

**Submission
No 1**

**SUPPORT FOR START-UPS IN REGIONAL NEW
SOUTH WALES**

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Date Received: 8 June 2017

Legislative Assembly Committee On Investment, Industry and Regional Development

Parliament of New South Wales · Macquarie Street · Sydney NSW 2000 · Australia

Inquiry on support for start-ups in regional NSW

a. The effectiveness of state government policies and programs aimed at supporting start-ups in regional areas.

I have been active in start-up colloquia including Fishburners in Sydney and 6 Degrees Innovation Centre in Coffs Harbour as well as Arts Mid North Coast, Healthy Minds, Medical Consumers Association, and Mental Health Professionals Network. These have varying degrees of government support. They have helped me get a patent and national and international profile such that I can now boast having more enrolments in my online courses from 150 nations through a UNSW start-up (www.openlearning.com/courses) than the local TAFE and Uni combined. But these are free courses. To make anything commercial requires far more in the way of promotion.

The point here is that, like many entrepreneurs I meet, I already have the physical infrastructure using digital technology to run the entire project literally from a coffee table in the living room. Co-working spaces, technology parks and the like are superfluous to me for further development as what I would need beyond this level are:

1. A prestigious web address from an arms-length authoritative source
2. A prestigious physical address, not my personal home
3. Promotion such as awards, titles or in-bound links to attract the search engines

For example, listing my profile as an *artiste* with our local Arts Mid North Coast website, which effectively consists of a part-time worker in rural Bellingen, has lifted my web ranking significantly even compared with a PhD and previous decade of support in Sydney. In other words, digital and virtual promotional resources are an extremely cheap, cost-effective way of supporting start-ups in regional NSW.

It may be a better photo-op for the local member to break a champagne bottle to launch a physical techno-park but a humble in-bound link from a .gov.au might be worth vastly more to the small business working from “The Innovation Centre” rather than a .com link to “unit 305/22 Eureka Cresc”, particularly when Google search shows the so-called international company’s physical address as an ugly 60s apartment block tower or a tin tech park next to a cow pasture.

b. Possible new initiatives and reforms to reduce barriers and capitalise on the advantages

Based on the above considerations I suggest the following:

1. A prestigious web address from an arms-length authoritative source

The government need not supply gratuitous .gov.au domain names. Rather, an SEO specialist can work out a strategy to provide government support to lists and sites that in turn give links to the domains and addresses of the start-ups. Clearly there are risks of watering down the process by flooding or inadvertently linking to a business notorious to the Web. This can be handled best through a network of links so that there is enough delegation that a bad link doesn’t break the chain. It is a task for an SEO specialist as these things change rapidly and the Web quickly adapts to any ‘black hat’ methods. But such services are plentiful in NSW and the overall cost would be a pittance compared to many other types of support.

2. A prestigious physical address, not a personal home

The co-working spaces are often worth more to start-ups for their address than for the physical benefits. Certainly some start-ups benefit from getting out of the house away from child and domestic distractions and co-working is much cheaper than renting an office. But the search engines hone in on the prestige of the address and the status it confers. A business registered to a “unit 305/22 Eureka Cresc” will show up in Web searches. This is common to Pty Ltds as the ownership issue doesn’t bear directly on the product. But the operational address is particularly important to digital businesses in the health and education sectors. Even a 1-hour per month association as a ‘medical specialist’ in a CBD ‘research clinic’ has far more prestige than a month of co-working as a ‘game developer’ in a glorified tin shed.

3. Promotion such as awards, titles, or in-bound links to attract the search engines

Awards need not always be competitive to confer promotional benefits. Degrees and certificates can be earned by comparison with standards. There is indeed a market for government standards accreditations. In some cases the bar can be set low such that it merely rules out fraudsters, hucksters, and undesirable elements. In cases where there are genuine public risks the bar is set higher. Food products are in the middle category but where the start-up has already met the standard this can be a subject of promotion. An even simpler cheaper standard can merely be “Australian made and owned”.

In the health and education sectors there is a huge range from low to high risks but many levels of accreditation. If the bar is set unrealistically high it is a serious barrier.

Sometimes there are natural features we fail to promote. Coffs Harbour has arguably the world’s best climate. That ought to be an international green flag in its own right. It costs me nothing to mention that I live here. That my business runs while I look out at the Pacific is the stuff of dreams to a potential student or customer freezing in Milwaukee or Beijing. A name like Surfers’ Paradise speaks for itself, a lesson not lost on Queenslanders portraying so-called ‘success’ stories.

Even less costly are prestigious associations such as adjunct positions with educational and research institutions. That I have a PhD and 40 years’ experience ought to afford me some such but these have become artificially precious. Overseas competitors who have access to these titles and inbound institutional links from .gov or .edu gain a huge promotional advantage. Our preciousness and artificial standards in this day and age merely work against us.

I’m happy to provide more information to the Committee. My colleague, Theo Thomas, I’m sure would be honoured to provide more up to date perspective on the search engine aspects.

Tom Benjamin, PhD

Coffs Harbour