

Knowledge Exchange Sponsorship - Global Sydney International Business Landing Pad Program

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Summary

Haymarket HQ Pty Ltd has applied for a Knowledge Exchange Sponsorship of \$40,000 (excluding GST) per year for three years, to help support their program known as the Global Sydney International Business Landing Pad Program. The program aims to support international companies, predominantly from Asia and specifically China, expand their business and invest into Sydney - positioning Sydney as the ideal investment destination. If approved, the City's sponsorship will go towards the cost of eight part-time desks in Haymarket HQ facilities, an induction program, marketing and promotion. Haymarket HQ has previously been the recipient of a Knowledge Exchange Sponsorship.

Haymarket HQ is Australia's only Asia innovation hub, with a track record of supporting more than 100 international and Australian founders since its inception in 2016, and close ties to trade organisations and ecosystems across the Asia-Pacific. Haymarket HQ is a two-way bridge for Asian and Australian entrepreneurs to meet, learn and grow together. It is well positioned to partner with the City of Sydney to deliver Sydney's first international business landing pad program.

The City's Economic Development Strategy identifies long-term, sustainable connections with Asia as a priority for the City in order to deliver greater benefits to the local community and the economy. Sydney's connections with Asia are specifically recognised within the Strategy as being integral to Sydney's future economic competitiveness and ability to facilitate trade and investment outcomes.

The City has an opportunity to support and welcome international businesses and investment into Sydney by working with State and Federal government agencies, industry associations and local businesses. The challenges of Asian businesses to explore and capitalise on Australian capabilities and economic strength creates an opportunity for Sydney to capture both current and future inflows of investment and innovation, particularly from China and the rest of Asia.

The Global Sydney International Business Landing Pad Program will provide an opportunity for Sydney to welcome more entrepreneurs from Asia and immerse them in our local community of entrepreneurs, bringing new international networks, sources of funding, innovation, talent and expertise into the local economy.

The aim of the program is to support high-growth international small to medium sized businesses to understand and grow in the Australian environment. These are international companies who are looking to use Sydney as a test market or product development centre, or to relocate their core functions to a more favourable business environment, and entrepreneurs that are attracted to a location such as Sydney for lifestyle reasons. Additionally, the platform will work closely with universities to encourage international students to create new ventures in Australia.

Sponsorship of the Haymarket HQ International Business Landing Pad Program aligns with the City's Economic Development Strategy's focus on building capacity for our local economy and connections with Asia, and complements the NSW and Commonwealth Government's investment attraction strategies. The program is also an opportunity to showcase and leverage Sydney's unique multicultural population where 55 per cent of residents are overseas born.

Recommendation

It is resolved that:

- (A) Council approve \$40,000 (exclusive of GST) financial support to Haymarket HQ Pty Ltd per year for the financial years 2018/19, 2019/20, 2020/21 for the coordination and delivery of the Global Sydney International Business Landing Pad Program; and
- (B) authority be delegated to the Chief Executive Officer to negotiate, execute and administer a sponsorship agreement with Haymarket HQ Pty Ltd.

Attachments

Nil.

Background

1. Haymarket HQ is Australia's only Asia innovation hub, with a track record of supporting more than 100 international and Australian founders since its inception in 2016, and close ties to trade organisations and ecosystems across the Asia-Pacific. Haymarket HQ is a two-way bridge for Asian and Australian entrepreneurs to meet, learn and grow together, and is well positioned to partner with the City of Sydney to deliver Sydney's first international business landing pad program.
2. Haymarket HQ is a not-for-profit startup hub located in Dixon Street, Haymarket.
3. The Global Sydney International Business Landing Pad Program will provide an opportunity for Sydney to welcome more entrepreneurs from Asia and immerse them in our local community of entrepreneurs, bringing new international networks, sources of funding, innovation, talent and expertise into the local economy. It has been designed to support international companies to expand their business and invest into Sydney - positioning Sydney as the ideal investment destination.
4. In particular, Asia's economic rise has given birth to companies such as Alibaba, JD.com and increasingly more small and medium-sized businesses with ambitions for international growth. This trend is expected to continue, with the Organisation for Economic Co-operation and Development estimating that two-thirds of the world's middle class will reside in Asia by 2030, with China home to the largest share. Expanding into new markets is complicated and resource-intensive, and in particular, those originating from Asia experience additional difficulties due to language and cultural differences.
5. The aim of the program is to support high-growth international small to medium sized businesses to understand and grow in the Australian environment. These are international companies who are looking to use Sydney as a test market or product development centre, or to relocate their core functions to a more favourable business environment, and entrepreneurs that are attracted to a location such as Sydney for lifestyle reasons. Additionally, the platform will work closely with universities to encourage international students to create new ventures in Australia.
6. The format of the program is for approximately 12 participants to spend a total of 90 days in the program over one year.
7. During this time, participants will have access to:
 - (a) a vibrant Asia oriented co-working space in Chinatown;
 - (b) a multilingual mentor network locally and across Australia;
 - (c) relevant events and workshops to gain an understanding of the Australian environment, and to connect with local ecosystem participants;
 - (d) a network of service providers, for example legal, marketing, accounting and more;
 - (e) an international community of like-minded entrepreneurs;
 - (f) local angel, block chain and venture capital investors;

- (g) relevant NSW Government and Commonwealth Government grant programs;
and
 - (h) visa support in cooperation with key Government departments and service providers.
8. There are a range of benefits associated with the program - particularly for young entrepreneurs and people from culturally and linguistically diverse backgrounds. The benefits of supporting the project include:
- (a) Creating cross-border networks between entrepreneurs, organisations and associations: connecting international entrepreneurs to each other increases their direct and indirect networks. Welcoming more international companies to Sydney also raises awareness about Australia as a potential investment or expansion destination, which in turn, may attract more international companies and investors to our shores.
 - (b) Exposing local entrepreneurs to international market opportunities: Sydney entrepreneurs will have the opportunity to learn from their international peers and gain a better understanding of international opportunities and how to capitalise on those opportunities.
 - (c) Retaining and supporting entrepreneurial international students to develop their businesses in Sydney: the majority of international students leave Australia after finishing their studies.
 - (d) Developing a deeper cultural understanding: many local companies face cultural barriers when expanding abroad, particularly into Asia. Through this program, local entrepreneurs will gain exposure to new business cultures and increase their level of self-awareness.
9. The City's sponsorship of \$40,000 per year for the next three financial years will position Sydney as a welcoming and connected city. It is an opportunity to develop the state's first international businesses landing pad program. The sponsorship will support eight part-time desks in Haymarket HQ facilities, an induction program, marketing and promotion and program coordination.
10. The sponsorship benefits include:
- (a) verbal acknowledgement of the City of Sydney sponsorship at workshops;
 - (b) co-branding the hub as a City of Sydney and Haymarket HQ initiative;
 - (c) website and landing page acknowledgements;
 - (d) the opportunity to have a City representative talk to participants in the program about relevant City initiatives, and have the program participants involved in City events such as the Future Asia Business Summit, Visiting Entrepreneur Program and other relevant events where the City could benefit from an international business audience; and
 - (e) joint evaluation of the program.

Key Implications

Strategic Alignment - Sustainable Sydney 2030 Vision

11. 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. The sponsorship is aligned with the following strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City - Sydney's connections with Asia are specifically recognised within the Strategy as being integral to Sydney's future economic competitiveness and our ability to facilitate trade and investment outcomes. Sponsorship of this program gives the City of Sydney an opportunity to collaborate on a key market gap identified by many global cities.
 - (b) Direction 5 - A Lively and Engaging City Centre - the fostering of connections between international and local businesses, government agencies and students through this program has the potential to create jobs and develop relationships to underpin the growth of small businesses in the city centre.
 - (c) Direction 6 - Vibrant Local Communities and Economies - engaging with Asian networks and attracting international entrepreneurs from Asia and immersing them in our local community of entrepreneurs brings new international networks, sources of funding, innovation, talent and expertise into Sydney's local economy.
 - (d) Direction 10 - Implementation through Effective Governance and Partnerships - by supporting the Global Sydney International Business Landing Pad Program, the City demonstrates collaboration partnership in progressing our 2030 vision and strategic directions.

Organisational Impact

12. Sponsorship for the event will result in the nomination of City staff to provide contract management and coordination services. The relationship management between the City and Haymarket HQ will be the responsibility of the International Engagement team in the City Business and Safety Unit.

Social / Cultural / Community

13. The program provides a platform for representatives from culturally diverse communities to connect to the local economy, local culture, regulation and capabilities, and create meaningful products and services that enhance social cohesion.
14. Nationally, four out of five international students are from Asia, and this program is an opportunity to retain talent and stimulate entrepreneurship through this demographic, who are acclimatised to Sydney's culture.

Economic

15. Supporting the Global Sydney International Business Landing Pad Program is an opportunity to continue strengthening ties with Asia and attracting businesses and investment from Asia, as well as positioning Sydney as a destination of choice for business and investment.

Budget Implications

16. Sponsorship of \$40,000 is provided in the 2018-19 operating budget for Knowledge Exchange Sponsorships Program. Provision of \$40,000 per annum will be made in budgets for the financial years 2019/20 and 2020/21.

Relevant Legislation

17. 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.

Critical Dates / Time Frames

18. The program will commence in October 2018 to allow for a pilot group of applicants to participate in the program before the end of the 2018/19 financial year.

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Director City Life

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