

Business & Economic Development Committee Minutes

16 March 2021

Our Vision

*A City which values its heritage, cultural diversity,
sense of place and natural environment.*

*A progressive City which is prosperous, sustainable
and socially cohesive, with a strong community spirit.*

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City of
Norwood
Payneham
& St Peters

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VENUE Mayors Parlour, Norwood Town Hall

HOUR 6.15pm

PRESENT

Committee Members Cr Carlo Dottore (Acting Presiding Member)
Cr Scott Sims
Cr Garry Knoblauch
Cr John Callisto
Professor Richard Blandy
Ms Skana Gallery

Staff Mario Barone (Chief Executive Officer)
Keke Michalos (Manager, Economic Development & Strategic Projects)
Stacey Evreniadis (Economic Development Co-ordinator)
Tyson McLean (Economic Development & Strategic Projects Officer)

APOLOGIES Mayor Robert Bria (Presiding Member), Ms Trish Hansen

ABSENT Mr John Samartzis

TERMS OF REFERENCE:

The Business & Economic Development Committee is established to fulfil the following functions:

- *To assist the Council to facilitate and promote economic growth and development in the City of Norwood Payneham & St Peters.*
- *To provide advice to the Council and recommend actions, including the conduct of studies associated with business and economic development, as required, in order to facilitate the identification of opportunities, issues, strategies and actions.*
- *Provide advice to the Council where necessary, to facilitate the creation of business networks (both within South Australia and Australia), which provide benefits for the City of Norwood Payneham & St Peters.*
- *To oversee the strategic planning, the implementation of projects (including those identified in the Council's Business & Economic Development Strategy) and marketing and promotion associated with businesses and economic development.*

1A. APPOINTMENT OF ACTING PRESIDING MEMBER

Cr Knoblauch moved that Cr Carlo Dottore be appointed Acting Presiding Member for this meeting. Seconded by Cr Callisto and carried unanimously.

1B. CONFIRMATION OF MINUTES OF THE BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE MEETING HELD ON 10 NOVEMBER 2020

Cr Callisto moved that the minutes of the Business & Economic Development Committee meeting held on 10 November 2020 be taken as read and confirmed. Seconded by Cr Sims and carried.

2. PRESIDING MEMBER'S COMMUNICATION

Nil

3. STAFF REPORTS

3.1 PROGRESS REPORT ON THE 2021–2026 ECONOMIC DEVELOPMENT STRATEGY

REPORT AUTHOR: Economic Development Coordinator
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4616
FILE REFERENCE: qA69306
ATTACHMENTS: A - E

PURPOSE OF REPORT

The purpose of this report is to provide the Business & Economic Development Committee, with a progress report on the *2021-2026 Economic Development Strategy*.

BACKGROUND

In 2020, Council Staff, with the assistance of the Business & Economic Development Committee worked on the preparation of the Council's *2021-2026 Economic Development Strategy*, which is designed to guide economic development within the City, identify the priority areas for the next five (5) years and articulate the Council's role in supporting business and economic development.

Following significant research, sector workshops and consultation with the business community, the *Draft 2021-2026 Economic Development Strategy* was developed and presented to the Committee at its meeting held on 16 June 2020. At that meeting the Committee endorsed the Draft Strategy as being suitable to present to the Council for its consideration and endorsement to be released for community consultation and engagement.

Subsequently, the *Draft 2021-2026 Economic Development Strategy* was presented to the Council at its meeting held on 6 July 2020. At that meeting, the Council endorsed the *Draft 2021-2026 Economic Development Strategy* as being suitable to release for community consultation and engagement.

Following the conclusion of the consultation period, the results of the consultation and the revised final document were presented to the Committee at its meeting held on 15 September 2020. The Committee resolved to forward it to the Council for its endorsement. Subsequently, at its meeting held 6 October 2020, the Council endorsed the *2021-2026 Economic Development Strategy*.

This report provides an update of the key Strategies and Actions that have been progressed by the Council Staff since the *2021-2026 Economic Development Strategy* was adopted.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The *2021-2026 Economic Development Strategy* is the Council's blueprint to guide the growth of the City's economy over the next five (5) years. The Strategy sits within the Council's decision making framework and has been developed to align with other key strategic and policy documents.

The key strategies that have been used to inform, or that will work in conjunction with the *2021-2026 Economic Development Strategy* are listed below:

- *Growth State*
- *The 30-Year Plan for Greater Adelaide*
- *Norwood, Payneham and St Peters (City) Development Plan*
- *CityPlan 2030: Shaping Our Future – Mid Term Review*
- *Kent Town Economic Growth Strategy 2020 - 2025*
- *Norwood Parade Annual Business Plan*
- *Smart City Plan.*

FINANCIAL AND BUDGET IMPLICATIONS

The Council's 2020-2021 Economic Development budget has been used to deliver the actions set out in the Table contained in **Attachment A**. Due to the significant concerns regarding the economic implications of the COVID-19 Pandemic, the Council allocated an additional \$150,000 in the 2020-2021 financial year, bringing the total budget for Economic Development to \$250,000.

A total budget of \$100,000 to deliver the Economic Development Agenda in the 2021-2022 financial year, will be proposed to the Council. The intent is that this budget will be used to fund the remaining actions in Year 1 of the Strategy.

EXTERNAL ECONOMIC IMPLICATIONS

The success of the *2021-2026 Economic Development Strategy* may be impacted by the broader economic environment and worldly events such as the COVID-19 Pandemic. Whilst the Strategy acknowledges and addresses the Pandemic, specifically in Year 1, it does not state that COVID related initiatives cannot be delivered in Years 2-5 if the support in those areas is still required. This is why the Strategy needs to remain flexible and be able to respond to external economic issues as they arise.

SOCIAL ISSUES

Economic development impacts on both the business sector and the local community. Whilst the key focus of this Strategy is on the business sector, the two (2) are intrinsically linked and the prosperity of the local economy relies on creating a holistic environment where people want to invest, work, do business, live, shop and socialise.

CULTURAL ISSUES

Cultural and creative activity is increasingly recognised as important components of economic growth. Economic growth and sustainability through employment, vibrancy and growth are all important factors in achieving cultural vitality.

RISK MANAGEMENT

In establishing the Strategic Framework for the *2021-2026 Economic Development Strategy*, the Council took into consideration the economic and demographic profile of the City, the views of the business community and partners and the key influences and trends that have, and will, impact on the City's economy. In doing so, the Council has ensured that the Strategy appropriately addresses the wide range of opportunities and challenges facing businesses and economic growth in the City. The biggest risk to the Council and the business community is not delivering on the Actions outlined in the Strategy.

ENVIRONMENTAL ISSUES

A vital component in meeting the aspirations of current and future businesses in the City of Norwood Payneham & St Peters is ensuring that issues relation to environmental sustainability are considered alongside those of economic sustainability. A sustainable environment impacts on business investment decisions and is a key asset in the success of local businesses. The Council will continue to promote environmental programs such as 'Plastic Free SA' to local businesses and aims to increase the awareness amongst businesses of sustainable business practices and the importance of the circular economy.

RESOURCE ISSUES

This Strategy has been prepared internally by Council Staff, however it will require additional support, from both internal and external resources to ensure its timely implementation.

COVID-19 IMPLICATIONS

Prior to the COVID-19 Pandemic, the Council's *Economic Development Strategy* focused on growth, attraction and understanding the needs of business. However, the effects on businesses due to the Pandemic have been substantial, and therefore it was essential that the *Economic Development Strategy* take into consideration the economic and social impacts that the Pandemic has caused and that these issues be reflected in the Actions.

The Council's *2021-2026 Economic Development Strategy* will play a significant role in the rebounding ability of the business community for a long period of time. The Strategy including its Vision, Outcomes, Objectives, Strategies and Actions, has been designed to help businesses recover and rebuild from the COVID-19 Pandemic and plan for sustainability and growth for when the economy reaches some level of normality. As a result of the impacts of the COVID-19 Pandemic, the *2021-2026 Economic Development Strategy* includes the overarching strategy of *Recover and Rebuild*, which cuts across all four (4) themes. This has been designed to assist the Norwood Payneham & St Peters business community in its recovery and rebuild phase and acknowledges that many businesses are currently in a mode of survival, rather than growth.

The fourteen (14) Actions set out in the *Recover and Rebuild* stage, are of the highest priority. The intent is that these actions will be delivered as part of Year 1 of the Strategy's implementation.

DISCUSSION

The implementation of the *2021-2026 Economic Development Strategy*, has only recently commenced following the adoption of the Strategy by the Council on 6 October 2020. However, to ensure that it is delivered in a timely manner, Council Staff have developed a reporting structure that will be presented to the Business & Economic Development Committee at each of its meetings to track the progress of the Strategy's implementation and to provide direction and guide the Staff in its implementation.

The table contained in **Attachment A**, outlines progress on the Actions under each of the four (4) key themes that are currently being delivered in Year 1 of the Strategy or are 'Ongoing' Actions for the duration of the five (5) year Strategy. It should be noted that Actions that are yet to commence have not been included at this stage.

The Table whilst detailed, should be read in conjunction with the *2021-2026 Economic Development Strategy* to obtain a better understanding of the individual Action and the Objective that the Council is proposing to achieve.

CONCLUSION

The *2021-2026 Economic Development Strategy* recognises the leadership role of the Council in setting a clear direction for economic development within the City and in supporting the business sector. Developing the Strategy with clear direction and focus provides the foundation for the Council to implement successful actions and initiatives and establish partnerships with different stakeholders (i.e. Federal and State Governments, developers, businesses and residents) in order to ensure the successful longevity of the City's business and economic sector.

COMMENTS

Notwithstanding that the COVID-19 Pandemic has had a significant impact on the economy at a local, national and international level, there is a significant opportunity for the Council to now implement its Vision for the City's business and economic sector. The primary focus at this stage is on growth, attraction and understanding the needs of business during the transition out of the COVID-19 Pandemic and beyond.

RECOMMENDATION

That the report be received and noted.

Cr Knoblauch moved:

That the report be received and noted.

Seconded by Cr Sims and carried.

3.2 CITY WIDE BUSINESS ADVISORY SERVICE PROGRAM

REPORT AUTHOR: Economic Development & Strategic Projects Officer
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4512
FILE REFERENCE: A135414
ATTACHMENTS: A - C

PURPOSE OF REPORT

The purpose of this report is to present options for a *Business Advisory Service Program* to the Business & Economic Development Committee for its consideration.

BACKGROUND

As part of the recently endorsed *2021-2026 Economic Development Strategy*, the Council committed to exploring the opportunity to establish a *Business Advisory Service Program* for businesses within the City of Norwood Payneham & St Peters. This action is identified as a Year 1 priority given its importance in rebuilding business confidence and the local economy following the effects of the COVID-19 Pandemic.

The intent of a *Business Advisory Service Program* is to provide local businesses with access to a range of professional services including, but not limited to:

- financial management and forecasting;
- insurance advice;
- grant support;
- tenancy disputes;
- legal advice;
- human resource management, including employee wellbeing and retention, mental health and workplace culture;
- information technology;
- marketing strategies;
- planning advice; and
- business planning development.

The Council currently provides training and development workshops targeted specifically to businesses within the City, however these workshops are not designed to offer the same level of advice as a *Business Advisory Service Program* nor are they intended to be a one-on-one advisory service that can identify and solve the problems of a particular business.

Whilst the need for a *Business Advisory Service Program* has been considered for some time, investigations into its viability have only commenced since it was identified in the Council's *2021-2026 Economic Development Strategy* as a priority Action for Year 1 of the Strategy.

Statistics released by the Australian Small Business and Family Enterprise Ombudsman in July 2019, highlighted that in Australia:

- small business accounts for almost 98% of businesses;
- small business contributes towards 35% of Australia's gross domestic profit;
- small business employs approximately 2.2million people, which equates to approximately 44% of Australia's workforce;
- over one third (35%) of small business owners are women; and
- micro and small businesses are more likely than large businesses to innovate and bring new goods and services to the market.

Statistics also show that approximately 45-50 percent of small businesses fail within their first five (5) years of operation. The most common reason why small businesses fail is financial mis-management, however a lack of capital or funding, retaining an inadequate management structure, a lack of or ineffective business model, failure to understand customer behaviour and unsuccessful marketing initiatives are also key reasons why small businesses do not succeed.

In order to be successful, businesses need to be resilient to change, agile and business owners need the ability to mitigate business specific risks whilst simultaneously bringing their product and/or service to the market at a price point that meets the demands of their consumers. What the COVID-19 Pandemic has highlighted is that many small business owners are so focussed on delivering their product that they are blindsided by all of the other costs and requirements of running a business (ie the business administration). With a strong focus on their area of expertise, many businesses find it difficult to evolve and adapt to changing external factors. Put simply business owners 'don't know what they don't know' until it is too late.

The intent of the proposed *Business Advisory Service Program* is to establish a service which will assist business owners understand all aspects of running a business in order to prevent unviable businesses from starting up and to assist in preventing struggling businesses from collapsing. Anyone can register an ABN and start a business without any qualifications whatsoever and unfortunately, this is often the case. The social and economic consequences of putting one's life savings into an unviable business venture can be catastrophic when families lose their houses, for example. Given the large number of small businesses within the City of Norwood Payneham & St Peters and the significant contribution that they make to the economy as well as the social and cultural fabric, it is important that a robust advisory service is available to support businesses and encourage them to thoroughly research the viability of their business proposals before they invest the money.

The intent of this report is to outline options for the Committee's consideration on how this service can be delivered and to seek the Committee's advice on how to proceed with this initiative. To assist the Committee with its considerations some of the models that have been adopted by other councils have been outlined in the Discussion Section of this Report.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

The implementation of a *Business Advisory Service Program* would align with Council's strategic framework document, *CityPlan 2030*. Specifically, it would align with the general aspiration for the pillar of 'Economic Prosperity' in that the program would assist in facilitating 'A dynamic and thriving centre for business and services' by providing businesses with the opportunity to learn, adapt and grow through utilisation of an advisory service program.

Additionally, the *Business Advisory Service Program* would directly meet Action CV 3.0.3 outlined in the Council's *2021-2026 Economic Development Strategy*, which states, 'Explore opportunities for the Council to provide a Business Advisory Service Program'. Council Staff have explored the potential establishment of an advisory service program for businesses in the City and the Council must now determine whether to proceed with establishing a program and/or engaging a provider based on the advice of the Committee.

COVID-19 IMPLICATIONS

The COVID-19 Pandemic has had a significant impact on businesses within the City of Norwood Payneham & St Peters, as well as businesses all around the world. The Pandemic highlighted that many businesses had an inability to adapt to change, operate efficiently and construct solutions to problems. Examples include but are not limited to, businesses managing their own balance sheets in a manner that makes the data difficult to decipher when the impacts of COVID-19 are accounted for, businesses not understanding the options available to them when negotiating a tenancy concern, and businesses not having an up-to-date and easily accessible website, which was an important asset to have during the peak of the Pandemic given the impact of restrictions placed on brick and mortar business operations.

DISCUSSION

The need to provide a Business Advisory Service is not a new concept and over the years has been delivered in a range of formats by different levels of government.

Outlined below for the Committee's consideration is a brief overview of the former Eastside Business Enterprise Centre (EBEC) and the services offered by the Office of the Small Business Commissioner. This is followed by an overview of some of the services provided by other Council's across Australia. It should be noted that this is not intended to be an extensive list.

Eastern Business Enterprise Centre (EBEC)

The Council was previously a member of the Eastside Business Enterprise Centre (*EBEC*), which operated in the eastern region for over 17 years. The role of the EBEC was to provide free or low cost small business advisory services to home based, micro, small and medium sized businesses in the eastern region, as well as advice and assistance to people looking at establishing or purchasing a business. Membership of EBEC comprised of the Town of Walkerville and the Cities of Burnside, Campbelltown, Unley, Prospect and Norwood Payneham & St Peters.

The Eastside Business Enterprise Centre was established as a not for profit small, independent and non-aligned business service centre, which operated largely on the basis of a funding arrangement between the Federal Government, State Government and the Eastern Region Council's listed above.

EBECs' charter was to provide a one-stop shop for intending and existing small businesses seeking to grow and develop. When it was originally established it was part of a national network of 132 Business Enterprise Centres which foster local economic development and job creation.

The advantages of the EBEC model was that it provided a complementary role to that of the Council by actively dealing with individual business operators and supporting them in the establishment and growth of their business, which at that point in time the Council on its own was not in a position to provide.

However in 2018, the City of Norwood Payneham & St Peters withdrew its involvement due to a range of factors, including the withdrawal of funding from both the State and Federal Governments, which resulted in a reduced service offering.

The EBEC was subsequently replaced by *Propel SA*, which provides limited support to businesses within the member Councils of Burnside, Campbelltown and Walkerville. Currently *Propel SA* has membership options available that allow businesses to access discounted business advisory and support services, discounted and complimentary workshops, business tool kits and working documents, physical and digital assets to recognise their membership and for an additional cost, one-on-one mentoring packages.

Office of the Small Business Commissioner

The *Office of the Small Business Commissioner* offers very specific and tailored services as well as legislative support, to ensure small businesses have a competitive and fair operating environment to grow. As an advocate for the small business sector, services and legislative support are offered for dispute resolution, mediation, industry code enforcement and compliance, Work, Health and Safety codes of practices, leasing, bonds, building and construction industry security of payment and farm debt. The majority of this advice is offered free of charge given it is directly related to publicly accessible documents such as Acts and Codes. Fees are charged for services such as mediation etc. The Council currently directs businesses to the *Office of the Small Business Commissioner* via its website.

Examples of Business Advice Offered by Other Metropolitan Adelaide Councils

Adelaide City Council

The City of Adelaide currently offers support to businesses in their Council area through a two (2) year partnership with *Business SA*. Eligible businesses (all start-ups and small to medium sized businesses) receive access to ten (10) specialised services and advice portals from *Business SA*, however a number of these have limits as to how many times they can be accessed each year (yearly limit outlined below) and if these limits are exceeded then the business can continue to access them at their own cost, albeit at a discounted rate.

The ten (10) services and advice that City of Adelaide businesses can access are:

- business advice hotline (service accessible three time a year);
- accounting, statutory and compliance information (once a year);
- tenants' landlord advisory service (once a year);
- mental health support services (once a year);
- digital capability coaching (once a year);
- grants and tenders support (once a year);
- learning webinars, seminars and virtual conferences;
- access to 'Chamber' networking events;
- access to the Business SA today newsletter subscription; and
- access to Business SA resource library.

City of Charles Sturt

The City of Charles Sturt has partnered with the *Adelaide Business Hub*, which is a not-for profit organisation, to provide support to their business community. For a business located in the City of Charles Sturt who is wanting support, they can call the *Adelaide Business Hub* help line and speak to a qualified business advisor. This is offered to businesses at a subsidised rate. The Council's total contribution to this service is unknown.

City of Port Adelaide Enfield

The City of Port Adelaide Enfield also partner with the *Adelaide Business Hub* and fund business advisors to then provide free and confidential one-on-one support to any business operating in the Council area. They also offer access to the business help line.

Campbelltown City Council

The City of Campbelltown similarly to the City of Burnside and the Town of Walkerville, work in partnership with *Propel SA*, which is a modified version of the former *Eastside Business Enterprise Centre (EBEC)*. *Propel SA* provides guidance across all industry sectors and stages of business development to help achieve growth, expand networks and build success within the business community. The Campbelltown City Council cover the cost (usually \$360) of a 12 month membership with *Propel SA* for any business who complete the registration form.

Southern Adelaide Region (Cities of Marion, Holdfast Bay, Mitcham and Onkaparinga and the District Council of Yankalilla)

The Southern Adelaide Region established the *Southern Adelaide Business Advisory Service*, which was created to provide advice and support on starting a new business, to undertake a 'business health check', one-on-one consultations, and provide growth services. Similar to the EBEC concept, this advisory service was jointly funded by the State Government and the four (4) Southern Adelaide Region Councils. However due to increasing cost of providing this service the Councils involved ceased funding.

Some of the Councils involved in the original Advisory Service have now replaced their offering with the *Southern Business Mentoring Program*, which is an online webinar series that is provided free to eligible businesses. The webinars cover a variety of topics and businesses can register to view any of them.

This advisory service has since been revamped, changing its name to the *South Australian Business Advisory Service (SABAS)*. Unlike previously where the focus was on the Southern Region, SABAS is now an independent service provider that services the whole of South Australia. Their objective is to work with businesses to solve the critical issues that businesses, both large and small, face. Given their independence *South Australian Business Advisory Service (SABAS)* could be a provider that the Council approaches to submit a proposal for the introduction of an advisory service in the City of Norwood Payneham & St Peters.

Examples of Business Advice Offered by Interstate Councils

City of Darebin (Victoria)

As a result of the COVID-19 Pandemic, the City of Darebin established the *Business Recovery Program* for businesses looking to strengthen, develop and grow their business to navigate the Pandemic and for the post Pandemic economy. This program provided a one-on-one confidential service where the business was connected with an industry expert who would undertake an assessment of the business and provide advice and a development strategy tailored specifically for the business. The industry expert would also identify market opportunities, business strengths and develop strategies to allow the business to expand future capacity. Business could register to be part of this program, however the program has since closed its registration portal.

The City of Darebin also refers businesses to the *Darebin Enterprise Centre Ltd* which is a not-for-profit organisation that can provide assistance and support for start-ups and small businesses to then allow them to grow. This is similar to the former EBEC model

Hobsons Bay City Council (Victoria)

The Hobsons Bay City Council has partnered with the *Small Business Mentoring Service (SBMS)* to offer a free 90 minute mentoring session for a business located within the Council area. Follow up sessions are then paid for by the business.

The Hobsons Bay City Council has also created an online business forum on Facebook that allows businesses to ask questions, share initiatives and connect with each other. Other businesses can then provide advice on a question asked, however the Council has partnered with a number of local mentors and industry experts to then provide independent advice to a business's question. Businesses need to 'Join' the Facebook group and there is currently 690 group members. It is however, unclear as to the regularity of a mentor or expert responding to a question and whether a payment is made per response.

North Sydney Council

The North Sydney Council does not have a dedicated advisory support program, but instead directs businesses to other information sources based on the information they require (ie the Australian Government, New South Wales Government, North Sydney Council, Chambers of Commerce or any Other Organisation). The North Sydney Council section contains information on training and workshops that they offer, how to access their electronic newsletters and also how to contact the 'Duty Planner' for planning enquiries. All of these services are similar to those being offered by the City of Norwood Payneham & St Peters.

OPTIONS

There are a number of options that the Committee can pursue including undertaking further investigations into alternative options or combining a range of options. It is intended that these options will be discussed in detail with the Committee at its meeting.

1. Expand the number of Workshops which are delivered

Historically, the Council has conducted two (2) separate training and development series for the City's business community – the *Growth Workshops* and the *Eastside Startup Series*. The *Growth Workshops* program was designed to provide existing businesses with advice and training through interactive workshops on social media, marketing, content planning, as well as topics around business and the COVID-19 Pandemic.

The *Eastside Startup Series* is a program that the Council developed and delivered in conjunction with Adelaide based company LeapSheep in 2018 and 2019. The series of events were designed to help local startups and entrepreneurs with high-level strategic education to aid future growth. Whilst this program did not attract a large amount of attendees, it did attract the appropriate target audience, which was the objective for this program. A 2020 program for the *Eastside Startup Series* was not curated due to the COVID-19 Pandemic.

In November 2020, Council Staff undertook a review of the event content, format, engagement and attendance of the *Growth Workshops* and the *Eastside Startup Series*. The findings from the review showed that there was a desire for a more comprehensive program, a mix of event formats (in person and online) as well as for the events to be held at a variety of times to accommodate all industries. Therefore the 2021 program has been carefully curated, guided by the feedback received from business owners and employees and the desire from the Council Staff to develop a new and exciting program for the business community. The series includes eleven (11) events across ten (10) months, which is the most comprehensive and varied program that the Council, through the Economic Development Unit, has developed.

The series of events and workshops has been designed to target specific sectors ie retailers, hospitality owners, fitness and wellness centres, startup entrepreneurs, creatives and professional service businesses. The majority of the events are free of charge for business owners and employees operating within the City.

Whilst there is an opportunity to expand the number of events and workshop offered the generic and high level nature of the content of the workshops may not always assist businesses in their time of crisis. The events and workshops are currently offered to existing businesses only, the Council could expand the availability of the events and workshops to include new businesses, which are considering locating within the City of Norwood Payneham & St Peters.

Whilst it is recommended that this initiative be retained and expanded as required, it is not considered a suitable replacement for a Business Advisory Service.

2. Partner with an External Provider to deliver a Business Advisory Service

One of the options for the Council is to partner with an external provider to deliver a Business Advisory Service. Examples of four (4) advisory service providers currently on offer are *Business SA*, *One Stop Shop (Business Advisors)*, *BIAS* and *LeapSheep*. In order to help better understand their offering Council Staff met with all four (4) advisory service providers. A summary of each of their offerings is outlined below.

Should the Committee and subsequently the Council, resolve to adopt this option then a detailed Project Brief will be developed and distributed to a range of advisory service providers inviting them to submit a proposal.

Business SA

Business SA is South Australia's peak Chamber of Commerce and Industry body. It has a significant presence and is well known to businesses throughout the State. *Business SA* has the role of ensuring that employers achieve fair outcomes on industrial relations matters whilst also working to create a conducive economic environment for businesses to succeed. This environment is created through the wide range of services, products, advice and training that they offer.

Businesses can become *Business SA* members for an annual fee, which allows them to access a 'menu' of offerings (whether it be a service, product, advice or training) based on the level of their membership subscription package. Alternatively Councils can partner with *Business SA* to deliver this initiative. Under this scenario, *Business SA* would provide the Council with a select number of 1-year memberships based on the fee paid by the Council. The Council would then offer these membership packages to interested businesses within the Council area, at no cost or at a reduced cost.

The number of memberships and the amount that the Council pays to *Business SA* to initiate the membership would be based on selecting one (1) of two (2) options. The Council could choose to offer a number of memberships based on covering the entire 1-year membership for businesses, or the Council could choose to offer more memberships and subsidise the cost of a 1-year membership. The Council would also be required to select a certain number of products and services from the *Business SA* membership 'menu', as contained within **Attachment A**, that businesses would have strict access to.

When the 1-year membership provided by the Council ends, the business would then need to determine if they continue with the membership and pay the annual fee or unsubscribe from the membership.

Business SA confirmed that as of 9 December 2020, the City of Norwood Payneham & St Peters had 182 businesses registered as members, forming 5% of their total membership base. Therefore, for those businesses within the Council area that are already *Business SA* members, this program would be of no value, unless they were to unsubscribe from their membership to receive a year free/subsidised.

The other disadvantage of this option is that the membership would be limited to a select number of businesses and how these businesses were selected could result in significant criticism from the broader business community.

Business SA has indicated that the minimum investment from the Council would need to be in the vicinity of \$24,000.

One Stop Shop (Business Advisors)

One Stop Shop (Business Advisors) provide guidance for businesses to navigate what they believe are thirty (30) different areas involved in operating and effectively running a business, some of which are outlined within **Attachment B**. The Directors of this business use their years of experience as Business Advisors with the City of Adelaide to provide expert advice and guidance to businesses. When they are unable to provide the necessary support directly to a business, they use their extensive list of contacts to fill the void.

Unlike *Business SA*, *One Stop Shop (Business Advisors)* is open to the way in which it would partner with the Council to deliver an advisory service program. Options include creating an online form on the Council website for businesses to register an interest in receiving advisory support. Based on the information provided in the completion of the form, *One Stop Shop (Business Advisors)* would then instigate a conversation with the business and arrange to meet with them.

The second option involves having *One Stop Shop (Business Advisors)* walk the main precincts in the Council area and visit each business to discuss any questions or concerns that businesses may have.

Both options would include initiating follow up meetings if and when necessary. As for the way payment would work for either of these options, *One Stop Shop (Business Advisors)* were flexible to negotiate what would best suit the Council and ensure the program is viable into the future.

BIAS

BIAS focusses on delivering straightforward business improvement strategies to help a business 'survive', 'cruise' or 'grow', based on their 'Business Bible', an essential guide for improving business performance and ultimate business success, as contained within **Attachment C**. The team at *BIAS* specialise in accounting with over 80 years combined experience in the profession, which forms the majority of the advisory service they provide. Notwithstanding this, they have acquired relevant skill sets over time to provide expanded business advice in other relevant areas of business operations.

Given that *BIAS* mainly specialise in accounting elements associated with a business's ongoing operation (i.e. budgets, cash flow forecasts, bookkeeping), when a business is in a position where it requires assistance in another area outside of the *BIAS* offering, *BIAS* would rely on the connections they have formed with other industry leaders to then refer the business to them to obtain the advice they are after.

The cost associated with this service would need to be negotiated with *BIAS* and will probably be dependent upon the number of one-on-one consults the Council is wanting to offer the business community (either on a monthly or yearly basis) to then be redeemed with *BIAS*. Businesses would be given access to the full array of services offered by *BIAS*.

To access the service businesses in the Council area would need to register for the program through an online form.

LeapSheep

LeapSheep is a local Adelaide company delivering services worldwide. *LeapSheep* provide bespoke support to start-ups, and small to medium established businesses in the development of business models, strategies, skills, resources and connections.

In 2018 and 2019, the Council collaborated with *LeapSheep* to deliver the 'Eastside Startup Series', which focussed on the start-up, Small Medium Enterprises (SMEs) and entrepreneur sector and was designed to highlight and build a robust start-up community in a strategic and proactive way. Given that Entrepreneurship and Small Medium Enterprises (SMEs) continue to be significant drivers of economic activity in South Australia, it is important for the Council to provide support services to these businesses, particularly following the effects of the COVID-19 Pandemic.

LeapSheep's 'Business Building Support Service' provides current and potential business owners with access to expert advice, which will assist them to:

- understand the type of business they have;
- understand the type of business they aspire to have; and
- provide them with the knowledge and guidance to grow their business by identifying potential opportunities and trends for success.

The *LeapSheep* team is world-class, with expertise and experience across several sectors. They have an extensive database, including influential corporate contacts, investors and advisors and provide opportunity for businesses to connect and collaborate in a professional manner.

For an agreed number of connects and cost per month, *LeapSheep* will offer a one-on-one mentoring session to each business that signs-up via the Council's website. The business will then be contacted by one of *LeapSheep's* Advisors to organise a meeting. The business will have access to the templates and supporting documents used in the session. Following the business' one-on-one mentoring session, they will have the option to subscribe to *LeapSheep's* 'Business Builder' monthly service, which includes further mentoring and workshops.

Advantages of a Business Advisory Service Program

A *Business Advisory Service Program* would allow businesses to receive specific information and direction from experts in the fields that they require assistance in, whether it be legal advice, business planning advice or assistance in creating and managing a cash flow spreadsheet etc. The business workshops currently offered by the Council can often help start the conversation for a business in a basic format, however when follow up assistance or monitoring of progress is needed, an advisory program would be more advantageous to a business.

A *Business Advisory Service Program* offers one-on-one consultation between the business and the advisor, allowing the business to feel more comfortable and open with what they discuss, leading to honest and direct feedback about what needs to be done to assist with the concern they have.

By establishing a *Business Advisory Service Program*, the Council would become more aware of the issues and complications businesses in the Council area are facing, either through information collection via an online form or from the business advisor reporting back to the Council. This then allows the Council to be more strategic when determining future training and development, events, promotion and general allocation of budgets to support businesses.

Disadvantages of a Business Advisory Service Program

The provision of a *Business Advisory Service Program*, through an external provider or combination of providers, will require an allocation of funding. This is then likely to only be utilised by those businesses in the City which are facing difficulty and those willing to seek assistance (even though it will be available to all businesses) and therefore, it is unlikely that the program will be accessed by the majority of businesses in the City.

Given that the Council's contribution towards establishing an advisory service program is likely to only ensure that a business has access to an initial meeting with the provider, or in the case of *Business SA*, a year membership, follow up meetings and ongoing membership renewal is likely to result in the cost being placed back on the business. This has the potential to discourage follow up appointments or membership renewals, even though the business may still need to access advice or a service.

The one-on-one nature of a *Business Advisory Service Program* could result in a loss in connection between businesses seeking support and the 'middle-person', which would be Council's Economic Development Unit. Strong and strict communication processes would need to be established to ensure the connection continues.

3. Introduce a Concierge Service which is run by the Council with the support of a panel of experts.

One of the options that has been investigated by staff is that of introducing a Business Concierge Service for businesses starting up in the Council area. Under this model a new business will contact the Council's Business Concierge and a meeting will be set up with one (1) representative from different units across the Council (ie Economic Development, Planning, Building and Environmental Health etc) to provide the business owner with the advice they require.

The Business Concierge would be the business owner's one point of contact within the Council and will guide and assist the business owner through the process of establishing a new business from the beginning through to the very end.

Whilst this model is based on supporting new business it could be expanded to include advice to existing businesses.

To ensure that this model operates effectively the Council would need to establish a panel of experts which would be willing to provide advice to businesses. An agreement could be reached that the panel of experts offers the first meeting free of charge in the hope that the business owner will then seek additional meetings and/or advice. Alternatively the Council could subsidise the first meeting with the specific panel expert to encourage both businesses to register on the panel and for businesses to use the service. Where practicable the panel will comprise of specialist panel members located with the City of Norwood Payneham & St Peters.

The difficulty of this model is the significant resource allocation required to establish and deliver the service to a standard that provides significant benefit to new and existing business owners. It will also require the Council to establish a panel of experts that are willing to meet with the individuals to provide the necessary advice.

4. Propel SA

Under this scenario will resolve to become a member of Propel SA (formerly EBEC). Whilst this is a viable option the limited offering that this service now provides would not provide the best value to the City's business community. On this basis this option is not recommended.

5. Do nothing

Notwithstanding the possibility of this option, it is not recommended given that the business sector is a key contributor to the vibrancy of the City and the attractiveness of living, working and recreating in this City. A healthy economy leads to a healthy community therefore it is vital that the Council supports its businesses as much as it can.

It is therefore recommended that the Committee support the concept of engaging an independent advisory service provider or potentially a couple of independent service providers to deliver the Business Advisory Service for a period of 12 months.

CONCLUSION

Investigating potential options for establishing a *Business Advisory Service Program* for businesses within the City of Norwood Payneham & St Peters, is a key action in the Council's *2021-2026 Economic Development Strategy*. The impacts of the COVID-19 Pandemic, together with ever changing consumer habits, has made 'doing business' challenging and has highlighted to business owners and operators the need to be robust and agile, and the areas where improvement can be made to enhance the way in which they operate.

Business Advisory Services play an important role in ensuring businesses are provided with industry and problem specific information that is beneficial to them.

As outlined in this report, significant research as well as meetings with potential advisory service providers have been held to enable staff to gain a better understanding of what is available and what could be beneficial for the City's business sector, to ensure that if an investment is to be made by the Council, the best programs and services are offered. Other providers outside of the four (4) contacted by Council Staff do exist and will be contacted if the Committee feels that partnering with an External Provider to deliver a Business Advisory Service would be beneficial.

The analysis of the advantages and disadvantages of an advisory service program raises valid points for both sides of the argument, however the analysis into other council offerings, demonstrates that the majority of Councils tend to offer some sort of advisory support or service to their business communities.

COMMENTS

One of the greatest challenges that the Council faces with the delivery of any of these types of programmes is the ability of business owners to recognise that they need assistance and to proactively seek that assistance.

RECOMMENDATION

1. That the report be received and noted.
 2. That the Business & Economic Development Committee supports the introduction of a Business Advisory Service for the City of Norwood Payneham & St Peters through an external provider and notes that a procurement process will now be undertaken.
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Cr Callisto moved:

1. *That the report be received and noted.*
2. *That the Business & Economic Development Committee supports the introduction of a Business Advisory Service for the City of Norwood Payneham & St Peters through an external provider and notes that a procurement process will now be undertaken.*

Seconded by Cr Knoblauch and carried.

4. OTHER BUSINESS

Nil

5. NEXT MEETING

Tuesday 15 June 2021

6. CLOSURE

There being no further business the Acting Presiding Member declared the meeting closed at 6.48pm.

Mayor Robert Bria
PRESIDING MEMBER

Minutes Confirmed on _____
(date)