

676

Adopted Report

for the

Economic Development and Tourism Committee Meeting

Held on

Thursday, 20 March 2014

at

02:00 pm

Gold Coast City Council Chambers
135 Bundall Road Surfers Paradise

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KEY:

CEO - Chief Executive Officer

CMS - Community Services

EDMP - Economic Development & Major Projects

ES - Engineering Services

GCW - Gold Coast Water

OS - Organisational Services

PET - Planning Environment & Transport

Ms T Brownie	Manager Economic Development
Ms D Dixon	Executive Coordinator Economic Development
Ms J Cochran	Coordinator Economic Development
Mr J Thomas	Coordinator Economic Development
Ms T Lipus	Principal Strategic Project Officer
Ms F Cream	Principal Strategic Project Officer (Tourism)

Nil.

Nil.

CARRIED

CARRIED

**ITEM 1
INNOVATION AND COMMERCIALISATION NETWORK
PD330/202/27(P2)**

ECONOMIC DEVELOPMENT

Refer 9 page attachment

1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

The purpose of this report is to provide Council with an update on the implementation of a Citywide Innovation and Commercialisation Network.

4 PREVIOUS RESOLUTIONS

Council at its meeting on 20 August 2013 resolved G13.0820.027:

1 That Council notes the contents of this report.

2 That a report be brought back to Council outlining the proposed Innovation Model for the Gold Coast.

Council at its meeting 20 November 2012 resolved in part G12.1120.028:

1 That Council supports the establishment of the Gold Coast based Future Cities Institute – The Asia Pacific Centre for Intelligent Cities with the initial programs including:

a) the development of a Gold Coast Innovation Dashboard

3 That a report is brought back to Council by end June 2013 in relation to the progress of the citizen engagement and the Pacific Innovation Corridor program.

5 DISCUSSION**5.1 Background**

As a signature project within the Economic Development Strategy 2023 (EDS), the Citywide Innovation and Commercialisation Network aims to establish a connected network of entrepreneurs, creating a dynamic and innovative community that is internationally recognised. By cultivating the startup ecosystem and support services within the network, innovative ideas and subsequent commercialisation can be accelerated and realised as city economic outcomes.

With the fast-changing environment of innovation and startups globally, it is important that we are at the forefront of international trends. With the current partnerships in place at a local level, we are well suited to assist in achieving the City's goals in investing in our intellectual capital and nurturing our strong entrepreneurial spirit.

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As history has shown, the Gold Coast is no stranger to the impacts of entrepreneurs and has led to a strong foundation of startup culture. Over the years, the emergence of other key industries has overshadowed our entrepreneurial success; therefore the need to regenerate ourselves as an entrepreneurial community is timely.

Gold Coast is in the early stages of growth in terms of its startup ecosystem with large amounts of passion and energy, but limited resources. As a city, there is still a long way to go in order to 'catch-up' to other cities such as Sydney and Melbourne, and even further to go when compared to other startups hubs such as Silicon Valley, USA and Tel Aviv, Israel.

There have been various activities and events over the previous eight months which have all assisted in shaping the future of innovation on the Gold Coast. It is evident through the success of these innovation activities, that the community has a strong desire and passion for the Gold Coast to become well-known for its culture of innovation and entrepreneurialism.

It has been noted that the availability of supporting services such venture capital, access to mentors, an accelerator program and events that support collaboration and knowledge sharing is an essential component to developing the startup culture, along with a long term vision of creating 'critical mass' through the support of hubs of innovation activity in the ecosystem.

5.2 A closer look at entrepreneurs and startups

The startup sector is a rapidly growing part of the economy which has the capacity to contribute four per cent of GDP and create 540,000 new jobs by 2033.¹

According to *The Startup economy: How to support tech startups and accelerate Australian Innovation* the key ways to unlock the potential of the sector are:

- Enhance culture and community engagement: Culture is the key to accelerating the growth of the tech community. This can be said for not just the tech industries, but for all startups across all industries, ensuring the success and participating in the sector increases.
- Attract more entrepreneurs with the right skills: In the short term Australia needs 2,000 more tech entrepreneurs each year drawn from the existing workforce. In the long term, our education sector must produce more skilled tech entrepreneurs.
- Foster a stronger and open culture of entrepreneurship: Australia has a considerably higher 'fear of failure' rate than nations like the U.S. and Canada, constraining the sector. The tech community is key to changing this by celebrating its own success and becoming more inclusive.
- Encourage more early stage funding: Funding for the Australian tech startup sector will need to increase. Australia invests approximately \$7.50 per capita in venture capital per annum (all quoted in US\$ figures), compared to the United States (\$75) and Israel (\$150).

¹ <http://www.digitalpulse.pwc.com.au/wp-content/uploads/2013/04/PwC-Google-The-startup-economy-2013.pdf>

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- Open up markets to Australian tech startups: the domestic market for Australian startups is relatively small with a population of only 23 million – for example Australian Governments and large companies.
- Improve the regulatory environment: the role of government is quite limited to creating a supportive environment for innovation and entrepreneurship.

The above represents a list of opportunities that the City is able to facilitate, coordinate and implement in partnership with the appropriate stakeholders based on the Gold Coast.

5.3 Successful innovation ecosystems

Each innovation ecosystem is unique with its own set of challenges. A number of factors influence the success of an ecosystem, including academic institutes, a mix of angel investors, venture capitalists, an entrepreneurial culture and expertise, the opportunities for collision and collaboration (events), density (critical mass) and strong leaders within the community to drive the startup agenda.

The Startup Genome project suggests that developing an entrepreneurial hotspot is also dependent on traditional factors like funding, technology adoption, government support and the presence of a large creative industry. Some of the leading startup ecosystems include Silicon Valley, Tel Aviv, Los Angeles, Seattle, New York City and Sydney. For the top twenty startup ecosystems refer to attachment 1 - A Startup World.

A critical success factor in all the leading startup ecosystems is the presence of an incubator. There have been many successful models for startup incubators across the globe, all that are distinct to each local ecosystem.

Not wanting to reinvent the wheel, we studied some of the leading incubators. We have looked for the common success factors in each location and believe the Gold Coast has the right ingredients to create an entrepreneurial hotspot.

There are a number of shared qualities that each of the leading incubators possess. This includes:

- ✓ Developed and funded privately (some with Government support)
- ✓ Provide seed funding to startups
- ✓ Experienced mentors
- ✓ Coworking facilities
- ✓ Access to markets
- ✓ Offer an accelerator program
- ✓ Follows lean startup principals
- ✓ Coordinate a set of key events which enhance collaboration + collision
- ✓ Co-located with high-profile companies (critical mass)

For a detailed list of the successful startup incubators across the globe refer to attachment 2: Successful Incubator Models.

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5.4 The Gold Coast innovation ecosystem

The Gold Coast's innovation ecosystem is an emerging collection of entrepreneurs, coworking spaces, tech startups, incubators, investors, universities and businesses – all of which are the ingredients to create a successful innovation ecosystem. There is a strong appetite to continue to work on a strong vision of establishing the Gold Coast as an innovation hot spot that is internationally recognised. Refer to attachment 3: Gold Coast Innovation Ecosystem, to gain a better understanding of the overall Innovation Ecosystem on the Gold Coast.

A key component in setting the direction for the City's involvement in the startup ecosystem has stemmed from the Think Tank series and Innovation Workgroup discussions. This informal group acts to share knowledge and discuss opportunities for the entire innovation ecosystem and ensure collaboration across all levels of the ecosystem.

Over the previous twelve months, we have been able to bring all relevant stakeholders together and identify gaps and opportunities for the entire ecosystem to flourish. As a part of this there have been a number of successful activities and events including:

- 2 x Startup Weekends
- 1 x GovHack (using open data)
- 3 x Innovation Workgroup meetings
- Advocacy for our local startup community to State Government which has been a success factor in the Queensland Government developing a Queensland Startup Strategy
- Creation of 54 startups and 87 jobs
- Support of a Silicon Valley trade mission (June 2014)
- In-bound delegation from Silicon Valley in November 2014 (TBC)

Refer to attachment 4 to gain more detail about what makes up the current Gold Coast innovation ecosystem.

The region has been put in an advantageous position due to the number of innovation groups that have established to fill the gaps within the ecosystem. Our role now is to provide a supportive framework through the development of value-add initiatives and providing support to existing initiatives which are linked to our objectives.

5.5 Identified gaps in the innovation and commercialisation ecosystem

Over the previous twelve months, the Innovation Workgroup has identified the following gaps within the local innovation ecosystem:

- **critical mass** – key to building the innovation culture on the Gold Coast is to create critical mass (density). The development of a number of innovation precincts (as per a hub and spoke model) will encourage the co-location of existing business, attract new business and stimulate startups.

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- **venture capital / early stage investment** – a major gap in the innovation ecosystem is the lack of capital available for startups. This, by no means is a localised problem for the Gold Coast; it reaches far beyond the region to a national level.
- **accelerator program** – the Gold Coast does not have a formal accelerator program that is open to the wider community. Any local startup that requires this assistance is required to travel to Brisbane, interstate or overseas. For the Gold Coast to initiate a successful accelerator program, there must be a commitment of funds from a number of stakeholders.
- **start-up weekend and other collaborative events** – it is well-known in startup hotspots around the globe, that in order for critical mass, knowledge sharing and collaboration, events are usually a key ingredient to achieving this.
- **lack of international partnerships** – there is a strong need to develop partnerships and networks in global startup hotspots such as San Francisco/Silicon Valley, Europe and Asia. This will assist us in maximising opportunities for collaboration and access to international venture capital.
- **lack of international connectivity and data processing capacity** – the ability to develop a strong knowledge-based industry sector is heavily reliant on our ability to provide local and international connectivity and data processing capacity. For most businesses within the tech industries, high bandwidth is essential when competing in a global market place. The lack of high-capacity ICT infrastructure is limiting our ability to attract high-profile tech companies, such as data centres and major software developers.
- **lack of knowledge about the local startup community** – anecdotally, we are aware we have a strong entrepreneurial community but we still lack the evidence on the depth and breadth of the industry. The Innovation Dashboard provides a tool to assist in collecting data and providing a snapshot for the local innovation hubs, but additional work is required to get the breadth we require. Promotion of the innovation ecosystem through a multitude of avenues is vital.
- **limited linkages between research based commercialisation opportunities** – universities typically sit on a wealth of knowledge through research. There are opportunities to develop linkages between this research, businesses and the commercialisation process. Further investigation is currently being undertaken as part of the Research Triangle Project discussed in section 5.7
- **limited government funding opportunities for startups** – due to the high risk associated with funding startups, current commercialisation funding opportunities require the business idea to be developed to a certain stage, or only fund businesses with a turnover of >\$1 million. The R&D Tax Incentive program for example is limiting in the fact that some startups (sometime not incorporated at this early stage) do not have the initial funds of up to \$20,000 to expend on R&D before they can claim. In addition to this, startups following the Lean Startup Principals may only require a fraction of this for their market research.

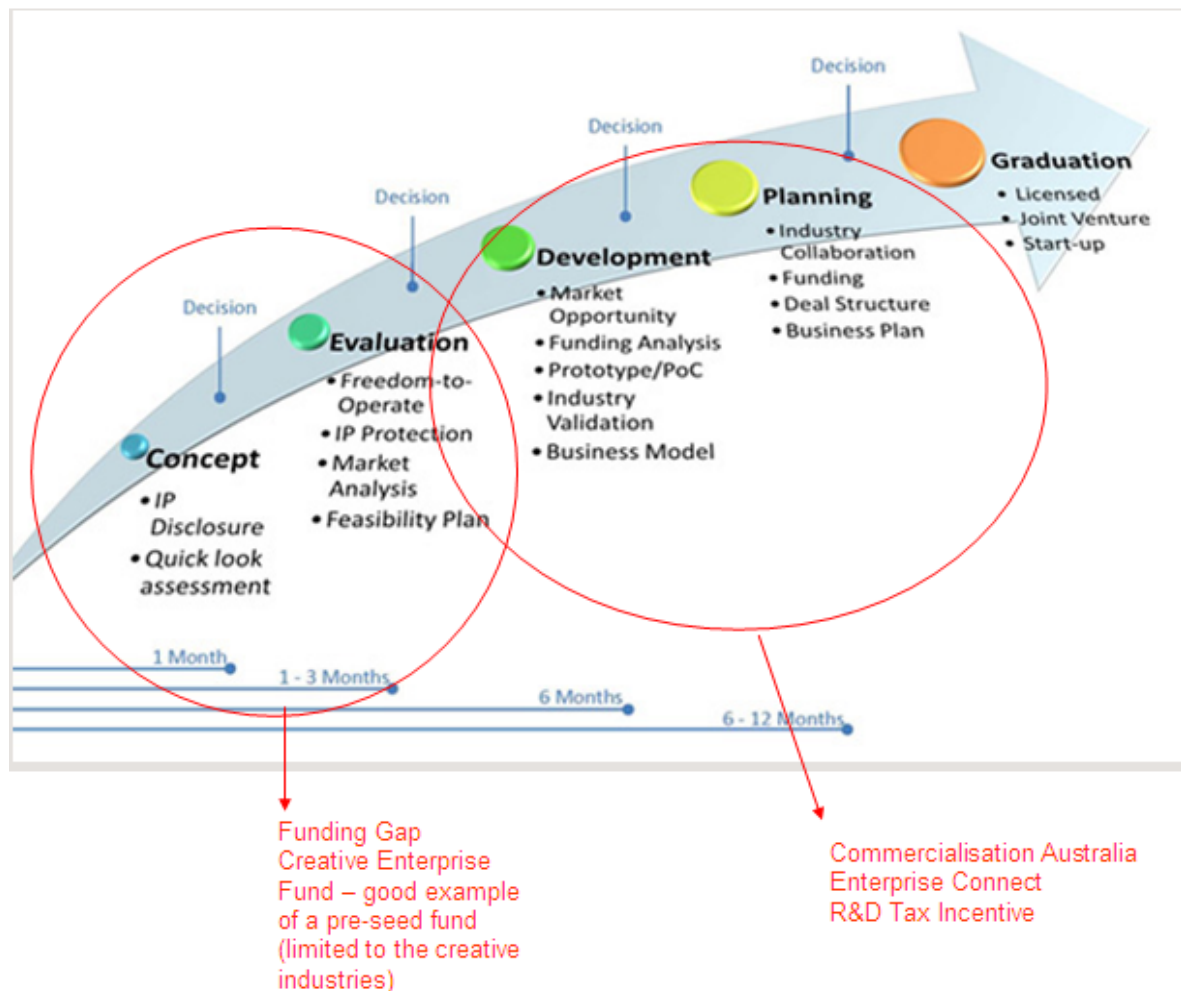
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Seed funding and funding for patent applications is a major gap in the funding models available as shown below.

Figure 1: Existing funding gap for startups



5.6 The vision for Gold Coast's innovation ecosystem

The vision for the Gold Coast's innovation ecosystem is to become internationally recognised for our startup and entrepreneurial community. We want to position the Gold Coast as an innovation hot spot that generates successful startups that emanates a connected and dynamic community.

The Gold Coast provides a unique case for collaborative innovation; the geographical nature of the City contributes to a natural fragmentation, causing various pockets of similar activity which are not linked or coordinated.

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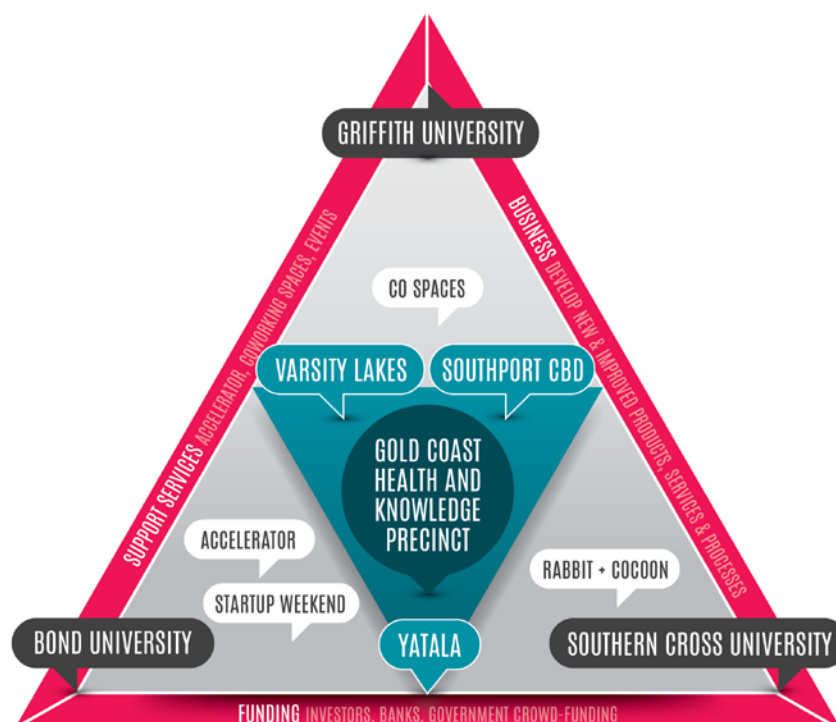
A key success factor in entrepreneurial communities across the globe is the notion of critical mass – a cluster of people, activities and events. Through the development of precincts such as the Gold Coast Health and Knowledge Precinct, we will be able to generate a ‘hub and spoke’ model, initiating a critical mass in one location, but linking to other innovation hubs across the city – and the globe.

The below diagram represents the hub and spoke model mentioned above with the Gold Coast Health and Knowledge Precinct as the centre (hub) which is connected to other innovation precincts (spokes) such as Varsity Lakes (strong ICT industry population), Southport (future density created through CBD) and Yatala (innovation in manufacturing). *Refer to Attachment Three for a more detailed Innovation Ecosystem. Locations represented on the below diagram are an example of some of our innovation ‘spokes’ across the Gold Coast and do not represent all future possible ‘spokes’*

The goal is to inter-link all aspects of the innovation ecosystem; connecting through various mechanisms such as:

- an accelerator program
- funding
- events in order to stimulate collaboration
- links between industry and universities providing research and development commercialisation opportunities for business
- coworking spaces to facilitate collaboration and provide supportive infrastructure

Figure 2: Hub and spoke model of innovation



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Due to the dynamic nature of the innovation and commercialisation environment, more and more activities, groups and events are beginning to emerge across the region, fulfilling the gaps that are required to successfully grow this priority sector of the economy.

In a recent article in the Gold Coast Bulletin, it was stated by Mark Bouris of Yellow Brick Road Wealth Management that *“Australia is crying out for a Silicon Valley and the Gold Coast is well-placed to deliver it.”* View the full article in attachment 5: ‘Coast ideal as an IT hub’.

This leads to an encouraging position and provides us with a range of opportunities (outlined below) to support the vision for the innovation ecosystem. Support from the City is divided into value-add and sponsorship opportunities.

Value-add opportunities would be led by the City in partnership with stakeholders; whereas sponsorship opportunities are where industry will take the lead and the City would provide sponsorship (either financial or in-kind).

Innovation Campus (Sponsorship)

To develop density and create critical mass the Gold Coast requires a single building/precinct to house the local startup community and to essentially serve as the entrepreneurial hub of excellence.

We now have the opportunity to influence a new model of innovation that encapsulates the critical success factors that are found in some of the leading incubators across the globe. These include:

- The introduction of a coworking space
- Facilitation of links to investors locally and internationally
- Introduction of an education program that aims to facilitate entrepreneurial learning
- Follows the lean startup principals
- Focus on building links with universities and approaching students to actively participate in local startups
- Development of a series of events that aim to facilitate networking, collaboration and collision
- Use of the space to attract high-profile tenants
- A governance structure that does not require on-going government funding
- Facilitation of key international partnerships with other startup hotspots, such as Silicon Valley

In view of this identified opportunity, we have allocated existing budget to further explore a proposal for the development of an Innovation Campus on the Gold Coast.

To date, Varsity Lakes has been identified as one option to support the development of an active innovation community. Historically, Varsity Lakes has been promoted as a knowledge-hub; therefore already has a healthy community of knowledge-based businesses in existence that adds to the creation of critical mass.

An alternate site could include the Southport CBD to which has already started to build a reputation around collaboration due to the development of Co Spaces, the future expansion of Gold Coast Institute of TAFE and the proximity to the Gold Coast Health and Knowledge Precinct.

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The proposed site should be home to all startup and innovation related groups and activities, including:

- Silicon Lakes
- IT Forum Gold Coast
- Gold Coast TechSpace
- Silicon Beach
- Founders Forum
- Australian Association of Angel Investors
- Gold Coast Angels
- Future Cities Institute
- Gold Coast Universities (representatives from university's commercialisation arms)
- City of Gold Coast innovation-related activities
- Government-related innovation resources (AusIndustry, Enterprise Connect, QMI and other Government funded innovation positions)
- Venture capital funds
- High-tech anchor tenants

Startup Accelerator (Value-add)

It has been identified that there is a need for a program or place for local startups to gain relevant knowledge and expertise in order to commercialise their idea, in turn generating revenue and creating jobs that ultimately have a positive impact on the local economic stability of the Gold Coast.

Accelerator programs are synonymous with the startup community. They provide a mechanism for a startup company to gain a small amount of funding and a large amount of mentoring and advice to make their business idea a success – in a relatively short amount of time.

Typically, an accelerator program should consist of the following:

- Be delivered in a ten to sixteen week timeframe
- Provide financial support (average is approx. \$20,000)
- Have equity in each of the funded startups
- Links to international markets, investors and successful entrepreneurs
- Heavily based on mentoring and events (dinners, workshops)
- Run once or twice a year and are based on the startup applying to be part of the program

In addition to providing support to our local startup community, an accelerator program offers us an opportunity to attract startups from around Australia and internationally. Current Australian accelerators are based in Sydney, Melbourne and Adelaide.

It is proposed an expression of interest be sought for the development and delivery of a Gold Coast Accelerator program.

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Innovation and Commercialisation Investment Fund (Value-add)

In the case of developing the startup community, an Innovation and Commercialisation Investment Fund links to the delivery of an accelerator program by providing seed funding to startups.

This fund could service two main functions:

- 1 Provide seed funds to startups as part of an accelerator program which is to be used on progression/of a business product/service, market validation, intellectual property applications for example
- 2 Provide funds/expertise to existing businesses undertaking research and development activities for commercialisation activities (must be linked with a university).

The City is currently working with State Government to facilitate the development of an investment fund in partnership with Brisbane Marketing and other local government areas.

Silicon Valley inbound and outbound missions (Value-add)

International partnerships are vital when building an entrepreneurial community, not only to assist businesses to compete in the global marketplace but to raise awareness and promote our entrepreneurial community which can lead to investment attraction opportunities.

It is proposed that the City partners with industry to coordinate and implement an annual trade mission to innovation hotspots around the globe (in-bound and out-bound) as part of the International Trade and Investment Program (ITIP) in order to:

- Raise the awareness of the Gold Coast regional economy
- Build key strategic relationships and networks in Silicon Valley
- Inspect, compare and learn procedures and methodologies from successful organisations to share the knowledge with local Gold Coast companies
- Learn about the latest trends and emerging technology
- Enhance our knowledge of the key essential ingredients of building a startup ecosystem and community that fosters innovation to generate real commercial outcomes for the local economy.

Visiting Entrepreneur Program (Value-add)

A Visiting Entrepreneur Program (VEP) brings carefully selected entrepreneurs from national and international markets to the Gold Coast to experience our innovation ecosystem firsthand and in turn provide knowledge and expertise to our flourishing entrepreneurial community.

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This program will assist in enhancing our international relationships and provide a mechanism to promote the Gold Coast both nationally and internationally.

Startup Weekend (Value-add)

Startup Weekend is for entrepreneurs to pitch an idea, and then literally *build a business in a weekend*. Teams form around the best ideas, and they then have 48 hours to find their viable business model and build their product. This event is very much about bringing the startup community together.

City of Gold Coast has sponsored two Startup Weekends in 2013 which has generated a number of successful startups. Continuation of this support is recommended in a number of ways; through financial sponsorship; and through access to the City's microwave broadband link whilst they are a tenant at the Robina Community Centre.

Singularity University Competition (Sponsorship)

Scholarship award for Singularity University Graduate studies program. This is a niche competition run from the Gold Coast and open to all Australian residents. The core benefit of supporting this program is to build international links to innovation hot spots around the globe - in particular Silicon Valley.

Griffith University are currently providing part-funding for this activity.

Demo Day (Sponsorship)

Demo Day is a one day expo and investment pitch event. Startups and local businesses can have stands to demonstrate their new products and services. Participants will also be able to formally pitch for investment (a merit based selection criteria will apply). Members of the local and international investment community will be invited to attend.

This will also provide an avenue to showcase university student startup projects.

Draft Innovation Zones – Draft City Plan 2015 (Value-add)

The Draft City Plan 2015 provides an overview of suggested Innovation Zone sites across the Gold Coast. In delivering on a city-wide innovation and commercialisation network, the 'innovation zone' under the Queensland Planning Provision (QPP) provides a useful mechanism through which a specific economic significance may be strategically assigned to knowledge and innovation precincts within the new Gold Coast City Planning Scheme, and land secured for knowledge and innovation land uses and activities.

Within the list of suggested sites, further work is being progressed to fully understand the impact of an Innovation Zone and the viability of future planning and activation of these sites.

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For example, in the previous Pacific Innovation Corridor footprint, Varsity Lakes considered an ICT hub, lacks the appropriate ICT infrastructure to support this. We are currently in discussions with Internet Service Providers (ISP's) to discuss the potential for improvements to the infrastructure and limit the exorbitant costs associated with accessing high speed broadband. (Currently, for a small business to gain access to high speed broadband, the initial set up costs of linking into the fibre is approximately \$20,000 – not viable for small business)

Further to this, the Innovation Zone assists us in attracting knowledge-based industries to that particular zone, creating critical mass which is identified as a key gap within the innovation ecosystem.

5.7 Research Triangle Project

The Research Triangle is a core component of the innovation ecosystem and aims to *accelerate commercialisation outputs of research and development*. This will be delivered through facilitating links between the research and business communities, promoting the city's research strengths and delivering a range of programs that will enhance commercialisation opportunities.

Most commercialisation opportunities occur in business with a range of other stakeholders (businesses, universities, research institutes, education providers, government agencies, industry associations, financiers) providing knowledge, skills and technology that can improve the chances of innovation commercialisation being successful, or help a business avoid wasting resources in the process.

It is a common understanding that universities (and other research institutes – private or government) exist to develop new knowledge, skills and technologies. This benefits the entire innovation ecosystem through their role in generating an economic flow on effect from the commercialisation of research outcomes, including new jobs, building industry/public sector links, developing innovation business models and knowledge exchange between research, industry and the wider community (Australian Government, Department of Industry, National Survey of Research Commercialisation 2010-2011).

The latest research shows that in general, there is a continued commitment for commercialisation activities within universities, but a trend away from startup company formation to intellectual property (IP) licensing, options and assignments, research contracts and consultancies.

This has been found to be true of the Gold Coast university sector with data showing that the focus for universities is to deliver on research contracts, consultancies and publications as return on investment in commercialisation and startups is usually very limited.

Gold Coast universities offer various strengths and expertise across a range of research disciplines. The current count of research institutes/centres across all universities on the Gold Coast sits at approximately 69 – this incorporates centres that may not be based purely on the Gold Coast – and four core areas of research that they can be categorised into:

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- Health and Medical
- Business, Law and Humanities
- Infrastructure, Environment and Planning
- Engineering, Information Technology and Other

We are currently developing a Research Atlas to better understand what the city offers in respect to research and how we can better facilitate links with our local businesses.

To assist our local businesses and universities, there is a role that the City can play to achieve commercialisation outputs. A report will be brought to Council at a later date to provide more information on the types of interactions the City could facilitate.

5.8 Measuring the Success

The Innovation Dashboard (Dashboard) is a vital economic development tool which measures innovation activity for the Gold Coast and aims to monitor the economic value add of innovation. The long term use of this system will incorporate data collected through the City's Business Engagement team as well as data collected from the various innovation hubs across the city.

Results to date can be seen below. As a comparison to our baseline data (collected in December 2012), each value has increased, showing positive signs of the emerging startup community.

Value / Date	December 2012 (baseline)	February 2014
Economic Value-add	\$9million	\$13million
Startups	18	54
Jobs created	61	87
Applications developed	16	45

In addition the Dashboard, a number of other key measures for success will be implemented including the number of PR stories in the media, number of startups referred to coworking spaces on the Gold Coast, number and type of international links developed and our global position in the startup world.

5.9 Alignment to the Queensland Government (Mapping of South East Queensland's Startup Ecosystem)

Queensland State Government's Department of Science, Information Technology, Innovation and the Arts (DSITIA) recently (November 2013) approached City of Gold Coast, Brisbane Marketing and Sunshine Coast Council to collaborate on gaining a better understanding of the startup ecosystem within South East Queensland.

This body of work will be coordinated done in partnership with Brisbane Marketing, Sunshine Coast Council and DSITIA and aims to:

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- Identify and benchmark the breadth and strength of the startup ecosystem at this point in time
- Identify the major nodes that are crucial to the growth of the startup ecosystem
- Identify opportunities for integration within the ecosystem and with the broader community
- Identify market failures, gaps and needs within the ecosystem

A report on the local ecosystem including key metrics, network maps and economic activity within the South East Queensland startup community will be developed. To assist in understanding the local high tech ecosystem, work will be done to quantify the individuals (founders, angels and other participants), organisations (tech companies, venture capital firms, co-working spaces, incubators, groups (angel groups, community groups) and events (awards, conferences, programs) involved in or supporting early stage technology startup companies within South East Queensland.

The work has been scheduled to start in early 2014 with an expected completion date by June 30 2014.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

- 1.3.1 Develop leadership in the city by encouraging strong partnerships across government, business and the community in order to progress the community's vision for the city
- 5.1.1 Encourage the development of knowledge-based centres of excellence in the city that target specific industry sectors including creative, education, environment, film, health and medical, information and communication technology, marine, sport and tourism sectors
- 5.1.2 Support local business development and attract new business and investment to the City
- 5.1.5 Promote the continued development of the city's research and learning capabilities by fostering life long learning and working with educational institutions and business
- 5.2.1 Ensure development of infrastructure that promotes the sustainable economic growth of the city, working with other agencies
- 5.3.1 Attract skilled residents to the city by positioning and maintaining it as a recognised and vibrant destination
- 5.5.2 Achieve investment in the city, but working with State and Federal Governments to advance the interests of business nationally and internationally.

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7 FUNDING AND RESOURCING REQUIREMENTS

Budget/Funding Considerations

A total of \$165,000 was approved in the 2013-14 ED5600 / Cost Centre 1003248 budget to support innovation activities (refer to below) and this is on track to be expended this financial year.

Proposed Activity	Indicative Budget
Innovation Campus	\$50,000
Startup Accelerator (Value-add)	\$72,500
Innovation & Commercialisation Investment Fund (Value-add)	TBC
Visiting Entrepreneur Program (Value-add)	\$20,000
Startup Weekend (Value-add)	\$10,000
Singularity University Competition (Sponsorship)	\$7,500
Demo Day (Sponsorship)	\$5000
Draft Innovation Zones – Draft City Plan 2015 (Value-add)	NA

In addition, \$10,000 from the 2013-14 ED5600 / Cost Centre 1003882 – Global Connections budget will be allocated to support activities under the International Trade and Investment Program (ITIP) – refer to below.

Proposed Activity	Indicative Budget
Silicon Valley outbound mission (June 2014) and inbound mission preparation	\$10,000

Human Resources

Activities in relation to the delivery of these projects will continue to be undertaken by staff within Council's Economic Development Branch.

8 RISK MANAGEMENT

Risk number CO000427 – Failure to diversify the economy leading to an over reliance on the construction and tourism industries to generate economic growth and prosperity.

This project seeks to ensure the economy is built upon a diversified knowledge and export base with infrastructure supporting globally competitive business development and growth.

9 STATUTORY MATTERS

Not Applicable.

10 COUNCIL POLICIES

Not Applicable.

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11 DELEGATIONS

Not Applicable.

12 COORDINATION & CONSULTATION

In the table below, identify how internal and external stakeholders have been involved / participated in the proposal to date and the outcome of that participation.

Name and/or Title of the Stakeholder Consulted	Directorate or Organisation	Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)
Director Commercialisation Strategic Policy and Innovation	Department of Science, Information Technology, Innovation and the Arts (DSITIA), Queensland Government	Yes
Darren Scott, Director	EDMP	Yes
Toni Brownie, Manager Economic Development	EDMP	Yes
Diane Dixon, Executive Coordinator Economic Development	EDMP	Yes
Manager	Co Spaces	Yes, to identify gaps and opportunities
Chair	Founders Forum	Yes, to identify gaps and opportunities
CEO	Future Cities Institute	Yes, to identify gaps and opportunities
Founder	Gold Coast TechSpace	Yes, to identify gaps and opportunities
Chair	IT Forum Gold Coast	Yes, to identify gaps and opportunities
Director	Rabbit + Cocoon	Yes, to identify gaps and opportunities
Directors	Silicon Lakes	Yes, to identify gaps and opportunities
Director	Wavebreak International	Yes, to identify gaps and opportunities
Director Planning and Information	Bond University	Yes, to identify gaps and opportunities
Director Research	Bond University	Yes, to identify gaps and opportunities

ITEM 1 (CONTINUED)
INNOVATION AND COMMERCIALISATION NETWORK
(PD330/202/27(P2))

Head of School (ICT)	Griffith University	Yes, to identify gaps and opportunities
Director, Business Engagement (Business School)	Southern Cross University	Yes, to identify gaps and opportunities

13 STAKEHOLDER IMPACTS

Working closely with external stakeholders and providing appropriate facilitation and coordination will enable the city to facilitate and support the fast paced movements of the global startup and entrepreneurial community.

Failure to appropriately engage external stakeholders will be reflected in the overall growth of the entrepreneurial community and the relationships built with the City.

14 TIMING

Due to the fast-paced movements of the innovation ecosystem, it is recommended that progression of the Innovation Campus and related innovation activities progress as soon as possible.

15 CONCLUSION

The Innovation and Commercialisation Network is identified as a signature project under the Economic Development Strategy. It recognises that our startup and entrepreneurial community underpins the success of building an innovation ecosystem that delivers a diverse and knowledge-based economy.

The development of an Innovation Campus and an Accelerator program is central to the creation of density and will be further enhanced by using a 'hub and spoke' model of innovation which will inter-link the various pockets of innovation through a range of mechanisms.

By generating successful startups through a connected, dynamic and collaborative network, we will achieve international recognition for our innovation ecosystem and position the Gold Coast as an innovation hotspot.

Additional activities will be implemented through a combination of initiatives that seek to develop and promote the entrepreneurial community and foster growth in knowledge-based industries. The activities outlined will also enable us to foster greater links between universities, industry and international stakeholders and maximise our credibility and reputation as an emerging innovative startup hub.

ITEM 1 (CONTINUED)
INNOVATION AND COMMERCIALISATION NETWORK
(PD330/202/27(P2))

16 RECOMMENDATION

It is recommended that Council resolves as follows:

- 1 That Council notes the progression of innovation activities as outlined within the report.
- 2 That Council endorses the allocation of up to \$50,000 to sponsor the development of an Innovation Campus on the Gold Coast from the 2013-14 ED5600 / Cost Centre1003248 – Strategic City Projects/Infrastructure Budget.
- 3 That Council endorses expressions of interest to be sought for the development of a startup accelerator program.
- 4 That a report be brought to Council within 12 months to provide an update of the outcomes of the Innovation Campus and related innovation activities.
- 5 That a report brought to Council with details of proposed activities in relation to the Research Triangle by June 2014.

Author:

Tanya Lipus
Principal Strategic Project Officer

Authorised by:

Darren Scott
Director Economic Development and Major Projects

February 2014

TRACKS REF: 43482239

Committee Recommendation Changed at Council

Changed Recommendation

MOTION

moved Cr Tozer

seconded Cr Grew

- 1 **That Council notes the progression of innovation activities as outlined within the report.**
- 2 **That Council endorses the allocation of up to \$50,000 to sponsor the development of an Innovation Campus on the Gold Coast from the 2013-14 ED5600 / Cost Centre1003248 – Strategic City Projects/Infrastructure Budget.**
- 3 **That Council endorses expressions of interest to be sought for the development of a startup accelerator program.**
- 4 **That a report be brought to Council within 12 months to provide an update of the outcomes of the Innovation Campus and related innovation activities.**
- 5 **That a report brought to Council with details of proposed activities in relation to the Research Triangle by June 2014.**
- 6 **That it be noted no funding should be provided for investment activity in a future Innovation and Commercialisation Investment Fund.**
- 7 **That a matching contribution be sought from the State Government for the purposes of supporting the development of an innovation campus on the Gold Coast.**

A division was called.

ITEM 1 (CONTINUED)
INNOVATION AND COMMERCIALISATION NETWORK
(PD330/202/27(P2))

For	3	Cr Tozer, Cr Grew, Cr La Castra
Against	4	Cr Gilmore, Cr Gates, Cr McDonald, Cr Owen-Jones
Abstained	0	
Absent	0	

The MOTION was LOST.

MOTION

moved Cr Gates seconded Cr Gilmore

- 1 That Council notes the report.**
- 2 That Council continues to concentrate on the accelerator program working towards a partnership with State Government.**

A division was called.

For	3	Cr Gilmore, Cr Owen-Jones, Cr Gates
Against	4	Cr Grew, Cr Tozer, Cr McDonald, Cr La Castra
Abstained	0	
Absent	0	

The MOTION was LOST.

COMMITTEE RECOMMENDATION ED14.0320.001

moved Cr Tozer seconded Gates

That the matter be deferred to full Council.

For	7	Cr Grew, Cr Tozer, Cr McDonald, Cr La Castra, Cr Gilmore, Cr Owen-Jones, Cr Gates
Against	0	
Abstained	0	
Absent	0	

CARRIED

CHANGED AT COUNCIL 25 March 2014

RESOLUTION G14.0325.019 Moved Cr Grew Seconded Cr Tozer

That Committee Recommendation ED14.0320.001 be adopted, with a change to Part 2 and an addition of Part 6, such that it reads in its entirety as follows:

- 1 That Council notes the progression of innovation activities as outlined within the report.**

ITEM 1 (CONTINUED)**INNOVATION AND COMMERCIALISATION NETWORK****(PD330/202/27(P2))**

- 2 That Council endorses the allocation of up to \$50,000 for sponsorship of specific activities within innovation campus' on the Gold Coast from 2013-14 ED5600/Cost Centre 1003248 – Strategic City Projects/Infrastructure Budget for the purpose of fostering innovation activity within the city
- 3 That Council endorses expressions of interest to be sought for the development of a startup accelerator program.
- 4 That a report be brought to Council within 12 months to provide an update of the outcomes of the Innovation Campus and related innovation activities.
- 5 That a report brought to Council with details of proposed activities in relation to the Research Triangle by June 2014.
- 6 That as a matter of policy, Council is not prepared to exercise its Beneficial Enterprise Powers to enter into equity-based commercialisation or innovation activities.

CARRIED UNANIMOUSLY



Attachment 2.1**Successful Incubator Models****a) Pollenizer (Sydney)**

Pollenizer specialises in the creation of brand new web/mobile businesses and grows them from an idea through to sustainability with co-investment, talent, technical services, consulting and education.

They partner with individual entrepreneurs and investors as well as with corporate partners – a similar model across most incubators.

They use a range of tools to accelerate startups, including the Lean Startup Principals and utilise events such as Startup Weekend and Bootcamps which focus on and how they can solve an actual problem for a real customer with a specific solution.

b) Runway (San Francisco)

Runway was founded by two entrepreneurs and is supported by the San Francisco Regional Centre organisation, which is privately funded. Runway emphasises openness and collaboration which they see as essential for moving fast and working smarter. Over one-third of Runway's 30,000sq ft is dedicated communal space.

Startups must apply to be a part of the Runway community, which means keeping the quality of startups high.

They offer various services mainly in the form of events, dedicated hours with investors and strategic meetings with Fortune 500 companies. Runway only accepts startups that have similar values in collaboration and knowledge sharing amongst the startup community.

Runway also serves as a bridge between its corporate partners and startups, enabling the establishment and execution of collaborative partnerships between the two.

c) Y Combinator (Silicon Valley)

Y Combinator does seed funding for startups. Seed funding is the earliest stage of venture funding. In 2005, Y Combinator developed a new model of startup funding. Twice a year they invest a small amount of money (\$14-20K) in a large number of startups.

The startups move to Silicon Valley for 3 months, during which the team at Y Combinator work intensively with them to get the company into the best possible shape and refine their pitch to investors. Each cycle culminates in demo day, when the startups present their business plans to a carefully selected, invite-only audience.

This model enables the incubator to work with a startup at all levels of the business life-cycle, from concept through to creation.

Attachment 2.1**d) DUMBO Incubator (New York City)**

The DUMBO Incubator caters to technology-focused entrepreneurs from across various industries including financial services, media, green, bioscience, and fashion. Tenants are able to use approximately 30 dedicated workstations and additional co-working stations, as well as access educational programming and services such as business counselling sessions, workshops, and networking events.

The incubator was established with a \$250,000 grant from the New York City Economic Development Corporation. The DUMBO Incubator is one of many incubators with the New York City area – most have a specific focus including fashion, biotechnology and clean energy.

e) The Social Lab (Tel Aviv)

The Lab is a place to work from, to receive advice and mentorship and to meet like-minded individuals for whom social issues are a priority. The program provides a co-working space plus more than 160 professional lectures, and personal support and consultation during the establishment of a startup venture.

f) Accelerator (London)

Accelerator is a specialist business incubator in Shoreditch, the heart of London's ICT and digital media community.

Accelerator specialises in the incubation of, and delivery of business development programs for high value, innovative, growing businesses in information and communication technology, interactive media, e-learning and design

g) iLab (Brisbane)

ilab was established by the Queensland Government in 2000 to support early stage, high-tech companies through the first few years of development by building their business management capabilities, fostering mentor networks for start-up founders, creating investor ready companies, and graduating companies with increased chances of success. UQ Holdings Pty Ltd, a wholly owned subsidiary of The University of Queensland (UQ), acquired ilab in 2009.

Critical Success Factors

- ✓ Developed and funded privately (some with Government support)
- ✓ Provide seed funding to startups
- ✓ Experienced mentors
- ✓ Access to markets
- ✓ Coworking facilities
- ✓ Offer an accelerator program
- ✓ Follows lean startup principals
- ✓ Coordinate a set of key events which enhance collaboration + collision
- ✓ Co-located with high-profile companies
- ✓ Located in or near a central business district

Gold Coast Innovation

Attachment 3.1

GOLD COAST INNOVATION ECOSYSTEM

INNOVATION HUBS

COJIMBO RABBIT AND COCOON STARTUP CLUB
GOLD COAST COWORKING FUTURE CITIES INSTITUTE BEC
TECHSPACE IT FORUM GOLD COAST COSPACES
WAVEBREAK INTERNATIONAL
SILICON LAKES



EVENTS

STARTUP WEEKEND CODERDOJO GARTNER CIO SYMPOSIUM
BARCAMPs DEMO DAY QMI STARTUP WEEKEND
SILICON VALLEY TRADE MISSION 3 MINUTE THESIS BIZSPARK
STARTUP BOOTCAMP GOVHACK
ENTREPRENEURSHIP PROGRAM
DIGITAL ENTERPRISE PROGRAM AUSCERT



INVESTORS & GRANTS

GOLD COAST ANGEL INVESTOR GROUP
VENTURE CAPITAL FUND ENTERPRISE CONNECT
AAAI IPLEDG
AUSINDUSTRY
FOUNDERS FORUM STARTUP CLUB
COMMERCIALISATION AUSTRALIA



RESEARCH TRIANGLE

GRIFFITH UNIVERSITY
BOND UNIVERSITY TAFE
SOUTHERN CROSS UNIVERSITY



MEETUPS

SILICON BEACH GOLD COAST TECHSPACE
GOLD COAST BUSINESS CLUB
YP IT FORUM GOLD COAST
WORDPRESS GOLD COAST



INNOVATION DASHBOARD

ECONOMIC VALUE ADD: \$13 MILLION

START-UPS

54

JOBs

87

APPS

45

The Innovation Dashboard measures the success of the city's innovation activities. The figures provided represents data collected since January 2013 – February 2014

Innovation Ecosystem (detailed)**Attachment 4.1**

Cojimbo – Cojimbo launched in February 2014 and is located on Siganto Drive, Helensvale. The space comes complete with shared resources such as kitchen and bathroom facilities, meeting and relaxation areas, boardroom access for client presentations, unlimited wifi and more.

Cojimbo has a strong focus on attracting clients from the creative and ICT industries and building links with the nearby film studios.

Co Spaces (Southport) – opened in 2012 with 48 desks. After 10 months operating and less than 5 members, Co Spaces decided to rent over 50% of their space to V8 Supercars in order for the business to be sustainable. As of January 2013, Co Spaces will offer 30 desk spaces for co-working, which includes permanent and part-time members.

Their current membership status is:

- Anchor Tenants – established businesses with more than 5 people: 80%
- Permanent Co-working Members: 15%
- Part time Co-working Members 5%

Co Spaces currently has 28 desk spaces that can be offered to co-workers. Permanent space is 90% full and 50% full for part time members. Co Spaces has created 2 jobs since opening.

Founders Forum – Founders Forum is a public angel investor network devoted to educating business executives and assisting early-stage investment opportunities through regular meetings where business issues are discussed and where entrepreneurs present their ventures. Experienced investors and executives invest, sit on boards, make introductions, consult and share their experiences with other angels and business associates.

Investors and mentors are exposed to the latest opportunities and entrepreneurs are exposed to people within the community with the potential to assist with business knowledge and funding.

Future Cities Institute - facilitating interaction between these 'communities-of-practice' and partnering with government, industry and academia to develop Digital Economies using three key themes:

- Innovation and Competitiveness
- Citizen and Business Engagement
- Infrastructure and Operations

The Future Cities Institute has been the key developer behind the Mayor's Innovation Dashboard as well as the City's key partner in delivering the Intelligent Cities Summit in 2012. They have recently set up an office on the Gold Coast and are working closely with universities in progressing the Digital Research Network project.

Attachment 4.1

Gold Coast Coworking (Southport) - the Gold Coast Coworking initiative has been set up as a small-scale hub for Gold Coast IT professionals to work and collaborate. Rather than work from home or coffee shops, come work in a creative and collaborative environment sharing knowledge and experience with a range of friendly individuals including entrepreneurs, designers, programmers and engineers.

IT Forum Gold Coast (Robina) – IT Forum Gold Coast is a not-for-profit organisation established in 1997 and was set up to promote, advocate and provide networking opportunities for the information and communications technology (ICT) industry and IT professionals on the Gold Coast.

The Forum is recognised by Federal, State and Local Governments as the voice of the industry on the Gold Coast. The Forum is currently represented on:

- Queensland Government ICT Industry Workgroup: provides industry advice on Government ICT procurement and industry development issues
- Queensland Government Ministerial Group: providing the local issues and solutions in order to inform policy at the State level
- Board representation on IT Queensland (formerly Software QLD)

The Forum is a membership based organisation providing their members with a wide range of services and opportunities including opportunities to:

- contribute to the growth of the IT industry on the Gold Coast
- network with industry peers, potential clients and employers
- keep abreast of latest developments in technology, legislation and market dynamics
- lobby industry and governments
- develop ICT public policy

Rabbit and Cocoon (Miami) – Rabbit + Cocoon is the Gold Coast's first official creative precinct. As a not-for-profit initiative, they provide spaces and resources for motivated people to run arts practices, innovative businesses and cultural projects.

They also host programs for locals and visitors to enjoy, and we collaborate with other initiatives to stage events that promote cultural development and social inclusion.

Startup Gold Coast (Biggera Waters)

This is aimed at exposing local startups to an action-packed and short-term cycle of pitching at high-net worth investors in the region.

We are talking to some of the richest people on the Gold Coast who have either invested in startups or are astute at completing business deals. They have a combined wealth of over \$1b and will be looking for investment between \$50k – \$5m for the businesses that have true viability.

Attachment 4.1

Silicon Lakes (Robina) - Silicon Lakes Limited is a not-for-profit, privately funded, startup incubator, based on the Gold Coast in Queensland Australia, and established in late 2012. Their mission is to enhance the local startup ecosystem by educating entrepreneurs, assisting startups and fostering innovation.

Silicon Lakes' model is based other similar start-up incubators such as Runway and RocketSpace in Silicon Valley, StartMate in Sydney as well River City Labs in Brisbane.

Silicon Lakes incubates entrepreneurs, ideas and innovation to produce viable and sustainable businesses and social enterprises.

In the first year of operation, Silicon Lakes has delivered:

- Apps Expo 2012 (November 2012)
- App Comp 2012 (November 2012)
- Incubator launch (March 2013)
- Co-working space open (March 2013)
- GovHack Gold Coast (May 2013)
- Silicon Valley trip (June 2013)
- Startup Weekend Gold Coast (July and November 2013)
- Numerous training courses, workshops, social nights and other events
- Over 450 people have attended Silicon Lakes events
- Well over 100 ideas have been pitched
- Over 30 startups have received mentoring or assistance
- Over \$2 million dollars of direct economic value add (as measured by the City of Gold Coast Innovation Dashboard).

The City's Economic Development branch has worked with Silicon Lakes over the last twelve months and has been a key contributor in identifying gaps and opportunities for us to work to continue to nurture and grow the Gold Coast's startup and entrepreneurial community in partnership with key stakeholders.

TechSpace (Robina) – Gold Coast TechSpace exists to promote technology on the Gold Coast by providing a physical location where people can get together to work collaboratively towards tech-based solutions.

They have four areas of operation: hackage, education, pre-incubator, and co-working.

TechSpace designs and delivers various educational learning sessions and workshops with a particular focus for children during school holiday periods.

As a pre-incubator, they assist their members and others who wish to commercialise their technology, gain employment or link to other innovation hubs on the Gold Coast.

Wavebreak International– Wavebreak International supports the growth of knowledge-based start-up companies looking to take on the challenges of significant business growth, often by mastering those critical next steps in preparation for scaling the business including securing necessary levels of funding. Their current members were members of the Gold Coast Innovation Centre.

Attachment 4.1

Wavebreak International provides early-stage, high-growth ICT technology-based companies with the resources necessary to support them during challenging phases of business development. In addition, they also provide resources, mentoring and leverage their networks to assist its members in applying the right business acumen through its journey towards business success.

UNIVERSITIES

Bond University (Varsity) – As Australia's first private University, Bond University seeks to be recognised internationally as a leading independent university, imbued with a spirit to innovate, a commitment to influence and a dedication to inspire tomorrow's professionals who share a personalised and transformational student experience.

Bond University has announced the Gold Coast's the implementation of the Gold Coast's first student accelerator (January – March 2014), funded in partnership with Google. The startup incubation program supports entrepreneurs launching new startup ventures over the 3 month incubation period. The incubation program utilises lean-startup methodologies and global best practices. Startups receive \$5,000, access to workshops and mentors plus onsite coworking space.

Further rounds of this program will be based on the success of this pilot program, with the potential for it to be launched to a wider audience. City of Gold Coast will continue to work with Bond University to ensure this is a successful program and look at avenues for future growth.

Griffith Enterprise (Southport) – Griffith Enterprise is the commercialisation and technology transfer office of Griffith University.

Griffith Enterprise assists Griffith University to be one of the most influential universities of Australia and the Asia-Pacific region by matching the approaches to commercialisation with the nature of the market opportunities and the underlying intellectual assets.

Through Consultancy and Commercial Research engagements, businesses utilise the University's specialist expertise and research capabilities.

Southern Cross University (Coolangatta) – As part of their business degrees, Southern Cross University offers units based on innovation and entrepreneurialism by introducing students to the concepts of entrepreneurship, the new venture creation process, and the entrepreneurial environment.

SCU comprises of a Division of Research which assists in commercialising research and building skills of students.

Gold Coast Bulletin Article 'Coast ideal as an IT Hub'
Saturday 22 February 2014

Attachment 5.1

GOLDCOASTBULLETIN.COM.AU SATURDAY FEBRUARY 22 2014 2018 COMMONWEALTH GAMES HOST CITY

'Coast ideal as an IT hub'

MARTIN RASINI

THE Gold Coast has the climate and lifestyle attributes to become Australia's Silicon Valley and the State Government and Gold Coast City Council should work together to make it happen.

That is the view of economist Mark Bouris, founder of wealth management firm Yellow Brick Road, who yesterday told the *Gold Coast Bulletin* the city could not continue to rely on recreation and travel.

"The Gold Coast needs infrastructure," said Mr Bouris who visited the city to address a Chamber of Commerce lunch.

"It must do something to grow aggregate demand and it has all the right attributes for an information technology hub.

"The world's fastest-growing businesses are ecommerce and machine-to-machine communication and the Gold Coast's land prices make the city a great location for development of an IT hub.

"Also, cloud computing, which is off-site storage of information, is expanding swiftly, bringing with it the need to store vast amounts of data.

"Where is a good location



Mark Bouris of Yellow Brick Road Wealth Management speaks about the Coast's business opportunities.

for property to store this information?

"Australia is a great place for it and the Gold Coast in particular.

"The city offers climate and lifestyle choices which is a hugely attractive factor and, with the right input from government and council, I feel confident it could become Australia's Silicon Valley."

Mr Bouris has more than a

passing interest in IT. He is a shareholder in TZ Ltd, a company that builds remote-access systems to open data-storage facilities, whose clients include Deutsche Bank, Microsoft and Cisco.

"At the moment, we do much of our work in Sydney but, if someone said they were providing the infrastructure on the Gold Coast, we would come in a heartbeat," he said.

Mr Bouris said economic development was all about attracting talent to infrastructure.

"Australia is crying out for a Silicon Valley and the Gold Coast is well-placed to deliver it," he said.

"Machine-to-machine technology, or inter-machine communication, is now the fastest-growing business.

"Someone has to build that

technology and the Gold Coast is where people want to be.

"The lifestyle is amazing with the right infrastructure the city would attract huge talent.

"Developing the Gold Coast as an IT hub is something the Queensland Government should look at.

"If I were to be involved, I would welcome the opportunity."

ITEM 2
PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM
PD330/99/30(P1)

Refer 4 page attachment

1 BASIS FOR CONFIDENTIALITY

Not Applicable.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

The purpose of this report is to seek endorsement to enter into a Memorandum of Understanding with Griffith Institute of Tourism and Gold Coast Tourism for a collaborative research program.

4 PREVIOUS RESOLUTIONS

Not Applicable.

5 DISCUSSION**5.1 Background**

In March 2014, Council was presented with a draft Destination Tourism Management Plan (DTMP). The DTMP is a partnership approach between the City, State and the tourism industry (as represented by GCT) to ensure the sustainable success of the tourism industry and aggressively capitalise on key opportunities to position the Gold Coast as a world-class tourism destination.

A key action in the DTMP is to establish an ongoing collaborative research program in order to best deliver the actions with evidence based data. Discussions between Council, the newly created Griffith Institute of Tourism (GIFT) and Gold Coast Tourism (GCT) have presented an opportunity to share knowledge and partner on research objectives. In order to progress these objectives, a Memorandum of Understanding (MoU) is required by the parties (attachment 1).

The City is also working closely with GIFT on the First East-West Dialogue on Tourism, high level bilateral discussions between Australia and China regarding tourism which will be on the Gold Coast in November this year.

5.2 Griffith Institute of Tourism

Griffith University has recently opened the Griffith Institute of Tourism (GIFT). GIFT's mission is to undertake and disseminate world leading research in tourism.

The Institute will develop and foster international collaborations and provide support to members to achieve research excellence and sustainability. Through its strategic partnerships, GIFT's structure and research programs are designed to ensure high industry and policy relevance. Following the triple bottom line concept, the key areas of impact of research undertaken at GIFT reflect economic, social and environmental dimensions:

ITEM 2 (CONTINUED)**PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM PD330/99/30(P1)**

- Business, Destination and Organisational Viability (Economy)
- Health, Quality Experience, and Well-being (Individuals)
- Environmental Resilience and Nature Conservation (Environment)

Members of GIFT are represented on over 25 editorial boards of international journals related to tourism and the service industries².

5.3 Research Partnership

Initial discussions between the parties suggest that there is a gap in a central analysis of tourism trends and data specific to the Gold Coast. The City, GCT and GIFT along with other stakeholders report performance against Tourism Research Australia's (TRA) quarterly released International Visitor Survey (IVS) and National Visitor Survey (NVS) results however not necessarily circulating insights and intelligence in a collaborative manner. The purpose of a joint research program is to build a robust and informative scope of research to inform future decision making on the Gold Coast.

The production of a bi-yearly report has been suggested as one initiative of the partnership. The report will provide the following:

- an analysis of the current data
- assessment of future trends
- qualitative commentary on industry performance.

The report will provide the industry, Government and potential investors evidence based findings and a clearer understanding of the opportunities and trends affecting tourism on the Gold Coast.

Once a partnership between the parties has been established future research opportunities can be investigated in order to:

- inform the City's future investment into product development and infrastructure based on future visitor market trends
- understand current and future visitor expectations in terms of service, product, experiences and promotion
- ongoing tracking of visitor satisfaction and benchmarking the destination's performance

As part of the partnership, the City may also refer to GIFT, in the first instance, any projects or particular research programs considered to be within GIFT's ability to undertake. Projects that might otherwise be put out as a quote/tender may be awarded to GIFT under this arrangement.

² Griffith Institute of Tourism website

ITEM 2 (CONTINUED)**PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM PD330/99/30(P1)**

5.4 Tourism Think Tank

In order to critique the analysis and identify trends, the parties will establish a Tourism Think Tank (TTT) that meets on a quarterly basis. It is envisaged that the initial core membership of the TTT will comprise of:

City of Gold Coast Representatives:

- Manager, Economic Development
- Principal Strategic Project Officer, Tourism
- Economic Development Research Officer

Gold Coast Tourism Representatives

- Director-Communications and Marketing Services

GIFT Representatives

- Director
- Two Researchers/Professors

It is anticipated that industry stakeholders will be invited to attend and discuss issues or opportunities as they arise.

5.5 First East-West Dialogue on Tourism and the Chinese Dream

GIFT and the Griffith Tourism Confucius Institute are hosting the First East-West Dialogue on Tourism and the Chinese Dream on the Gold Coast in November 2014, in the lead-up to the G20 Leaders Summit in Brisbane. The high-level, bilateral discussions will bring together more than 100 representatives of Australian and Chinese government, education and research institutions, and the tourism industry. The East-West Dialogue will discuss how tourism can engage with the China Dream to the economic benefit of both China and Australia. EDMP are currently working with GIFT for the City to have a presence at this important conference.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

The development of the Gold Coast Destination Tourism Management Plan is identified as a key activity in the Economic Development Strategy 2013-23 and a key program of work in the Draft Corporate Plan:

Section Two - Prosperity built on a strong diverse economy

- 2.5 we are a globally recognised tourism destination
our city attracts visitors from all over the world

ITEM 2 (CONTINUED)**PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM PD330/99/30(P1)**

Key Programs of Work:

- Develop and implement a citywide Destination Management Plan.
- Encourage the establishment of the Gold Coast as the world's surf capital.
- Work with Gold Coast Tourism to promote the city as a world class tourism destination through a range of marketing programs and activities

Raising the city's global profile as an education, knowledge and research destination is also a key activity in the EDS.

7 FUNDING AND RESOURCING REQUIREMENTS**Budget/Funding Considerations**

No funding has been allocated to the development of the MoU, however a fee for service for the development of the research reports and projects will be required.

Human Resources

Current activities in relation to managing the partnership is undertaken internally within Council's Economic Development branch

8 RISK MANAGEMENT

This activity supports the mitigation of the following corporate risk:

CO000496- Failure to use evidence based information to prioritise projects and allocate sufficient resources leading to sub optimal outcomes for the City.

9 STATUTORY MATTERS

Not Applicable.

10 COUNCIL POLICIES

Not Applicable.

11 DELEGATIONS

Not Applicable.

ITEM 2 (CONTINUED)**PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM PD330/99/30(P1)****12 COORDINATION & CONSULTATION**

The following people have been consulted in relation to the project:

Name and Title of the Stakeholder Consulted	Directorate or Organisation	Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No)
Darren Scott, Director, Economic Development and Major Projects	EDMP	Yes
Toni Brownie, Manager Economic Development	Economic Development	Yes
Susanne Becken, Director	Griffith Institute of Tourism	Partner in the development of the MoU
Ben Pole, Director-Communications and Marketing Services	Gold Coast Tourism	Partner in the development of the MoU

13 STAKEHOLDER IMPACTS

It is the intention of the MoU to develop a collaborative research program to ensure the sustainability of the tourism industry.

14 TIMING

The MoU will be reviewed on an annual basis

15 CONCLUSION

A key action out of the DTMP is to establish a collaborative ongoing research program. The launch of GIFT has provided an opportunity for the City, GCT and GIFT to share knowledge and establish a partnership to establish a robust evidence based research agenda to inform future investment and opportunities for the city.

16 RECOMMENDATION

It is recommended that Council resolves as follows:

- 1 That Council endorses the intended partnership between GIFT, GCT and Council outlined in the report and authorises the Chief Executive Officer to execute the relevant agreements in line with the terms presented in the report, under delegated authority.

ITEM 2 (CONTINUED)

**PARTNERSHIP WITH GRIFFITH INSTITUTE OF TOURISM AND GOLD COAST TOURISM
PD330/99/30(P1)**

- 2 That a further report will be presented to Council with the publication of the first bi-yearly report expected in October 2014.

Author:

Frances Cream

Principal Strategic Project Officer (Tourism)

6 March 2014

TRACKS REF: 43506645

Authorised by:

Darren Scott

Director Economic Development & Major
Projects

COMMITTEE RECOMMENDATION ED14.0320.002

moved Cr Gilmore

seconded Cr Gates

- 1 That Council endorses the intended partnership between GIFT, GCT and Council outlined in the report and authorises the Chief Executive Officer to execute the relevant agreements in line with the terms presented in the report, under delegated authority.
- 2 That a further report will be presented to Council with the publication of the first bi-yearly report expected in October 2014.

CARRIED

Draft Memorandum of Understanding, Council, GCT and GIFT

ATTACHMENT 1.2

**Memorandum of Understanding
between
Council of City of Gold Coast
and
Gold Coast Tourism
ABN: (please insert)**

**And
Griffith Institute of Tourism
ABN: (please insert)**

**Parties: Council of City Council (Council)
Gold Coast Tourism (GCT)
Griffith Institute of Tourism (GIFT)**

1.0 Preamble

1.1 Respective Roles:

City of Gold Coast:

Council is the second largest local authority in Australia, representing the Gold Coast population estimated at 530,000 and employing approximately 3,200 people. Council's Economic Development Branch works to broaden the economic base of the city through investment attraction strategies and industry development initiatives, undertaken in collaboration with our community, the private and public sectors. A key focus is to raise the profile of the Gold Coast as a world-class tourist destination through product and infrastructure development, investment attraction and events.

Gold Coast Tourism:

GCT to add

Griffith Institute of Tourism:

Griffith to add

2.0 Purpose of Memorandum of Understanding

The parties recognises the mutual benefits that would flow from a knowledge sharing partnership. This Memorandum of understanding (MoU) aims to recognise and build on the collaborative relationship between the parties to achieve mutually beneficial outcomes.

Draft Memorandum of Understanding, Council, GCT and GIFT

ATTACHMENT 1.2

3.0 Objectives

3.1 Broad objectives

In line with the Gold Coast Destination Tourism Management Plan (DTMP), this MoU has the broad objective of establishing an ongoing collaborative research program to build a robust and informative scope of research to inform future decision making in relation to the Gold Coast tourism industry.

3.2 Specific Objectives

Once a partnership between the parties has been established future research opportunities can be investigated in order to:

- produce consistent universally adopted set of industry data
- inform the City's future investment into product development and infrastructure based on future visitor market trends
- understand current and future visitor expectations in terms of service, product, experiences and promotion
- ongoing tracking of visitor satisfaction and benchmarking the destination's performance
- raise the profile of GIFT as a world leader in tourism research
- provide private investors sound analysis of tourism opportunities

The City may also refer to GIFT, in the first instance, any projects or particular research programs considered to be within GIFT's ability to undertake. Projects that might otherwise be put out as a quote/tender may be awarded to GIFT under this arrangement.

4.0 Terms of Agreement

The Parties agree to work in cooperation to support and deliver agreed outcomes on identified projects. This will be achieved through the objectives of this MoU.

4.1 Administration

This agreement will be administered through a Tourism Think Tank which will meet quarterly, with the view to developing, maintaining and enhancing a program of collaboration.

It is envisaged that membership of the committee will comprise:

City of Gold Coast Representatives:

- Manager, Economic Development
- Principal Strategic Project Officer, Tourism
- Economic Development Research Officer

Gold Coast Tourism Representatives

Draft Memorandum of Understanding, Council, GCT and GIFT

ATTACHMENT 1.2

- Director-Communications and Marketing Services

GIFT Representatives

- Director
- Two Researchers/Professors

It is agreed that the purpose of the Tourism Think Tank is to facilitate discussion of issues of mutual interest, tourism trends and market conditions, exchange information, initiate and monitor agreed projects, and provide a forum to discuss areas of future collaboration. The format of quarterly meetings will include, but not be limited to:

- discussion of strategic issues of mutual interest
- presentation and interpretation of visitation data, micro and macro trends
- review of progress reports on each agreed project to ensure desired outcomes are achieved
- initiate new projects and review new project plans
- annual review of validity and currency of this MoU

4.2 Protocols

The parties agree to develop a relationship based on an equal partnership of mutual respect and understanding.

The parties agree to establish and support a joint process to achieve mutually agreed objectives as outlined in this MoU.

The relationship seeks to make the most effective use of resources available through the sharing or exchange of personnel, expertise and knowledge, while respecting confidentiality as required.

The parties agree to accept shared responsibility for the achievement of outcomes and for negotiating and developing communication processes that enhance the delivery of projects. These processes may involve communication with other universities, government and non-government agencies where appropriate.

The terms of specific areas of collaboration shall be further considered and agreed upon in writing by the parties prior to the initiation of any particular project.

Any specific project will be subject to mutual consent, availability of funds and approval of both parties. Unless agreed otherwise, each party will bear the costs of their participation in the joint development projects according to agreed project plans.

The parties will co-operatively work together and consider, review and approve any public statements in relation to the MoU.

The parties agree that this MoU is not legally binding.

This MoU will be effective following its signing by both parties and will remain in effect until terminated by either party giving the other party three months notice in writing.

Draft Memorandum of Understanding, Council, GCT and GIFT

ATTACHMENT 1.2

SIGNED FOR AND ON BEHALF OF
Gold Coast City Council

.....
(Signed) Mr Dale Dickson
Chief Executive Officer

Date:

SIGNED FOR AND ON BEHALF OF

.....
(

Date:

ITEM 3
MIDDLE EAST UPDATE REPORT
PD330/292/16/01(P1)

ECONOMIC DEVELOPMENT BRANCH

Refer 26 page confidential attachment

1 BASIS FOR CONFIDENTIALITY

- 1.1 I recommend that the attachments be deemed a confidential document and be treated as such in accordance with sections 171 (3) and 200 (5) of the Local Government Act 2009 and that the document remain confidential unless Council decides otherwise by resolution.

2 EXECUTIVE SUMMARY

Not Applicable.

3 PURPOSE OF REPORT

The purpose of this report is to provide an update on the Middle East market, the October 2013 Mayoral Mission to the United Arab Emirates and Qatar, subsequent follow-up mission by senior Council Officers from Economic Development and Office of The Mayor and the Arab Health Trade and Investment Attraction Mission 2014.

4 PREVIOUS RESOLUTIONS

Council at its meeting of 3 December 2013 resolved in part G13.1203.004:

- 1 *That Council approves the development of Memoranda of Understanding/ Sister City partnership with the Qatar Government.*

Council at it's meeting of 6 August 2013 resolved in part G13.0806.028.

- 1 *That Council endorses the ten year International Plan for City of Gold Coast with the following additions:-*
- a amend the table on page 22 of the report to include the New Zealand Market with export capabilities of tourism and education and to add export capability of food to the Russia market;*
 - b include an explanation of the tiered market approach within the Plan.*
- 2 *That Council endorses the International Trade and Investment Program including the activities outlined in the 2013-14 International Trade and Investment Summary.*
- 3 *That any Councillor wanting to participate in outbound missions express their interest to the Mayor.*
- 4 *That Council authorises the CEO in consultation with the Mayor, to amend the program, including deletion of activities and approving officer travel, within the overall ceiling of the Economic Development Cost Centre 1003882 for 2013-14, as priorities change throughout the financial year.*
- 5 *That Council notes the aspirational target of ten businesses attending Tier 1 or Tier 2 trade missions led by Council as a pre condition of officer attendance.*
- 6 *That total funding for international plan for 2013-14 as presented on page 42 of the report for outbound missions is \$220,000.*

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
PD330/292/16/01(P1)

Council at it's meeting of 17 October 2013 resolved in part G13.0806.028.

- 1 *That Council endorses the City of Gold Coast Economic Development Strategy 2023, subject to the amendments as discussed at Committee (replacement page 29 of 32 to be issued).*
- 2 *That Council endorses the City of Gold Coast Economic Development Strategy 2023 Implementation Plan.*
- 3 *That Council endorses the undertaking of a bi annual citywide business survey at a cost of up to \$40,000 from current economic development operational budget ED5600, cost centre 1003244.*

Council at it's meeting of 3 September 2013 resolved in part G13.0903.018

- 1 *That Council approves and adopts the International Relations and Engagement Policy with the following amendment to:-*
 - a *Attachment A paragraph 1 which is to read "any proposal from the City administration to develop...."*
- 2 *That Council approves the establishment of an internal Mayoral International Relations Working Group as outlined in the Terms of Reference in attachment three (3)*
- 3 *That Cr Gilmore and Cr McDonald be included as members of the internal Mayoral International Relations Working Group.*

5 DISCUSSION

5.1 Background

The Gold Coast has a long standing relationship with the Middle East through a sister city agreement with the Municipality of Dubai established in March 2001. Based on economic principles, the civic relationship has strengthened with several years of engagement though the tourism industry and Council driven international trade initiatives.

Our favourable climate and proactive tourism industry has boosted the Gold Coast to the preferred holiday destination for Middle Eastern visitors to Australia. In addition to tourism, export opportunities exist in education / vocational training, high performance sport and recreation, food, health products and services, construction and infrastructure projects, manufacturing, green building, water technologies and other professional services.

Over the last decade, Council has facilitated several trade missions to the region including seven to the Arab Health Trade Fair (Dubai), seven to Gulfood Expo (Dubai) and five to the Dubai Boat Show.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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In the last five years, according to post mission survey data supplied to Council, Gold Coast exporters who participated in Council led missions to the Middle East reported export sales of \$1.6 million in food or food service products and \$3.2 million in health products or services. Between 2002 and 2007, \$7.3 million in marine export sales was reported. Due to moderate responses to surveys, it should be noted that Council's data is indicative and represents only a small portion of the estimated total attributed sales.

Ongoing attendance at trade fairs will continue to produce excellent export outcomes for the city and provide an effective vehicle for new and emerging exporters to venture into new markets.

However, to achieve the ambitious targets identified in the City's International Plan, a long term commitment, founded on the highest level of connections and a strategic approach to the market, is required. The emergence of the Middle East as an affluent sport nation and synergies with Qatar's hosting of the 2022 FIFA World Cup present significant opportunities across sport, education and knowledge exchange. Realising these opportunities requires a sophisticated level of engagement accessed and initiated through civic ties.

5.2 Middle East Trade and Investment Overview

The Middle East continues to experience strong population growth and increasing demand for imported goods and services. Over half of the total population in the UAE, Qatar and Saudi Arabia is under thirty years of age creating opportunities across key Gold Coast industry sectors including tourism, education, food, health, construction, green building and technology, sports and recreation and other professional services.

In the area of high performance sport, opportunities exist with Gulf countries such as Qatar and the UAE. There are proposed knowledge exchange activities such as shadowing the 2018 Commonwealth Games and technology pilot programs proposed between Qatar and the Gold Coast. Efforts in the Middle East will be intensified to attract high performance sports training to the city leveraging the improved facilities built for the 2018 Commonwealth Games and beyond.

Gold Coast's status as host city for the 2018 Commonwealth Games also creates opportunities for our city's education providers through collaborative development of qualifications. Addressing the skills and experience required to deliver the 2018 Commonwealth Games through tailored curriculum will appeal to the authorities in Qatar who will host the 2022 FIFA World Cup as well as other major sporting events in the region.

According to the annual report of Foreign Land Ownership of Land Register Act, value of acquisitions during 2012-2013, 99.5% of all investment by UAE residents in Queensland is on the Gold Coast. The UAE is also reported to be the Gold Coast's second largest source market for foreign investment in land in terms of value.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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It should be noted that the attractiveness of the Gold Coast as an investment opportunity (and Australia in general) is challenged by the taxation structure vs. that of the UAE and other overseas investment seeking markets, therefore City of Gold Coast must focus on value add propositions wherever possible.

Additional Middle East market information can be found in **Attachment 1**.

5.3 Middle East In Market Activities 2013-14

As part of the delivery of the City of Gold Coast's International Plan, several in market activities have been undertaken or planned to occur in 2013-14 including:

- 1 Mayoral mission to the Middle East – October 2013
- 2 Arab Health trade mission – January 2014
- 3 Strategic partnership program development mission – February 2014
- 4 Mayoral mission to the Middle East – March 2014
- 5 In-bound Middle East delegation – May 2014

The purpose of the Mayor led mission in October 2013 was to build greater international ties between the Gold Coast and Dubai, Abu Dhabi and Qatar. The mission reinforced the strong international bridges of cooperation established with in market government agencies and key businesses to bring about further export and investment opportunities for the city. The extensive work of the city over the past decade has resulted in strong relationships between the City of Gold Coast and Dubai, particularly in the areas of information exchange, education and tourism and in export related activities, especially in the industry sectors of health and food.

The Mayor's visit included discussions regarding strengthening the existing relationship with our Sister City in Dubai and discussions to further extend our relationships into new markets in Qatar. The latter including the signing of a Letter of Intent with the Qatar Tourism Authority and invitations to work on the development of a number of Memorandums of Understanding with key Qatar departments and agencies.

Council approved the development of Memoranda of Understanding / Sister City partnerships with the Qatar Government on 3 December 2013 (G13.1203.004).

An ongoing engagement and strategic Middle East Implementation Plan (refer to **Attachment 2**) has been established by the Economic Development branch and the Office of the Mayor to develop meaningful and long-lasting relationships between these key international contacts and the City of Gold Coast.

Representatives from the City of Gold Coast (Executive Coordinator Economic Development and Principal Advocacy Officer) returned to the Middle East from 24 February – 1 March 2014 to:

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
PD330/292/16/01(P1)

- 1 further develop a pro-active, commercially focused Sister City program with Dubai to achieve mutual economic and cultural benefits
- 2 negotiate the development of new partnerships through a series of memorandums of understanding with a number of key government departments and agencies with Doha, Qatar
- 3 continue to develop and maintain effective relationships with international stakeholders to expand opportunities for mutual trade, economic and cultural development activities
- 4 promote the city as a preferred location for investment and relocation
- 5 promote the city as a desirable place to visit, invest and study

Key activities also progressed during the mission included progress of the following outcomes:

- 1 investment attraction prospects for Gold Coast infrastructure including meetings with priority precinct land owners i.e. Southport CBD
- 2 business to business trade and supply chain opportunities
- 3 identification of ICT and R & D collaboration and potential commercialisation opportunities
- 4 strengthening of international education markets and development of accredited and non-accredited programs of study linking Gold Coast based study and work placements in areas including hospitality and sport and event management
- 5 further growth in high performance training camp attraction, especially linked to key events i.e. Asia Cup 2015
- 6 implementation of inbound delegation program to drive trade related and tourism visitation outcomes
- 7 development of knowledge sharing and community exchange programs
- 8 leveraging of social and cultural development programs and initiatives
- 9 aviation connectivity between the Gold Coast and Middle East

Meetings were held during the February mission in Dubai and Doha, Qatar with a range of partners and agencies to progress these strategic outcomes and draft Memorandum of Understandings with key partners (refer to **Attachment 3**).

An overview of the February 2014 meeting program can be found in **Attachment 4**.

The Mayor will return to market in March 2014 to formally sign the agreed Memorandum of Understanding with the key agencies including:

- Qatar Department of Foreign Affairs
- The Supreme Committee for Delivery & Legacy Doha 2022
- The Qatar Olympic Committee

The key activities to implement and deliver the intended outcomes will then continue to be progressed by City of Gold Coast with city and industry partners and in market facilitation.

ITEM 3 (CONTINUED)
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5.4 Arab Health Trade and Investment Mission to the United Arab Emirates 2014

The 2014 Arab Health Trade and Investment Mission to the Middle East was a planned outbound initiative of the 2013 - 2014 International Trade and Investment Program.

The 2014 Arab Health Expo attracted more than 85,000 visitors and was represented by 153 countries. The expo is renowned as a global event attracting more than 3900 exhibitors from 64 countries including 38 country pavilions. Arab Health Expo was attended by nine Gold Coast companies.

Gold Coast companies have reported substantial sales and leads directly associated with their participation in Arab Health 2014. Within one month of attending the expo, companies have reported more than 650 genuine leads, a combined confirmed order total of more than \$625,000 with one company in the process of finalising \$9,000,000 of new sales across six regions. This company reports that they generated enough new business to recruit three new full time staff to meet demand. Those companies who have attended Arab Health in previous years commented that 2014 has been the highest quality and quantity that they recall, and are highly motivated to commit resources to service their export markets of the Middle East and beyond.

Feedback from attending Gold Coast companies can be found in **Attachment 5**.

Investment attraction leads were also generated at Arab Health 2014 by other Australian based health related companies who saw value in the City of Gold Coast International Trade and Investment Program. Follow up work is being conducted by Council Officers to further qualify and attract investment attraction candidates.

Future trade and investment missions will consist of a focused recruitment program whereby a list of candidate companies are pre-qualified and delivered a tailored case study to support their Asia Pacific (Gold Coast) expansion. In the case of Arab Health, the attraction of candidate companies to support city building priorities including Southport CBD, Gold Coast Health and Knowledge Precinct and other priority development areas will be targeted.

In addition to assisting Gold Coast health related companies with accessing international markets through the 2014 Arab Health Expo, Global Connection's Council Officer engaged in a wider, cross sector meeting program assisted by Federal (Austrade) and State (Trade Invest Queensland) entities and the City's in market resource. The wider meeting program included education, tourism infrastructure, significant/ business investors meetings and high performance sports investment attraction.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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City of Gold Coast's in market resource facilitated meetings with the Dubai Municipality to discuss a proposed collaboration between Gold Coast tourism suppliers and Dubai tourism infrastructure proponents. City of Gold Coast's in market resource also facilitated meetings with key UAE National Football (Soccer) decision makers to identify requirements in the lead up to Australia's hosting of the 2015 Asia Cup. The UAE National Football team's head coach was presented with a proposal to base the team and associated support personnel on the Gold Coast for training camps and for the duration of the tournament (depending on the draw for match venues).

5.5 Next Steps for the Middle East

To continue to realise opportunities identified, a number of activities are proposed including the continued support for Gold Coast businesses who want to access the market through outbound and inbound trade and investment programs and the engagement of a dedicated in-market resource.

Surveys of Gold Coast businesses that participate in Council facilitated activities (examples: 2014 Arab Health Expo and targeted inbound core market sector visits) will be conducted to monitor City of Gold Coast's return on investment.

MoU's will be finalised with mutually beneficial outcomes as outlined in attached drafts (refer to **Attachment 3**) with an economic emphasis on education, tourism, sport and business opportunities alongside collaborative community and social partnerships. The execution and delivery of the MoU's are under the collective guidance of senior officers from Economic Development and the Office of the Mayor in consultation with relevant Middle East stakeholders.

To progress the Letter of Intent with Qatar Tourism Authority, ongoing discussions are required to facilitate an inbound business delegation visit to the Gold Coast scheduled for April - May 2014 (TBC) which will focus on Gold Coast business expertise in the areas of tourism ticketing, tourism product development and servicing, event management and other supplier export/partnership opportunities.

By way of invitation of the Crown Prince of Dubai, Mayor Tate will return to the Middle East in March 2014 to participate in a series of high level meetings. Meetings will be attended by Mayor Tate and a Senior Council Officer to finalise arrangements (signings) for the MOUs and other significant agreements including an official, formal invitation to the Crown Prince of Dubai to consolidate the Mayor Tate's verbal offer to visit in October 2013. Mayor Tate may also return to the Middle East as part of the 2014 Glasgow Commonwealth Games mission.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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Through the City's 2014 -2015 International Trade and Investment Program, it is proposed that a series of activities to build depth in this priority market is undertaken. Proposed activities include inbound trade and investment programs, outbound trade and investment missions, and outbound Mayoral missions. Subsequent outbound Senior Officer program development missions (when required) will occur subject to approval of the CEO and Mayor if outside of the approved ITIP. It is also proposed that an in market resource is reviewed and retained based on merit.

A greater emphasis on attracting high quality inbound delegations from our priority markets (Middle East, China and India) will be an ongoing theme in future programs. In addition to ongoing investment attraction, tourism, education, sport, and health sectors, food will be an area of focus of an inbound buyers program in ITIP 2014 – 2015.

A detailed Middle East Implementation Plan can be found in **Attachment 2**.

6 ALIGNMENT TO BOLD FUTURE VISION, CORPORATE PLAN, OPERATIONAL PLAN

Key Focus Area 5 - A city with a thriving economy

- 5.1 The economy is built on a diversified knowledge and strong export-base
- 5.2 Our infrastructure supports globally competitive business development and growth

7 FUNDING AND RESOURCING REQUIREMENTS

Budget/Funding Considerations

The Middle East component of the International Plan is funded from the approved Global Connections budget, responsibility centre ED5600, Cost Centre 1003882 (\$526,000). A budget of \$300,000 has been allocated to the International Trade and Investment Program (ITIP), from this cost centre, and covers outbound missions, inbound delegations, the domestic road show across all priority markets.

Expenses for the 2013 Mayoral Middle East Mission occurred within the \$35,000 allocated within the ITIP program budget. An amount of \$25,000 was allocated from the ITIP budget to cover the costs associated with the trade and investment mission (Arab Health) in January 2014. Expenses for the February 2014 outbound mission led by senior officers from Economic Development and Office of the Mayor to progress MoU's, Lol and other initiatives were funded by budget remaining in the current 2013-2014 ITIP program due to the cancellation of previously planned missions to India, Sport Accord (Turkey) and China. Actual costs are yet to be finalised.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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An in market resource was engaged at a cost of \$146,750 which was funded by unspent 2012 – 2013 funds that have been re-provided to responsibility centre ED5600, Cost Centre 1003882 in line with the Council adopted International Plan. The re-provision was based on postponed 2012 - 2013 ITIP activities and therefore redeployed to support the ongoing delivery of the International Plan.

Inbound activities proposed for the Middle East will be funded from the \$50,000 approved in the ITIP budget. This is likely to include hosting of Qatar Tourism Authority delegates in April - May 2014 (TBC) who are seeking business partners to build tourism services / capacity in Qatar.

Human Resources

Activities outlined in the report will be undertaken by officers within the Economic Development Branch, Office of the Mayor and an in-market resource where required.

8 RISK MANAGEMENT

Risk Number CO000427 – Failure to diversify the economy leading to an over reliance on the construction and tourism sectors to generate economic growth and prosperity.

9 STATUTORY MATTERS

Not Applicable.

10 COUNCIL POLICIES

International Relations and Engagement Policy 2013
 Corporate Travel and Accommodation Policy 2013

11 DELEGATIONS

Not Applicable.

12 COORDINATION & CONSULTATION

The following stakeholders have been involved and have participated in the content and recommendations as they relate to them.

Name and/or Title of the Stakeholder Consulted	Directorate or Organisation	Is the Stakeholder Satisfied With Content of Report and Recommendations (Yes/No) (comment as appropriate)
Darren Scott - Director	Economic Development and Major Projects	Yes

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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Toni Brownie - Manager	Economic Development	Yes
Di Dixon - Executive Coordinator	Economic Development	Yes
Annie Norton – Knight - Senior Advocacy Officer	Office of the Mayor	Yes
Ross Giudice – Executive Management Officer	Office of the CEO	Consulted in relation to this report
Donna Massie – Trade and Investment Commissioner, Middle East	Trade Invest Queensland	Consulted in relation to this report

Ongoing consultation with these (and other) groups and Council's Economic Development Branch as well as Office of the Mayor will continue as part of the execution of the International Plan, International Trade and Investment Program and associated international activities in international markets.

13 STAKEHOLDER IMPACTS

A number of key internal and external stakeholders will benefit from the proposed appointment of an in market resource including:

- 1 City of Gold Coast
- 2 Trade Invest Queensland
- 3 Austrade
- 4 Trade Consulates
- 5 International and Domestic Chambers of Commerce
- 6 International Trade Organisations
- 7 Domestic and International businesses
- 8 Regional, State and Federal Tourism Authorities
- 9 Gold Coast Airport
- 10 Other Gold Coast Businesses
- 11 Qatar Department of Foreign Affairs
- 12 Supreme Committee for Delivery & Legacy (Doha 2022)
- 13 Qatar Olympic Committee
- 14 Qatar Tourism Authority
- 15 Qatar Foundation
- 16 Dubai Municipality
- 17 Dubai Women Establishment (Government of Dubai)
- 18 Department of Tourism and Commerce

14 TIMING

To ensure current momentum is maintained, ongoing focus on the Middle East market should occur. Activities will include targeted outbound trade and investment missions, City of Gold Coast hosted inbound business missions and engagement of an in market resource where appropriate.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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15 CONCLUSION

There is a need to facilitate the development of the City's commercial capacity, positioning the Gold Coast as an emerging trade and investment partner for the Middle East and beyond. This will address the strategic objectives and outcomes within the City of Gold Coast's Economic Development Strategy 2023 and International Plan which identifies the Middle East as a priority market.

Continuity in further developing relationships in this complex market is critical. Long term commitment and a strategic approach to the Middle East market is the pathway to achieving significant and mutually beneficial trade and investment outcomes for Gold Coast and Middle East stakeholders.

The 2013 Mayoral Mission to the Middle East signals a new level of sophistication and has raised expectations of City of Gold Coast capability. The October 2013 mission has been described as the most successful mission to date and is being heavily supported through collaborative efforts of Economic Development and the Office of the Mayor.

Early outcomes achieved by Gold Coast companies who attended the recent 2014 Arab Health Expo indicate significant returns on investment, access to complex and lucrative overseas markets and ultimately more jobs for the Gold Coast.

The suite of opportunities and outcomes arising from more than a decade of civic and commercial commitment to the Middle East and boosted by leveraging the Mayor's profile in market confirms the strategy of deepening and expanding our City's relationships in the Gulf and should be considered a benchmark for our approach to other priority markets in the future.

16 RECOMMENDATION

It is recommended that Council resolves as follows:

- 1 That the attachments are deemed a confidential document and be treated as such in accordance with sections 250 (2) and 1143 (4) of the Local Government Act and that the document remain confidential unless Council decides otherwise by resolution.
- 2 That Council notes:
 - a the report and update on activities undertaken to support the long term commitment and strategic approach to the Middle East market.
 - b the success of the recent trade and investment missions to the Middle East and the commercial outcomes for Gold Coast companies at Arab Health 2014.

ITEM 3 (CONTINUED)
MIDDLE EAST UPDATE REPORT
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- 3 That Council endorses the content of the three attached draft Memorandum of Understanding and supports the Mayor in signing the agreements in market in March 2014 with the following agencies:

- a Qatar Department of Foreign Affairs
- b The Supreme Committee for Delivery & Legacy Doha 2022
- c The Qatar Olympic Committee

Co-Authors:

Diane Dixon

Executive Coordinator Economic
Development

Jason Thomas

Coordinator Economic Development

Authorised by:

Darren Scott

Director Economic Development and Major Projects

26 February 2014

TRACKS REF: 43454970

Changed Recommendation

COMMITTEE RECOMMENDATION ED14.0320.003

moved Cr Tozer

seconded Cr Gates

- 1 That the attachment be deemed non confidential except for those parts deemed by the Chief Executive Officer to remain confidential in accordance with sections 171 (3) and 200 (5) of the *Local Government Act 2009*.
- 2 That Council notes:
- a the report and update on activities undertaken to support the long term commitment and strategic approach to the Middle East market.
 - b the success of the recent trade and investment missions to the Middle East and the commercial outcomes for Gold Coast companies at Arab Health 2014.
- 3 That Council endorses the content of the three attached draft Memorandum of Understanding and supports the Mayor in signing the agreements in market in March 2014 with the following agencies:
- a Qatar Department of Foreign Affairs
 - b The Supreme Committee for Delivery & Legacy Doha 2022
 - c The Qatar Olympic Committee

CARRIED

ATTACHMENT 1.3**Middle East Baseline and Intel Brief**

1. MIDDLE EAST MARKET SNAPSHOT (UAE, Qatar, Saudi Arabia)

- Population: 35.4m
- Export of Australian Goods/Services to Middle East: \$4,423m
- Middle East Inbound Travel to Australia: \$388m
- Australian investment into UAE & Qatar: \$994m
- Australia's global ranking/percentage as an import source:
UAE: 20 / 1.2%
Qatar: 15 / 1.9%
Saudi: 20 / 1.4%

“Why Middle East?”

- Qatar, UAE, and Kuwait's proportion of million dollar households on average is greater than 10 percent (versus total households).
- Population growth in the Middle East is among the highest in the world, resulting in a young population – over half of the total population is under thirty years old.
- Qatar's GDP per capita is US \$102k – double that of the USA.

The Middle East

The Gold Coast has a long standing affinity with the Middle East through a sister city agreement with the Municipality of Dubai established in March 2001. Based on economic principles the civic relationship has strengthened with several years of engagement through the tourism industry and significant Council driven international trade relations initiatives. From a trade perspective, Council has led several highly successful trade missions to events such as Arab Health and Gulfood.

Our favourable climate and proactive tourism industry has boosted the Gold Coast to the preferred holiday destination for Middle Eastern visitors to Australia. In addition to tourism export, opportunities exist in construction and infrastructure projects, food processing, education / vocational training, marine and automotive manufacturing, sports and recreation, green building, water technologies and other professional services.

In the area of high performance sport, particular opportunities exist with Gulf countries such as Qatar and the UAE. Qatar's hosting of the 2022 World Cup Soccer creates synergies with the City of Gold Coast as the host city of the 2018 Commonwealth Games. There are proposed knowledge exchange activities such as

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may be an offence under the *Local Government Act 2009* and other
legislation and could result in disqualification from office and a
penalty of up to 100 units.

~~CONFIDENTIAL~~

ATTACHMENT 1.3

shadowing the 2018 Commonwealth Games and technology pilot programs proposed between Qatar and the Gold Coast. Efforts in the Middle East will be intensified to attract high performance sports training to the city leveraging the improved facilities built for the 2018 Commonwealth Games and beyond.

The announcement of a new partnership between Emirates Airlines and Qantas will also have a profound effect on the point to point frequency of services between Australia and Dubai as well as the enhanced passenger and freight connectivity between Europe, Asia, Africa, and Australasia.

2. ENVIRONMENTAL SCAN (SWOT)

The Middle East offers significant opportunities for Gold Coast international business development. With a growing affluent consumer market and a high dependence on imported goods, Dubai and the broader United Arab Emirates market presents good prospects for those Gold Coast firms who have the capacity and patience to develop trade connections for their goods and services in this region.

Foreign trade has a very significant role to play in the Middle East and in particular the United Arab Emirates' (UAE) economy, especially in the Emirate of Dubai. Australian exports cover a wide range of products, including traditional commodities and manufactured goods and services. With its overwhelming dependence on imports and high levels of disposable income the region remains a lucrative and expanding market for Australian products.

These conditions, plus limited local agricultural production, offer a potentially valuable market for Australian consumer-ready food products, as well as opportunities in building and construction, education, information technology, food products, marine leisure craft, and telecommunications. (Department of Foreign Affairs and Trade, www.dfat.gov.au <<http://www.dfat.gov.au>>)

UAE in (May 2013) showed signs of emerging once again as one of the leading projects markets in the region. In the first five months of the year, \$13.5bn worth of contracts have been awarded in the federation, making it the second largest market in the GCC after Saudi Arabia.

- In the GCC Powers of Construction 2013 Report from Deloitte (November 2013) reveals that for the first time since the GFC, the UAE in 2013 overtook Saudi Arabia as the biggest construction market in the Middle East

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • High oil/gas prices • Demographic growth • Economic diversification • Political necessity to invest in social infrastructure 	<ul style="list-style-type: none"> • Ongoing impact of GFC • Weaker real estate market • Stalled projects • Downward pattern for market

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<ul style="list-style-type: none"> Market confidence returning Middle East gaining strength as a hub for Europe, Asia and Australasia 	<p>activity 2007-12 saw \$298bn worth of contracts awarded</p> <ul style="list-style-type: none"> No FTA in place High cost to service (freight) to region for exporters
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OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> GC firms bidding for contracts and supplier business due to: <ul style="list-style-type: none"> Resumption of new major projects Increase in civil construction such as Abu Dhabi airport midfield terminal, the Louvre museum, Meeras Dubai Eye, Mohammed Bin Rashid City and Bollywood theme park projects Largely state dominated projects market Growing strength in private sector Project contracts could exceed \$30bn in 2013 possibly as high as \$35mn Infrastructure – airports, roads, ports and rail Onshore search for gas Petrochemicals industry emergence Construction of LNG import hubs Power projects Successful bid for 2020 World Expo 2022 World Cup <p>Source: MEED Insight 2013; DFAT</p>	<ul style="list-style-type: none"> Ongoing debt crisis Ongoing ability to service debts and payments Moderate understanding of business and cultural aspects of the region Growing competition for services from key Gulf airlines from other destinations

3. ACTIVITIES TO DATE – Dubai

YEAR	ACHIEVEMENT/ PROJECT	LEAD DEPARTMENT/ AREA OF FOCUS
2013	Mayor Tom Tate's official visit program to the Middle East to reinvigorate the Sister City relationship and build stronger bridges of cooperation	Office of the Mayor Whole of City
2013	Gold Coast City Council Economic Development Branch led a trade mission to Arab Health with seven companies. <i>Participants include: Arctic Heat, Body Spritz International, DG Biocare, Graham's Natural Alternatives, One Group (Miessence), ProBioSkin.com, Global Medi Products</i>	Economic Development
2012	Gold Coast City Council Economic Development Branch led a trade mission to Gulfood with six companies. <i>Participants include: Willowvale Organics, Morlife Your Inspiration at Home, San Diego Tortilla, Shakra and Topcut</i>	Economic Development
2012	Continued information exchange in areas of waste management and engineering services	Knowledge Exchange CS / ES

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2012	Gold Coast City Council Economic Development Branch led a trade mission to Arab Health with six companies. <i>Participants include: Coral Cay Health; Gold Coast Medical Tourism Association (GCMTA); ProBioSkin.com; Morlife; SkinO2 and Super Sprout</i>	Economic Development
2011 – 2012	Professional Development/Training in Food Safety, Public Services Program Collaboration with GCIT was prepared	Economic Development Community Services
2011	Gold Coast City Council led a trade mission to Gourmet Food Show with five companies. <i>Participants include: Nada Gourmet, Morlife, Willowvale Organics, The Weight Loss Shop, SuperSprout</i>	Economic Development
2011	Gold Coast City Council Economic Development Branch led a trade mission to Arab Health with nine companies. <i>Participants include: Coral Cay Health; Weight Loss Solutions Australia; Cleanspray Holdings (Australia) Pty Ltd; IQ Global Pty Ltd; Jackaroo Oceana Pty Ltd; International Health Investments (IHI) Pty Ltd; Body Spritz International; Emery Industries; and Pro Bio HCMA Pty Ltd</i>	Economic Development
2011	Gold Coast City Council led a trade mission to Gulfood Trade Show with five companies. <i>Participants include: Morelife; Willowvale Organics; Ice Slushee; Top Cut Foods; Shakra Group</i>	Economic Development
2011	Council led a trade mission to the Gourmet and Speciality Food Trade Show	Economic Development
2010	Gold Coast City assisted Dubai Municipality with an information exchange enquiries relating to Waste & Water management.	Knowledge Exchange CS / GCW
2010	Gold Coast City Council Economic Development Branch led a trade mission to Arab Health , Dubai with 11 companies. <i>Participants include: Native Aus Pty Ltd; Mac Med Healthcare; Prescribing Biochemists Pty Ltd; Evohe; Manucom Pty Ltd; Sarroff Designs Pty Ltd; KDL Products Pty Ltd; Xtra Health Pty Ltd; Cleanspray Holdings (Australia) Pty Ltd; UV Solar White Pty Ltd; and Quick Connect Global Pty Ltd</i>	Economic Development
2010	Gold Coast City Council led a trade mission to Gulfood Trade Show with nine companies. <i>Participants include: VK Aromatics; Icecraft International; Willowvale Organics; Super Sprout; Top Cut Foods; Mudgeeraba Spices; Simply Fine Foods; Pacific Food Industries; Sandiego Tortilla's</i>	Economic Development
2010	Darryl Collins, from Council's Engineering Services department participated in a staff exchange program with Dubai Municipality to assist with their emergency/disaster management plans and arrangements.	Knowledge Exchange Engineering Services
2008	Council's CEO Dale Dickson visited Dubai Municipality to discuss bi-lateral opportunities (refer to letter)	OCEO Whole of city
2008	Gold Coast City Council signed a Statement of Intent with Nakheel Blue Communities .	OCEO Economic Development

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	The project did not proceed due to unforeseen circumstances.	
2007	Gold Coast City Council Economic Development Branch led a trade mission to Arab Health with nine companies. <i>Participants include: CaraData; Centre for Medicine and Oral Health, Griffith University Gold Coast Campus</i> <i>Coral Cay Health; Gold Coast Health and Medical Industry Association; Gold Coast Health Service District; Halqen HC; Heat Wheat International; Gold Coast Institute of TAFE and Naturally U.</i>	Economic Development
2006	Gold Coast designed a monument to be displayed in Zabeel Park, Dubai as part of the cultural exchange and legacy aspect of the Sister City relationship	Whole of City
2003	City of Gold Coast was represented at the Dubai Boat Show	Economic Development
2003	Director Economic Development and Major Projects joined the Queensland Premier's trade mission to the Middle East in February 2003 during which many opportunities for collaboration were identified and will be followed up.	Economic Development
2002	Mayor joined a trade mission to the Middle East led by the Hon Mike Ahern in Sept/Oct 2002. The Sister City ties with Dubai were further strengthened during this mission.	Mayoral Mission
2002	City of Gold Coast was represented at the Dubai Boat Show in March 2002	Economic Development
2002	In April 2002, a senior Gold Coast City Council employee spent 10 days work experience with Dubai Municipality	Whole of City Knowledge Exchange
2001	Mayor officiated at the opening of a Middle East meet & greet centre at Chevron Renaissance for visitors from Middle East on Thursday, 5 July 2001.	Office of the Mayor Gold Coast Tourism
2001	Council co hosted together with UAE Embassy and Gold Coast Tourism Bureau an information session on 14 June 2001 at the Gold Coast International Hotel. Four speakers addressed the opportunities between UAE & Gold Coast as well as expected tourism numbers, cultural background, needs & wants of visitors from Middle East. Approximately 200 people attended the briefing.	Economic Development
2001	Council attended the Gulf Education Expo in Dubai from 24-27 April 2001 together with five Gold Coast Education institutions.	Economic Development
2001	Mayor signed the Sister City Agreement with Dubai on 12 March 2001. Dubai had approached Gold Coast City to enter into a Sister City relationship. Refer to agreement TRACKS-#35253970	Mayor Whole of city
2001	Mayor joined a Queensland Government trade mission to UAE in March 2001	Mayoral Mission
1999	Lifeguard Services Officer Visit visited Dubai for approximately one month in August 1999. The officers carried out instruction, demonstrations and assessment of local lifeguards for the Dubai municipality. They inspected patrol stations and experienced the local surf conditions and customs. They also trained local lifeguards to an improved standard. However it was felt that the system would need regular auditing to achieve any degree of long-term improvement.	Community Services

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ATTACHMENT 1.3**4. GOLD COAST CITY CAPABILITIES****Middle East Tourism Market**

Annual Middle East visitors to the Gold Coast:

Between **2001** and **2003** the Gold Coast welcomed **17,944** visitors staying a total of **166,431** visitor nights

Between **2011** and **2013** the Gold Coast welcomed **17,668** visitors staying a total of **366,500**

Strengths/Opportunities:

- Brand Gold Coast is arguably stronger than Brand Australia
- Ramadan period non-disruptive from 2014 (vs. previous 3 peak seasons)
- Favourable climate – welcome relief from ME Summer
- Services needs of Muslim visitors including prayer rooms, Arabic guide maps, Korans in hotel rooms and Halal-certified dining
- New Gold Coast Civic engagement with ruling families, municipalities, sub-national and national governments
- Improving market (aviation) access

Challenges/Weaknesses:

- Perceived as an expensive destination
- Relatively low level of night time entertainment/shopping/dining on the Gold Coast
- Distance

Middle East & Gold Coast Education

Strategic insight (Education):

Gold Coast higher education sector in general is well positioned to assist with capacity development in event management, tourism / hospitality, and high performance sport. As the 2018 Commonwealth Games host city, City of Gold Coast and its higher education providers are highly motivated to build bridges of cooperation with the Middle East that will include sharing knowledge and providing practical insight as Qatar (and the Gulf region in general) prepares for World Cup 2022 and beyond. GU, Bond and SCU indicated that in consultation, tailored curriculum for Qatar (and the greater Middle East) can be developed.

TIQ Commissioner Donna Massie also reports that significant pan-Arab opportunities in English language training and vocational education exists. Recently (10/10/13), a business opportunity listed on the Austrade RMS web portal to train the Saudi Police force worth an estimated \$800,000 was listed.

Middle East Students Studying on the Gold Coast

- Griffith University currently has over **500** students studying ELICOS, Pathways, Undergrad & Postgraduate degrees.
- Bond University currently has **72** undergraduate or graduate students enrolled
- Southern Cross University has **18** students enrolled
- Browns and Langports English Schools combined have an estimated **300** English language students representing an estimated \$1.5m in annual revenue

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- TAFE is estimated to have more English language students than Browns or Langports (TBC via KK/ Murray Bain GCIT)

Strengths/Opportunities:

- Gold Coast Universities (Bond & GU) have dedicated recruitment resources. Griffith University had an in-market regional Manager (Middle East/North Africa)
- Hosting the 2018 Commonwealth Games as a point of difference
- Civic engagement and long term commitment / dedicated resources in this priority market
- Gold Coast is considered safe and clean

Challenges/Weaknesses:

- Student Visa challenges
- Varied government structures throughout the ME requiring a flexible approach to forging government relationships
- Competitive global market

Food Safety and Environmental Health Training

Commencing in 2009, substantial work was undertaken by Council's Economic Development branch to deliver a suite of commercial food and environmental safety services to meet the growing needs of a rapidly developing ME (Dubai in particular) population and tourism industry. Proposed programs that combined education institutions and City resources were presented to the Dubai municipality. One reason given for not pursuing the opportunity was that the cost to deliver the services exceeded the budget of the Municipality of Dubai and its stakeholders. Subsequently, as a measure to troubleshoot the associated barriers, an all expenses paid, Council funded inbound delegation invitation was extended to the Dubai decision makers which was not accepted. It is important to note the commercial nature in which the education institutions addressed the proposal which could have severely impacted the cost structure. The reinvigorated civic relationships between City of Gold Coast and Municipalities of Dubai and Abu Dhabi could warrant that this proposal is reinvestigated. Furthermore, the correspondence in 2009 refers to the Municipality of Dubai whereby October 2013 Mayoral meetings in Abu Dhabi brought forth dialogue pertaining to increasing skills / capabilities in several sectors including food safety.

Some activities associated with the Food Industry Training Proposals included:

- Educational Exchanges
- Work Experience (for Government/Municipal employees)
- Employee exchanges for professional development
- Knowledge / skills exchanges

Example: City of Gold Coast seeks expertise in artificial dive attractions which the UAE and Qatar are considered world leaders, therefore delivering a Council subsidised Food Safety Training Program for the ME could yield a good ROI if a suitable knowledge/Tech/skills exchange is entered.

Dubai and Abu Dhabi Lifeguard / Rescue Tower Enquiries

In 2005, City of Gold Coast was contacted by Abu Dhabi Municipality to conduct an audit of their beaches. Following the audit, the Municipality of Abu Dhabi has since implemented

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lifeguarding systems including towers. In July 2011, by way of the existing sister city relationship, the Dubai Municipality requested information relating to rescue tower standards and specifications. Council's International Relations and Lifeguard Services combined to supply all technical information as requested by the Dubai Municipality.

Health & Medical

Of the 8 Gold Coast Companies who attended Arab Health in 2013 with City of Gold Coast, 8 have registered their EOIs to participate in the 2014 trade mission. Estimated combined sales directly attributed to Arab Health by 2013 delegates is **\$220,000 to \$250,000**. Additionally, Grahams Natural Alternatives reports that they are in late negotiation stages for ongoing contract orders with a customer from Kuwait.

- healthcare sector is expanding rapidly at 16% annually and it's estimated value is \$80 billion
- currently undertaking a number of major medical projects. Primary drivers of this expansion is due to population growth and the emergence of healthcare tourism
- the UAE healthcare market is expected to grow from Dh11.7 billion in 2005 to Dh43.7 billion in 2015

FOREIGN DIRECT INVESTMENT

FDI trends by source country (TOTAL QLD 2012)

Source country	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD m)	Average (USD)
United States	75	66	6,479	86	1,968.20	26.20
UK	51	44	8,732	171	14,853.70	291.20
Japan	18	13	4,893	271	2,258.40	125.50
Switzerland	17	8	2,727	160	2,614.00	153.80
Canada	13	10	1,236	95	770.70	59.30
Germany	12	12	1,468	122	365.50	30.50
India	10	8	3,903	390	6,040.50	604.00
China	9	9	601	66	496.00	55.10
UAE	8	4	2,330	291	972.30	121.50
Netherlands	8	8	844	105	338.70	42.30
Other source countries	54	52	10,299	190	19,517.30	361.40
Total	275	234	43,512	158	50,195.30	182.50

Foreign investment confidence in Queensland

Queensland continues to lure new foreign investment according to the annual report on foreign ownership of land tabled 1 November 2013 in State Parliament. The *Foreign Ownership of Land Register* showed that interests from 64 countries invested almost \$1.9 billion in Queensland property during 2012-13 and that a total of 129 countries of origin were recorded in the register as at 30 June 2013.

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The Foreign Ownership of Land Register report ranks nationalities of foreign investors according to three criteria – the total annual value of acquisitions, total land owned and the number of individual parcels held.

The UAE is the Gold Coast's second largest source market for foreign investment in land (in terms of value). Almost all investment by UAE residents in Queensland is on the Gold Coast.

Value of Acquisitions during 2012-13 (\$ millions)			
	Queensland	Gold Coast	Gold Coast as a proportion of Queensland (%)
China	\$323	\$185	57.3
Singapore	\$317	\$54.5	17.2
USA	\$269.3	\$32.2	12.0
Malaysia	\$205.2	\$26.8	13.1
Japan	\$164	\$99.8	60.9
United Arab Emirates	\$122.5	\$121.9	99.5
Total	\$1,899	\$603.3	31.8

Source: Annual report on administration of the Foreign Ownership of Land Register Act 1988

5. FUTURE INFRASTRUCTURE OPPORTUNITES**Potential Inward Investment Prospects**

- Sharaf Group: indicated interest in a iconic development in new CBD that will have community support, address needs of new CBD and align with strategic vision of Southport, Chinatown.
- Friendship Bridge / Green Bridge : Chevron to Evandale (future cultural precinct)
Evandale will become a critical central link in the Gold Coast's cultural corridor, linking Surfers Paradise, through Chevron Island, the Bundall business precinct and Gold Coast Turf Club. This link will be provided by a pedestrian and cycle green bridge (friendship bridge) linking Evandale directly with Chevron Island and on to Surfers Paradise. In turn, this will provide a more direct connection to the city's new Gold Coast Rapid Transit (light rail) system which is currently under construction through Surfers Paradise, and due for completion in 2014.
- Cultural Precinct: Dedicated Islamic Art Section *Ala Ahmed Fahour's* in Melbourne
- Sports infrastructure and sponsorship / naming rights opportunities

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ITEM 4**INTERNATIONAL TRADE MISSION EXPENSES**

LG211/256/-

GENERAL BUSINESS**COMMITTEE RECOMMENDATION ED14.0320.004**

moved Cr Tozer

seconded Cr Gilmore

That Council supports accommodation and internal travel costs for Cr Tozer to attend the Silicon Lakes-led trade mission to San Francisco and Silicon Valley between 1 June and 12 June, to represent the City. Costs will be allocated from the existing Division 9 Conferences and Seminars budget . International flights to/from San Francisco will be paid for personally by Cr Tozer.

A division was called.

For	6	Cr Tozer, Cr Grew, Cr La Castra, Cr McDonald, Cr Gilmore
Against	1	Cr Gates
Abstained	0	
Absent	0	

CARRIED**RESOLUTION** G14.0325.020

Moved Cr Crichlow

Seconded Cr Gilmore

That Committee Recommendation ED14.0320.004 be adopted, with a change to Parts 1 & 2 and the addition of Part 3, such that it reads in its entirety as follows:

- 1 That Council supports accommodation and internal travel costs for Cr Tozer to attend the Silicon Lakes-led trade mission to San Francisco and Silicon Valley nominally between 1 June and 14 June and to represent the City.**
- 2 That Council notes that the estimated costs of \$2,300 will be allocated from the existing Division 9 Conferences and Seminars budget.**
- 3 That Council notes that no Council staff will be attending and that Cr Tozer will be personally meeting the costs of International flights to/from San Francisco.**

CARRIED

There being no further business the meeting closed at 3.43 pm.

These Pages

Numbered 1 to 82

Constitute The Adopted Report Of The Meeting
Of The Economic Development and Tourism Committee Meeting

Held Thursday, 20 March 2014