

BUSINESS CENTRE PROGRAM, REVIEW

Statement by Minister for Small Business

MR R.C. KUCERA (Yokine - Minister for Small Business) [2.10 pm]: I am pleased to announce to the House that the review of the business enterprise centre program has been completed. Since Western Australia's first business enterprise centre was established by the Labor Government in 1985, the State's network of BECs has assisted the development of small business throughout the State by providing a range of business counselling, information and referral services. In 2002-03 alone, the BEC network responded to more than 115 000 inquiries from existing and aspiring small business operators, and assisted with the commencement of more than 2 183 new businesses. In turn, this activity generated 5 500 new full-time and part-time jobs.

Since the original BECs commenced, however, the small business sector has become an increasingly complex and challenging environment. In responding to these challenges, BECs have had to change their practices to remain relevant to their clients' evolving needs. While recognising the successes of the BEC network, in 2003 the Government commissioned a review of the BEC program to ensure that it was well positioned to meet the future needs of the small business sector in Western Australia. The review, conducted by the Centre for Entrepreneurial Management and Innovation, involved consultation with BEC managers, committees and stakeholders and consideration of more than 50 public submissions.

In December 2003, the report titled "Communities of Enterprise: Future Strategies for the Business Enterprise Centres Network of Western Australia", which contained the results and recommendations of the review, was presented to the Small Business Development Corporation. Although the report identified some areas of agreement about the future role of BECs, it did not demonstrate strong consensus among stakeholders or adequately define a future direction and structure for the BEC program. Following consideration of the report, and public comments received after its release, a two-stage plan will be implemented to achieve optimum benefits for small business throughout Western Australia. The plan is centred on the establishment of regional BEC zones and recognises the importance of community involvement in determining both the type of BEC services and most appropriate method of service delivery required within each region.

Stage 1 of the plan involves the preparation of the BEC network for the establishment of the regional BEC zones. The Small Business Development Corporation will request each BEC sponsor organisation to submit a business case for state government funds to deliver BEC services. The submissions will include evidence of community support for the service, strategic links within their area and financial and in-kind contributions from stakeholders such as local government. The SBDC board will consider all submissions prior to the next funding period commencing 1 July 2004.

Stage 2 involves the formalisation of six regional BEC zones. Each regional BEC zone will be tasked with determining the optimum distribution of the total core operational funding currently allocated to each zone. This will provide an opportunity for BECs to consider options for alternative delivery formats, the sharing of resources and any other restructuring identified to maximise the effectiveness of BEC services delivered within each zone.

The State Government has committed \$400 000 to enable the implementation of this regional strategy. Regional BEC zones will be invited to present to the Small Business Development Corporation submissions containing their agreed strategy for resource distribution, and a business case for a proportion of the \$400 000 to pay for implementation costs. Community involvement has always been an integral part of the success and effectiveness of the BEC network. In setting a regional direction, this strategy will forge stronger links between the BEC network and local communities. This, together with the ongoing commitment of the State Government, will achieve the best result for small business in Western Australia.