

ITEM 17. BUSINESS EVENT SPONSORSHIP – CEBIT AUSTRALIA 2018-2020

FILE NO: X011662

SUMMARY

Hannover Fairs Australia Pty Ltd has requested sponsorship from the City of Sydney for CeBIT Australia in 2018, 2019 and 2020, a major Information Communications Technology (ICT) business event to be held in Sydney during May. The event has been held annually in Sydney for the last 16 years.

The business event is focused on the use of technology to improve business productivity and has increasingly become a platform for international trade and business negotiations. The event continues to attract the support of the Australian and NSW Governments. The City has sponsored CeBIT since 2011 with a combination of cash sponsorship, value-in-kind banner hire and venue hire. A three-year agreement is proposed.

After three years at Sydney Olympic Park, CeBIT Australia returned in 2017 to the International Convention Centre in Darling Harbour. With more than 15,000 attendees from 34 countries expected at the 2018 trade exhibition and conference, CeBIT Australia promotes the City as a destination for major international business events.

CeBIT Australia has been evaluated against the aims of the City's Commercial Creative and Business Events Sponsorship Program. It is a large scale event, delivering economic benefits as well as increased visitation, international profile and industry/business development.

CeBIT Australia sponsorship aligns with the City's Economic Development Strategy, Tech Startups Action Plan and Digital Strategy. The Tech Startups Action Plan identifies how the City can support entrepreneurs, with a focus on innovative new businesses based on technology and designed for fast growth — tech startups. The Digital Strategy identifies the importance of partnerships with government, academia and industry to successfully create the digital infrastructure needed to deliver a smart city.

This report recommends cash sponsorship of \$35,000 (excluding GST) and \$15,000 value-in-kind sponsorship for landmark venue hire for CeBIT per annum in 2018, 2019 and 2020.

RECOMMENDATION

It is resolved that:

- (A) Council approve cash sponsorship of \$35,000 (excluding GST) and value-in-kind sponsorship of up to \$15,000 (excluding GST) for venue hire to Hannover Fairs Australia Pty Ltd per annum for CeBIT Australia 2018, 2019 and 2020; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer an agreement with Hannover Fairs Australia Pty Ltd to sponsor CeBIT Australia 2018, 2019 and 2020.

ATTACHMENTS

Nil.

BACKGROUND

1. CeBIT Australia is the largest and most extensive business technology event in the country, and focuses on the latest in business information communications and technology and key industry trends. It is held in Sydney each year and 2018 will be the 17th anniversary of the event in Australia.
2. The event is organised by Hannover Fairs Australia, a company owned by Deutsche Messe AG, a German trade fair and exhibition company that is 100 per cent government-owned.
3. Partners involved with CeBIT Australia 2017 included NSW Government, Vodafone, and Amadeus, as well as new partnerships with business associations and chambers including Association for Data-driven Marketing and Advertising, Communications Alliance, Future Business Council, Australian Telehealth Society, Mobile Ecosystem Forum, Females in IT and Telecommunications, and International Business Chambers, among others.
4. CeBIT Australia has forged strong ties with all levels of government in Australia. The NSW Government is CeBIT Australia's Official Partner under a sponsorship agreement that runs from 2017 to 2019.
5. The involvement of the Premier and senior representatives of the NSW and Federal Governments has, in the past, secured high-level media coverage in New South Wales.
6. Media coverage in 2017 included: Channel Nine News, Sky News Business, SBS, Al Jazeera Sydney, ABC News, CEO Magazine, The Sydney Morning Herald, The Australian, Smart Company, and The Sunday Telegraph, among others.
7. CeBIT Australia attracts international delegates as well as those from around Australia.
8. The forecast attendance for CeBIT 2018 is:
 - (a) over 15,000 business visitors (800 from overseas and 2,000 from interstate);
 - (b) over 350 exhibitors (110 exhibitors from overseas and 80 from interstate); and
 - (c) trade delegations from about 20 countries.
9. CeBIT StartUp, an initiative since 2013, includes an exhibition space, conference and pitch day for technology startups. In 2017, over 82 companies participated in the Startup Exhibition Zone giving new and innovative companies access to a corporate and government audience. The one-day conference included keynote addresses from State and Federal Government ministers, as well as high profile investors and entrepreneurs.
10. Since 2013, CeBIT Australia has shown an increased focus on CeBIT StartUp, with a growing dedicated exhibition space, conference, pitchfest and networking, mentoring and education opportunities for Sydney's startup sector and investment community. It has also shown an increased focus in educational institutions showcasing their innovations and research to foster knowledge exchange and support the next generation of tech leaders and entrepreneurs.

11. Hannover Fairs have requested that the City enter into a sponsorship agreement for CeBIT 2018, 2019, 2020 comprising \$35,000 cash and \$15,000 value in-kind sponsorship per annum.
12. The proposed value-in-kind sponsorship of up to \$15,000 is for landmark venue hire. Hannover Fairs has yet to develop a plan around the use of value in-kind. They have suggested an activation in Martin Place to promote Australian technology and innovation (at CeBIT Australia) and generate interest in visiting CeBIT Australia. Hannover Fairs are aware that use of venue-in-kind is subject to availability. All associated costs will be met by Hannover Fairs.
13. Sponsorship benefits for the City will be negotiated but will include the use of the City's logo and acknowledgement as a Supporting Partner, opportunities for attendance at a range of events, and the potential of hosting an international trade delegation from San Francisco to mark the 50th anniversary of the Sydney and San Francisco sister city relationship.
14. The sponsorship request has been evaluated against the aims and objectives of the City's Commercial Creative and Business Event Sponsorship Program. The event ranks extremely high in terms of the benefits it will deliver to Sydney, particularly:
 - (a) the economic benefits arising from high visitor numbers from interstate and overseas;
 - (b) the profile benefits from this international event;
 - (c) the opportunities it will create for industry and business development; and
 - (d) the opportunities to showcase local startup businesses, network with corporate and government representatives and connect startup businesses to investment opportunities.
15. The City provided a cash sponsorship of \$20,000 for CeBIT 2011. It provided cash sponsorship of \$20,000 and in-kind sponsorship of \$15,000 for banner pole hire for CeBIT 2012, 2013 and 2014. Value-in-kind sponsorship of \$15,000 for venue hire was also included in 2014. The City provided cash sponsorship of \$35,000 and value-in-kind sponsorship of \$15,000 for venue hire for CeBIT 2015, 2016 and 2017.
16. This report recommends cash sponsorship of \$35,000 (excluding GST) and \$15,000 value in-kind sponsorship for landmark venue hire for CeBIT in 2018, 2019 and 2020.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

17. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City – This event highlights Sydney's role as Australia's premier international tourism and business gateway. It strengthens globally competitive clusters, business competitiveness and can accelerate investment in green economy and technologies.

- (b) Direction 6 - Vibrant Local Communities and Economies – This event attracts visitors to the City, which supports the local village economies and employment.

Strategic Alignment – Economic Development Strategy, Tech Startups Action Plan and Digital Strategy

18. CeBIT Australia will:

- (a) support the development of a strong entrepreneurial culture and community that will help attract and retain talent and ensure Sydney's competitiveness on the global stage;
- (b) support the creation of skilled and connected entrepreneurs within the local Sydney startup ecosystem;
- (c) help create and develop strong relationships and connections with tech startup communities from Australia and abroad;
- (d) provide an opportunity for the spotlight to be on Sydney as Australia's tech startup capital. The conference will allow participation by a wide audience and more than 800 attendees will be from overseas which will add to the profile of Sydney's startup ecosystem; and
- (e) provide an opportunity for the City to create and develop partnerships with government, academia and industry to successfully create the digital infrastructure needed to deliver a smart city.

Organisational Impact

- 19. Sponsorship of CeBIT Australia will result in the nomination of a Council officer for event liaison as well as management of the sponsorship relationship and contract administration.

Economic

- 20. In the City of Sydney local government area there are 24,674 people working in the Information Communications and Technology industry. This figure is based on a collation of census data, and represents the total number of people working across the Information Media Telecommunications and the Professional, Scientific and Technical Services industries. This is six per cent of the City's total workforce and the third largest industry. There has been a significant increase in the number of people employed in this industry, which has experienced the biggest growth in the City of Sydney, increasing by 23 per cent during the period since the 2006 census. (Source: 2011 Census).
- 21. An Access Economics Report in 2012 identified that advances in technology are a fundamental driver of income and welfare and may well generate the most profound changes to the City economy over the next two decades.
- 22. Around 64 per cent or 940 of Australia's technology startup companies are estimated to be located in Sydney and are concentrated in the City area.
- 23. CeBIT meets industry/business development objectives as it gives City of Sydney business and community leaders and organisations the opportunity to:

- (a) meet visiting industry leaders to assist building long-term relationships;
 - (b) gain from international expertise and to profile themselves to their peers;
 - (c) increase trade by offering businesses exposure to the international market through trade exhibitions and commercial sponsorships; and
 - (d) showcase Sydney's infrastructure, innovation and quality of service.
24. CeBIT and Sydney are extensively promoted internationally. Iconic images such as the Opera House have been included in CeBIT global event branding internationally. A comprehensive international and national marketing program, including advertising via poster, email, brochure and website, promotes the event and Sydney.
25. Ernst & Young assessed the economic impact of CeBIT (for the NSW Government). Their report stated that in 2017 the economic impact of CeBIT Australia to the NSW economy was \$13.6 million.

BUDGET IMPLICATIONS

26. This support has been identified in the Commercial Creative and Business Events sponsorship budget for the 2017/18 financial year. Provision will be made in the 2018/19 and 2019/20 budgets for the costs incurred in those financial years.

RELEVANT LEGISLATION

27. Section 356 of the *Local Government Act 1993*.

ANN HOBAN

Director City Life

Victoria Moxey, Program Manager Tech Startups, City Business and Safety