

# Councillor Martin - QoN - Council's allocation of funding to AEDA

Tuesday, 25 June 2024

**Council**

**Council Member**

Councillor Phillip Martin

Public

**Contact Officer:**

Anthony Spartalis, Acting Chief  
Operating Officer

## QUESTION ON NOTICE

**Councillor Phillip Martin will ask the following Question on Notice:**

'At the Council meeting on 28 May 2024 following a Question without Notice on Council's allocation of funding to AEDA to enable Business SA to provide advice to small business, the Administration undertook to answer questions subsequently published in E News. Could the Administration provide the following information arising from the E-News response;

1. What was the precise amount sought and received by AEDA as part of our Budget and Business Plan to fund the Business SA program to assist City Small Businesses and which was subsequently axed?
2. Noting the University of Adelaide pays no rates, why did AEDA allocate \$156,000 of the money set aside for advice to small business to a University program and how many City businesses and non-City businesses were funded or supported with the funds provided to the University's Thinlab?
3. Noting the advice to Councillors in E-News that "(the AEDA) Board considered it important that the activities it supported complemented, rather than duplicated, State funded activities...", why did the Board allocate a further \$114,000 of the Business SA funding to the State Government initiated and funded MTP Connect and how many City businesses and how many non City businesses received any funding or support?
4. Is the identity called Southstart identified as having received more than \$135,000 of the money previously budgeted for the Business SA program a private company and how was the money allocated by Southstart, how many City businesses and how many non-City businesses received financial or other support from the Southstart grant?
5. How was Council's funding acknowledged by each recipient?'

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## REPLY

1. The funding for initiatives to support small businesses has been incorporated into the Strategic Partnerships Program budget since 2022-23. As such there was no specific allocation sought in the 2024-25 budget, noting that an amount equivalent to the former funding provided to Business SA (\$100k) was included in the Strategic Partnership Program request.
2. The Strategic Partnership Program is underpinned by a contestable approach to allocating funding. The contestable approach enables AEDA to test the market to identify new ideas and programs that respond to specific challenges and opportunities and broadens the range of organisations with which AEDA works.
3. The changes in Adelaide's small business service support space resulting from the State Government's Small and Family Business Strategy and the expiration of the Business SA agreement meant it was timely for the AEDA Board to review the focus of this funding and to test the market for proposals to achieve that focus.

4. The program guidelines sought to identify “*proposals that support the small business sector, specifically in the areas of start-ups, scale ups and business growth. Preference will be given to activities that are more intensive rather than high volume light touch activities from which it is difficult to quantify the impact.*”
5. Proposals were assessed against the degree to which applicants addressed the program aim, organisational capability, measurability of outcomes, innovation of the approach and financial viability of the organisation.
6. After an open competitive process, the three organisations funded were those deemed by the assessment panel to provide the best proposals when judged against the published assessment criteria. The recommendations of the panel were supported by the AEDA Board.
7. Collectively the three programs (Thinlab, MTP Connect, Southstart) are working with 36 businesses. Of these, 34 are city businesses and the remaining 2 businesses have technology and research relations with the universities.
8. SouthStart is a private company and its program aims to accelerate the growth of early stage businesses, with participants taking part in intensive workshops, receiving access to industry experts, introductions to investors and coaching opportunities.
9. A condition of grant is for program recipients to specifically acknowledge the funding contribution from the City of Adelaide and AEDA in their branding of the programs, references in social media and at associated events.

Staff time in receiving and preparing this reply	To prepare this reply in response to the question on notice took approximately 4.5 hours.
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