

16.2 LATE ITEM - BUSINESS DEVELOPMENT SUPPORT GRANT SCHEME APPLICATIONS

File No:	ED.2
Responsible Executive Officer:	Director Development Services
Reporting Author:	Economic Development Advisor
Date of Report:	16 July 2016
Applicant/Proponent:	Various Businesses Support Agencies
Disclosure of Interest:	Nil
Attachment(s)	1. Confidential - Summary of Business Support Grant Scheme 2016 applications 2. Policy DE-02 Business Support Grant Scheme

PURPOSE

For Council to consider applications for financial support from business support agencies via the Business Development Support Grant Scheme.

BACKGROUND

The City's Operational Economic Development Strategy 2014-2016 has a key objective to strengthen microbusiness and small to medium enterprise outcomes via the facilitation of business support services, education programmes, networking and targeted business development.

At the June 2016 Ordinary Council Meeting, Council resolved to adopt Policy DE-02 Business Development Support Grant Scheme and commence implementation. The objective of the policy is to assist local collaborators and organisations with developing and delivering innovative projects that will result in economic benefits to the City.

This in turn will support the effective implementation of the City's Operational Economic Development Strategy which has, as a strategic focus, the support and development of business enterprises providing direct benefits to City residents and the business community.

Applications for the 2016 Business Development Support Grant Scheme were advertised from 29 June 2016 in the local newspaper, on the City of Karratha's website and Facebook page and sent via email to existing service providers. The advertised closing date for applications was Wednesday, 11 July 2016.

Key eligibility criteria for the Business Development Support Grant Scheme are:

- a) a properly constituted not-for profit;
- b) a collaborative partnership sponsored by an incorporated organisation;
- c) or a for-profit organisation where the funded project is not projected to return a profit in the short term;
- d) Industry and business associations, chambers of commerce and industry may apply.

A total of twelve (12) applications were received with the requests totalling \$131,450.

LEVEL OF SIGNIFICANCE

In accordance with Council Policy CG-8 Significant Decision Making Policy, this matter is considered to be of moderate significance in terms of social, cultural & wellbeing issues due to the Business Development Support Grant Scheme providing significant funding assistance.

COUNCILLOR/OFFICER CONSULTATION

Consultation has taken place with relevant internal departments.

COMMUNITY CONSULTATION

The Economic Development Advisor have liaised with each of the applicants to offer support and assistance in completing the applications, as per the guidelines.

STATUTORY IMPLICATIONS

There are no statutory implications.

POLICY IMPLICATIONS

Policy DE-02 Business Development Support Grant Scheme applies.

FINANCIAL IMPLICATIONS

Council has allocated \$100,000 in the 2016/17 Budget towards the Business Development Support Grant Scheme.

The Officer's recommendation amounts to \$26,000 and supports two (2) of the twelve (12) applications received.

The table below summarises the Officer's recommendations for funding allocation. Officers aim to fund fewer projects at higher allocations to aid success of the intended project and the anticipated wider community benefit. Officers have assessed the applications to ensure there is no duplication of services. Further detailed information regarding all applications, including reasons for the Officer's recommendations are incorporated in the confidential attachment.

Recommended Applicant	Project	Total Project Cost	Amount Requested	Amount Recommended
KDCCI	Career Central "17	\$17,500	\$7,500	\$6,000
KDCCI	Boot Camp	\$90,000	\$20,000	\$20,000
TOTAL		\$107,500	\$27,500	\$26,000

Applications not recommended by Officers include:

Applicant	Project	Total Project Cost	Amount Requested
KDCCI	Business and Community Directory	\$122,638	\$17,000
KDCCI	Lead and Adapt Workshop	\$46,000	\$7,500
KDCCI	Small Business Breakfast Briefings	\$18,000	\$18,000
KDCCI	Diamond Sponsorship	\$64,000	\$8,000
KDCCI	Business Excellence Awards	\$75,400	\$10,000
Business Centre Pilbara	Pilbara Women's Network Series	\$55,146	\$17,000
Business Centre Pilbara	Destination Pilbara – Warlu Way Tourism Event	\$141,256	\$5,000
RSM	Growing Your Future Business information evening	\$21,000	\$10,700
RSM	Economic Benefits of Indigenous Employment Research project	\$35,750	\$10,000
RSM	MYOB-Xero Training	\$11,500	\$5,750

It should be noted that Council has previously had partnership agreements in place with the KDCCI and Business Centre Pilbara that included long standing support for various events and sponsorship including the Annual Community Directory, Business Excellence Awards and Sponsorships. Whilst not supported in this instance it is possible to further consider these applications should additional information be supplied as outlined in the Evaluation report.

STRATEGIC IMPLICATIONS

This item is relevant with the Council's approved Strategic Community Plan 2012-2022 and Corporate Business Plan 2012-2016. In particular the Operational Plan 2015-2016 provides for this activity:

Our Response: 2.a.1. Develop initiatives, build partnerships and deliver projects to attract and support small to medium enterprises in the region.

RISK MANAGEMENT CONSIDERATIONS

There are no risk management considerations applicable.

IMPACT ON CAPACITY

There is no impact on capacity or resourcing to carry out the officer's recommendation.

RELEVANT PRECEDENTS

Council has a similar Policy in (DE-01) Tourism Business Grant Scheme upon which the Business Development Support Grant Scheme is modelled.

VOTING REQUIREMENTS

Simple Majority.

OPTIONS:

Option 1

As per Officer's recommendation.

Option 2

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to MODIFY the amount and/or submissions received as per Council's determination:

Recommended Applicant	Project	Amount	Council Determination

CONCLUSION

The City's Operational Economic Development Strategy 2014-2016 has a key objective to elevate the City of Karratha's reputation as a premier Pilbara tourism destination, enhanced through the development of quality tourism infrastructure, visitor information services and product development in order to diversify the local economy.

OFFICER'S RECOMMENDATION

That Council by SIMPLE Majority pursuant to Section 3.18 of the *Local Government Act 1995* RESOLVES to:

1. **CONSIDER** financial support of an indicative amount of \$26,000 for the Business Development Support Grant Scheme in the 2016/17 draft budget as per the detailed table below:

Recommended Applicant	Project (recommended to fund)	Amount
KDCCI	Career Central “17	\$6,000
KDCCI	Boot Camp	\$20,000
TOTAL		\$26,000
UNALLOCATED		\$74,000

2. **UNDERTAKE** the Small Business Breakfast Briefings directly and allocate \$20,000 of the current Business Development Support Grant Scheme budget for this purpose; and
3. **ADVERTISE** a second round of the Business Development Support Grant Scheme using the \$54,000 unallocated funds from the first round.

BUSINESS DEVELOPMENT SUPPORT GRANT SCHEME

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1. OBJECTIVE

The City of Karratha's Business Development Support Grant Scheme assists local collaborators and organisations with developing and delivering innovative projects that will result in economic benefits to the City of Karratha.

This in turn will support the effective implementation of the City's Operational Economic Development Strategy which has, as a strategic focus, the support and development of business enterprises providing direct benefits to City residents and the business community.

2. PRINCIPLES

2.1 Introduction

In recognition of the important role that businesses play in contributing to the local economy and providing local jobs, Council is committed to the provision of support and assistance through the Business Development Support Grant Scheme.

2.2 Funding

Council will allocate funds to be available for the Business Development Support Grant Scheme and for these to be included as part of the City of Karratha annual budget process.

2.3 Eligibility Criteria

Groups or organisations that are eligible include either:

- a) a properly constituted not-for profit;
- b) a collaborative partnership sponsored by an incorporated organisation;
- c) or a for-profit organisation where the funded project is not projected to return a profit in the short term.
- d) Industry and business associations, chambers of commerce and industry are welcome to apply.

The organisations must:

- a) Be able to demonstrate they are involved in business support enterprise;
- b) have a registered Australian Business Number (ABN);
- c) have an appropriate legal business structure;
- d) Have the appropriate insurances, permits and licences;
- e) have a proposal that will deliver benefits to the City of Karratha;
- f) have a proposal which is financially viable;
- g) be able to proceed without grant funding;
- h) Provide a project plan detailing objectives of the project, costs, timelines, and methodology.

2.4 Categories of Support

The following categories indicate what type of initiatives the City may support:

	Event	Examples	Indicative grant funding available
2.4.1	Major Business Events	Expos, conferences and forums	Up to \$30,000
2.4.2	Minor Business Events	Briefings, and seminars	Up to \$30,000
2.4.3	Business Training	Business boot camps, workshops	Up to \$20,000
2.4.2	Other initiatives	Surveys, business information, research, awards, sponsorships	Up to \$10,000

2.5 General Conditions

- 2.5.1 The business support grant scheme offers cash grants of up to \$30,000 per business on a matched dollar for dollar basis.
- 2.5.2 Grants would be on a matched dollar for dollar basis
- 2.5.3 Grant funding is to be paid as reimbursement for spending or costs incurred after the Business Development Support Grant Scheme application has been approved.
- 2.5.4 Funds will not be approved to any eligible applicant that currently holds outstanding debts with the City of Karratha.
- 2.5.5 Assistance will not be given retrospectively.
- 2.5.6 The proposal must meet the specific funding program guidelines and criteria.
- 2.5.7 The applicant organisation must demonstrate their capacity to manage financial and funding accountabilities of the project, as well as their overall project management capabilities.
- 2.5.8 Assistance will not be issued to applicants where monies are not expended on the purpose detailed in the original application.
- 2.5.9 All applications must be submitted on the relevant application forms.

2.6 Return Benefits to the City of Karratha

The applicant agrees to acknowledge the City of Karratha assistance through the following mediums, inclusive of, but not limited to:

- 2.6.1 City logo displayed on posters, pamphlets, sign boards etc;
- 2.6.2 City logo displayed on the digital application developed e.g. website, portal, app, etc;
- 2.6.3 Undertake joint media promotion with the City of Karratha;
- 2.6.4 Submission of an acquittal report containing photographs of project deliverables upon project completion.

2.7 Allocation of Funds

All successful applications will be eligible to claim allocated funds upon receipt of approval/acceptance letter and submission of a valid tax invoice to the City of Karratha.

Council will not:

- fund deficit funding
- fund retrospectively

Decisions regarding funding applications are final and will not be reconsidered. Applicants may choose to resubmit their applications during future funding rounds, including those in the same financial year.

2.8 Unspent Funds

Funds which are unspent at the conclusion of the project or activity will be returned to Council within 60 days of the completion of the project, activity or event.

Funds that remain unaccounted for, or remain unspent in the custody of the organisation, shall be treated as for any Council debt.

2.9 GST

Where groups and individuals have an ABN (Australian Business Number) and are registered, GST will be applicable and will be paid. Unregistered groups and individuals will need to complete an Australian Taxation Office declaration form prior to receiving reimbursement of grant monies.

2.10 Other

All applicants should note that Business Development Support Grant Scheme is competitive. It is therefore recommended that all information requested and/or required, is provided at time of application so as not to jeopardise eligibility.

Variations to the approved application are generally not accepted. Any request to vary expenditure from the approved application would need to be submitted to, and approved by the CEO prior to the expenditure occurring. Only minor variations that do not change the overall intent of the approved application will be considered.

3. CONSEQUENCES

This policy represents the formal policy and expected standards of the Council. Appropriate approvals need to be obtained prior to any deviation from the policy. Elected Members and Employees are reminded of their obligations under the Council's Code of Conduct to give full effect to the lawful policies, decisions and practices of the Council.

4. ROLES AND RESPONSIBILITIES

It is the responsibility of **All Staff** to ensure that they adhere to the policy, direction and legislation.

It is the responsibility of the **Development Services Directorate** to administer funds within relevant guidelines and ensure community organisations successful in obtaining funds, are compliant with this policy.

Council is responsible for the application of the policy. **Council** is responsible for the review of the policy.

5. REFERENCES TO RELATED DOCUMENTS

- City of Karratha Business Development Support Grant Scheme Guidelines
- City of Karratha Business Development Support Grant Scheme Application Form

Policy Number:	DE-02
Previous Policy Number:	N/A
Resolution Numbers:	153486-Jun 2016
Last Review:	June 2016 (New)
Next Review:	June 2018
Responsible Officer:	Director Development Services

This Policy takes effect from the date of adoption by Council and shall remain valid until it is amended or deleted.