Getting Regions up to Speed and Beyond

Opportunities for Rural Industry Development from Innovative Use of Broadband Services

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www.inovact.com.au
Inovact Consulting acts as a specialist advisor to industry, government, research agencies and commercial clients.

We assist clients to improve their organisations, their strategies and their business relationships so that resources, activities and effort are applied effectively.

Inovact consulting has a key interest in the development of sustainable industries in rural and regional areas.
Background

• Inovact Consulting produced a report for the Rural Industries Research and Development Corporation (RIRDC).

• The report examines the impact that broadband technology is having on the information and communications technology capabilities of regional industries.
The main message

“Broadband technology is enhancing the productivity of rural businesses as internal efficiencies are realised, market access is increased and better relationships within the supply chain are possible.”

- Report by Inovact Consulting for RIRDC, “New Connections: Driving Innovation and productivity”
  Available: www.rirdc.gov.au
Fact: A large majority of Australian Small/Medium Enterprises (SMEs) are connected to the internet.

Figure: Proportion of Australian SMEs connected to the Internet

Fact: Farmers are less likely than other households to have broadband connection.

Main points

1. Broadband opens up a range of internal and external opportunities for regional business.

2. Access to broadband will grow and diversify regional industries in a way that will benefit entire communities.

3. There are significant challenges for businesses in realising these benefits.
The opportunities: Levels of broadband utilisation

**Level 1**
**Basic Gains**
- Enhanced internal efficiencies
- Improved communications
- Online marketing
- Online payment facilities

**Level 2**
**Medium Gains**
- Constant contact with customers
- Increased access to online education
- Information exchange about new technologies
- Online banking

**Level 3**
**High Gains**
- Enhanced communication with overseas buyers
- Automated information gathering
- Centralised monitoring of data
- Smart phones used remotely

**Level 4**
**Very High/Complex Gains**
- Expansion into overseas markets
- Cloud computing – virtual storage
- Centralised tracking of stock movement
- Real time tracking of product
Broadband creates whole-of-community benefits

• Job creation

• Market expansion and export opportunities

• Increased regional relocation
Challenges for regional industries

1. Slow take-up of broadband by regional businesses.

2. Lack of knowledge, skills and resources to implement change.

3. Unavailability or unreliability of connection
Conclusion

Broadband creates opportunities for regional development

• Whether the rollout of broadband infrastructure is a net benefit for a region or a locality will depend on the ability of people in the area to recognise the opportunities and challenges it presents and respond with competitive business models.

Collaboration is required to realise those opportunities

• There is a role for RIRDC, government departments, the private sector and regional business owners in identifying and overcoming the challenges presented by broadband technology to realise the opportunities.

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