



ARTIFICIAL INTELLIGENCE

LEVERAGING AI TO GROW BUSINESS

15 NOVEMBER 2024 | BENDIGO

Artificial Intelligence Forum Policy Paper

Insights, Opportunities & Next Steps



An Australian Government Initiative



Regional
Development
Australia



Acknowledgements

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In addition, RDA Melbourne would like to thank the following people and organisations for their important contribution to the event:

Members of the Steering Group

- Rita Arrigo, National AI Centre
- Prathay Chandrakumar, Department of Jobs, Skills, Industry and Regions
- Rajiv Ramanathan, Department of Jobs, Skills, Industry and Regions
- Jurgen Schneider, RDA Melbourne Committee
- Bonnie Shaw, Municipal Association of Victoria
- Simon Wilson, Australian Regional AI Network
- Leonie Valentine, CX Guardian AI

Speakers

- Rita Arrigo, National AI Centre
- Michael Brown, Orchard Mate
- Stef Cola, Ligantic
- Briana Cowan, Mingle Media
- Chantele Kovacevic, Department of Jobs, Skills, Industry and Regions
- Jannat Maqbool, ARM Hub (Advanced Robotics for Manufacturing)
- Dr Leanne Ngo, La Trobe University
- Professor Wei Xiang, Cisco-La Trobe Centre for AI and Internet of Things (IoT)
- Simon Wilson, Australian Regional AI Network

Event MC

- Margaret O'Rourke OAM, La Trobe University Bendigo

Exhibitors

- La Trobe University Bendigo
- La Trobe University Melbourne
- Ligantic
- Maxsum Consulting
- Orchard Mate

Acknowledgement of Country

We acknowledge the Traditional Aboriginal Owners of Country throughout Victoria and pay our respects to them, their connections to land, sea, and community. We pay our respects to their Elders past and present and future Traditional Owners.

We respect and welcome people of all backgrounds, genders, sexualities, abilities and cultures.

Executive Summary

This Policy Paper contains opportunities and actions to support readiness of regional businesses to leverage AI.

It is the outcome of the Regional Development Australia (RDA) Melbourne Artificial Intelligence (AI) Forum, held in Bendigo in 2024. Key insights and learnings from the AI Forum and follow-up survey are summarised into targeted actions to drive maturity and confidence of regional businesses to explore and implement AI.

While this Policy Paper suggests a sector most appropriate to lead a certain activity, opportunities and actions identified have broader implications for leaders and decision-makers in government, industry, and regional businesses.

Snapshot of the AI Forum



130+
Attendees



10
Speakers



8
Sessions



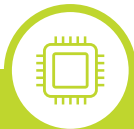
**Pre-Forum
Discussion Paper
released**



38
Post-event survey
respondents

AI Forum Themes & Opportunities

The AI Forum brought together regional businesses, industry executives, and government leaders from across Victoria to share, explore and collaborate on future actions and initiatives to support regional growth in AI. Three key themes and their opportunities are listed below.



Supporting AI-Readiness

- Build awareness of benefits and risks
- Enhance public trust and confidence in AI
- Invest in skills of existing workforce



Amplifying Regional Voices

- Promote regional AI leaders
- Support inter-regional collaboration
- Strengthen regional AI networks



Accelerating Business

- Address skills gaps
- Grow regional AI market
- Encourage new business
- Enhance existing industries and sectors

Introduction

Regional Development Australia (RDA) Melbourne is committed to supporting growth and maturity in Victoria's regional economies, including investigating the issues, opportunities and barriers of emerging technologies and trends.

Maintaining agility and awareness of emerging technologies is becoming increasingly important across cities and regions to ensure uptake brings positive impact. In particular, RDA Melbourne has identified the disruptive nature and beneficial possibilities of artificial intelligence for regional businesses.

In partnership with RDA Loddon Mallee, RDA Melbourne delivered the Artificial Intelligence (AI) Forum and follow-up survey to bring together regional businesses and stakeholders of varying levels of AI maturity, to encourage exploration and support adoption of AI in regional areas by:

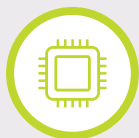
- Building awareness and familiarity of AI and its use cases
- Showcasing industry opportunities to enhance regional outcomes with AI
- Identifying and mitigating risks associated with AI
- Discussing opportunities to collaborate and support the appropriate uptake of AI

This Policy Paper considers the Victorian Government priorities and strategies for regional growth, including through its Economic Growth Statement which identifies artificial intelligence as a focus emerging technology.

Leveraging insights from the AI Forum, a range of opportunities and targeted actions are identified that support continued growth in AI capability and adoption of regional businesses. Suggested activities can be led or adopted by various sectors, including Federal, State and Local Governments, RDA committees, industry and regional businesses. Opportunities and actions are not prescriptive but are intended to guide and propel future AI activity and investment from sectors across Victoria.

RDA Melbourne is committed to leading actions with support from other RDA committees and encourages collaboration from other external partners in the delivery of future programming.

This Policy Paper is the culmination of the AI Forum initiative. The insights and outcomes have been organised into three key themes:



Supporting AI-Readiness



Amplifying Regional Voices



Accelerating Business







The AI Forum

The AI Forum brought together a diverse audience representing government, industry, business and academia from regional and metropolitan Victoria. This page provides a snapshot of attendees, speakers, industries, and session topics of the AI Forum.



130+
Attendees



10
Speakers

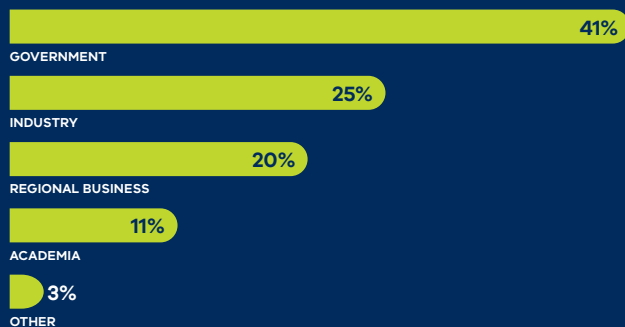


8
Sessions

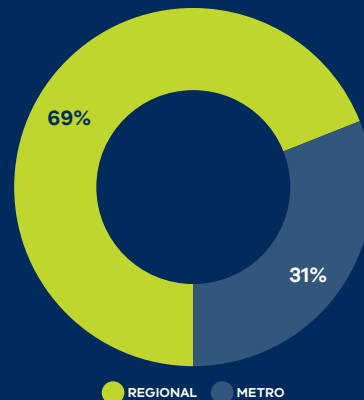


5
Exhibitors

Attendees by sector



Attendees by area



Industries Represented

- Manufacturing
- Agriculture
- Education
- Financial & Business Services
- Health
- Technology
- Creative Industries
- Community & Social Services
- Tourism & Hospitality
- Building & Construction
- Cultural Services

Key Session Topics



Education & Awareness



Risk Assessment & Management



Ethics & Cyber Security



Upskilling & Re-Skilling



Productivity & Efficiency



Research & Development

AI Forum Survey

The AI Forum Survey was sent to all attendees and received 38 responses:



58%

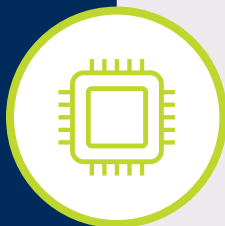
felt confident or very confident integrating AI into their business after attending the AI Forum



74%

gained specific insight or practical strategies from the AI Forum to apply in their business

THEME 1



Supporting AI Readiness

Artificial intelligence is already having transformative impact in Australian industries, with businesses increasingly using AI technologies to drive innovation, productivity and efficiency.

However, while there are a range of opportunities, there are also risks and threats. The AI Forum highlighted the imperative of ensuring regional businesses and communities are appropriately equipped to reap benefits and mitigate risks of AI.

Insights

Key insights and areas of discussion included:



Regional-metro divide in AI adoption

AI adoption is lagging in Australian regions with under a quarter of businesses adopting AI compared to almost 40% in metro areas.¹ However there is significant opportunity for AI to support growth in regional industries including farming, agriculture and renewable energies.



Practical education, awareness and advice

AI adoption can be overwhelming, particularly for regional communities and businesses facing resourcing constraints. Increasing the awareness and understanding of practical AI applications, opportunities, benefits and risks is critical to supporting adoption and building trust in AI technologies.



Ethics and human oversight

AI presents ethical concerns for society including privacy, bias and accountability. Human oversight is critical to improve safety, risk mitigation and contextual awareness of AI systems.



Upskilling and reskilling

Along with the opportunities of AI technologies, such as task automation and reduced cognitive workload come concerns about job security and displacement. While human oversight remains critical, successfully adapting to AI will require business strategies for upskilling and reskilling existing workforce.



Organisational mandate

Organisational policies and regulations can be a barrier to exploring AI solutions. Use cases that demonstrate the benefits of AI can support building mandate for testing and implementing AI technologies.



"...data shows that the uptake of AI in businesses is really concentrated to urban areas, which makes it really important for us regional businesses to keep up to date with AI and not get left behind."

Melissa Little
AFS & Associates
Chartered Accountants
AI Forum attendee

1. Fifth Quadrant & National AI Centre (2024), Tracking the Adoption & Perception of AI in Australian Business

Opportunities

The AI Forum highlighted several strategies to support and encourage regional businesses to explore and effectively implement AI strategy and solutions.

Everyone has a role in ensuring our regional communities and businesses are AI-ready. Activities can be undertaken by anyone, however this Policy Paper suggests a leading sector that best fits that activity.

Key opportunities and activities include:

OPPORTUNITY	ACTION	LEADING SECTOR
Build awareness of benefits and risks	<ul style="list-style-type: none"> Communicating practical use cases of regional SMEs implementing AI through a showcase series, to promote AI benefits and application in key regional industries 	RDA Committees, Local Governments, Industry Groups and Business Associations
	<ul style="list-style-type: none"> Partnering with National AI Centre (NAIC) to run webinars aimed at regional businesses on topics including risk management and cyber security, ethical AI and impact measurement 	National AI Centre, RDA Committees and Industry Groups
	<ul style="list-style-type: none"> Embedding impact and risk assessment processes when implementing AI systems 	Regional Businesses
Enhance public trust and confidence in AI	<ul style="list-style-type: none"> Establishing local and state-wide guidelines for AI in businesses aligned to the Australian Government Voluntary AI Standard 	Australian, Victorian and Local Governments
Invest in skills of existing workforce	<ul style="list-style-type: none"> Creating employee upskilling strategy based on organisational needs and digital maturity, leveraging free tools and resources (e.g. ARM Hub Readiness Assessment) 	Regional Businesses and Education Sector
	<ul style="list-style-type: none"> Prioritising AI in prospective and forthcoming skills programs for small and regional businesses, such as the Boosting Business Skills Mentoring Program 	Business Victoria and Regional Partnerships



AI FORUM CASE STUDY

Ligantic

Ligantic is a global software development company based in Bendigo, Victoria. Ligantic partners with businesses to facilitate the integration of artificial intelligence technologies. At the AI Forum Ligantic showed how their digital assistant platform is supporting rare disease communities around the world. The AI chat interface is augmented with a human-in-the-loop expert clinical review to enable easier access to information for carers.



THEME 2



Amplifying Regional Voices

Regional businesses and their communities have distinct qualities, goals, needs and objectives that require a nuanced approach to AI strategy and adoption.

The AI Forum highlighted the need to proactively shape the conversation and initiatives around AI in a regional context, encouraging collaboration and communication that builds regional confidence and ensures regional AI possibilities, innovations, and credentials are recognised amongst urban counterparts.

Insights

Key insights and considerations include:



Regional businesses leading the way

There is a network of businesses in regions across Australia who have successfully implemented and scaled AI and are realising significant benefits. These success stories should continue to be championed through initiatives like the AI Forum to spark inspiration and grow confidence in regional areas.



Collaboration and resource sharing

Regional businesses are often hampered from exploring and implementing AI due to resource constraints. Collaboration and networking with peers across Victoria to share expertise, resources and tools will enable more regional businesses to explore and adopt AI.



Tailored policy and guidance

While there are national and state government guidelines to support responsible AI adoption, there is a need for practical, tailored education, awareness and advice to support AI strategy and adoption in regional contexts.



Digital and cyber literacy

AI technologies create new risks and requirements, such as protecting against cyber threats. Conversations around AI tend to focus on larger, technology-driven businesses who are more likely to have higher levels of digital and cyber literacy than smaller, regional businesses.



"... it doesn't necessarily have to be expensive, we just need the right safeguards, have the assurance of support by the right platforms, and the right people, and we can do this in the regions."

Kerry Anderson OAM
Startup Central Victoria
AI Forum attendee

Opportunities

While AI adoption is on the rise in business and industry across Australia, the AI Forum highlighted various strategies to elevate needs and objectives of regional businesses to support AI adoption.

Key opportunities and aligned activities include:

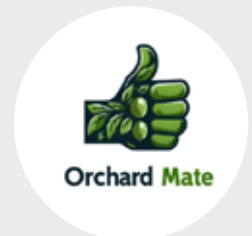
OPPORTUNITY	ACTION	LEADING SECTOR
Promote regional AI leaders	<ul style="list-style-type: none"> Developing a case study brochure highlighting successes and learnings of regional businesses adopting AI 	Australian Government AI Adopt Centres
	<ul style="list-style-type: none"> Working with local chambers of commerce and regional industry groups to create communications promoting local leadership in AI 	Regional Businesses
Support inter-regional collaboration	<ul style="list-style-type: none"> Implementing a communications strategy disseminating outcomes of AI Forum to other RDA committees and their stakeholders 	RDA Committees and Regional Partnerships
	<ul style="list-style-type: none"> Continuing to run forums on AI and other emerging technologies, bringing together regional businesses, industry, and solution providers in regions across Victoria 	RDA Committees, Local Governments and Industry Clusters
Strengthen regional AI networks	<ul style="list-style-type: none"> Establishing a community of practice to develop capability to explore AI adoption in regional Victoria, collaborating with other local governments, businesses and industry 	Local Governments and Industry Clusters



AI FORUM CASE STUDY

Orchard Mate

Orchard Mate is an innovative farming start-up combining satellite data and field observations to help olive growers diagnose tree stress. AI driven insights deliver tree specific recommendations to optimise labour and input efficiency. Orchard mate technology enables early detection of tree stress, helping to reduce yield loss and supporting sustainable farming practices.



THEME 3



Accelerating Business

Artificial intelligence is a tool for businesses to create new ideas, products and services, and increase productivity ultimately generating economic value.

From streamlining supply chains and improving marketing strategies to enabling personalised services and automating routine tasks, AI is not just a tool but a catalyst for innovation and efficiency.

The AI Forum highlighted the importance of preparing, enabling and encouraging regional businesses to leverage AI to grow their business, driving innovation, employment and economic activity in the regions.

Insights

Key insights and considerations include:



Addressing skills demand

Talent shortages are a persisting challenge for regional businesses, particularly when it comes to sourcing specialised technical skills required for building new AI technology products and systems.



Leveraging regional competitive advantage

Understanding existing strengths and competitive advantages will enable targeted programs and strategic investment to boost AI capability in regional areas.



Building a regional AI market

Creating demand for AI products, services and solutions requires defining and marketing the opportunity to regions.



Awareness of AI trends and innovations

AI technologies are prolific and fast evolving. Staying abreast of latest trends, threats and opportunities will ensure regional areas are not left behind in AI innovation.



"I'm really interested in how we can get the interface between farmers and researchers, to get the AI education piece right and build the climate for innovation."

Leonie Burrows
Chair RDA Loddon Mallee
AI Forum attendee

Opportunities

Regional Victoria has already begun to produce AI-driven products, services, and businesses using AI. Further action from governments, industries, and regional businesses can accelerate a sustainable network of AI activity in regions across the state.

Key opportunities and activities include:

OPPORTUNITY	ACTION	LEADING SECTOR
Address skills gaps	<ul style="list-style-type: none"> Undertaking maturity and gap analysis of AI skills and capability in targeted Victorian regions 	Regional Partnerships, Education Sector and Industry Clusters
	<ul style="list-style-type: none"> Developing cross-sector AI skills and training pathway focused on building and retaining skilled workforce in the regions 	Victorian Government and Education Sector
	<ul style="list-style-type: none"> Partnering with TAFEs and universities to design and pilot new short courses and practical training for key industries 	Education Sector and Industry Clusters
Grow regional AI market	<ul style="list-style-type: none"> Promoting regional businesses using AI in investment strategies and communications 	Business Victoria and Local Governments
	<ul style="list-style-type: none"> Creating a prospectus that promotes awareness, coordination, and attraction of AI skills, capabilities, and resources across regional Victoria 	National AI Centre
Encourage new business	<ul style="list-style-type: none"> Partnering with government to develop AI accelerator programs targeted towards regional SMEs, startups and entrepreneurs 	Victorian Government and Industry Clusters
	<ul style="list-style-type: none"> Establishing organisational strategy encouraging innovation through AI 	Regional Businesses
Enhance existing industries and sectors	<ul style="list-style-type: none"> Developing a global discovery research paper focused on critical risks, trends, and opportunities for AI in key regional industries or sectors 	National AI Centre

AI FORUM CASE STUDY

Mingle Media

Bendigo-based marketing agency Mingle Media is leveraging AI to boost productivity and augment content creation. At the AI Forum, Mingle Media presented tips and best practices for effectively implementing generative AI platform ChatGPT to support daily business operations, including the RACE model (role, action, context, execute).



Conclusions & Next Steps

Artificial intelligence (AI) technologies are fast evolving with potential for significant impact. Continued education, collaboration and awareness building is critical for preparing regional economies to safely and effectively harness this emerging technology, and to grow and remain competitive alongside urban counterparts.

Embracing AI in regional businesses can be a transformative step toward leveling the playing field with metropolitan areas. AI empowers regional businesses to optimise operations, enhance customer experiences, and make data-driven decisions unlocking growth potential and creating new business opportunities. By adopting AI regional businesses can attract talent, retain customers and compete in a rapidly evolving marketplace, ensuring they remain vibrant contributors to their local economies.

Leveraging insights from the AI Forum initiative, this Policy Paper identified a range of opportunities to support regional businesses to adopt AI safely and effectively and grow regional economic activity in an AI context. It proposed targeted actions to guide AI activity and investment, and suggested sectors best fit to lead those activities.

Next Steps

The Victorian RDA network will share this Policy Paper with key stakeholders, including the three tiers of Government, industry and business and the education sector, with the intent to encourage a collaborative approach to supporting regional AI adoption.

RDA Melbourne is committed to ongoing coordination, collaboration and advocacy to support growth and maturity of regions in AI and emerging technologies and will consider this Policy Paper in future programming and investment.

Stay Involved

RDA Melbourne encourage participation, collaboration, and input from business, industry, academia, community groups, other RDA committees and government organisations on future programming and initiatives. Get in contact via the details below.

Hayley Cail

Manager Place Based Partnerships
Regional Development Victoria
Department of Jobs, Skills, Industry and Regions
hayley.cail@ecodev.vic.gov.au



Resources & Further Reading

Tools and Resources

- [Introduction to Artificial Intelligence](#) – Institute of Applied Technology, NSW Government.
- [Videos on AI Fundamentals & Procuring AI](#) – Data61, CSIRO.
- [Voluntary AI Safety Standard](#) – Department of Industry, Science and Resources, Australian Government.
- [AI and ESG](#) – National Artificial Intelligence Centre, Australian Government.
- [AI Impact Navigator](#) – National Artificial Intelligence Centre, Australian Government.
- [AI Readiness Assessment](#) – ARM Hub AI Adopt Centre.
- [Engaging with Artificial Intelligence \(AI\)](#) – Australian Signal's Directorate's Australian Cyber Security Centre.

Further Reading

- Australian Government Department of Industry, Science and Resources (2024), *Proposals Paper for Introducing Mandatory Guardrails for AI in High-Risk Settings*. Available at <https://consult.industry.gov.au/ai-mandatory-guardrails>
- Fifth Quadrant & National AI Centre (2024), *Australian Responsible AI Index 2024*, Australian Government. Available at <https://www.fifthquadrant.com.au/content/uploads/Australian-Responsible-AI-Index-2024-Full-Report.pdf>
- Hajkowicz S, Bratanova A, Schleiger E, Naughtin C (2023), *Australia's artificial intelligence ecosystem: Catalysing an AI industry*. CSIRO, Canberra. Available at: <https://www.industry.gov.au/sites/default/files/2024-07/AI%20ecosystem%20report%20Mar%202023%20Catalysing%20an%20AI%20Industry%20PDF.pdf>
- Productivity Commission (2024), *Making the most of the AI opportunity: AI uptake, productivity, and the role of government*, Research paper, no. 1. Australian Government, Canberra. Available at: <https://www.pc.gov.au/research/completed/making-the-most-of-the-ai-opportunity/ai-paper1-productivity.pdf>
- Reid, A., O'Callaghan, S., & Lu, Y. (2023), *Implementing Australia's AI Ethics Principles: A selection of Responsible AI practices and resources*, Gradient Institute and CSIRO. Available at: <https://www.industry.gov.au/sites/default/files/2024-07/A%20selection%20of%20Responsible%20AI%20practices%20and%20resources%20PDF.pdf>





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