
An Introduction



The Sydney Startup Hub

CALL FOR EXPRESSIONS OF INTEREST



A strong and concentrated startup community is essential for creating the jobs of tomorrow.

By nurturing and supporting NSW's startup ecosystem, we can encourage a pipeline of future job-creating businesses.

The startups of today will drive the creation of new jobs over the coming decades, especially high-value, skilled and knowledge-intensive jobs.

NSW has one of the most successful and dynamic economies in the world. Our startup ecosystem has come a long way in the past few years and has contributed significantly to the innovation, ideas and talent that drive NSW's economic growth. Through the NSW Innovation Strategy, the Government is committed to ensuring Sydney is one of the top ten startup ecosystems in the world.

One way of doing this is through the Sydney Startup Hub: a single site based in Sydney's thriving CBD where incubators, accelerators and other partnering services come together to create a high-density startup cluster where collaboration and the collision of ideas drive the jobs of the future. For those looking to grow their entrepreneurial business idea, this means more access to networks providing insights,

skills, funding, and leadership from one concentrated hive of innovation.

Our vision is to establish a focal point for NSW's startup ecosystem through a dedicated startup destination that will be recognised globally. Key assets of the site will include:

- a location to support, showcase and connect startups in the Sydney CBD
- a single location where incubators can apply for government support to enable more of their available funds to be deployed to assist startups
- a large dedicated space for networking, events, pitches, learning and thought leadership
- dedicated facilities that can be used by local, national and international accelerator programs and others wishing to support the startup community
- a government sponsored bridge to connect regional innovation with the talent, partners and insights of Sydney, Australia's largest city and startup community.

Expressions of interest

We are seeking expressions of interest (EOI) from incubators, accelerators and related organisations (such as industry groups, research institutes, capital partners and others who provide support to the startup community) to partner with us to deliver the Sydney Startup Hub.

This initiative complements other NSW Government support programs for startup and fast-growing businesses, details of which are available through the **Jobs for NSW website**.

To be considered under this EOI, you will need to demonstrate that you meet the eligibility criteria.

We will then select our partners based on a subsequent competitive procurement application process, measuring against a range of evaluation assessment criteria. Ongoing involvement in the Sydney Startup Hub will require meeting Key Performance Indicators (KPIs) set by Jobs for NSW. These KPIs will benefit both your organisation and the startup community as a whole.

More information on eligibility continues on page 9.

Timing

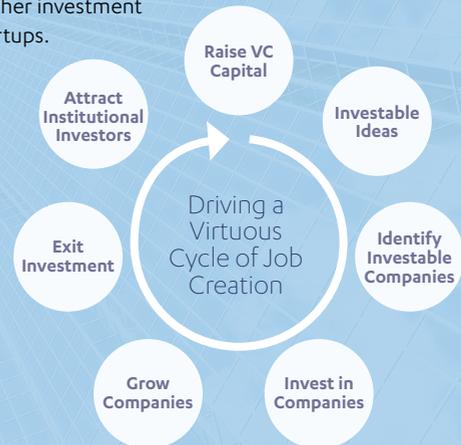


WHY THE SYDNEY STARTUP HUB?

A strong startup ecosystem drives job creation

Accelerators and incubators not only provide a space to work from, but also provide access to people with similar aspirations and linked businesses. Shared workspaces provide more opportunities for introductions to mentors, suppliers, customers and investors than stand-alone offices. In essence, they support a more accessible pipeline of talent. Further, building a high-growth business requires a mix of entrepreneurial and general skills; skills that cannot be readily developed in isolation but can be enhanced through a shared space.

Importantly, incubators and accelerators also encourage a cycle of investment in growing businesses. When existing businesses do well, this enables further investment in other startups.



We are doing well but can do more to become a startup powerhouse

Although our startup community is in a better position than many in comparable cities around the world, a recent international study showed that only 54% of Australian entrepreneurs said they have the support systems in place to help them, such as incubators, compared to 79% in the US and 69% in the UK¹. In terms of funding available and the time it takes to raise capital, Sydney has dropped in a global index from 12 to 16. Significant private venture

capital finance is available in Sydney, but it is concentrated in the ICT sector to the exclusion of target job-growth segments and regional NSW.

And while Sydney is the startup capital of Australia, its startup density is only 18% of that found in Silicon Valley, as measured by number of startups created per 1,000 people². Our startup community is doing well but with the right nurturing and support it can flourish.

¹ GEM Global Entrepreneurship Monitor, 2014

² Compass Global Startup Ecosystem Ranking 2015

WHY THE SYDNEY STARTUP HUB?

Startup ecosystems need to be geographically concentrated

The programs that provide advice and mentoring to startups, including incubators, accelerators and co-working spaces, are often geographically dispersed in Australian cities, and becoming more so as new programs are created. StartupAUS recommends that governments at all levels work with industry to establish a national network

of innovation districts in major cities. These would act as a focal point for startup-related activities and events, address the current fragmentation of offerings, and provide valuable opportunities for collaboration between startups and larger technology companies.

[StartupAus, Crossroads 2016]

The Sydney Startup Hub: meeting the objectives of both startups and NSW

The Sydney Startup Hub will help the NSW Government grow the size and strength of the startup community, while assisting both new and existing entrepreneurs with their own business objectives.

The Hub will generate a variety of benefits associated with clustering, including opportunities for stronger leadership, international brand recognition, people networks, more readily attainable infrastructure, greater innovation and stronger development of

specialist experience and skills. It will also enable NSW to have a community space for the startup sector.

We have three main objectives for the Sydney Startup Hub:

1. create jobs
2. increase the diversity of the NSW startup community, with more startups from regional NSW and non-ICT industries
3. grow the size and strength of the Sydney ecosystem.

WHY THE SYDNEY STARTUP HUB?

White Bay Innovation District will provide a long-term destination for innovation businesses but action is needed in the short term

The NSW Government has made a significant commitment to creating an innovation district at White Bay and Glebe Island but this will not come online in the next five years. The continued growth of Sydney's innovation ecosystem is challenged by the limited availability and

affordability of office space for incubators, a heavy focus on ICT at the expense of other growth industries, and the need for more investable ideas. The Sydney Startup Hub will act as an innovation bridge, supporting promising startups to grow and create jobs.

Sydney: A Home for Entrepreneurs

The NSW Government is fostering international competitiveness through initiatives such as the redevelopment of the White Bay power station, and through fostering the growth of other innovation precincts in NSW.

Sydney is the innovation entry point for entrepreneurs

and startups to access opportunities across NSW. It is also the landing pad for essential foreign investment, technology and talent. Sydney ranks in the top three startup ecosystems in Asia—a sector worth A\$70 billion to the NSW economy.

[NSW Innovation Strategy]

WHAT'S IN IT FOR STARTUPS?



GUARANTEED SUPPORT

financial and non-financial



Access to great BUILDING, INFRASTRUCTURE & FACILITIES



STRONGER NETWORKS including links to investors



DIRECT CONNECTION to Jobs for NSW

RATIONALE

WHY THE SYDNEY STARTUP HUB?

Helping both regional and metropolitan startups

The Sydney Startup Hub will help startups throughout NSW, not just those from metropolitan Sydney, because we know that inspiration can and does occur everywhere. The Hub will support entrepreneurs from regional communities as they transition to the knowledge economy.

We envisage a space where people from regional NSW connect with the metropolitan startup ecosystem and vice versa: people learning from each other, leveraging skills, ideas, networks and investment. The Hub will be the epicentre for startup events, containing shared spaces as well as room for a regional startup landing pad.

Many of our global peers already have startup hubs

Cambridge Innovation Center

The Cambridge Innovation Center (CIC) has been in operation for almost 20 years, supporting high-growth companies through a network of startup partners, including investors and service providers. Together these partner organisations target every phase of a business's growth, from idea through to commercial sustainability. On average, a business can expect to stay at the CIC for up to three years. Since inception, CIC companies have added an estimated 40,000 jobs to the economy and the four largest venture capital funds in Massachusetts have relocated their offices into CIC, further encouraging growth.

Station F Paris

Based in a former railway depot, Station F aims to be the largest startup campus in the world. It has around 34,000m² of space, covering eight event spaces and 3,000 workstations. Opening in April 2017, Station F will house up to 1,000 startups alongside incubators, accelerators, investors, and leading companies such as Facebook.



BOSTON



PARIS

The Hub is designed to complement a number of existing NSW and Australian Government programs. Together, these programs work to stimulate all stages of business development, including R&D, commercialisation, starting

a business and growing a business.

In particular, the Hub will work closely with the Sydney School of Entrepreneurship, which will skill-up our future entrepreneurs and foster the emergence of small innovative companies.

How does this connect with other government initiatives?

The focus of the Sydney Startup Hub is to provide high-density network opportunities and space that support the startup community. This will be complemented by a networking and event space that will be available to support the sector as well as provide linkages to regional NSW.

that would suit the vision of the Hub.

We will consider providing assistance in a number of ways, including through rental subsidies, loans, loan guarantees or other mechanisms. Priority for financial assistance will be provided to not-for-profit organisations.

How will the Hub work?

Expressions of interest are invited from related organisations that may support the startup community, such as industry groups, research and development organisations, mentoring organisations, investors, business specialists, or any other number of parties

In return for assistance, you will locate at the Sydney Startup Hub and continue to meet a variety of KPIs, demonstrating the contribution of your organisation to the startup community.



Where will the Sydney Startup Hub be located?

A number of sites are being considered. The preferred site will be chosen based on size, amenities, location and affordability. What is certain is that the site will be in or near Sydney's CBD, ensuring that the startup community remains connected with

itself, clients, mentors and investment. It will have the space to bring together large and small members from across the NSW startup community and will have the amenities needed to ensure people and their organisations prosper.

Mandatory criteria

In order to be eligible for consideration under this EOI, you must include contact details for you and your organisation, as well as respond to each of these questions with evidence:

- i. commitment to locate at the nominated premises
- ii. evidence of existing incubator/accelerator/related operations; or evidence of funding commitment and funds to establish a new incubator/accelerator/related operation
- iii. minimum three-year business plan including segments to be targeted and operating model (e.g. charity; association; not for profit; for profit, etc.)
- iv. confirmation of the type and quantum of support being sought
- v. gross floorspace sought, inclusive of all requirements, at the nominated site
- vi. funding requirement per m² of space to be allocated (where applicable)
- vii. maximum rent you can pay (where relevant), having regard to your fitout and ongoing operating costs
- viii. expected job creation over three years in NSW arising from your proposal
- ix. anticipated risks in the delivery of your business plan and mitigation strategy
- x. other specific criteria set out in the application forms (**See How to Apply – page 12**).



If your EOI application meets the eligibility requirements, your application may then be assessed against the criteria listed below (not indicated in any order of significance or weighting).

1. job creation potential
2. experience and demonstrated track record of supporting the startup community

3. evidence of pipeline of demand for startups seeking to enter incubator space or accelerator program
4. quality of business plan
5. gross floor area required and area utilisation rate
6. funding support requested
7. risk assessment.

Evaluation criteria

Jobs for NSW is focused on ensuring that the Sydney Startup Hub provides the startup community with the optimal environment for success. In doing so, we will be measuring KPIs for organisations that receive funding support. These may include:

- job creation numbers
- space utilisation levels
- investment funds raised (Angel, Series A, B, C, etc.)
- number of startups; urban/regional breakdown
- startup success rate (funding success and exit from incubator rate; regional startup success)
- startup satisfaction levels (independent survey)
- participation and support for community networking and development events
- support for regional startups
- reach of mentoring and support programs

Ongoing Key Performance Indicators (KPIs)





HOW TO APPLY

To register your interest and receive application materials, please email

✉ eoijobsforNSW.com.au

CONTACT US

Jobs for NSW

✉ enquiries@jobsforNSW.com.au

☎ 1300 562 679

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (February 2017). However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Department of Industry, Skills and Regional Development or the user's independent advisor. PUB17/56, 8 February 2017.

