



Clustering

A regional framework for improving vegetable industry outcomes



National Vegetable
Extension Network
VICTORIA - GIPPSLAND

The 'East Gippsland Food Cluster' Incorporated (now amalgamated with 'Agribusiness Gippsland' Incorporated to form 'Food & Fibre Gippsland' Incorporated) is one of Australia's oldest clusters. Operating since 2011, this cluster has been used as a model for other agrifood clusters nationally. Its membership includes many vegetable production and processing businesses throughout Gippsland, Victoria.

What is a "cluster"?

A cluster is a group of businesses, government agencies, research and associated organisations, supported by a community, in a defined geographic area that are interconnected and share a common purpose or interest. Each contributes to enhance the innovation, growth and competitiveness of one another and in particular, the region and the businesses.

The group is characterised by members from a 'quadruple helix' – Industry, Education, Government, Community.

Over the last decade cluster development has become a mainstream framework for innovation and regional development, especially in Europe.

In East Gippsland, the fertile Mitchell River valley outside Bairnsdale is a well-known vegetable growing area supplying wholesale domestic markets along the Eastern seaboard, national processors, retail supermarkets, and direct sales. Some lines make their way to export markets. Several of these businesses were instrumental in establishing the East Gippsland Food Cluster.

Though clusters are a natural occurrence, they can be conceived and developed as place-based eco-systems focussed on smart specialisations. The nexus is often formed around answering the question – What do we do better in this region than any other region?

What benefits does clustering afford?

There are many examples around the world to show how innovative clusters rapidly progress:

- New knowledge and capabilities
- Productivity improvements
- New product development
- New business start-ups
- Public and private investment
- Increased competitiveness
- Export growth
- Regional development

Being clear on the purpose/s of a cluster contributes to its success and the sustainable development of the member organisations.

The East Gippsland Food Cluster has always been intent on:

- Sustainably growing the Gippsland food sector
- Exploring opportunities to improve productivity through innovation and supply chain synergies amongst members and other regional enterprises
- Developing workforce capability to support the sector and promote industry excellence

Operating on a project basis, this cluster has delivered the following benefits to members:

- Knowledge sharing
- Networking
- Joint procurement opportunities
- Professional development
- New business opportunities

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- Access to new relevant information
- Advocacy
- Collectively supporting the region through good business citizenship
- Marketing

What is not a “cluster”?

A cluster is more than a group of businesses operating in the same sector and region like a growers' group. Nor is it a value chain, although value chains may be a component within a cluster. A cluster missing representation from one element of the quadruple helix may struggle to fully realise the benefits of clustering and face slow returns for effort or even failure.

How can I learn more?

The following information will provide a good foundation for establishing a cluster. The East Gippsland Food Cluster has been a member of The TCI Network (formerly known as the Total Competitiveness Institute Network). It is a global network of organisations and practitioners with expertise in clusters and there are chapters including TCI Oceania (<http://www.tci-network.org/>)

1. Clustering is a major priority of the Australian Government's Growth Centre, Food Innovation Australia Limited (<https://www.fial.com.au/>)
2. Rodin Genoff is an internationally-recognised Australian cluster specialist (<http://www.rodinogenoff.com/>)
3. Ifor Ffowcs-Williams is a New Zealand based cluster expert who has worked across more than 55 countries and 1000 clusters (<https://www.clusternavigators.com/>)
4. The European Commission is investing heavily in SMART Specialisation (https://ec.europa.eu/regional_policy/sources/docgener/guides/smart_spec/strength_innov_regions_en.pdf)
5. The Latrobe Valley Authority subscribes to a SMART Specialisation strategy (<https://lva.vic.gov.au/gippslands-smart-specialisation-strategy/>)



[smart-specialisation-strategy/](https://lva.vic.gov.au/gippslands-smart-specialisation-strategy/)

6. Other agrifood clusters in Australia include Central Coast Industry Connect in NSW (<https://centralcoastindustryconnect.com.au/>) Food and Agribusiness Network in QLD (<https://foodagribusiness.org.au/>) and Ferment Tasmania in Tasmania (<http://www.fermenttasmania.com>)

7. Dr Nicola Watts has been the Facilitator of the East Gippsland Food Cluster since it began (nicola.watts@foodandfibregippsland.com.au)



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