Evaluating the efficacy of policymaking for Tonsley: a hub driving regional innovation?

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• Background
Industrialisation/deindustrialisation in South Australia/Tonsley
• A regional constructed advantage framework
• Methodology
• Evaluating the Tonsley policy platform
• Implications and further research
Background: Industrialisation & deindustrialisation in South Australia (SA)
• Post-war: manufacturing industrialisation (industry policy)
• 1970s-1990s: manufacturing decline (rise of newly industrialising economies)
• 2000s: mining boom’s negative impact on manufacturing
• 2004: Mitsubishi Lonsdale (engineering) closure (700 jobs)
• 2006: Mitsubishi Tonsley (assembly) closure announcement
• 2008: Mitsubishi Tonsley closure
• 2017: General Motors Holden ends operations [End of automotive manufacturing in Australia]
Mitsubishi Motors Australia - Tonsley

2010: Purchase of Tonsley site by SA government (A$35m)
Commitment to re-development (A$218m)

Photo: Bryan Charlton
Tonsley Master Plan (2012-2027)
Tonsley Innovation Precinct
A framework to evaluate Tonsley as a hub for regional innovation

• Tonsley’s development informed by:
  – Co-location
  – Agglomeration
  – Clustering

• Tonsley’s development exhibits:
  – Constructed advantage approach to regional innovation (Cooke & Leydesdorff, 2006)
  – Related variety of industrial knowledge (Asheim et al., 2011)

• Constructing regional advantage requires integration of related platforms (Cooke, 2007):
  – Industry
  – Stakeholder
  – Policy
The ‘Tonsley Model’

**Physical assets**
Development of high amenity mixed-use urban form that emphasises ‘public realm’

**Economic assets**
A population of anchor business, research and training institutions designed to create ‘planned serendipity’

**Networking assets**
an environment that supports entrepreneurial activity, and a culture of innovation encouraged through ‘hard’ and ‘soft’ infrastructures
Industry Platform
Cleantech/Renewables – Nanotech – Software/Simulation – Mining/Energy
(Related Variety)

Stakeholder Platform
University – Industry – Governance
(Triple Helix)

Policy Platform
Tonsley Model:
Physical – Economic – Networking
(Vertical & Lateral)

Tonsley
Regional Constructed Advantage

Adapted from Cooke (2007)
Is the Tonsley model an effective policy platform to make Tonsley Innovation Precinct a hub for regional innovation?

Is it an effective driver of regional constructed advantage?
**Methodology**

- Analysis of policy documents
- Interviews with key policymakers (4 to date)

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Cooke & Leydesdorff (2006)
Evaluating the Tonsley policy platform: Economy

• Strong ‘open innovation’ features
  – Scalar, sectoral, spatial integration of knowledge
  – Shared resources
  – High-speed internet

• Smart infrastructure
  – Adaptive re-use

• Tensions – economic vs. property led development
• Tonsley’s re-development required an economic approach

• Long-term (state) investment in development, commercialisation of knowledge

_Treasury were absolutely bloody adamant in the negotiations ... they wanted Renewal SA to own the land ... I said ‘This has to be an economic development model, not a land development model’, and they said 'No, the owner of the land must be Renewal SA'. (Interviewee 1)_
Evaluating the Tonsley policy platform: Knowledge infrastructure

- Active involvement of tertiary institutions
  - Anchor tenants: Flinders University; TAFE (VET education & training)
  - Private sector investment: Siemens investment broadening scope of Tonsley’s ‘brand’
• Intermediary agencies
  – State investment attraction: e.g. Siemens, SAGE Automation, Tesla, Zeiss

[T]he main thing was going to be who are going to be the anchor tenants in order to give it minimum viability early on? And that had to be Flinders and TAFE. And it probably had to be ... the state being a patient investor in it. (Interviewee 4)
Evaluating the Tonsley policy platform: Community & culture

• Creative cultural environments
  – ‘hard’ and ‘soft’ infrastructure
• Talented human capital
  – 2018: 32 businesses, 1,400 employees, 6,500 tertiary & VET students
• Cosmopolitanism
  – Multi-use precinct featuring cafes, sport facilities
  – Residential component (2018); Pub (2019)
It doesn’t necessarily just happen by co-locating people on a 64-hectare site ... I think a lot of work and thinking has gone into [supporting development of] the capacity for industry through the whole ecosystem to be able to collaborate. (Interviewee 3)
Evaluating the Tonsley policy platform: Governance

• Strong policy support for innovators
  – New Venture Institute (Flinders), Innovyz (state.gov’t)
  – Manufacturing Innovation Hub (Flinders)
  – Medical device R&D (Flinders)
Governance remains a significant challenge

- Tonsley model lacks clear strategic intent, directive leadership (i.e. to construct regional advantage)

What I wanted to happen and it never happened, was that we set up a small arms-length team that formed a trust, if you like, Tonsley Park development trust, whatever it was – a government-owned trust that could operate in isolation from the system, not in Renewal SA, but in that it had relevant expertise capable of making decisions quickly, responding, negotiating with companies and all those sorts of things. (Interviewee 1)
• Moving forward: no clear signs of governance framework development
  – Fuzzy on ‘smart specialisation’ despite elements of specialisation
  – Mitsubishi departing Tonsley site in 2019

*I’m not convinced we’ve got the [governance] model right yet, and as I said, the old government took a very strong leadership role, yet time will tell … as to the role of government going forward. (Interviewee 2)*

*There is no better aggregate – there is no other aggregator than government, from the point of view of having a concept of what synergies you want, what complementarities you want to build, and bringing that into being. If it weren’t run by government it would be even more fragmented than it is – it’s fragmented enough now. (Interviewee 4)*
Implications and further research

• What options available for development at Tonsley?
  – Importance of place-based leadership (Beer et al., 2018)
  – Tonsley governance as ‘learning process’? (Capello & Lenzi, 2018)

• University leadership: Industry 4.0 ‘future factory’
Implications and further research

• Focus on benefits to firms at Tonsley
  – Role of improved governance structures to strategise for regional constructed advantage

**Constructing regional advantage likely to be important in a deindustrialising region**
References


