

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.

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