

9 April 2018

At 2.00 pm



Corporate, Finance, Properties and Tenders Committee

Sydney 2030 / Green Global Connected

Agenda

- 1. Disclosures of Interest**
- 2. Investments Held as at 31 March 2018**
- 3. Partial Assignment of Leases - Queen Victoria Building - QVB Tunnel Sublease and the Galleries Tunnel**
- 4. Tender - Contract Variation - Accounts Payable Supplier Invoice Automation Process**
- 5. Exemption from Tender - Large Market Electricity Procurement**

Economic Development and Business Sub-Committee

- 6. Knowledge Exchange Grants - Tech Startups Action Plan Initiatives**

Guidelines for Speakers at Council Committees



As part of our democratic process, the City invites members of the community to speak directly to Councillors during Committee meetings about items on the agenda.

To enable the Committee to hear a wide range of views and concerns within the limited time available, we encourage people interested in speaking at Committee to:

1. Register to speak by calling Council's Secretariat on 9265 9310 before 12.00 noon on the day of the meeting.
2. Check the recommendation in the Committee report before speaking, as it may address your concerns so that you just need to indicate your support for the recommendation.
3. Note that there is a three minute time limit for each speaker (with a warning bell at two minutes) and prepare your presentation to cover your major points within that time
4. Avoid repeating what previous speakers have said and focus on issues and information that the Committee may not already know.
5. If there is a large number of people interested in the same item as you, try to nominate three representatives to speak on your behalf and to indicate how many people they are representing.
6. Before speaking, turn on the microphone by pressing the button next to it and speak clearly so that everyone in the Council Chamber can hear.
7. Be prepared to quickly return to the microphone and respond briefly to any questions from Councillors, after all speakers on an item have made their presentations.

Committee meetings can continue until very late, particularly when there is a long agenda and a large number of speakers. This impacts on speakers who have to wait until very late, as well as Council staff and Councillors who are required to remain focused and alert until very late. At the start of each Committee meeting, the Committee Chair may reorder agenda items so that those items with speakers can be dealt with first.

Committee reports are on line at www.cityofsydney.nsw.gov.au, with printed copies available at Sydney Town Hall immediately prior to the meeting. Council staff are also available prior to the meeting to assist.

Item 1.

Disclosures of Interest

Pursuant to the provisions of section 451 of the Local Government Act 1993, Councillors are required to disclose pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee.

Councillors are also required to disclose any non-pecuniary interests in any matter on the agenda for this meeting of the Corporate, Finance, Properties and Tenders Committee in accordance with the relevant clauses of the Code of Conduct – February 2016.

In both cases, the nature of the interest must be disclosed.

Written disclosures of interest received by the Chief Executive Officer in relation to items for consideration at this meeting will be laid on the table.

Item 2.

Investments Held as at 31 March 2018

Document to Follow

Item 3.

Partial Assignment of Leases - Queen Victoria Building - QVB Tunnel Sublease and the Galleries Tunnel

File No: S098590

Summary

The Queen Victoria Building (“QVB”), an iconic state heritage listed shopping centre with a 750 car parking station, is currently leased by The Council to Ipoh Pty Limited (Ipoh) as trustee of the QVB Retail Trust for a term of 99 years. This lease commenced in 1984 (lease registered dealing no. V688504 and Book 3621 No 984) (QVB Head Lease).

The QVB is linked to Town Hall Station, The Galleries and Westfield Sydney Central Plaza by way of subterranean stratum, including:

1. the QVB Tunnel - the Council subleases this stratum to Ipoh Pty Limited as trustee of the QVB Retail Trust (registered dealing no. 5955842) (QVB Tunnel Sublease); and
2. The Galleries Tunnel – the Council leases this stratum to Ipoh Pty Limited as trustee of the Galleries Property Trust (registered dealing no. 3347128) (Galleries Tunnel Lease).

The QVB Head Lease, the QVB Tunnel Sublease and the Galleries Tunnel Sublease are collectively referred to as the ‘Leases’.

On 15 November 2017, Ipoh’s lawyers wrote to the City:

1. confirming that, on 4 November 2017, Ipoh entered into conditional contracts for the transfer of 50 per cent of Ipoh’s rights and obligations under, and interest in, the Leases to Vicinity Custodian Pty Limited (ACN 077 870 243) (**Vicinity**); and
2. requesting consent to the transfer of 50 per cent of Ipoh’s interests in Leases to Vicinity as follows:
 - a. in respect of the QVB Head Lease and the QVB Tunnel Sublease – to Vicinity as trustee of the Vicinity QVB Trust; and
 - b. in respect of the Galleries Tunnel Lease – to Vicinity as trustee of the Vicinity Galleries Trust.

Under the provisions of the Leases, Council cannot unreasonably withhold consent to the proposed assignments, if the assignees are respectable, responsible and solvent persons with the experience and resources necessary for the performance of the obligations of the lessee or sublessee.

Ipoh and Vicinity have supplied documentation on Vicinity, including annual reports, establishing that Vicinity, the second largest retail owner and manager in Australia, is a respectable and responsible corporation with the experience and resources necessary for the performance of the tenant’s obligations under the Leases.

Ipoh and Vicinity have proposed to appoint Vicinity Centre PM Pty Limited (VCX Manager) as the Managing Agent under the QVB Head Lease, replacing Ipoh Management Services, and warranted that VCX Manager has the necessary skill and capacity to undertake the tasks required.

To further improve Council's monitoring of the managing agent's performance, Vicinity and Ipoh have agreed to enhance the annual asset performance reporting to the City through inclusion of turnover schedules for the whole building by retail category and per floor by retail category. Historical moving annual turnover for the last five years will also be supplied. This will complement the lease variations the City negotiated in 2016, which provided more detail on the performance of the QVB with improved reporting and greater access to information.

Recommendation

It is resolved that:

- (A) subject to the conditions specified in clause (B), Council consent to the assignment of 50 per cent of Ipoh's interests in respect of:
 - (i) lease registered dealing no. V688504 and Book 3621 No 984 (QVB Head Lease) to Vicinity Custodian Pty Limited ACN 077 870 243 as trustee of the Vicinity QVB Trust;
 - (ii) sublease registered dealing no. 5955842 (QVB Tunnel Sublease) to Vicinity Custodian Pty Limited ACN 077 870 243 as trustee of the Vicinity QVB Trust; and
 - (iii) lease registered dealing no. 3347128 (Galleries Tunnel Lease) to Vicinity Custodian Pty Limited ACN 077 870 243 as trustee of the Vicinity Galleries Trust;
- (B) the consent provided in clause (A) is conditional on each Deed of Assignment of lease and variation of lease for each of the QVB Head Lease, the QVB Tunnel Sublease and the Galleries Tunnel Lease, including the following provisions:
 - (i) assignment is conditional upon completion of the contract between Ipoh and Vicinity;
 - (ii) the provision of appropriate guarantees; and
 - (iii) obtaining all necessary consents; and
- (C) authority be delegated to the Chief Executive Officer to finalise negotiations of the Deed of Assignment of lease and variation of lease for each of the QVB Head Lease, the QVB Tunnel Sublease and the Galleries Tunnel Lease, and execute and administer these deeds.

Background

1. The Queen Victoria Building (QVB) is leased to Ipoh Pty Ltd (formerly known as Ipoh Garden Berhad (Aust) Pty Limited) for a term of 99 years, which commenced in 1984 (QVB Building Lease).
2. The property is linked to Town Hall Station, The Galleries and Westfield Sydney Central Plaza by way of subterranean stratum, which are the subject of individual leases. The property also includes a 750 car parking station under York Street.
3. The leases for these property interests are described below:
 - (a) lease registered dealing no. V688504 and Book 3621 No 984 between Council (as landlord) and Ipoh as trustee of the QVB Retail Trust (as tenant) in respect of the QVB (QVB Head Lease);
 - (b) sublease registered dealing no. 5955842 between Council (as sublandlord) and Ipoh as trustee of the QVB Retail Trust (as subtenant) in respect of the QVB Tunnel (QVB Tunnel Sublease); and
 - (c) lease registered dealing no. 3347128 between Council (as landlord) and Ipoh as trustee of the Galleries Property Trust (as tenant) in respect of the Galleries Tunnel (Galleries Tunnel Lease).
4. In 2015, Council endorsed the assignment of all interests held by Ipoh Pty Ltd to Ipoh Strand as the trustee for individual trusts established for each of the leases. The assignment and lease variation became effective in March 2016.
5. These lease variations gave the City more detail on the performance of the QVB with improved reporting and access to documentation supporting capital projects and strategy. Some of those improvements included:
 - (a) greater clarity and transparency around the Lessee's obligations under the Conservation Management Plan (CMP);
 - (b) recognition of the Lessee's strategic planning role in meeting its obligations by introducing quarterly meetings to informally discuss concepts, programs or initiatives that are under consideration/in development and may translate into future capital works; and
 - (c) obligating the Lessee to disclose any reports, investigations and/or studies relating to structural elements, major plant and equipment and significant heritage elements, including external and internal fabric.
6. These variations substantially improved the City's effective management of its most valuable income producing asset whilst preserving all the City's rights.
7. On 4 November 2017, Ipoh entered into conditional contracts for the transfer of 50 per cent of Ipoh's rights and obligations under, and interest in, each of the Leases to Vicinity Custodian Pty Limited (ACN 077 870 243) (Vicinity).

8. Under the provisions of the existing leases and sublease, Council cannot unreasonably withhold consent to the proposed assignments of leases or sublease, if the assignees are respectable, responsible and solvent persons with the experience and resources necessary for the performance of the obligations of the lessee or sublessee.
9. Ipoh has supplied documentation establishing that Vicinity, the second largest owner and manager of retail centres in Australia, is a respectable and responsible corporation with the experience and resources necessary for the performance of the tenant's obligations under the Leases.
10. Vicinity and Ipoh have agreed to build on the 2016 QVB Head Lease variations by including moving annual turnover within the annual report for the whole building by retail category and per floor by retail category. Historical moving annual turnover for the last five years will also be supplied.
11. Ipoh and Vicinity are proposing to appoint Vicinity Centre PM Pty Limited (VCX Manager) as the Managing Agent under the QVB Head Lease and warranted that VCX Manager has the necessary skill and capacity to undertake the tasks required.
12. Vicinity has supplied documentation establishing that it is a respectable and responsible corporation with the experience and resources necessary for the performance of the tenant's obligations under the QVB Head Lease.
13. With both Ipoh and Vicinity having an equal ownership share, the City raised concerns over disputes that may arise between owners and the management company in respect of strategy and capital works.
14. Ipoh and Vicinity responded with a co-ownership agreement and governance framework that will establish a committee of representatives from each owner for decisions relating to ownership and management. The owners will have equal voting rights in relation to any decisions made by the committee.
15. If the owners' committee is not able to make a resolution or a dispute arises at the initial committee level, the matter will be escalated to a special committee comprising the CEO of each owner (or their nominee). Any resolutions made by the special committee must be unanimous and are binding on the owners.

Key Implications

Organisational Impact

16. The proposed assignments will not have any detrimental effects on the service levels, staffing, facilities, processes or other internal impacts on the organisation.

Budget Implications

17. There are no forecast financial implications to the 2017/18 or draft 2018/19 operating budget.

Relevant Legislation

18. Conveyancing Act 1919 and Local Government Act 1993 and Regulations.

Options

19. The City is satisfied that, subject to the comments contained herein, the new owner satisfies the requirements under Clause 30 of the lease and, as such, there are no options for consideration.

AMIT CHANAN

Director, City Property and Projects

Nicholas Male-Perkins, Commercial Manager

Item 4.

Tender - Contract Variation - Accounts Payable Supplier Invoice Automation Process

File No: S118164.022

Summary

In December 2013, the City went to market via an open tender process for the supply, installation, maintenance and support of an Accounts Payable Supplier Invoices Automation process.

On 12 May 2014, Council resolved to accept the tender from Xcellerate IT for a three-year contract, with two further options of one year.

The Kofax automated invoice solution has been successfully implemented and provides a seamless process to integrate into the City's corporate finance system, TechnologyOne.

The City's Information, Communication and Technology Strategic Plan recommends a consideration and transition, where appropriate, to cloud based computing and mobile enabled applications to maximise the benefits afforded by these technologies and approaches.

A review of the City's enterprise systems in 2017 recommended a continuation of the organisational investment with Technology One, to leverage the staff effort and expertise gained over the last 14 years.

A project has commenced to transition the current in-house version of the TechnologyOne software to a cloud hosting arrangement, subject to an appropriate technical and commercial assessment, in readiness to upgrade TechnologyOne.

The proposed upgrade to TechnologyOne to a cloud hosted platform, also requires an upgrade to the existing version of the Kofax application, to enable the integration of the data into the corporate finance system.

The current vendor, Xcellerate IT, provides support and maintenance activities for the Kofax application under the current contract, which expires on 19 June 2019. There are other vendors that support Kofax in the market, however, the current provider has an in-depth knowledge of the City's configuration, business rules and support expectations and is supplying maintenance services under the current contract. Their understanding of the City's business processes, configuration, implementation and ongoing support has enabled the City to improve internal controls through less manual interventions, and much of this knowledge transfer could be at risk with a new vendor in the short term.

This report recommends Council approve a variation to the Major Services Agreement for Accounts Payable Supplier Invoice Automation to upgrade the Kofax product and transition to a new version that enables migration of this system to the cloud. The variation exceeds 10 per cent of the original contract and requires Council approval.

Recommendation

It is resolved that:

- (A) Council approve the variation to the contract for the Supply and Implementation of an Accounts Payable Supplier Invoice Automation Process Solution; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer the variation to the contract with Xcellerate IT for the purpose of the Supply and Implementation of an Accounts Payable Supplier Invoice Automation Process Solution within the current period of the contract, and otherwise on terms acceptable to the City.

Attachments

Attachment A. Estimated Costs for the Upgrade of Accounts Payable Supplier Invoice Automation Process Solution (Confidential)

(As Attachment A is confidential, it will be circulated separately from the agenda paper and to Councillors and relevant senior staff only.)

Background

1. The City processes over 52,000 invoices a year for approximately 4,000 suppliers. To implement a new level of process efficiency for the accounts payable function, the City went to market via an open tender process for the supply, installation, maintenance and support of an Accounts Payable Supplier Invoices Automation process in December 2013.
2. On 12 May 2014, Council resolved to accept the tender from Xcellerate IT for a three-year contract, with two further options of one year.
3. The automated invoice solution has been successfully implemented and provides a seamless process to integrate into the City's corporate finance system, TechnologyOne.
4. The City's Information, Communication and Technology Strategic Plan recommends a consideration and transition, where appropriate, to cloud based computing and mobile enabled applications to maximise the benefits afforded by these technologies and approaches.
5. A review of the City's enterprise systems in 2017, recommended a continuation of the organisational investment with Technology One, to leverage the staff effort and expertise gained over the last 14 years.
6. A project has commenced to transition the current on-premises version of the TechnologyOne software to a cloud hosting arrangement, subject to an appropriate technical and commercial assessment, in readiness to upgrade TechnologyOne. This would optimise the City's existing investment in skills and knowledge in order to access the improved functionality.
7. The proposed upgrade of TechnologyOne to a cloud hosted platform also requires an upgrade to the existing version of the Kofax application to a compatible version for integration.
8. The current vendor for the accounts payable supplier invoice automation process, Xcellerate IT, provides support and maintenance activities for the Kofax application under the current contract, which expires on 19 June 2019. There are other vendors that support Kofax in the market, however the current provider has an in-depth knowledge of the City's configuration, business rules and support expectations and is supplying maintenance services under the current contract. Their understanding of our business process, configuration, implementation and ongoing support have enabled the City to improve internal controls through less manual intervention, and much of this knowledge transfer could be at risk with a new vendor in the short term.
9. This report recommends that Council approve a variation to the Major Services Agreement for the Accounts Payable Supplier Invoice Automation process to upgrade the Kofax product. The variation exceeds 10 per cent of the original contract and requires Council approval. Further information is provided in confidential Attachment A.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

10. 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 report is aligned with the following strategic directions and objectives:
 - (a) Direction 10 - Implementation through Effective Governance and Partnerships - providing a proactive, resilient and well-governed organisation.

Organisational Impact

11. The final project outcomes will provide a robust base to deliver greater efficiencies and new functionality derived from a cloud based corporate finance management solution on a platform that is accessible by staff on any device at any time using a web browser.
12. Without periodic upgrades to software, the operational effectiveness of the software reduces the ability to achieve its highest potential, lessening the overall value of the investment already made. The proposed transition to the cloud and upgrade of the software, ensures that staff have the opportunity to utilise the most current software in the most efficient and effective manner.

Risks

13. Risks such as maintaining business continuity for key processes throughout the project and the level of integration with other City systems and processes have been identified within the initial project planning and scoping stages. Key phases of the project have been planned to align with periods of least impact, and with sufficient time for testing to ensure related systems are not impacted negatively.

Social / Cultural / Community

14. The City's information technology applications and appliances form an integral part of the services that the City provides to its residents and businesses. Without maintenance, support and periodic upgrades, the applications that support these services may falter, become inefficient and eventually fail.

Budget Implications

15. There are sufficient funds allocated for this project within the current year's Information Technology capital budget and future years' forward estimates.

Relevant Legislation

16. Attachment A contains confidential commercial information of the vendors which, if disclosed, would:
 - (a) confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business; and
 - (b) prejudice the commercial position of the person who supplied it.

17. Discussion of the matter in an open meeting would, on balance, be contrary to the public interest because it would compromise Council's ability to negotiate fairly and commercially to achieve the best outcome for its ratepayers.

Critical Dates / Time Frames

18. The transition to the cloud hosting platform for TechnologyOne is proposed to occur in November 2018, during a period which has the least impact on the financial management processes and statutory financial reporting requirements.
19. The planned upgrade of the Kofax product needs to align with the TechnologyOne transition phase of November 2018.

Options

20. The City's Information, Communication and Technology Strategic Plan sets the direction for a transition to cloud based hosting services where appropriate and to enable staff access to key enterprise applications from their work sites.
21. The transition from the current on-premises version of the TechnologyOne software to the cloud requires the upgrade of the Kofax accounts payable supplier invoice solution, and without this upgrade, the efficient processing of invoices is not possible.
22. There are other vendors that support Kofax in the market, however, the current provider has an in-depth knowledge of the City's configuration, business rules and support expectations and is supplying maintenance services under the current contract. Their understanding of the City's business processes, configuration, implementation and ongoing support has enabled the City to improve internal controls and realise the expected efficiencies. Much of this knowledge transfer would be at risk with a new vendor.
23. Should the City not proceed with the transition to the cloud hosting and subsequent upgrade for TechnologyOne and the Kofax applications, the City reduces its ability to deliver mobile enabled services and take advantage of the benefits of cloud hosted services.

Public Consultation

24. There has been no public consultation for this project.

BILL CARTER

Chief Financial Officer

Geoff Burton, Business Planning and Performance Manager

Document is Restricted

Item 5.

Exemption from Tender – Large Market Electricity Procurement

Document to Follow

Item 6.

Knowledge Exchange Grants - Tech Startups Action Plan Initiatives

File No: X006473

Summary

In December 2013, Council adopted the Economic Development Strategy – a ten year strategy which aims to strengthen the city economy and support business. The Tech Startups Action Plan (endorsed by Council in June 2016) is consistent with this strategy. It identifies how the City can support entrepreneurs, with a focus on innovative, new businesses based on technology and designed for fast growth that are ‘tech startups’.

The Tech Startups Action Plan focuses on creating an ecosystem that enables knowledge-based, innovation-driven businesses to flourish and highlights the importance to Sydney’s entrepreneurs of access to entrepreneurship information, mentors and investors.

Three applications have been received for sponsorship under the Knowledge Exchange Sponsorship Program from organisations seeking to deliver initiatives that support the City’s objectives and commitments in the Tech Startup Action Plan.

Tech Sydney Limited, a member-based not-for-profit organisation, is seeking support for the development of a tech startup ecosystem website, to provide a central resource and depository of information for the local tech startup community. This application has been evaluated and support of \$40,000 (excluding GST) is recommended.

Tech Sydney Limited is also seeking support to produce an event series focused on the business opportunities for Sydney’s innovative tech companies in Southeast Asia. The application has been evaluated and support of \$15,000 cash (excluding GST) is recommended.

Tech Ready Women Pty Ltd, a for-profit organisation, is seeking support for 'From Idea to Startup' program, a series of three events focused on teaching women how to go from an idea to a startup business. The program also includes support for three women with the best business ideas to participate in Tech Ready Women's 10-week education program. This application has been evaluated and support of \$25,000 (excluding GST) is recommended.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$40,000 (excluding GST) to Tech Sydney Limited for the development of a tech startup ecosystem website;
- (B) Council approve a cash sponsorship of \$15,000 (excluding GST) to Tech Sydney Limited to produce an event series focused on the business opportunities for Sydney's innovative tech companies in Southeast Asia;
- (C) Council approve a cash sponsorship of \$25,000 (excluding GST) to Tech Ready Women Pty Ltd, to produce 'From Idea to Startup', a series of three events and sponsorship support for three women to participate in a 10-week accelerator program; and
- (D) authority be delegated to the Chief Executive Officer to negotiate, execute and administer sponsorship agreements with each of the applicants.

Background

1. The City's Economic Development Strategy recognises that supporting entrepreneurs is integral to its vision for the city's economy. Entrepreneurs are agents of change and supporting entrepreneurs as they become employers is an effective way to grow jobs and job diversity in the economy.
2. The strategy states that the City will explore ways in which it can influence the success of entrepreneurs and small business operators whether through capacity building initiatives, making it easier to do business, or the development of programs to assist startup and small business to deal with government more efficiently.
3. On 27 June 2016, Council adopted the Tech Startups Action Plan after an extensive community consultation process.
4. The Tech Startups Action Plan is consistent with this strategy, and importantly adds a focus on tech startups, recognising that their needs are very different to those of small businesses.
5. Tech startups are emerging high-growth companies that use technology and innovation to tackle a large and often global market.
6. Sydney's tech startup ecosystem is in the early stages of development. The barriers to its growth include: the low number of entrepreneurs starting high-growth businesses; limited access to investment, talent and a skilled support network; a fragmented ecosystem; and restrictive government regulation.
7. Action 2.3 in the Tech Startups Action Plan identifies that the City will implement the Knowledge Exchange Sponsorship Program or develop new projects that enable expertise to be shared and skills developed and provide practical business education relevant to entrepreneurs.
8. The City has received three applications requesting Knowledge Exchange Sponsorships for a total of \$80,000 (excluding GST):
 - (a) Tech Sydney Limited ecosystem website - \$40,000
 - (b) Tech Sydney Limited Southeast Asian Event Series - \$15,000
 - (c) Tech Ready Women Pty Ltd 'From Idea to Startup' program - \$25,000
9. These three projects support several focus areas under the City's Tech Startups Action Plan. All three projects will contribute to the Plan's aim to increase business education, entrepreneurial skills and access to mentors and networks, and foster an entrepreneurial culture. The recommended projects support the City's efforts to encourage more people, especially women, to become entrepreneurs and to provide support for tech entrepreneurs to start and grow successful global businesses.
10. Sponsorship benefits to be negotiated include: the City of Sydney logo acknowledgement on the website and in all other marketing and communications collateral where a sponsorship list is displayed; City of Sydney acknowledgement in media releases and on social media platforms and websites.
11. Sponsorship of these three projects meets the objectives of the City of Sydney's Economic Development Strategy and the Tech Startups Action Plan.

Tech Sydney Limited ecosystem website

12. Tech Sydney Limited is a member-based not-for-profit organisation that represents high-growth technology companies based in Sydney. The organisation provides advocacy, hosts events and runs initiatives to support the entrepreneurial community, as well as the development of local tech startup companies. As the only organisation that represents tech startups and companies across all industries, it plays an important role in the local ecosystem.
13. Tech Sydney Limited was founded in 2017 by Dean McEvoy, a successful Sydney entrepreneur. In its first year of operation, the organisation successfully enrolled over 300 tech companies as members and delivered a wide range of services to the community.
14. A strong not-for-profit organisation representing and providing services to this emerging sector is important for the growth of the ecosystem and for the City working to achieve the action plan.
15. Tech Sydney Limited plans to develop an ecosystem website, a central source of information for the city's tech start-up community. The new ecosystem website aims to demonstrate the depth and connectivity of the tech industry to external parties seeking to invest in the city; facilitate market entry for startups and external companies; and provide a focus for shared learning, experiences and success stories to be disseminated, promoting Sydney as a cohesive ecosystem.
16. The new ecosystem website will contain comprehensive information about the local ecosystem, including: news feed; events; index of investors, incubators, accelerators and co-working spaces; education services; basic documentation on institutional investments and shareholder agreements, tax, grants, relevant workplace information (e.g. internships), diversity initiatives; blog and video content. The new website will also allow other organisations to easily post to the site, ensuring that it is consistently up to date, but, more importantly, improving the ease with which events and news can be uploaded and disseminated. This project aligns with the City's Tech Startups Action Plan which has a focus on building the entrepreneurial culture and community by increasing awareness of Sydney's ecosystem to increase the number of people engaging and investing in tech startups. Action 1.7 is to investigate a central platform that delivers information and resources to - and promotes awareness of - Sydney's tech startup ecosystem. Sponsorship of the Tech Sydney Limited ecosystem website aligns with this action.
17. The total budget for the project has been clearly stated by Tech Sydney Limited and their request for sponsorship of 45% (\$40,000) of the total project cost is recommended.
18. The application has been assessed as contributing to the following Knowledge Exchange program outcomes:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;
 - (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and

- (d) increased recognition of Sydney as an innovative and creative city.
19. Under the Knowledge Exchange Sponsorship program, eligible organisations include not-for-profit and for-profit organisations, as well as social enterprises. Tech Sydney Limited is a not-for-profit organisation.
 20. Evaluation of the ecosystem website sponsorship will include a report with details about the launch date of the website, examples of new content produced and evaluation metrics such as percentage increase in monthly unique visitors, number of monthly promoted events, frequency of newsletter, number of subscribers, and number of stakeholders uploading events to the site. The evaluation requirements will be included as part of the City's standard sponsorship agreement.

Tech Sydney Limited Southeast Asian Event Series

21. Tech Sydney Limited also intends to create a series of four events, hosting entrepreneurs and other experts from Southeast Asia, to speak about opportunities for Sydney businesses in the region. The events will focus on how businesses can access the market and the financial technology 'fintech' sector in Indonesia.
22. A focus area of the Tech Startups Action Plan is on developing technology entrepreneurs' access to markets to encourage more opportunities for entrepreneurs to increase their business. This sponsorship aligns with the City's goal to leverage international relationships to help the tech startups ecosystem to gain a foothold in international markets.
23. The proposed events include:
 - Public event: Insights into Southeast Asian eCommerce / technology;
 - Public event: Southeast Asian retail trends and regional opportunities for Australian companies;
 - Public event: examining the Indonesian technology landscape and payments industry more specifically, held at Stone & Chalk or equivalent; and
 - Limited-numbers event: targeted at Australian VC firms, investigating Indonesian fintech space and its high-performing startups.
24. The event series will bring two speakers from Southeast Asia to talk about opportunities for Sydney businesses in the region. It will address two specific areas of interest: an overview of Southeast Asian technology and opportunities for Australian businesses to access the market; and Indonesia's Fintech landscape and payments industry. The speakers will be senior representatives from the largest eCommerce and tech companies in Southeast Asia.
25. The Tech Sydney event series will form part of the Visiting Entrepreneur Program, produced by the City, with sponsorship from the NSW Government.
26. The application has been assessed under the City's Knowledge Exchange Sponsorship program:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;

- (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
27. A sponsorship of \$15,000 (excluding GT) is recommended.
28. Evaluation of the sponsorship will include a report and the results of a participant survey. The evaluation requirements will be included as part of the City's standard sponsorship agreement.

Tech Ready Women Pty Ltd 'From Idea to Startup' program

29. The Tech Startups Action Plan states the City will identify and address the barriers to women launching and scaling tech startup businesses - in particular, to provide support for women to access entrepreneurship, business skills and knowledge, mentoring and investment.
30. Tech Ready Women Pty Ltd is a for profit organisation that provides women who are not tech savvy, yet want to learn and develop a tech business, with the tech and business education and knowledge they need. They provide women with access to world class mentors and connections to startup communities, enabling them to create the businesses of tomorrow.
31. Tech Ready Women Pty Ltd focus on educating future and current female founders to develop their startup idea with guidance from technology and startup experts across all major industries. They support women through pre-accelerator events, a 10-week education program, masterclasses and online programs.
32. The 'From Idea to Startup' program will ensure a minimum of 450 women in Sydney get access to experts and mentors to encourage more women to become entrepreneurs.
33. As part of the project, three women will then be selected based on the best ideas to participate in Tech Ready Women Pty Ltd's 10-week accelerator program. The accelerator program for early-stage non-technical women, will give the three women selected access to entrepreneurial education, and experienced experts and mentors to support them during the early stages of their startup journey.
34. Tech Ready Women Pty Ltd has successfully run two accelerator programs for non-technical, early stage female-led startups since January 2017. The current number of startups founded or co-founded by women in Australia is 24 per cent according to the latest Startup Muster Report (2017). This program will encourage more women to engage with the tech startup sector and become founders of potential future high growth businesses.
35. The application has been assessed under the City's Knowledge Exchange Sponsorship program:
- (a) adoption and implementation of best practice approaches by organisations and individuals;

- (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
36. Tech Ready Women Pty Ltd is a for-profit organisation. A sponsorship of \$25,000 (excluding GST) is recommended.
37. Evaluation of the sponsorship will include: a report including survey data results from program participants on their experience, knowledge they gained and outcomes from involvement, marketing metrics and qualitative and quantitative data collected. The evaluation requirements will be included as part of the City's standard sponsorship agreement.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

38. 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 - supporting entrepreneurs to start and to grow innovative businesses will potentially create more employment, boost Sydney's economy, strengthen global connections and make the City a more desirable place to live, work and visit.
 - (b) Direction 6 - Vibrant Local Communities and Economies - innovative businesses can grow into global businesses, resulting in swift economic and employment benefits locally.
 - (c) Direction 7 - A Cultural and Creative City - supporting entrepreneurs is supporting the expression of innovation and creativity, which in turn contributes to a cosmopolitan, vibrant and active city.

Budget Implications

39. This report recommends a total grant amount of \$80,000 (excluding GST) cash for all three projects.
40. There are sufficient funds allocated for each of the initial payments within the 2017/18 Knowledge Exchange Grants and Sponsorship budget. Provision will be made in the draft 2018/19 Knowledge Exchange Grants and Sponsorship budget for the acquittal payment as follows:
- (a) Tech Sydney Limited ecosystem website - \$40,000 (excluding GST) total
 - (i) \$36,000 - 2017/18

- (ii) \$4,000 - 2018/19
- (b) Tech Sydney Limited Southeast Asian Event Series - \$15,000 (excluding GST) total
 - (i) \$13,500 - 2017/18
 - (ii) \$1,500 - 2018/19
- (c) Tech Ready Women Pty Ltd 'From Idea to Startup' program - \$25,000 (excluding GST) total
 - (i) \$22,500 - 2017/18
 - (ii) \$2,500 - 2018/19

Relevant Legislation

- 41. Section 356 of the Local Government Act 1993. Section 356 (3) (a) to (d) is satisfied for the purpose of providing grant funding to for-profit organisations.

Critical Dates / Time Frames

- 42. Subject to council approval, the recommended projects will be undertaken between May 2018 and February 2019.

ANN HOBAN

Director, City Life

Victoria Moxey, Program Manager Tech Startups