

Knowledge Exchange Sponsorship - StartCon and Cicada Innovations

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Summary

In December 2013, Council adopted the Economic Development Strategy – a ten-year strategy that 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.

Two 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 Startups Action Plan.

StartCon Pty Ltd, a for-profit organisation, is seeking support for a two-day event that aims to grow Sydney’s startup scene by providing the local entrepreneurial community with networking and knowledge sharing opportunities from entrepreneurial experts. The application has been evaluated and support of \$20,000 cash (excluding GST) and street banner pole hire fee waiver up to the value of \$3,600 is recommended for sponsorship.

Cicada Innovations Pty Ltd, one of Australia’s leading incubators owned by four of Australia’s top universities – the Australian National University, University of Technology Sydney, University of New South Wales and University of Sydney - is seeking support to run the 2018 EMERGE STEM Careers Expo, an event that showcases alternative career pathways available within technology startups and scale-ups for graduate students and university researchers. This application has been evaluated and support of \$20,000 (excluding GST) is recommended.

Recommendation

It is resolved that:

- (A) Council approve a cash sponsorship of \$20,000 (excluding GST) and value-in-kind support of \$3,600 (excluding GST) for street banner pole hire fee waiver for a StartCon Pty Ltd Silver Sponsorship Package;
- (B) Council approve a cash sponsorship of \$20,000 (excluding GST) for Cicada Innovations Pty Ltd; and
- (C) authority be delegated to the Chief Executive Officer to negotiate, execute and administer sponsorship agreements with each of the applicants.

Attachments

Nil.

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 startups 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 the Economic Development 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 two applications requesting Knowledge Exchange Sponsorships for a total amount of \$40,000 cash (excluding GST) and \$3,600 value-in-kind:
 - (a) StartCon Pty Ltd two day conference - \$20,000 cash and \$3,600 value-in-kind; and
 - (b) Cicada Innovations Pty Ltd for 2018 EMERGE STEM Careers Expo - \$20,000 cash.
9. These two projects support several focus areas under the City's Tech Startups Action Plan. Both 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 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, and City of Sydney acknowledgement in media releases and on social media platforms and websites.
11. Sponsorship of these two projects meets the objectives of the City of Sydney's Economic Development Strategy and the Tech Startups Action Plan.

StartCon Pty Ltd Conference

12. StartCon, formerly known as SydStart, is Australia's largest startup conference. The first conference was held in 2011 and has grown in size every year. It provides startups and entrepreneurs with the opportunity to connect, share ideas, and learn from world-class technology founders and innovators - an important step towards building Australia's startup ecosystem.
13. The focus of the conference is on providing education, information and networking opportunities particularly for tech startups that have the potential to reach a global market.
14. StartCon aims to educate, connect and inspire Sydney's entrepreneurs and raise broader community awareness of the sector. Investment introductions are also a key benefit of StartCon to the entrepreneurial community.
15. StartCon includes presentations by successful entrepreneurs, investors and representatives of business accelerators. The focus is on practical, first hand lessons from company founders who have scaled businesses of global significance.
16. Previous local and international speakers have included Mike Cannon-Brookes, CEO Atlassian and Jane Lu, Founder of ShowPo, Andrew Chen, Head of growth at Uber, Elena Verna, SVP of Growth at Survey Monkey and Sean Ellis, Founder of Growth Hackers.
17. The conference includes an exhibition space to enable startups and small to medium sized businesses to profile their offering to potential consumers, collaborators, employees and investors.
18. StartCon also provides an opportunity for startups to compete and 'pitch' to potential investors, consumers and their peers. Previously, over 90 startups have pitched their businesses to seasoned experts and a live audience. This year finalists advance to pitch on the main stage, where a winner is chosen and \$1 million in prizes will be awarded. In partnership with the Startup World Cup, the pitch competition receives local and international media coverage.
19. StartCon attracts a unique community of Sydney's entrepreneurs in a format which has subsequently influenced the format and content of other mainstream events. For example, CeBIT now includes a tech startup exhibition space and conference.
20. Around 4,000 attendees are expected to attend in 2018 - the majority being Australian and Sydney-based. The conference will be held on 30 November and 1 December 2018.
21. In previous years, StartCon has been held at Australian Technology Park in Redfern, University of Technology Sydney, the Hilton Hotel Sydney, the former Darling Harbour convention centre and Sydney Town Hall. The 2018 event organisers have secured Royal Randwick Racecourse for 2018, as it is the only venue available to accommodate such large numbers.
22. All networking events will be held locally in the City's local government area.
23. The event will attract a large number of tech startups from the City's local government area and more than 700 international delegates, many of whom are expected to stay in hotels within Central Sydney.

24. Attendees are anticipated to represent 40 per cent startups and entrepreneurs; 25 per cent professionals, programmers, designers, growth marketers and innovation teams from corporates; 25 per cent small to medium businesses and 10 per cent investors and media. The two-day program includes 20 world-class international speakers giving keynote presentations, over 40 talks/workshops run by Australian talent, the largest pitch competition in the country and an exhibition featuring 150 large technology companies and emerging startups.

Cicada Innovations Pty Ltd 2018 EMERGE STEM Careers Expo

25. Owned by four of Australia's top universities - the Australian National University, University of Technology Sydney, University of New South Wales and University of Sydney - Cicada Innovations Pty Ltd is one of Australia's leading incubators and home to the largest cluster of deep technology startups (i.e. technology intensive startups), with 70 plus startups broadly spanning health and medical technologies, hardware and engineering, Artificial Intelligence, big data and enterprise software.
26. Cicada Innovations Pty Ltd has recently been named the 2018 world's top incubator by the international peak body for entrepreneurship, International Business Innovation Association (inBIA) with over 2,200 global industry peers.
27. Now in its second year, EMERGE STEM (science, technology, engineering, mathematics) Careers Expo is an annual event produced by Cicada Innovations Pty Ltd that showcases alternative career pathways available within more than 70 startups and scale ups residing at Cicada Innovations at the Australian Technology Park in Redfern. This year's expo will be held on 6 September 2018.
28. EMERGE STEM Careers Expo is a catalyst to strengthen linkages between research and tertiary institutions, industry and startups; to develop and grow the local STEM knowledge-base capability and to fuel the jobs and industries of the future for long-term economic and social benefit.
29. The event will include keynote and plenary sessions alongside the exhibition covering both practical career advice for working in the sector and the cutting-edge technologies that will shape the world over the next 20 years.
30. In 2017, the inaugural event attracted over 900 students and graduates, primarily from the four university shareholders and resulted in multiple internships and permanent placements within the Cicada deep tech cohort.
31. In addition to bringing together many of the future stakeholders in the Sydney technology sector, the event also provides:
 - (a) an opportunity for meaningful engagement between the research and start-up communities;
 - (b) an insight into potential career pathways with advanced technology startups;
 - (c) a platform to inspire and influence the next wave of tech entrepreneurs; and
 - (d) a qualified pool of local STEM educated candidates seeking internships and employment.
32. The event is free and open to the general public.

33. These two applications have been assessed under the City's Knowledge Exchange Sponsorship program.
34. The applications have been assessed as contributing to the following 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.
35. The panel recommended:
 - (a) StartCon Pty Ltd two day conference - \$20,000 (excluding GST) cash and up to \$3,600 (excluding GST) value in-kind sponsorship for banner pole hire; and
 - (b) Cicada Innovations Pty Ltd 2018 EMERGE STEM Careers Expo - \$20,000 (excluding GST) cash.
36. Evaluation of each sponsorship will include a report with 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

37. 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 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

38. This report recommends a total sponsorship amount of \$40,000 (excluding GST) cash and \$3,600 value-in-kind for the two projects. There are sufficient funds allocated for each of the payments within the 2018/19 Knowledge Exchange Grants and Sponsorship budget.

Relevant Legislation

39. Section 356 of the Local Government Act 1993. Section 356 of the Local Government Act 1993 provides that a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.
40. Section 356(3)(a) - (d) is satisfied for the purpose of providing grant funding to for-profit organisations because:
- (a) the funding is part of the Knowledge Exchange Sponsorship program;
 - (b) the details of these programs have been included in Council's draft operation plan for financial year 2018/19;
 - (c) the program's proposed budgets do not exceed 5% of Council's proposed income from ordinary rates for financial year 2018/19; and
 - (d) this program applies to a significant group of persons within the local government area.

Critical Dates / Time Frames

41. Subject to Council approval, the recommended projects are scheduled to be undertaken between 6 September 2018 and 1 December 2018.

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