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### **BUILDING A REGIONAL INNOVATION SYSTEM THROUGH NEW FORMS OF COLLABORATION. THE CASE OF THE GIPPSLAND SMART SPECIALISATION STRATEGY (G-S3) IN VICTORIA, AUSTRALIA**

Practical case

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#### Abstract text:

The Gippsland Smart Specialization Strategy provides a valuable case study informing policy makers, representatives from private sectors and scholars interested in new forms of collaboration for driving regional development. In late 2016, with the closure of the Hazelwood Power Station, the Victorian State Government established the Latrobe Valley Authority (LVA) to provide local support to communities in the Gippsland region. The LVA has become an important public-sector organization for socio-economic renewal of the region – acting as a catalyst for innovation and as a coordinating platform for the various levels of government, industry, research and communities. In addition to applying established approaches to regional development, the LVA initiated innovative ways to drive economic development. Drawing from experience in the European Union (EU), the LVA introduced the policy concept of ‘Smart Specialisation’ – a more inclusive, place-based and long-term oriented regional innovation approach (e.g. Barca 2009, European Commission 2020, Foray 2015). Gippsland was the first region outside Europe to be registered to the Smart Specialisation platform organized by the European Commission.

The initiative in Gippsland has been development in a strong partnership with a team from the University of Melbourne and RMIT University. which brings together expertise in the fields of regional development, innovation policy, the role of tertiary education in stimulating innovation, and socio-economic transitions in Australia and Europe. Drawing on first insights from implementation processes in the EU, the work on the Gippsland Smart Specialization Strategy (G-S3) is conceptualized around evidence-based and engagement within the so called ‘quadruple helix’, a structure of stakeholders linked to the four domains of public sector, industry, research/tertiary education, and community. This approach resonates with the global trend of a more open and connected understanding of innovation, and focusing on collective problem-solving by sharing of knowledge, skills, assets and other resources. Building a Gippsland-based innovation system that engages and links local industries, communities and organisations is at the heart of G-S3. The LVA provides an institutional platform for connecting and orchestrating the variety of stakeholders and activities. Four key themes were identified for exploration: Food and Fibre, New Energy, the Visitor Economy, and Health and Wellbeing.

Smart Specialisation stands for capacity building to create new ‘specialities’ through discovery and experimentation within new domains to “initiate structural changes in the form of diversification, transition, modernisation or the radical foundation of industries and/or services” (Foray 2015, p. 1). The underlying key mechanism of a Smart Specialisation Strategy is the so-called Entrepreneurial Discovery Process (EDP) – an approach in which policy makers and administration are “prepared to listen to entrepreneurs, researchers and citizens in order to identify priorities and facilitate the

emergence and growth of new activities” (Foray 2015, p. 3). In contrast to a government-steered top-down approach, the EDP is understood as a process of learning - bundling knowledge and ideas for actions through a variety of stakeholders.

So far, the project looks back to engagement with over 3,000 individuals and organisations (see G-S3 report 2020, forthcoming). Fundamental for building these dynamic partnerships was the EDP process which has laid the foundation for a longer-term and a resilient development of a regional innovation eco-system in Gippsland. To overcome the lack of fragmented innovation systems and institutional capacity in Gippsland, bridging gaps through driving collaboration and knowledge exchange between industry, government, education/research and communities was the key. It has been important to build trust to break down institutional path dependencies and sectoral silo thinking in the region.

Similar to other studies, this case study demonstrates that Smart Specialization is a valuable framework to drive place-based policy-learning and innovation-system building (see Trippi et al. 2019). The initiative has been important to demonstrate to the community that collaboration can generate individual benefit (see Beer et al. 2020). While it's too early to conclude about the success in the long-term, the innovative approach to regional development created a “positive story of change” (Beer et al. 2020, p. 60).

Owner:

Gippsland Smart Specialisation Strategy (G-S3) - a regional innovation strategy initiated by the Victorian Government's Latrobe Valley Authority and supported by an academic team from RMIT University and University of Melbourne.

Geographical origin:

Australia, State of Victoria, Gippsland Region

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