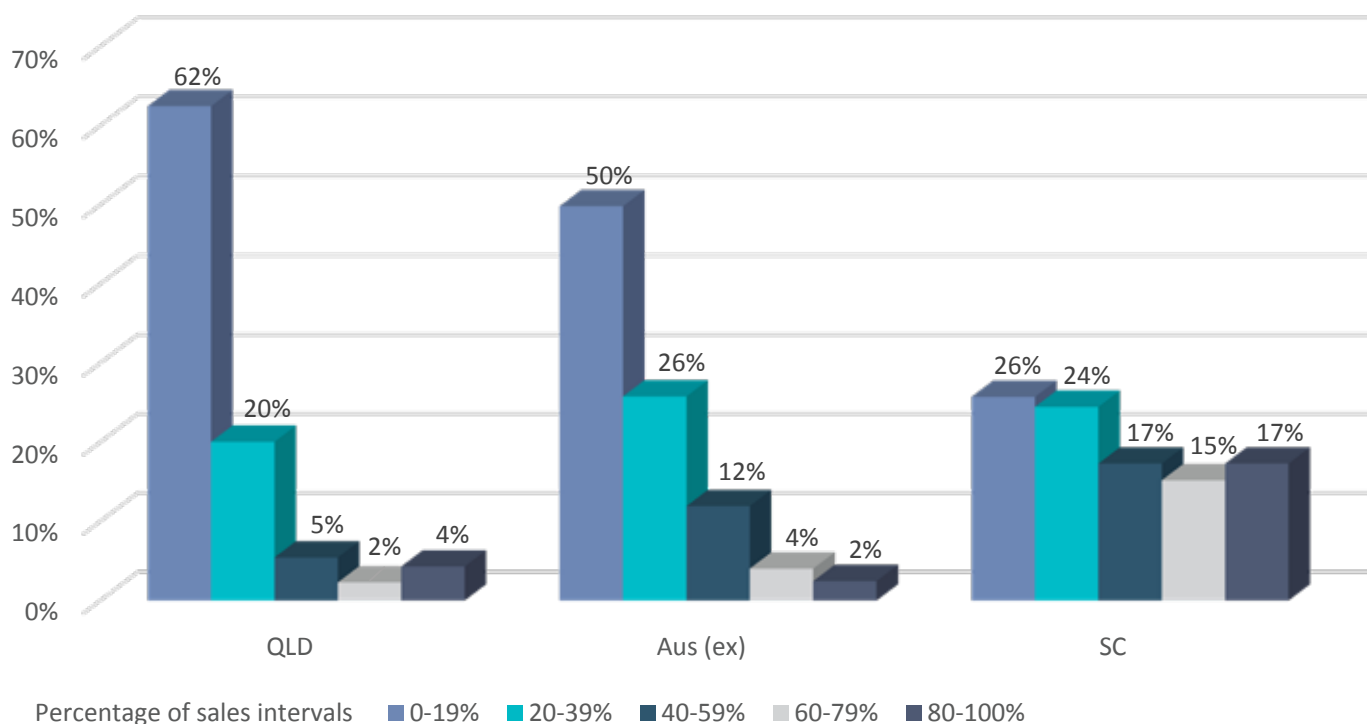
**Mentors, accountants, their business network, local council and government sources.**

## INNOVATORS' PERFORMANCE OUTCOMES

Sunshine Coast innovators tend to have a higher proportion of their percentage of sales (20% and higher) earned from the sales of new products/services introduced, compared to Queensland and the rest of Australia.

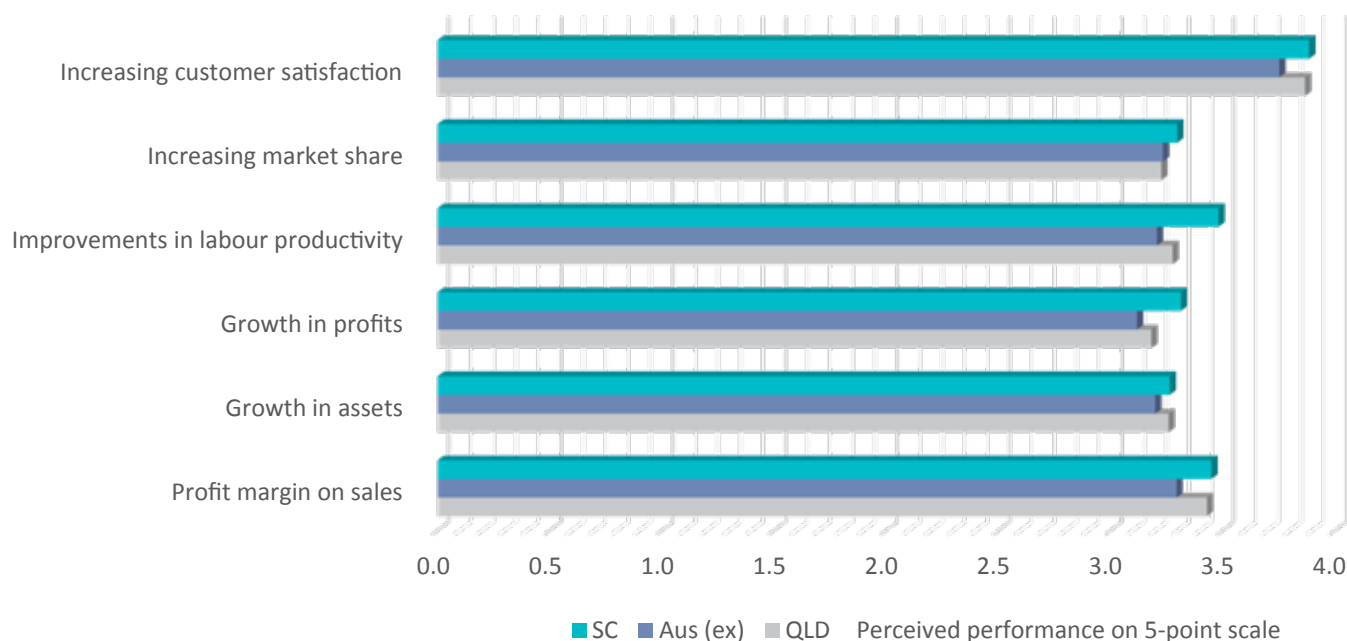


### SALES FROM NEW PRODUCTS / SERVICES INTRODUCED IN PERCENTAGE OF SALES INTERVALS

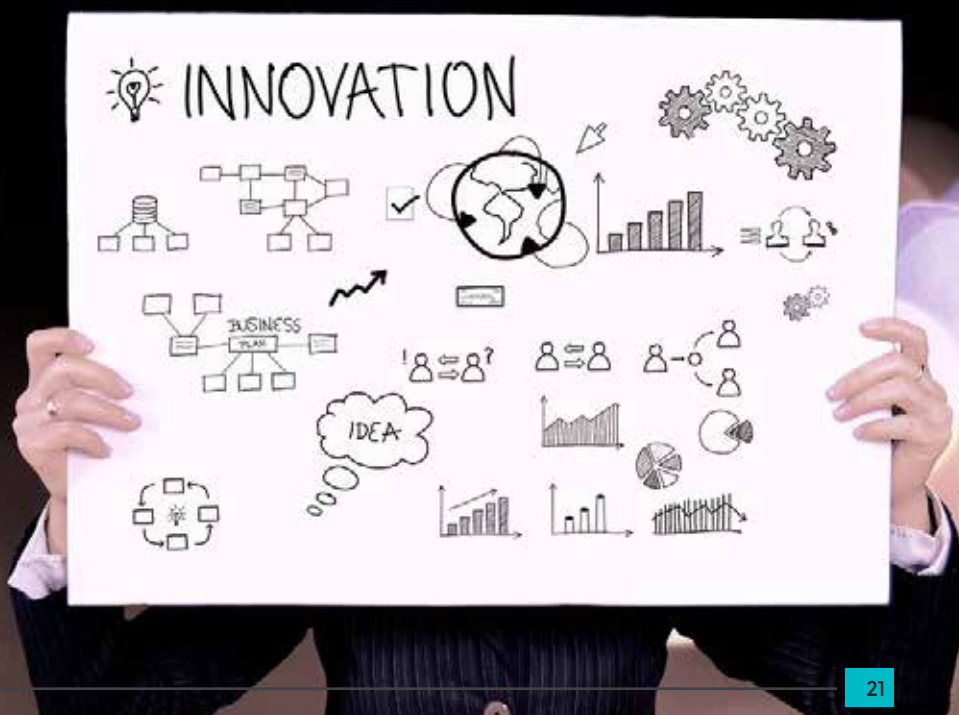


Sunshine Coast innovators perform well, reporting improvements in profit margins, growth in assets and labour productivity, comparatively. They also indicate that their firms increased their market share and customer satisfaction, similar to firms in Queensland and the rest of Australia.

## INNOVATORS' BUSINESS PERFORMANCE COMPARISONS



“Creativity is thinking up new things. Innovation is doing new things.”  
Theodore Levitt



# Benchmark Assessment Summary - SUNSHINE COAST FIRMS





# Case Studies

Sunshine Coast Regional Innovation Program Team (SCRIPT) and Advance Queensland focuses on the support and enhancement of five priority areas:



Creative  
Industries



Health &  
Wellbeing



Food &  
Agribusiness



Smart  
Cities



Sustainability &  
Environment

Innovation projects that received funding from SCRIPT had to demonstrate distinct ways of how they would benefit the Sunshine Coast in the priority areas. Some of the case studies which received funding demonstrated a demand for the proposed program, that the project would provide co-investment, aligned with SCRIPT's goals of collaboration, long-term sustainability of the project, and ensured accountability in the project's management.

Two of the case studies featured a focus on accelerator programs for the priority industries, i.e. creative industries, and health and wellbeing. These accelerator programs were SCRIPT and Advance Queensland funded. Accelerator programs are becoming increasingly popular. These programs traditionally focused on technology startups, networking and funding opportunities. However, a diversification in the focus and reach of these programs are a driver for getting more stakeholders involved and extending the benefits to more industries.

The wider ecosystem support network has also been the focus of more recent research and developments. With the growth on the Sunshine Coast in so many sectors, the region is seen as an attractive incubator for emerging startups and new ideas. The ecosystem offers the place, support, infrastructure and a growing market with the influx of new people, skills and opportunities, new businesses and ideas to propel the region into the future.

Therefore, we feature two incubator programs:



### **Creative Industries**

The Refinery



### **Health and Wellbeing**

The Australian  
Health Accelerator

The food and agribusiness case study originate from a collaboration among the 2017 GrowCoastal participants:



### **Food & Agribusiness**

Boneafide Broth Co and  
Luvaberry – Our War on Waste

The final two case studies focus on collaboration among larger organisations that offer inspiration on how sustainability and Smart Cities provide a platform for future innovation and show the Sunshine Coast as a leading region.



### **Sustainability & Cleantech**

Energy efficiency through  
collaborative innovation



### **Smart City**

The Urban Institute

# the refinery profiled



*‘Providing a canvas  
to creatively  
refine talent on  
the Sunshine Coast’*

The Refinery is a creative industries incubator that started in May 2019, providing a platform to enhance, inspire and cultivate new and dynamic ideas for the future. Ten weeks later, 15 creative businesses graduated successfully.

The creative economy is a high potential employment industry, providing employment to 5.5% of the Australian workforce and growing at nearly twice the rate of the Australian workforce.<sup>3</sup> As such it offers opportunities for employment growth on the greater Sunshine Coast. Additionally, this industry showcases the artwork and choreography of local talent. Creative industries remain concentrated in ACT, NSW and Victoria, hence setting up an incubator is a way to grow the creative industries in Queensland and locally. The Refinery provides an incentive for local talent to stay and be part of a creative community, which is crucial to attracting and retaining talent.

The Refinery is delivered from an activated space in SunCentral Maroochydore, recognising the creative industries have an important role to play in the Sunshine Coast’s development. It was established through the vision of creatives and brings together a diverse range of collaborators. The project is led by Sunshine Coast Council Team Leader Creative Development Megan Rowland and supported by Sunshine Coast Creative Alliance President Phil Smith and SunCentral Maroochydore Activation Project Manager Bronwyn Buksh.



<sup>3</sup> Cunningham & McCutcheon, 2017. The Creative Economy in Australia Factsheet. Available: <https://research.qut.edu.au/dmrc/wp-content/uploads/sites/5/2018/03/Factsheet-1-Creative-Employment-overview-V5.pdf>

The Refinery brings together industry partners such as Peregrine Digital Hub, Innovation Centre Sunshine Coast and Creative Spaces, with funding from Sunshine Coast Regional Arts Development Fund, a partnership between Queensland Government and Sunshine Coast Council, CQUniversity, Sunshine Coast Creative Alliance and SCRIPT, supported by Advance Queensland. The funding for this priority area and specifically the incubator project will hopefully be the first of many collaborations and creative initiatives on the Sunshine Coast to bring people together and strengthen the creative ecology.

The Refinery launched its first incubator program on 11 May 2019, kicking-off with a one-day Bootcamp. Thirty-six participants (30 project ideas) were chosen through a competitive application. After the bootcamp 18 founders (15 projects) were invited to participate in the intensive 10-week program which is designed to take the creative startup from ideation through to clear pathways for their business journey with mentoring and skill development along the way.

At the start of August, these 15 new start-ups pitched to a packed audience at the Peregrine Digital Hub. *"The exposure we've gained through the program to amazing mentors and a great cohort is pretty much life-changing"* says Carmen, Oddish Threads.

It was fitting to capitalise on the buzz around the new Maroochydore Smart City hub and therefore the Refinery is based in the SunCentral building where the co-shared space allows for collaboration and networking among participants and other professionals. The incubator offers several services, including a co-working space, workshops for skills development, mentoring and developmental workshops by well-respected, established creatives.

*"Anything that brings together creative people, giving them some business skills and frameworks to commercialise some of their ideas – it's a win-win,"* says Peta Ellis, CEO, River City Labs.

The Sunshine Coast region is highly attractive, and people are drawn from the cities to create their own opportunities. Digital access and the ability to reach global markets means it is becoming easier for creatives to flourish in this region.



*"We've seen this small group of people blossom in the 10 weeks...and then knowing that there's an ecosystem of innovators and other fellow entrepreneurs that get what we're doing and what we're about"*

Nicki Farrell, Wildings Forest School, Participant







The class of Refinery '19

Participants found the 10-week incubator challenging, but immensely valuable, from the strong peer-group of creatives they were able to learn from, to the extensive, high quality mentors, rigorous and relevant program, as well as strong leadership, and industry support. *"It's really helped me to narrow down and focus on the idea and what it could be"* says Shannon, Gabrielle agrees that the real value for her is: *"understanding my target audiences for each new stage of my business opening up"*. Vicky and Nikki from Wildlings Forest School says it's fast-tracked their business: *"What has taken us 10 weeks, will likely take most other businesses two years to do."*

The Refinery is based on a five-year business plan, where creative ventures stories are told and there is a focus on keeping with the authenticity of the creative projects. The Refinery is gearing up for its next intake of creative industry businesses wanting to join the incubator.

## CREATIVE INDUSTRIES

## Fast Facts

### CREATIVE INDUSTRIES



SCRIPT *priority sector*



### COLLABORATION

Creative Spaces  
Innovation Centre  
Sunshine Coast  
CQUniversity

Peregian Digital Hub  
Regional Arts Development  
Fund, Arts Qld  
SCRIPT, Advance Qld

### THE REFINERY

Attract and retain local  
creative industry talent  
Develop ecosystem  
Build community  
15 new creative start-ups born



### AMBITION

**1<sup>ST</sup>** creative industry  
incubator program  
locally

Full suite of support services

# The Australian Health Accelerator

The Australian Health Accelerator (AHx) Program was a Queensland first, focused on advancing innovation in health, wellbeing and medical technologies.

The collaboration was led by the Innovation Centre Sunshine Coast (ICSC), and co-delivered by Quantum Innovation Fund Managing Director Tamara Mills and ICSC CEO Mark Paddenburg from June 2018 (optional pre-accelerator) and full program (October 2018 – March 2019). The program was supported by the Australian Government's Entrepreneurs' Programme, Sunshine Coast University Hospital, SCRIPT and Advance Queensland, making it possible to offer the AHx in a regional location.

Accelerators traditionally offer short-term 90-day intense programs to accelerate business growth by refining innovations, providing mentorship and one-to-one coaching, developing networks and market access of startup founders. However, this model is less suited for the healthcare industry, as sales cycles are much longer, and the industry is intensely regulated. Trialling and testing solutions to healthcare problems is more complex compared to other industries, and the ability to develop meaningful connections and relationships also take longer. Thus, accelerator programs have become a mechanism for the health system to evaluate the innovation market, rather than simply focused on accelerating startup development.

The Innovation Centre was aware of these challenges and recruited experienced Program Director Tamara Mills, industry experts, mentors and relevant partners (eg, Sunshine Coast Health Institute, Health Tech Innovation Queensland, Suncare Community Services). Ms Mills has extensive networks in the industry, leading Brisbane-based Health Tech Innovation



# *Advancing Innovation in health, wellbeing and medical technologies*

Queensland (1600 members) meetup, is a co-founder of a health tech startup, and has researched the health accelerator market extensively. The combined experience, research and network of Innovation Centre experts and Ms Mills was used to develop a program that provides value to the 12 AHx participants in the first cohort.

The AHx Program consisted of structured content modules (Massachusetts Institute of Technology (MIT)-disciplined entrepreneurship)<sup>4</sup> and focused on customer development, acquisition, financial model refinement, product and business development, as well as industry expert speakers, one-on-one mentoring, market testing, ICSC resources and two Demo Days. The 12 AHx program modules provided structured capacity building, and conversation topics. Learning was focused on actionable knowledge relevant to the participants. The participating founders and/or teams found themselves challenged and refined their value propositions, acquired first and repeat customers and developed strong relationships with organisations they would otherwise have taken much longer to gain access to. As Ms Mills has been a founder and grown a health venture, she had empathy and experiential knowledge to encourage founders to persevere, despite the challenges they encountered.

<sup>4</sup> Aulet, B. 2014. *Disciplined Entrepreneurship: 24 steps to a successful startup*. John Wiley and Sons. ISBN 978-1-118-69228-8







*Federal Minister for Industry and Science Karen Andrews MP, Federal Member for Fisher Andrew Wallace, Sunshine Coast Health Institute Director Anton Sanker, Innovation Centre Board Member Dr Kirsten Baulch and CEO Mark Paddenburg, with AHx cohort #1.*

The ICSC and partners sought feedback from participants, mentors, coaches and other stakeholders to ensure that the program is improved. Several operational and program improvements will be implemented for the AHx's second offering and valuable components can be amplified. It is recommended that accelerator participants' progress is tracked over time as these types of programs have a long-term impact on the ventures which participate.

Advancing innovation around the world and within Australia





## LESSONS LEARNT FROM THE AHx PARTNER APPROACH TO PROGRAM DELIVERY:

1

High quality partners with complementary resources prepared to invest their time and resources are critical to the success of such a program.

2

Partnership engagement enriches the program content and connects with founders and their aspirations.

3

The right partners facilitate valuable business development introductions and connections for founders.

4

Clear and continued communication of partner roles and contributions is needed to make it work.

5

Expectation management, engagement and timely communication with partners and program stakeholders is important for founder outcomes.

### HEALTH & WELLBEING

### Fast Facts

#### WINNING OUTCOMES



**35** AHx application received: (2018)

**11** ventures selected, 9 graduated: (2019)

**1** Successful cohort program delivery

**2 Demo Days**  
(9 pitches, exhibits)



**380+**  
attendees

#### HEALTH & WELLBEING



**SCRIPT** *priority sector*

#### NEW



First Queensland health accelerator regionally offered.

**Focus:** Advancing innovation in health, wellbeing and medical technologies

#### COLLABORATION

Innovation Centre

Sunshine Coast Health Institute

Sunshine Coast Quantum

University of the Sunshine Coast

Innovation Fund

Entrepreneurs' Program,  
Australian Government

SCRIPT, Advance Qld



#### SUCCESSES



**24 new jobs** (FTEs) created Aug 2018 - May 2019 Increased traction - new leads, customers and revenue. Participants ventures' performance and confidence significantly improved.

# Cooking up collaboration: Zero food waste philosophy



Boneafide Broth Co set out to bring pure, healthy food products to time-poor families, using a zero waste process. The four founders, united by their interest in sport and healthy living, believed better snacks, beverages and grocery products can be made available to customers worldwide. They knew broth offered significant health benefits, but few families had the time to cook it. They set out to address this problem with their product range made from certified organic chicken and grass-fed beef, sourced locally. They have recently added vegetable broth to their product range as well.

When they started out, they thought they might freeze the broth and sell it, but these frozen products were too difficult to distribute. They persevered and found a natural drying process, and Boneafide Broth was born. To fast-track their startup's development Boneafide Broth's Sharlene Kelly successfully applied for the GrowCoastal accelerator program in June 2017.





Concurrently, Mandy Schultz from LuvaBerry also joined the GrowCoastal accelerator program. Mandy's refusal to throw away good quality strawberries which didn't meet cosmetic standards for selling at low prices, set her on a path to freeze-dried strawberries sold through alternative means, to developing a range of value-added LuvaBerry products.

When Sharlene and Mandy met, they hit it off. *"We had 12 businesses in GrowCoastal and very quickly all our personalities worked and gelled. And in a very short space of time we became really good mates. Mandy and I just got along ... [we] bounced ideas off each other each week,"* says Sharlene. As they were both facing similar problems with product development, supply and distribution, they shared their concerns and became firm friends.







After the GrowCoastal program Boneafide Broth raised funds to buy the equipment they needed to dry their products, and contacted LuvaBerry to work on how they could support Mandy's war on waste mission. They experimented with several ideas about what could be done with strawberries and through trial-and-testing came up with strawberry coconut yoghurt bites and cookies. Through their collaboration Mandy was able to offer two additional strawberry snack products to her customers, and Boneafide Broth extended its product range. They were also able to use the equipment's capacity as broth is consumed more over the winter months, so Boneafide Broth found they could offer few products to customers over summer.

The new strawberry-yoghurt cookies, made from locally sourced natural ingredients, and the snack product, convinced Boneafide Broth to develop a range of sweeter, natural snack products using other fruits, such as raspberries, mangos, pineapples, and our local Buderim ginger.

## LESSONS LEARNT FROM THEIR COLLABORATION

1

### Clarify expectations:

As they both had negative experiences from working with other businesses, they made sure to clarify from the start what they each contributed, would take away, and how they would benefit from the agreement.

2

### Win-win relationship:

Both collaborators have benefitted through the process, from business and relational benefits.

3

### Value alignment:

both collaborators subscribe to the zero-waste philosophy and are strongly tied to helping their local business community.

4

### Open communication:

"It's not big business, having to do contracts and things like that. We're all very small business people who all have the same agenda in mind and we're all happy to work together."

5

### Join and be an active part of your industry community and network:

Both businesses are members of the Food and Agribusiness Network, as opportunities arise from chance conversations.

**What about IP?** *"You don't need to give away IP when collaborating with another business, start small by having a conversation, then trial and test and spell out expectations for future development."*

# FOOD AND AGRI BUSINESS

## Fast Facts

### WINNING OUTCOMES



- ✓ New range of products developed
- ✓ Wider range of products to market
- ✓ Value alignment

#### Boneafide

More effective  
utilisation of  
equipment

#### LuvaBerry - Our War on Waste

Tested and  
trialed product  
Reliable local  
supplier

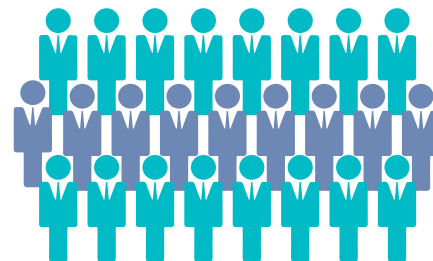
### COLLABORATION

Boneafide Broth (2017)  
Noosa



5 employees

LuvaBerry  
Our War-on-Waste (2017)  
Wamuran



26 employees

### MARKETS

Local markets with National  
and International potential



### NEW

Two new products developed  
collaboratively (2019)



### BOTH BUSINESSES CONTINUE THEIR SUCCESS

- Boneafide Broth Co has recently been HACCP certified and is poised to enter the international market.
- Mandy's work on LuvaBerry's war on waste has been awarded by the Queensland strawberry industry's sustainability award for the innovative range of freeze-dried products.

### FOOD & AGRIBUSINESS



SCRIPT *priority sector*



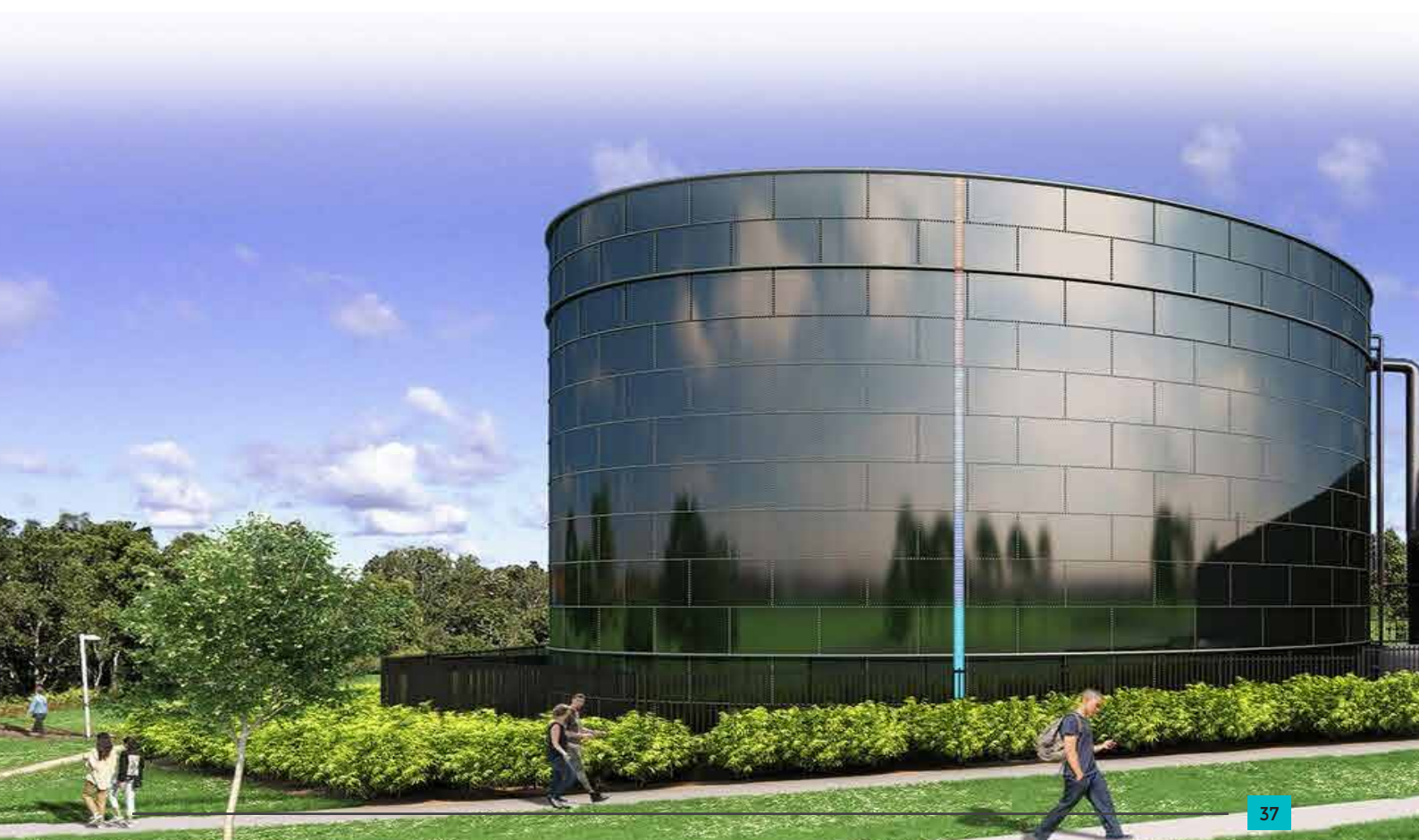
# Sustainability Innovation

## AN AUSTRALIAN FIRST

### USC AND VEOLIA COLLABORATE TO BUILD A GIANT WATER BATTERY

Keeping average global temperatures within 2° of pre-industrial levels, as per the Paris climate agreement, will require a 40-70% reduction in carbon levels by 2050, and near-zero emissions by 2100<sup>5</sup>. Large organisations which manage and maintain numerous buildings, using air conditioning and ventilation, have a considerable energy footprint. Private enterprises, schools, local governments and universities all fall into this category and are increasingly finding innovative ways to improve processes, reduce energy use and renew their systems.

In 2016 the University of the Sunshine Coast (USC) decided to tackle its energy expenditure head-on by identifying and measuring priority buildings to reduce energy, putting in place a Carbon Management Plan, and setting an ambitious target to achieve zero net emissions by 2025.



Despite these laudable plans, funding cuts across the higher education sector made an outright investment in infrastructure seemingly impossible, USC's Energy and Infrastructure Manager Dennis Frost could not be deterred.

He discussed these ambitions and constraints with Veolia, based on their established business relationship. Together USC and Veolia proposed an ambitious plan to implement the first Australian thermal energy storage battery powered by renewables. "It is essentially a giant water battery," explains USC Vice-Chancellor Professor Greg Hill. Using the Queensland Government's Market-Led Proposal Procurement Framework to enable novel infrastructural investments, the proposal outlined the practical benefits to both parties, financed through a Design, Build, Own, Operate, Transfer (DBOOT) agreement with open book build costs and an agreed return for Veolia<sup>6</sup>. The thermal energy storage tank starts operating 29 August 2019.

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<sup>5</sup> Burbridge, 2016. Australia's universities are not walking the talk on going low-carbon. The Conversation. Available:

<https://theconversation.com/australias-universities-are-not-walking-the-talk-on-going-low-carbon-72471>



<sup>6</sup> Darr, A. and Cooney, A. 2018. Higher Education, South East Queensland. USC: Energy efficiency through innovation. Veolia case study.

## USC PUMP HOUSE



The project began in 2018 with solar panel installation, and continued in 2019 focused on the thermal energy storage tank construction.



## IMPROVEMENTS AND SAVINGS

USC leads, as this is the first Australian plant to use renewables to charge a thermal battery

Management control system allows real-time hybrid energy delivery – **minimising energy use, carbon emissions and costs**

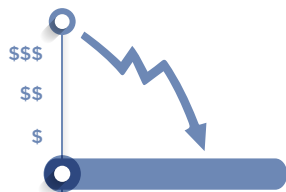


**40%** electricity consumption reduction



**100,000 tonnes of CO2 saved**

**\$100 million**  
USC savings in utility costs



USC local campus lake water used for cooling, saving  
**802 ML water**

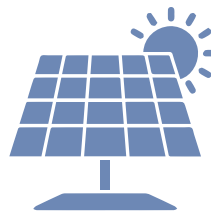


Environmentally friendly refrigerant gas

More than the infrastructural innovation and savings, this project also provides a real-life setting for teaching engineering, sustainability and management students. *“The university practices what it preaches, as it is making these changes that we’ve been advocating in the wider world, it is proof that we are leading the way in sustainability initiatives,”* says School of Science and Engineering Deputy Head Graham Ashford.

The benefits of this collaborative innovation are **significant**, and have been quantified over 25 years:

## IMPLEMENTED



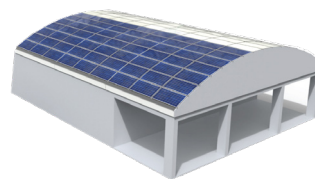
2MW solar PV installed, dedicated to plant



4.5 thermal energy storage chilled water tank, equivalent to 8MW electrical battery

Advanced Trace Tracer control system

8.2MW cooling plant



Integrated PV roofing for the new Central Energy Facility



Ultra-filtration lake water recovery plant

**AUSTRALIAN 1<sup>st</sup>**

New Trane HFO ceramic bearing chillers, remove bad CFC gasses

Veolia can support the university to achieve its sustainability targets and also develop human capital through its staff development, using mostly local contractors in the Sunshine Coast, and providing learning and career development opportunities for students. "Veolia is excited about working with USC on such an innovative sustainability project," says Veolia Australia's Sustainable Solutions Manager Angela Cooney.

This innovation collaboration would not have been possible without:

- ✓ Long-term relationship between Veolia and USC for more than eight years
- ✓ Strategic alignment of values
- ✓ To create win-win relationships, it is critical to put yourself in the other partner's shoes
- ✓ Open book financials – openness and transparency
- ✓ Thinking outside the box and emotional intelligence is important, just having the technical know-how and having a good business case is not always enough.



**SUSTAINABILITY**

**SCRIPT** *Priority Industry*

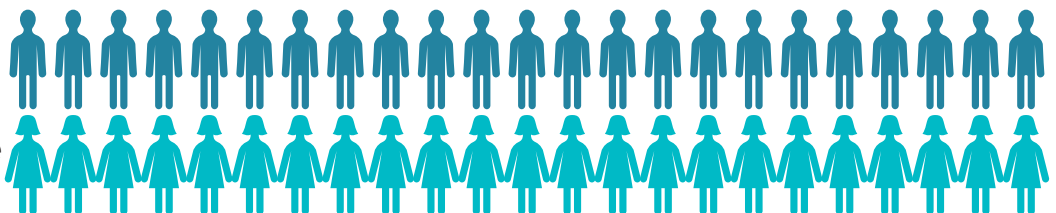
Contributing an estimated  
**A\$212 million**  
to the Sunshine Coast  
economy annually<sup>7</sup>.

The clean technologies industry on the  
Sunshine Coast represents approximately



of the industry  
in Queensland

employing nearly  
**1,770** people



**Therefore, more innovations in renewable energy,  
water, waste and environmental services are expected in future.**

<sup>7</sup> Sunshine Coast Council, 2018. Clean Technologies – Invest Sunshine Coast. Available:  
<https://invest.sunshinecoast.qld.gov.au/en/High-Value-Industries/Clean-Technologies>





## INNOVATION

is the fuel driving regional economic engines forward. People in regions are designing the jobs for their own future, and in doing so are creating businesses to support more jobs.

Leanne Kemp  
Queensland Chief Entrepreneur



# Smart Regional Management Platform: a co-developed innovation

A Smart City uses data driven intelligence to improve the lives of citizens by connecting sensors, devices, infrastructure, smart phones, and the web. This Internet of Things (IoT) network collects data which can be pooled into a computing platform which should theoretically enable intelligence to be generated by visualising operational processes, providing analytics and predictive modelling to make better decisions<sup>8</sup>. Challenges such as energy efficiency, health and environment can be addressed through real-time data and analytics.<sup>9</sup>



Michael Whereat leads Sunshine Coast Council's Smart Cities Team to execute the Smart City Implementation Plan. In this role he has been working to realise the promised potential of a Smart Regional Management Platform. Designing and developing such a platform is complex as a vast quantity of data needs to be collected, aggregated and mined in a way that is relevant and accessible to the right people. To find the right vendor to provide a platform solution, a tender was issued through the Smart City Living Lab, which provides a testing environment for new products and technologies.

The Urban Institute, under Simon Kaplan's leadership, was one of several vendors who participated in the initial trials. Based on its work in Germany the Urban Institute worked with the Smart Cities Team on a dashboard that brought all the IoT data together in one place. A customised Sunshine Coast solution was developed through an iterative process of trialling, testing, feedback and refinement.

<sup>8</sup> Chourabi, H., Nam, T., Walker, S., Gil-Garcia, J.R., Mellouli, S., Nahon, K., Pardo, T.A. and Scholl, H.J., 2012, January. Understanding smart cities: An integrative framework. In 2012 45th Hawaii international conference on system sciences (pp. 2289-2297). IEEE.

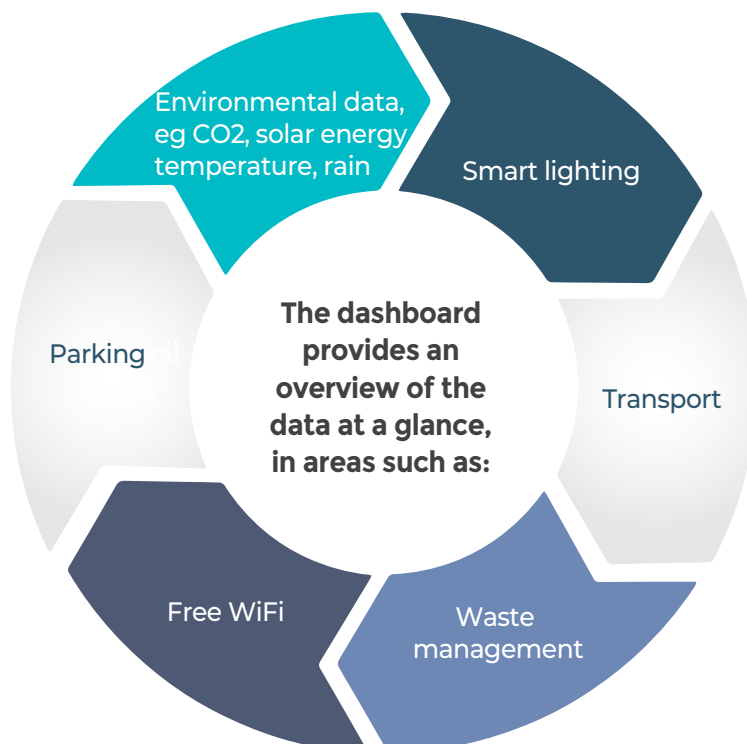
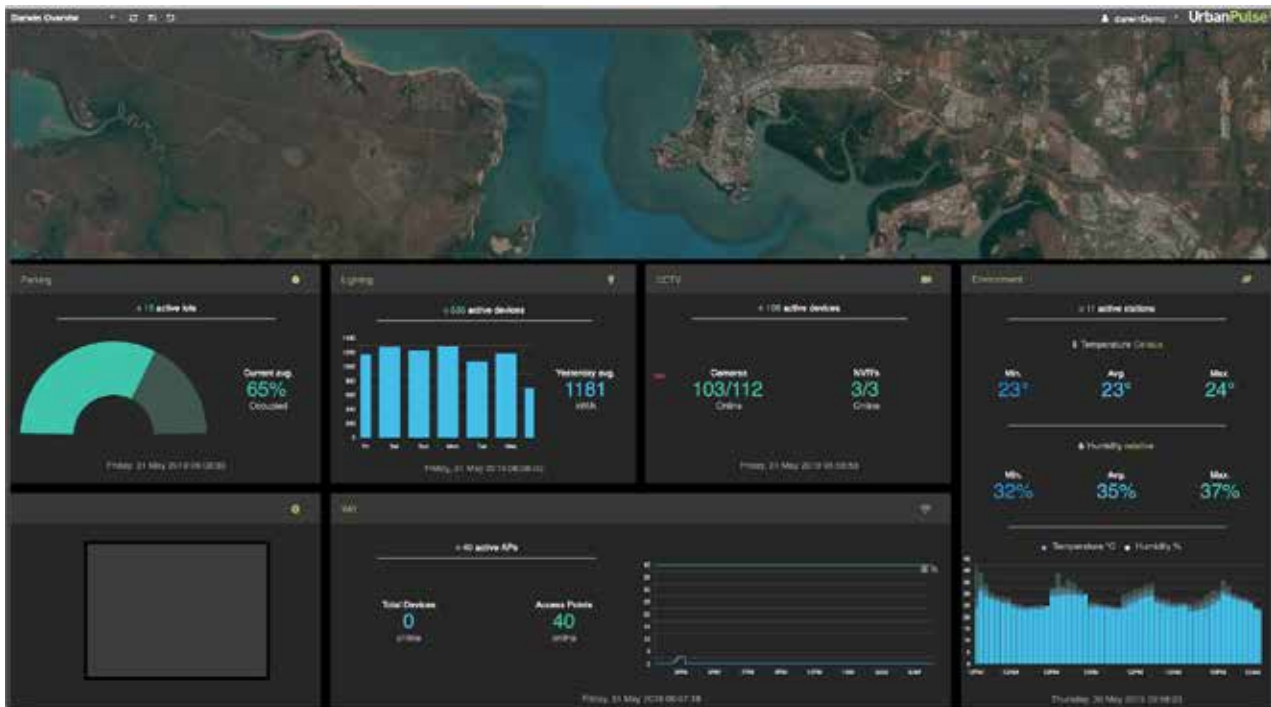
<sup>9</sup> Schaffers, H., Komninos, N., Pallot, M., Trousse, B., Nilsson, M. and Oliveira, A., 2011, May. Smart cities and the future internet: Towards cooperation frameworks for open innovation. In The future internet assembly (pp. 431-446). Springer, Berlin, Heidelberg.







The Smart Regional Management Platform combines data from WiFi access points, street lights, sensors and existing data sources and uses alerts, analytics, visualisation and forecasting to improve council service delivery and efficiencies.

This platform is innovative, as there are no templates to follow, given that each city identifies its own priorities based on their vision. Simon Kaplan says the platform is *“like an operating system for a Smart City”*. It provides information to council employees, community organisations, businesses and residents.

### UrbanPulse: Smart Regional Management Platform






**The dashboard brings several direct and indirect benefits for council employees and residents.**

AREA	EXAMPLE	BENEFITS
 <b>Waste Management</b>	Across the region more than 3000 public waste bins must be emptied regularly, which is very costly. Waste bin sensors, making use of a low power wide area network (LPWAN) will enable these bins to be emptied when full, eliminating trips to empty bins, and ensuring filled bins are emptied.	<b>Lower costs, improved efficiency, less overflowing bins</b>
 <b>Transport and Parking</b>	Real-time parking data provided to motorists means less time spent finding parking and reduced CO2 emissions.	<b>Motorists gain time Less pollution</b>
 <b>Pedestrian Movements</b>	A trial in Bulcock Street, Caloundra which tracked pedestrian movement discovered that the heaviest pedestrian traffic was after 3pm, while most shops and cafes closed earlier. Sharing this information with business owners gives them the choice of staying open longer and increasing their revenue.	<b>Improved services to pedestrians, improved business revenue opportunities, increased safety</b>
 <b>Irrigation&amp; Water Quality</b>	Irrigation systems use paid potable water. These systems can be automatically turned off in recreation areas which are likely to get rain or might already be wet, based on rainfall and rain forecasts.	<b>Cost savings, improved efficiencies, more effective use of scarce water resources</b>



These benefits will allow:

-  Council staff to respond to resident queries by obtaining time and location specific data relevant to resident concerns.
-  Council employees to be more efficient by using the information to provide improved services.
-  Residents to be informed about services affecting their lives such as traffic flows, energy, waste, and improved safety.



**The collaboration between the Urban Institute and council's Smart Cities Team would not have been possible, without:**



Commitment of both parties to test, develop and refine the platform through numerous small trials. For council it is critical that new technologies are tested before they can be deployed at scale. "We need to be at the leading edge, not the bleeding edge" of innovation, says Michael Whereat, as technologies need to be supported by a strong business case, which provides significant savings.



A long-term business relationship that has been built on trust where both parties can share their feedback honestly and is valued and actioned.



For a startup like the Urban Institute to work with a large organisation like council requires flexibility and delivering early successes to build credibility.



An alignment of values is needed. In this case, both parties are strongly committed to the Sunshine Coast's development and their shared long term vision.



The capabilities of organisations working together on innovation should complement each other. In that way both contribute valuable insights to the innovation effort.

**The Smart Regional Management platform provides the key to realising the regional vision to be Australia's most sustainable region – healthy, smart and creative.**





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 Download the full report: USC Research bank

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