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Digital Economy Strategy

DRAFT

Resolved to exhibit

14 August 2012



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Digital Economy Strategy

Introduction

The digital economy is the global network of economic and social activities that are enabled by platforms such as the internet, mobile and sensor networks. It broadens and accelerates exchanges and transactions between business, government and community, removing the disadvantage of remoteness to socially interact, source information and transact with business.

Council's DES sets out the role Council will play in assisting the roll out of the national broadband, and once installed, outlines the opportunities Council may explore to use the digital tools enabled by the NBN to strengthen the local economy, employment and engagement with community.

The digital economy refers to the devices most of us use each day such as computers, phones and game consoles. It includes the online maps that we consult, the web searches that we do to find information, and our electronic banking.

The national DES notes the digital economy can also drive Australia's national productivity, create jobs and support new business opportunities.

This Strategy aims to present a roadmap for the development and implementation of digital economy to the residents, businesses and the community. It aims to encourage the adaption, use and development of associated infrastructure needed to keep Bega Valley Shire competitive onto the future. This strategy follows in the footsteps of the 2011 Community Strategic Plan (CSP) and 2010 Business Growth Strategy which is a vision to advance the shire. This Strategy provides an overall framework to which the operational activities could relate.

It is understood the south coast is not listed by NBNCo for optic fibre roll out until beyond 2015. However with the announcement of the proposed satellite station installation at Wolumla, the opportunity exists for business and residents – particularly rural and village – to connect to the satellite wireless network before then. However it is understood fibre bandwidth and speed is superior to the satellite wireless service.

The 2011 Census indicated around 70% of households has access to the internet. With a mix of dial up, ADSL 1 or 2 speeds available in the Shire, depending on price sensitivity, it is unclear what would be the local take-up of the high speed broadband available by NBNCo and Internet Service Providers (ISP).

The Digital Vision

In line with the Bega Valley Shire Council vision of “Your Place, Our Place, Great Place” this Digital Strategy will strive towards transforming Bega Valley Shire into a competitive and enabling region where business thrives and communities are empowered. Traditionally, the

Valley has been connected by highway transport corridors to capital cities and between LGAs. High speed broadband introduces the digital economy, where residents, business and government and transact and interact productively. The Australian government has proposed through the National Digital Economy Strategy, eight goals that focus on the following areas;

- Online participation by Australian households
- Online engagement by Australian businesses and not-for-profit organisations
- Smart management of our environment and infrastructure
- Improved health and aged care
- Expanded online education
- Increased teleworking
- Improved online government service delivery and engagement
- Greater digital engagement in regional Australia.

Overview

With increasing use of telecommunication and internet services, it is necessary for councils/local agencies to support and drive the efficient use of this service. Bega Valley Shire Council (BVSC) in line with the Community Strategic Plan intends to position the shire at the forefront of digital economy.

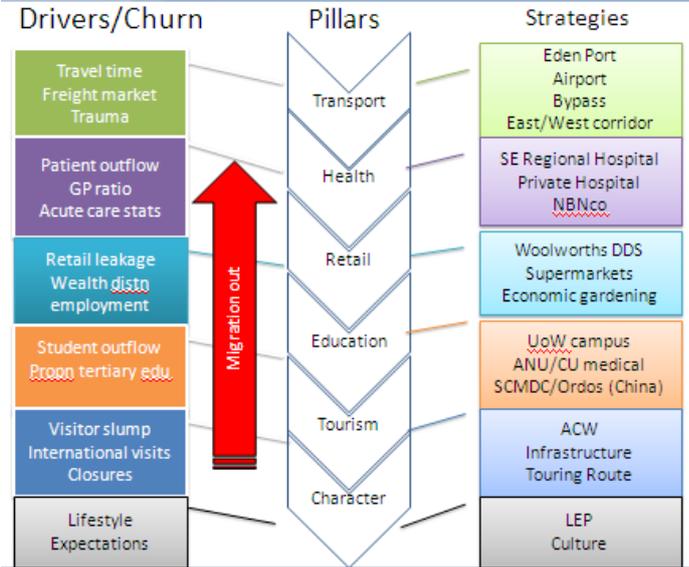
At the outset, we define Digital Economy based on the National Broadband Network (NBN) definition as a global network of economic and social activities that are enabled by information and communications technologies, such as internet, mobile and sensor networks.

A primary focus of developing a Digital Economy Strategy (DES) is premised on supporting, enabling and catalysing increase in economic activities through adoption and implementation of robust infrastructure. Digital economy is enabled through the availability of reliable, affordable and efficient network that is connected to the 'last mile'.

At Bega Valley Shire Council we intend to put the Digital Economy Strategy as one of enablers and catalyst to make the shire economically competitive, sustainable in development and make it a vibrant liveable place. With a small population 32,000 spread over 6052 sqkm, digital services can provide an opportunity to compete with metropolitan areas for business and residents.

Indeed, the relative remoteness of Bega Valley from capital cities (6 hour drive to Sydney and Melbourne) has forged a reliance on businesses and residents ability to transact digitally. This has been reinforced by growth in online education, online retail and opportunities to improve access to health care by telemedicine. High speed broadband will enhance the operations and service spread at university, TAFE and school campuses in the Valley, and the new South East Regional Hospital campus.

Together with reliable mobile telecommunications, high speed broadband is the thread that may advance the strategies Council has employed to address the drivers or triggers of population churn, as illustrated below:



The main issue identified in the Business Growth Strategy is the need for Bega Valley Shire to ensure that it is well-positioned to benefit from the growth expected in knowledge-intensive service sectors (professional services, health, ICT and education). Growth in these sectors will help address the current low wage profile in the Shire, and will stimulate further growth in higher value goods and services.

The Shire’s economy is still in transition from the traditional structure based on commodities – forestry products, traditional fishing and agriculture, and family tourism (largely a readily substituted ‘commodity’) – to a more value-based economy.

The Shire has a strong retail and service base, which meets the needs of its residents and visitors, but this alone is not enough to raise the income levels of Shire residents, and access the flow-economic benefits that such income growth brings.

Innovation will be hallmark of survival and growth over the coming decade, and this Strategy sets out actions for Council which will nurture both the pressure on and willingness of businesses in the Shire to innovate.

The Business Growth Strategy recommended:

1. Prepare an agreed vision for the Shire’s economic future, backed by a 20 year plan, planning and investment guidelines, and processes for fast approval of ‘suitable’ developments.
2. Support and assist businesses in meeting their compliance obligations – especially those for which Council has responsibility.
3. Foster partnerships between the education sector and business.

4. *Facilitate business connections and networks, communication (to and between businesses), offering workshops and technologies to help business growth.*
5. *Supply Shire businesses with valuable business intelligence on developments in the Shire, what the Shire has, who/when/where (ties to networking and market development).*
6. *Promote an agreed and accepted 'brand' for the Shire as a whole – incorporating areas in the Shire that are outside the geography of the Bega Valley itself.*
7. *Promote the Shire and prepare an 'investment prospectus'.*
8. *Lobby for better infrastructure and services.*
9. *Scope availability of suitable employment lands.*

A Digital Economy spearheaded by high speed broadband is considered the 'thread' that draws many of those recommendations together to sustain resident interaction and business activity.

In combination with spatial analysis of business types by locality using Australian Business Register data, it may be possible to cluster like businesses, or incubate emerging business to establish niche products or services in the valley and strengthen the local economy.

When drafting the Business Growth Strategy in 2010, it was notable the number of consultants and artists residing in the shire, yet working nationally and internationally, (serviced by access to the regional airport), but commenting access to high speed broadband would attract higher numbers of colleagues capable of teleworking to the valley, bringing with them 'export dollars' and atlantes to the community.

The opportunity to increase productivity in the Valley, and regionalise services and products through the digital economy – a point emphasised in 2010 in presentations by Chris Gibbons describing the 'Economic Gardening' programs pioneered by Bega's sister city at Littleton Colorado – should not be underestimated. As noted in the 2011 State of the Regions Report, those LGAs that have secured advanced installation of optic fibre are expected to improve GRP across the next censal period.

Council is moving its systems towards higher levels of online information and transacting with business and residents, so that the community moves towards more 'self serve' for property, application and account enquiries, and so reduce the higher cost in inconsistency of information that may be evident with those services dominated by human enquiry and response.

All councils in the RDA will work together to identify and remove obstacles to the roll out of fibre and wireless broadband, including mapping infrastructure and development zones to assist NBNCo.

Other councils like Shoalhaven and City of Prospect (in Adelaide) have advanced the cause of Digital Economy strategy through the prism of economic development.

Implementing the strategy

The Shire being predominantly rural presents challenges that will require adoption of a number of approaches that will maximise the available and incoming infrastructure. Our framework for the DES is guided by the following actions based on short and long-term engagement plans that is premised on implementing the community strategic plan:

√ Town plans

- Establish wireless hotspots
- Put in place digital “champions” or resource organisations/persons in each of the towns to act as ambassadors for the adoption of digital economy.
- Facilitate the sharing of infrastructure assets with NBNC0 to minimise environmental damage.
- Integrate fibre rollout in infrastructure in new urban subdivisions and in buildings in new developments; and incorporate in CBD renewals

√ Economic and business use plans

- Increase the use of digital services by local business through education, training and importantly through peer models.
- Engage the services of the business service advisory agency (with grant funding from NSW Trade & Industry) and small business club to network between business and assist preparation of business plans

√ Rural and remote plans

- Offer facilities and training in digital use through community festivals and rural shows.

√ Incubator

- Advocate to establish a business incubator to host small business as a short term training and establishment start up
- Working with South Coast RDA to identify best practice, share knowledge, create common tools and structures to fill digital gaps, and link to potential government/partner initiatives

√ Tourism

- Facilitate the establishment of a visitor centre or viewing facility at the proposed NBN satellite station

√ Government facilities and services

- Explore opportunities to utilise libraries, schools, CTCs and other public buildings as interim fibre hosts
- Increase scope of service information, property, account and application transactions
- Increase scope of mobile office activity, data collection and services provided remotely of the head council office

As an interim plan to support businesses over the next 3 years:

- √ Set up a community and business lab at Merimbula library for early adopters.
- √ Work with NBN for the initial roll of wireless services for rural areas in shire
- √ Work with NBN for the roll out of the NBN infrastructure out of Canberra or through the South Coast
- √ Push NBN for firm fibre roll out dates for the rest of the shire
- √ Promote the use of subsidised satellite services for remote and rural areas.

While the basic infrastructure of the digital will be built by the NBN, there is need for integrated 'on the ground' approach between NBN, agencies and council for its effective utilisation by both the community and business.

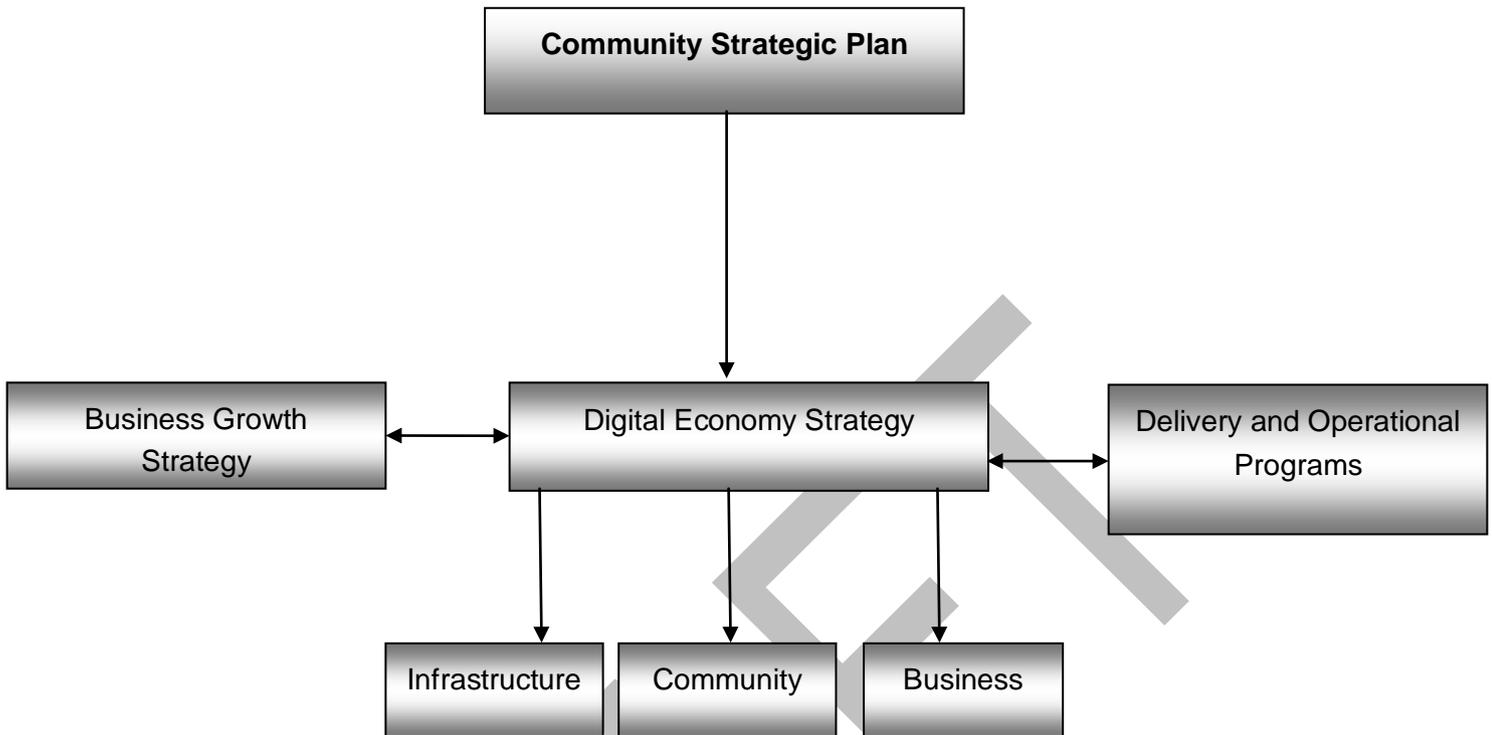
In developing a plan of action for developing the Digital Economy Strategy the following steps will be undertaken:

- Alignment of the DES with the approved council Business Growth Strategy
- Reviewing the available best practices from other local councils
- Developing and presenting a sound roadmap that will address both the short and long term needs of the community, business other users.

Framework of this strategy

This digital economy is part of the larger community strategic plan adopted by the council and is complementary to the business growth strategy. The framework for this strategy will be based on reaping higher economic activities, better infrastructure and increased community empowerment. This strategy is holistic, forward looking and transformative. The basic relationships between the components driving the framework are as shown in Fig 1 below:

Fig 1: Digital Economy Framework



Interim Plans

It is important to put in place interim measures while the NBN rolls out its fibre optic services to the south coast after the next three years. Among the many options that will provide interim services include satellite services to be provided by the NBN Company.

Bega Valley Shire has gained from the decision of NBN Company to locate in Wolumla as Australia’s first satellite gateway. This satellite will have six satellite dishes will be operational by early 2015 and will provide with residents of the shire with speeds of upto mbps. An interim priority actions is outlined below:

Digital Economy Strategy Roadmap

	Jan-2013	Jul-2013	Jan-2014	Jul-2014	Jan-2015	Jul-2015
Digital Strategy	[Bar]					
Community and Digital Hub	[Bar]			[Bar]		
Digital Precinct	[Bar]			[Bar]		
Satellite Gateway	[Bar]				[Bar]	

Community and Business Digital Lab

While the main DES strategy will cover the overall plans for adoption, promotion and implementation of digital services shire wide, there is a necessity to put in place interim measures that will enable community and business to gain from the digital future.

One such initiative proposed is the implementation of a community and business lab at Merimbula library. The reason that this lab is proposed in Merimbula is because of the planned fixed wireless facility proposed by NBN Co is in Wolumla. The main benefits are:

1. Facility to put through the initial testing by business and community
2. Promotion of NBN programs by NBN Co.
3. Location for use of services by early adapters
4. Better interaction between community/business and council through the library interface.

Digital Precinct

It is also proposed to develop a digital precinct in one of the townships within the shire as part of the initial strategy. This precinct will support embryonic and micro enterprises that need support and facilitation to grow and expand.

The Australian government intends to set up a number of digital hubs to accelerate the adoption of digital economy. An excerpt from the National Digital Strategy is presented below:

Digital Communities. To help more Australian households get online and to narrow the gap between Australian households and businesses in capital cities compared with those in regional, rural and remote Australia, the Digital Communities initiative will provide \$23.8 million over three years. A focus of the initiative will be to establish a 'Digital Hub' in each of the 40 communities which will first benefit from the NBN. Through these Digital Hubs, local residents will be able to experience the NBN and receive training to develop the digital skills necessary to participate safely and securely and have trust and confidence in the digital economy.

There are two examples that this digital precinct could emulate. The first is Renew Newcastle model. This model uses derelict shops in the business centre to house arts and electronic business while keeping the city centre vibrant (www.renewnewcastle.org). The second model is establishing an incubator for digital business in council or community owned property. This is an option that could be used to create an environment to grow new business without the rigidity of traditional models (www.iaccelerate.com.au). While the iaccelerate facility gets financed and built, University of Wollongong in partnership with Wollongong City Council is using unused space at the visit Wollongong centre (owned by the council) to house startpad an incubator centre for young entrepreneurs.