

Business SA Funding

Tuesday, 8 August 2023
Council

Council Member
Councillor Noon

Public

Contact Officer:
Clare Mockler, Chief Executive
Officer

QUESTION ON NOTICE

Councillor Noon will ask the following Question on Notice:

'Please advise how the City of Adelaide via AEDA funds Business SA; the background, the annual amount, the purpose and reporting/KPI's?'

REPLY

1. On 12 June 2020, the City of Adelaide contracted Business SA to provide a City Business Support Package to support the establishment, viability and growth of small and emerging businesses in the City. The initial term of the contract was to 30 June 2022. The funding arrangement was \$25,000 per quarter (\$100,000 per FY).
2. The measures included in the contract were:
 - City businesses remain profitable, have increased their resilience to economic crises and have improved their digital capabilities.
 - In addition to existing Business SA members, Business SA must engage at least 200 businesses per annum in addition to the city businesses that are already members of Business SA, with a minimum total of 450 businesses between May 2020 and July 2022, that are categorised as start-ups and small to medium businesses, to access services provided under the City Business Support Package.
 - Business SA must deliver a minimum of \$50,000 worth of services to city businesses by 31 December 2020.
 - Quarterly reports to be provided on the activities and performance against KPIs.
3. Council at its meeting on 10 August 2021 further resolved to provide Business SA with additional financial support of \$100,000 via Council's Reignite initiative as a result of the impact on businesses arising from Covid-related public health measures. This \$100,000 was equally split between extending provision of the existing services to 111 businesses and the development of a growth consulting package for 50 businesses. Council's decision extended the agreement with Business SA by a further six months to 31 December 2022.
4. The State Government on 29 January 2022 announced a \$50 million support package to support businesses impacted by Covid-19. This included \$150,000 to support another 300 businesses before 30 June 2022 which also included greater levels for referrals to third party professional service providers and delivery of a workshop program.
5. In 2022 the State Government announced its intention to develop a statewide small business strategy.
6. At its meeting in November 2022 the AEDA Board agreed that the services to small businesses funded by AEDA should complement the directions and initiatives in the small business strategy.

7. Consequently, as an interim measure until the Board was able to consider the directions in the State Government's Small Business Strategy that was released on 7 July 2023, the Board resolved to continue providing advisory services to city-based businesses through Business SA on a pay per use basis and to subsidise some services that would require a contribution from businesses. Since January 2023, \$10,000 has been provided to Business SA via this arrangement. Measures remained consistent with the previous agreement but on a pay per use basis, therefore included no specified number of businesses to be serviced.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 5 hours.
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