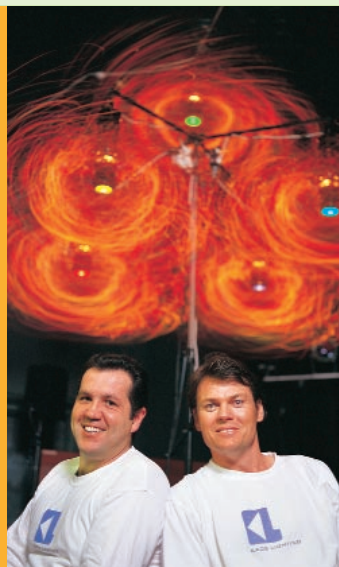


Small Business Development Corporation Annual Report 2002

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SBDC's Role, Vision and Mission

Our role

The role of the SBDC is to be a broker facilitator, advocate and catalyst for the development of small business in Western Australia; to be innovative and practical in operations and to excel in an environment of change.

The SBDC is focused on the development of the small business sector and is committed to:

- championing the cause of small business;
- developing programs and services to meet the needs of small business development;
- establishing and strengthening relationships between the SBDC and key agencies (public and private sector); and
- maintaining and enhancing the independence, innovation and responsiveness of the SBDC.

Our Vision

To be the driving force in the realisation of small businesses as major contributors to the State's economy.

Our Mission

To create opportunity and wealth for small business in Western Australia.

Our Values

- independent, innovative
- responsive
- rewarding, stimulating and enjoyable workplace



Western Australia's Small Business Sector: An Overview

What is a small business?

A small business is any business that is:

- independently owned and operated;
- closely controlled by owners/managers who also contribute most, if not all, of the operating capital; and
- the principal decision-making functions rest with the owners/managers.

For statistical purposes, small businesses are identified as those businesses that employ less than 20 people. A micro business is any small business employing less than five people.

Agricultural businesses are not included in statistical small business counts.

Small business growth

Number of small businesses

Latest statistics from the Australian Bureau of Statistics (ABS) reveal that, in 2000/01, there were 126,000 small businesses in Western Australia – representing 96.5% of all businesses. This figure is comprised of 68,000 non-employed businesses, 40,400 businesses employing between one and four employees and 17,500 businesses employing between five and 19 employees.

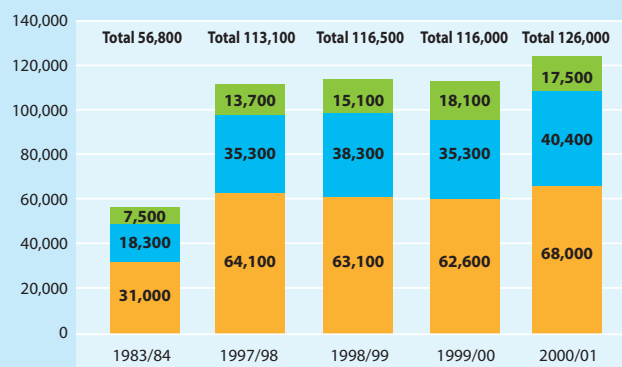
Across Australia, there was a total of 1,122,000 small businesses in 2000/01.

Strong growth in the number of small businesses operating in Western Australia was experienced between 1999/00 and 2000/01. Over this 12 month period, small business numbers increased by 8.6%. This compares to 4.4% nationally for the same period and is higher than the increase recorded in any other state.

For the past 17 years, since the Australian Bureau of Statistics has been collecting small business statistics, Western Australia has recorded an average annual growth rate in the number of small businesses of 4.8%. Again, this was higher than any other state and well above the national average of 3.5%.

According to the ABS, it is likely that the introduction of The New Tax System may have impacted on the number of small businesses reported in the 2000/01 period, as business operators previously not registered with the Australian Taxation Office as a business complied with the new legislation.

Number of Small Businesses in Western Australia



* Rounding may result in the sum of components not adding up to the total

Non Employing Businesses 1 - 4 Employees 5 - 19 Employees

Source: ABS Cat. No. 1321.0

Industry Trends

The top four industry sectors for growth in the number of small businesses in Western Australia (between 1999/00 and 2000/01) were:

Transport and Storage	28.4%
Health and Community Services	20.6%
Finance and Insurance	16.0%
Manufacturing	11.0%

Over the longer term (1983/84 to 2000/01) in Western Australia, the following four industry sectors experienced the greatest average annual rate of growth in the number of small businesses:

Property and Business Services	8.1%
Health and Community Services	7.0%
Education	5.7%
Construction	5.7%

Source: ABS Cat.No.1321.0

Small business employment

Latest statistics from the Australian Bureau of Statistics indicate that the small business sector continues to be a major employer across Western Australia.

In 2000/01 small businesses in Western Australia employed 364,000 people – a 2.1% increase on the previous year. Nationally, the number of people working in small businesses increased by 2.5% over the same period.

The small business sector in Western Australia represented 49.4% of the private sector workforce in 2000/01 and comprised 86,100 own account workers (ie, persons operating their own unincorporated economic enterprise, or engaging independently in a profession or trade, and hiring no employees), 35,300 employers and 242,600 small business employees.

Across Australia, a total of 3,259,100 people were employed by the sector with small businesses providing employment for 47.2% of the private sector workforce in 2000/01.

Over the 17 years from 1983/84 to 2000/01, the Western Australian average annual growth rate in small business employment has been 4%. This is equal only to the growth rate in Queensland and well above the national average which is 3%.





Women in Business

As at June 2001, there were 64,300 women operating a small business in WA. This represents a large increase in the number of Western Australian women in small business, up from 50,300 in November 1999.

A 17% annual average increase in the number of Western Australian women small business operators was recorded between November 1999 and June 2001 – a rate higher than any other state or territory.

Source: ABS Cat.No.8127.0

Ethnicity

In June 2001, 37% of Western Australian small business operators were born overseas. This proportion is higher than any other state or territory.

Over the period November 1999 to June 2001 the number of overseas born operators increased by an annual average of 19%.

Source: ABS Cat.No.8127.0

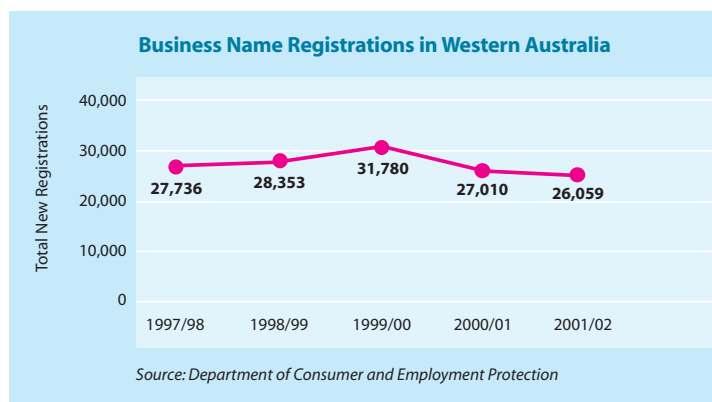
According to the Department of Immigration and Multicultural and Indigenous Affairs, in 2000/01, 27% of all permanent residency business migrants arriving in Australia came to Western Australia (second only to New South Wales).

Source: Department of Immigration and Multicultural and Indigenous Affairs

Business Name Registrations in Western Australia

According to the Department of Consumer and Employment Protection, there were 189,309 business names registered with the Department as of 30 June 2002. To operate a business it is necessary to trade under a company name or a registered business name, except where a person wishes to trade under their own name.

The registration of a business name remains in force for a period of three years. It must be renewed upon the expiration of the registration in order for that name to continue to be used by the business. During the year 26,059 new business names were registered in Western Australia. In addition, 37,317 business names were renewed. This compares to 40,506 business name renewals in 2000/01 and 27,543 business name renewals in 1999/00.



The significant increase in business names registered during 1999/00 was likely to be due to the introduction of the Goods and Services Tax (GST) on 1 July 2000 and the associated requirement for an Australian Business Number. New business name registrations have now returned to a level similar to that prior to the commencement of the GST.

Categories of small business

Micro businesses

In 2000/01 there were 108,400 micro businesses throughout the State. This represented 86% of Western Australian small businesses.

Between 1999/00 and 2000/01, Western Australia sustained a positive growth in micro business numbers. Over this period the number of micro businesses increased by 10,500.

During 2000/01, non-employing businesses accounted for 63% of all micro businesses and 54% of all small businesses.

Source: ABS Cat.No.1321.0

Home based businesses

A home based business can be operated:

- *at home* - where most of the work is carried out at the home of the operators of the businesses; or
- *from home* - where the business has no other premises owned or rented other than the home of the operator.

In Western Australia, 87,700 small businesses operate either at home or from home. In June 2001, home based businesses made up 66% of all small businesses.

There were 114,300 home based small business operators in June 2001, with 72% of home based small businesses being single operator businesses.

Most Western Australian home based businesses are non-employing (74%) and are predominantly male operated (55%). Almost half (49%) have a computer and access to the Internet.

Source: ABS Cat.No.8127.0

Personal computer and Internet use by small business

In June 2001, 68% of Western Australian small businesses used a computer in their business operations, compared to 63% in November 1999.

Approximately 53% of small businesses in Western Australia had access to the Internet in June 2001, up from 38% in November 1999. This represents an annual average increase of 45% over the period.

Around 44% of Western Australian small businesses used the Internet for email, 40% for research, 18% to make or receive payments and 44% for other purposes.

Source: ABS Cat.No.8127.0

References:

Australian Bureau of Statistics - Small Business in Australia, 2001 (Cat.No.1321.0), October 2002.

- Characteristics of Small Business, 2001 (Cat.No.8127.0), March 2002

Western Australian Department of Consumer and Employment Protection, Business Registration Services

Commonwealth Department of Immigration and Multicultural and Indigenous Affairs, Statistics Section

All data sourced from the ABS is used with permission from the ABS.



Chairman's Report



Tim Atterton
Chairman
Small Business Development
Corporation

Overview

All small business operators know that running a successful business requires the ability to “manage under conditions of uncertainty, on a day-to-day basis, with limited resources.” By any standards, 2001/02 was a turbulent and unpredictable year with even greater levels of uncertainty than usual.

The unforgettable events of September 11 and the corporate collapses of Ansett and HIH had an immediate and profound effect on both the insurance and tourism sectors that will impact upon all small businesses in Western Australia — and regional WA in particular — for some time to come. As ever, the small business community responded to these challenges and many others with resilience and resolution. Many are still feeling the on-going effects.

Consultation

The SBDC constantly endeavours to maintain regular contact with the small business sector that it aspires to serve. During the year, SBDC board meetings were held in Corrigin, Moora and Lancelin as well as in the cities of Stirling and Swan. These events provided excellent opportunities to meet small business operators in their own environment and discuss their concerns and ambitions.

Over the year, we have invested time and resources in developing further our “ready response” network and other complementary approaches that allow the corporation to canvas the views of small businesses across the State on a wide range of issues. These mechanisms provide us with opportunities to monitor the health and well-being of the small business sector and respond accordingly.

Meeting the Challenge – Levelling the Playing Field

A major role of the SBDC is to work with policy makers and regulatory bodies to ensure, whenever possible, that small businesses are not unduly burdened or prejudiced by bureaucracy and red tape. I am delighted to report a number of significant successes in this area over the past 12 months. Most significantly, in March the WA Cabinet approved a proposal that a small business impact statement should accompany all cabinet submissions that seek approval for regulatory, legislative or policy initiatives that will impact significantly on small businesses.

The State Government also endorsed the introduction of a Small Business Advocacy Service to be located within the SBDC. The advocacy service assists small businesses in their dealings with government departments and agencies by investigating issues and concerns, and attempting to negotiate solutions on their behalf.

Meeting the Challenge – Supporting the Small Business Operator

The provision of advice and guidance to small businesses is the core function of the SBDC. Over the past 12 months, levels of enquiries to almost all of the corporation's areas of operation exceeded the previous year's figures. In excess of 116,000 contacts and enquiries to the corporation were recorded during the year, including more than 25,000 web site contact visits.

The SBDC has also worked closely and collaboratively with the network of 37 Business Enterprise Centres to ensure that effective and timely business support is accessible throughout Western Australia. We can now claim, with justification, that Western Australia has one of the most effective and geographically diverse small business support networks in the world. The establishment of the BEC Managers' Association and its close association with the Business Enterprise Centres of WA representative body can only serve to develop further the professionalism and efficiency of the BECs, both individually and collectively.

Innovation and creativity is the hallmark of enterprise, and the SBDC has introduced an impressive range of new products and service offerings over the past year. These new services include a range of e-commerce related initiatives, a new support program for business incubators and an innovative cash flow management workshop.

The Future

During the financial year, the SBDC was subjected to a succession of external evaluations, the most significant being a statutory review under the direction of an independent steering committee. Encouragingly, this review determined that the corporation was meeting its statutory obligations, was well run, and was operating efficiently and effectively. Importantly, the steering committee highlighted the imperative that the SBDC must remain independent of government if it is to continue to deliver appropriate services and programs, and offer objective advice to Government that reflects the concerns and difficulties experienced by the sector.

In light of this positive endorsement, the SBDC has drawn up an ambitious Operational Plan for 2002/03, which includes reviews of both the *Commercial Tenancy (Retail Shops) Agreements Act 1985* and the network of Business Enterprise Centres. There will also be an integrated suite of web-based initiatives and a program of support for aspiring small business exporters.

Conclusions

It is clear that the challenges facing small businesses in the future will be different from those of the past. The impact of globalisation, social change, and the information and communications revolution must be considered and embraced. The SBDC looks forward to working with the small business community of Western Australia in meeting their changing needs in a flexible and customer-led way.

We will remain vigilant in pursuit of our mission "to create wealth and opportunity for small business in Western Australia".

In closing, I would like to thank the Minister for State Development, Tourism and Small Business, the Hon. Clive Brown, for his support, guidance and accessibility. I would also like to commend my fellow SBDC board members for their wise counsel, patience and humour. Finally, and most sincerely, I would like to congratulate the entire staff of the Small Business Development Corporation for their diligence, empathy and understanding of the small business situation and their sheer hard work.

Tim Atterton

Chairman

Small Business Development Corporation

Managing Director's Report



George Etrelezis
Managing Director
Small Business Development
Corporation

Response

Innovation and responsiveness characterised SBDC's achievements in 2001/02.

In the wake of major corporate collapses, the events of September 11, the demise of Ansett and adverse seasonal conditions, the SBDC had to look at ways to keep small business on an even keel and to work with business operators in bracing themselves for more challenging times.

Partnering the SBDC in its efforts, the 37 strong statewide Business Enterprise Centre network contributed significantly to meeting small business needs where it counts most — at the coalface.

The BEC success in facilitating the delivery of the "Small Business Smart Business" program saw the program extended to the entire State. Training vouchers distributed through the BEC network and accompanied by needs analysis increased awareness and take-up of training relevant to the small business operator.

New products including Cashflow Today workshops and the Marketing Magic seminar series were introduced to combat cash flow deterioration and a fall off in revenue streams, particularly in regional, tourism-based areas.

Innovation

A major step forward in online service delivery was taken with the launch of the SBDC's online Business Licence Information Service. The service is a one-stop source of information and guidance on a combination of Commonwealth, State and Local Government licences and regulations for starting and running a business. Key features that appeal to clients include the ability to download licence forms and the combination of three tiers of Government licensing information now available 24 hours a day.

The SBDC also introduced a new online concept for government agencies throughout Australia to share information and knowledge on small business program development. The Program Information Sharing Mechanism (PRISM) has been designed to avoid duplication, save costs and share expertise in delivering better programs for small business growth.

Representation

There was a heavy emphasis on the SBDC role in representing the small business sector interest in policy decisions in 2001/02.

Numerous submissions were made throughout the year in key areas, including:

- Senate Enquiry into Small Business Employment
- Public Liability
- Security of Payment
- National Competition Policy
- Review of Tribunal processes

To complement the policy unit's endeavours at a macro level, a new service was introduced to work hand-in-hand with individual small businesses in dealing with regulatory and associated red tape issues. The Small Business Advocacy Service is a unique service which has at its core the SBDC's interface with bureaucracy in bringing about solutions to everyday small business dealings.

Business Migration

A concerted effort was made to capitalise on the combined effects of overseas country of origin circumstances and the weaker Australian dollar exchange rate to build on Western Australia's success in attracting business migrants.

The SBDC's Business Migrant Incentive Program proved a valuable drawcard. With 145 applicants assisted, Western Australia ranked second only to New South Wales in the total number of business migrants attracted to the State. Western Australia was equal first in attracting permanent resident arrivals to 30 June 2002. Business migrants are an excellent catalyst for small business development; they introduce small business capital and bring with them skills and expertise in many areas. They also have valuable networks for future international trade.

Business Incubation

Business incubators offer a supportive and flexible environment in which fledgling businesses can find their feet. Incubators are now located in 10 locations, stretching from Albany to Midland. Others are proposed for Stirling, Joondalup and Kalgoorlie.

To assist incubator management in guiding small business operators into their own premises, the Incubator Support Program was launched in November 2001.

The program provides for the SBDC to work with incubator managers in promoting incubator use, tenant business planning and the conduct of customised workshops, as required. Useful links have been forged which have started to translate into an effective service delivery partnership for the success of incubator tenants.

Direction

During the year, our long-serving chairman, John Garland, was farewelled and existing board member, Tim Atterton, took over the helm.

John Garland's efforts over some seven years were well recognised and appropriately lauded. Tim Atterton has kicked off in a similar vein and we look forward to an equally rewarding passage under his stewardship. Anne Butorac was also welcomed as a board member.

The board is dutifully thanked for its support of the SBDC and its staff during the year.

Effort

In a year that presented many challenges on the service delivery front and brought with it the additional workload of reviews and changed processes, the staff of the SBDC responded magnificently. Their hard work and genuine desire to get on with the job is admirably reflected in the results contained in this report.

In the same vein, the chairpersons, committees, managers and staff associated with the Business Enterprise Centres are thanked for their endeavour, cooperation and application in joining with the SBDC in providing the best model of its kind in servicing small business development needs in Australia.

A final thank you is extended to those sponsors, organisations and individuals who have worked with us in 2001/02 to further the interest of the small business cause. We extend our thanks and welcome the opportunity to explore future opportunities to build small business in Western Australia.

George Etrelezis

Managing Director

Small Business Development Corporation

Output Measures

The mission of the Small Business Development Corporation is to *create opportunity and wealth for small to medium sized businesses in Western Australia*. This mission is achieved by the development of new and existing Small Business in Western Australia.

For this financial year, the SBDC achieved this outcome by means of the following output:

Information, Guidance, Referral and Business Development Services

Provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia.



Output Performance Measures

	2000 /01 Actual	2001 /02 Target	2001 /02 Actual
Quantity			
Clients – direct advice ¹	82,813	85,000	103,236
Clients – indirect advice ²	50,418	50,000	40,403
Grants given ³	232	220	347
Clients of Business Enterprise Centres	85,359	80,000	107,600
Unit of policy advice	1	1	1
Quality			
Satisfaction with services ⁴	92%	90%	92%
Timeliness			
Satisfaction with services	92%	90%	92%
Cost			
Average cost per direct client contact	\$51.02	\$74.00	\$44.85
Average cost per indirect client contact	\$2.46	\$2.65	\$3.12
Average grant per client	\$3,846.83	\$3,805.53	\$2,745.83
Average cost per BEC client contact	\$40.81	\$43.71	\$32.80
Cost per unit of policy advice	\$1,068,983	\$1,215,000	\$840,831

1 Direct clients include those who used the Small Business Services, the Business Information and Licence Centre, those who visited the SBDC web-site for four minutes or more or visited the Business Licence Information Service web-site for two minutes or more.

2 Indirect clients include those who have: attended Forums, Events, Expos and Small Business Awards sponsored by SBDC, attended functions addressed by an SBDC representative on small business matters; accessed the SBDC web site for two to four minutes, the Small Business Research web-site for two minutes or more and the b-generation website (for youth).

3 Grants include those given under the Small Business Improvement Program, the Business Innovation Development Scheme and the Business Migrant Incentive Program.

4 This figure was obtained from Client Surveys conducted by independent research company Patterson Market Research Pty. Ltd in March and June 2002 with 793 men and women who have used the SBDC and BEC services.

* Based on a total accrual cost of \$10,078,962.

Small Business Services



The Small Business Development Corporation provides a Small Business Services team to assist West Australians establish and grow their business. Information, guidance and referrals are offered regarding all aspects of operating a business. The service also includes a range of specialist programs to improve business practices and market knowledge.

This year the SBS team responded to 25,475 business development enquiries.

Commercial Tenancy

The demand for commercial tenancy guidance continued to be strong during the year, with 3 835 clients making 4 779 enquiries.

Clients entering into a lease for the first time represented the greatest number of enquiries but, conversely, the number of clients enquiring about the termination of leases was also significant.

There was a high level of demand for assistance on:

- escalating occupancy costs;
- problems with auditing operational expenses;
- termination of tenancies; and
- the failure to provide disclosure statements.

A new service was introduced in 2002 specifically to provide assistance to the increasing number of clients seeking to resolve disputes through mediation via the Commercial Tribunal. During the six months this service has been available, 66 clients have been assisted with their applications.

SBDC's publications - particularly *Leasing business premises : a commercial and practical guide* - have proven to be a valuable source of information, especially for those entering into leases for the first time.

The SBDC has made submissions to the Department of Consumer and Employment Protection regarding changes to the *Commercial Tenancy (Retail Shops) Agreements Act 1985*. The SBDC has worked towards establishing a mechanism to review the Act to further the State Government's election policy commitment to improve the commercial tenancy rights of small business retailers.

Specialist commercial tenancy seminars were regularly delivered throughout the year and it is expected that the demand will continue during the next financial year.

Marketing and Market Research Services

Increased competition from all over the world continues to reinforce the need for sound market research, marketing plans and strategies. Such knowledge enables West Australian small businesses to clearly understand the needs of the marketplace and to satisfy those needs effectively and profitably.

The SBDC specialist marketing service - which complements the range of marketing services provided by the private sector - sources, coordinates and provides a comprehensive range of guidance and information on all aspects of market research and marketing for small businesses.

The further development and refinement of online and e-commerce facilities for small businesses - and the influence of these tools on traditional marketing methodologies - has resulted in a stronger focus on information technology and online-related marketing guidance.

Recognition of the importance of effective market research and marketing strategies by small businesses resulted in strong growth, and this year the service responded to 2,572 enquiries.

Marketing Today Workshops

In partnership with the statewide Business Enterprise Centre network, the SBDC also delivered a series of one-day workshops on marketing called Marketing Today.

The Marketing Today workshop program was developed by the SBDC in response to the need for small businesses to remain competitive within their own local community - especially in rural WA - and to learn new skills to cope with the changing market dynamics introduced by the Internet.

The one-day intensive workshop is based on established marketing principles that encourage best practice in small business. It is practical, interactive and well suited to small group learning.

In 2001/02, 36 Marketing Today workshops were held across metropolitan and regional Western Australia and one was held on Cocos Island. Regional centres included Albany, Esperance, Geraldton and Kalgoorlie. More than 250 people attended the workshops.

Business Migration into Western Australia

The SBDC's Business Migration Program has influenced an increasing number of migrants to establish a business in Western Australia. This, in turn, is having a major impact on the State's economic wellbeing, as business migrants are a key source of new investment and employment creation.

To demonstrate the economic value of the Business Migration Program, the Department of Immigration and Multicultural and Indigenous Affairs conducted a survey of business-skills migrants. It showed that three years after arrival in Australia:

- Seventy-seven percent were engaged in business.
- Each new business employed an average of 4.3 staff.
- Sixty-three percent of businesses had export earnings.
- The average funds transferred per principal migrant was \$677,000.
- The average financial investment in their business was \$317,000.

Demand for assistance through the Business Migration Program has been high, with the SBDC responding to more than 3,000 contacts from around the world. This represents an increase of some 1,200 enquires over 2000/2001.



Western Australia, with less than 10 per cent of the nation's population, is the second ranked destination in the country for business migrants. The State attracts around 27 per cent of all permanent residency business migrants arriving in Australia, behind New South Wales with 31 per cent and ahead of Queensland with 21 per cent and Victoria with 18 per cent.

This financial year more than 400 principal permanent residency business migrants from 25 countries arrived in Western Australia, up some 7 per cent from the previous year. While Indonesia continues to be the State's dominant business migration market, Malaysia, Singapore, South Africa, Zimbabwe and the UK are all growing markets.

Furthermore, 426 potential business migrants also formally registered their intention to apply for permanent residency business visas to relocate to Western Australia. Of this total 79 were from Malaysia, 63 from Zimbabwe, 61 from South Africa, 52 from the UK and 51 from Indonesia. The strongest growth in registrations was recorded from the UK which increased by more than 90 per cent.

The growing interest in business migration from the UK can be attributed to the State's participation in the past two Emigrate Expos in London. In March 2002 the SBDC led a West Australian delegation to participate at Emigrate 2002. This UK migration expo is the largest of its kind in the world and attracted more than 16,000 visitors. To date, more than 100 business and skilled migrants have signed up to relocate to Western Australia as a result of Emigrate 2002. In total, these migrants will be transferring assets of more than \$60 million into the State.

Temporary residency business migrants in Western Australia have also increased by some 18 per cent over the past year. As at 30 June 2002 there were around 670 principal temporary residency business migrants in the State. The majority of these migrants originated from the UK, followed by South Africa, Singapore, Malaysia, Indonesia and Zimbabwe.

The increase in temporary business migrants has, in the main, been brought about by the SBDC's Business Migrant Incentive Program (BMIP). This program, the only one of its kind in Australia, provides qualifying business migrants with a contribution towards the cost of engaging a WA consultant to prepare a business proposal to enhance their Long Stay Temporary 457 visa applications and a business plan to assist develop their business to its full potential. Over the past year, 145 business migrants were assisted, with funding totalling \$168,419.

Business migrants entering the State on a temporary residency business visa have to meet a number of requirements to obtain permanent residency status. The minimum criteria include \$250,000 in assets in Australia, \$100,000 invested in business, \$200,000 business turnover and the employment of the equivalent of three full-time staff.

In the coming year, the SBDC will continue to focus its activities on the business-migration markets in south-east Asia, southern Africa and the UK. In addition, its access to an international network of migration agents will be expanded to ensure that information on the economic and lifestyle advantages of relocating to Western Australia is readily available around the globe.

Multicultural Activities

The SBDC maintained its close association with ethnic associations and groups to provide their members with information and guidance on establishing and developing a small business in Western Australia.

During the year the Western Australian Chinese Chamber of Commerce and the SBDC presented workshops to assist small business operators from Asian backgrounds to assimilate into the WA business community. In addition, the SBDC supplied the chamber library with publications and materials to keep it up-to-date.

The SBDC also made presentations to the:

- Australia India Business Association;
- Migration Institute of Australia;
- Australian British Chamber of Commerce;
- Rhodesian Association of WA; and
- Australia China Business Council.

Indian Ocean Territories

The SBDC is contracted by the Commonwealth Department of Transport and Regional Services to provide a small business information and guidance service to the Indian Ocean Territories.

On Christmas Island and the Cocos (Keeling) Islands, the service is locally delivered through the Indian Ocean Group Training Association. The service is managed and supported by the SBDC through telephone and email consultations, visits to the island by Small Business Services staff and online information.

The small business service to the islands recorded 542 contacts for events, workshops, appointments, and telephone and email inquiries. This represents an increase of some 19 per cent on the previous year.

Ongoing challenges faced by the islands include a relatively small market, competition from similar businesses, and the cost and availability of freight and air services. New problems identified this year include the non-availability of some types of insurance and the inability of local businesses to win major subcontracts.

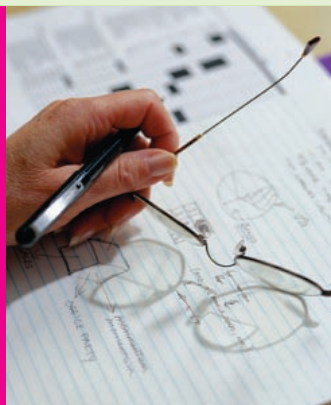
Some of the problems have been addressed by SBDC. These include the establishment of a skills database; workshops on tendering, marketing and e-commerce; and access to funding through the SBDC's Small Business Improvement Program.

There have also been a number of economic positives this year. These include the planned construction of the Immigration Reception and Processing Centre, expansion of the airport and infrastructure on Christmas Island, and a new marina and accommodation facility for the Cocos (Keeling) Islands.

Furthermore, a number of other projects are in progress such as the space-launch facility, telecentre, an English language school and several retail developments. There have also been expressions of interest called for the provision of a dental service to the islands and meetings to develop a tourism marketing strategy.

Activities for the future will look at overcoming the barriers facing small business operators on the islands and taking advantage of the opportunities created by the current construction boom.





Workshops

The SBDC conducts regular information workshops to improve knowledge and management expertise in the small business sector. Delivered by presenters with years of practical business experience, the workshops are held at convenient after-hours timeslots. Each workshop is between two and two-and-a-half hours long. This financial year, 179 workshops were conducted, attracting more than 2,820 participants.

Workshops on the following seven business skills were delivered:

- How to Start a Business;
- How to Buy a Business;
- Introduction to Business Planning;
- Introduction to Franchising;
- The Feasibility of your Business Idea;
- Costing and Pricing; and
- Home-Based Business.

Franchising

Franchising has a major impact on the economy of Western Australia and Australia. In June, the Franchise Council of Australia commenced the Franchising Australia 2002 survey, the first national franchising survey in three years. The 1999 survey indicated the sector generated a national turnover of \$37 billion and employed 553,200 people. Western Australia represents an estimated 10 per cent of these figures.

Amendments to the mandatory Franchising Code of Conduct came into effect on 1 October 2001. The key amendment was the introduction of an optional short-form disclosure document for franchises with an expected annual turnover of less than \$50,000.

The Small Business Improvement Program (SBIP)

The Small Business Improvement Program assists Western Australian small businesses to improve their competitive performance by adopting a strategic planning approach to business management, development and growth.

Under the program, financial assistance was provided - on a dollar for dollar basis - to work with a private sector consultant to prepare a business assessment, a business plan, a strategic marketing plan, an e-commerce strategic plan or to achieve quality-assurance certification.

During 2001/02 funding assistance totalling \$703,049 was approved for 180 small businesses throughout Western Australia. One hundred-and-ten metropolitan small businesses received funding at an average allocation of \$3,710 per business while 70 regional small businesses received an average of \$4,212 each.

Assistance in Drought Affected Areas

Early in the financial year, due to extremely dry seasonal conditions, a regional area was declared an “exceptional circumstances” area by the Federal Government. This area was comprised of part of the south-east Wheatbelt extending from Dumbleyung to Ravensthorpe and an eastern corridor extending from the Northampton Shire in the north to the Yilgarn Shire in the south.

The SBDC made available a toll-free hotline (1800 199 125) to provide information and guidance to non-farm small businesses that were ineligible for Federal Government assistance but were severely impacted by the dry conditions.

Support also extended to a contribution towards the cost of engaging the services of a local business professional and access to joint SBDC-BEC ‘Getting to the Next Harvest’ workshops held at Lake Grace and Newdegate.

The SBDC was also represented on the Department of Agriculture’s Interagency Seasonal Advisory Committee.

Youth Enterprise

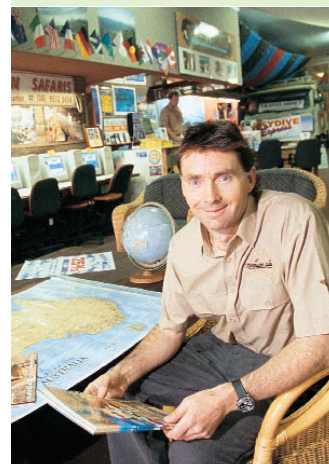
The SBDC promotes the development of business skills in our new generation of young entrepreneurs through its b.generation website (www.bgeneration.com.au). The website was created in 1999 to provide information and inspiration to young business builders aged between 18 and 25. During the year the b.generation website recorded 8,467 visits, an increase of 948 over the previous year.

Information includes:

- the benefits to be gained from entering competitions and awards such as Shell Livewire, Yellow Pages Business Ideas Grants, Nescafe Big Ideas, Buzz round-two grants for the music and sound industry, Micro Business Network Awards, the Women in Business scholarship, and the Small Business Awards program;
- opportunities to build business skills through free or low-cost workshops and seminars run by organisations such as SBDC, the BEC network, government and industry associations; and
- expanding market share by becoming a supplier to government and registering with the Government Electronic Market (GEM) and Strategic Partnering in Resourcing Information Technology (SPIRIT) web sites.

Providing a mentor is vital to the development of emerging young entrepreneurs. The SBDC, through the b.generation program, featured the following mentor functions for young business starters:

- the Shell Livewire competition;
- the Australis Self Made Girl program; and
- the Young Achievement Australia (YAA) program for a group of tertiary business students from Curtin University.





Business Innovation Development Scheme (BIDS)

During the 2001/02 there were 34 registered applications for financial assistance under the Business Innovation Development Scheme (BIDS). Of these, 15 applicants received Stage 1 assistance totalling \$14,100.

Six applicants received a financial contribution at Stage 2. The total cost of Stage 2 was \$25,276.05.

Four concepts from Stage 2 funding have progressed to marketable products seeking venture capital. One other product is currently undergoing stringent tests at an Eastern States facility in preparation for approval for distribution.

Women in Business

Women represent approximately one-third of all small businesses in Western Australia.

The average annual 17 per cent growth in female small business operators between November 1999 and June 2001 is reflected in commitment to the design and delivery of services customised to the needs of female clients. Examples of specific services for women in business and export are:

- the Women in Export Network (WIEX)
- The Home Truths guide for home-based businesses; and
- A dedicated women in business section on SBDC's website at www.sbdc.com.au

Women in Export Network

During 2001/02 the SBDC organised six events for the Women in Export Network. More than 270 members attended the events, which sought to raise awareness and understanding of the issues surrounding exporting, as well as the opportunity to develop new business contacts.

The SBDC joined with other export support service organisations and strengthened the articulation process for the client from pre-export ready to actively exporting. This included events such as the Malaysian Industrial Development Authority Business Opportunities Seminar; Financial Assistance and Protecting Your Idea seminar with IP Australia and AusIndustry; the Women Chiefs of Enterprises International Conference and Trade Summit; Women in Business and Expo Conference; Breaking the Barriers of Exporting Seminar supported by the Department of Industry and Technology; and Austrade's E Business for Exporting seminar.

Industry Partnerships

- The Institute of Chartered Accountants Australia (ICAA) invited the SBDC to participate in a professional development program for its members. The SBDC delivered an overview of its services and programs and indicated how accountants could use them to add value to services provided to their clients.
- The Housing Industry Association (HIA) joined with the SBDC to deliver a workshop as part of its 'partners in business' professional development program. Information was delivered on the issues surrounding personal and business partnerships.

- The Peel Chamber of Commerce and the SBDC delivered a workshop to women in home-based business as part of Peel Chamber Week. The presentation highlighted the topics covered in the SBDC best seller *Home Truths* and generated considerable discussion about balancing home and business responsibilities.

Small Business Incubator Program

During the year the SBDC formed a partnership with Western Australian small business incubators, represented by the Business Incubators Association of Western Australia (BIAWA Inc).

A memorandum of understanding for the Business Incubator Support Program (BISP) was signed by the SBDC and BIAWA Inc on behalf of 10 incubators operating in Western Australia.

The SBDC made a commitment through the Business Incubator Support Program to:

- develop long-term relationships with business incubators in WA;
- actively contribute to the development of the incubators and their tenants; and
- facilitate the progress of tenants from start-up to establishment and graduation from an incubator within two years.

The program was launched by the Minister for Small Business in November 2001 and provides for a subsidy to be paid to the business-incubator manager to deliver appropriate business-development assistance to new tenants, including advisory, consultancy or mentoring services. Seven new tenants have been approved for the program since January 2002.

Industry Direct

Industry Direct was established by the South West Group of Local Authorities in June 2000 to provide local businesses with access to opportunities during the development and long-term operation of the major marine and construction facility at Jervoise Bay.

To complement the support provided for the launch of the Industry Direct website in 2001, the SBDC sponsored three skills development workshops in 2002. Each workshop was designed to enhance business management skills, which will ultimately lead to an increased ability to participate in business opportunities arising out of the Jervoise Bay development.

In total, more than 120 people participated in the three Industry Direct workshops. The first workshop covered tendering for both private sector and government contracts. The second, Pricing for Profit, focused on costing. The final workshop, featuring Fremantle Dockers coach Chris Connolly, profiled the parallels between sport and business. The latter presentation was coupled with tips on relationship marketing.

Ca\$hflow Today Workshops

In recognition of the importance of cash flow management to the success of a small business - and the ways it is impacted by taxation reform and economic activity - the SBDC introduced cash flow management workshops.



Rather than duplicating what has been achieved elsewhere, the SBDC approached and received permission from the NSW Department of State and Regional Development to utilise the content of its cash flow management workshops. After piloting the materials, the SBDC made minor content changes and engaged professional accountants and presenters to deliver the workshop throughout Western Australia.

The workshop is a three and-a-half hour non-technical workshop for those new to business and those already in business. The content covers:

- understanding your cash flow cycle;
- why businesses have cash flow problems;
- financing options; and
- cash flow management.

The workshop also includes a case study. Ca\$hflow Today workshops are organised by the State's 37 BECs with the support of the SBDC. The first workshop was held in April 2002. In the first three months of operation, 20 workshops have been held, attracting 230 participants.

Print21

An initiative of the printing industry, Print21 is designed to assist small-to-medium printing enterprises to improve their competitiveness in a dynamic and global industry. To assist the printing industry in Western Australia to participate in Print21, the SBDC sponsored the roll out of Print21 initiatives in WA including the launch and provision of diagnostic workshops.

The Minister for Small Business, the Hon Clive Brown MLA, launched Print21 during October 2001 at the City West Function Centre. The launch was attended by 100 people and was an opportunity to promote the series of diagnostic workshops designed specifically for the printing industry.

Three metropolitan and one regional diagnostic workshop were successfully delivered with the support of the SBDC. The workshops were well received and provided printing industry participants with critical skills to improve their competitiveness.

Electronic Commerce

E-Commerce is a business issue first and a technical issue second. The SBDC - as part of the State Government's First Steps Online program - embarked on several new project initiatives designed to encourage small businesses to consider the business issues and to ultimately encourage the uptake of e-commerce.

Online Learning Resources

The SBDC engaged Central TAFE to develop a range of online learning resources. The first module, e-Start, assists small businesses in the uptake of e-commerce. It covers information for people starting out in e-commerce, whether it is the adoption of email or the full-scale use of the Internet for business transactions.

Small businesses and consultation with business intermediaries played a large role in e-Start's development, which was completed in June 2002. The SBDC plans to develop a further two modules: e-Marketing and e-Trading.

Ongoing Services

Financial assistance is available to small businesses through the Small Business Improvement Program for the development of an e-commerce strategic plan.

The specialist IT and e-commerce advisory service offers guidance and information on the incorporation of e-commerce into small businesses, and the development of websites to promote and sell products and services.

This service, which complements the range of services provided by the private sector, further developed its information, knowledge and referral base to afford small businesses access to the latest data on trends and developments in e-commerce. The range of e-commerce publications offered by the SBDC's Business Information and Licence Centre was also expanded to incorporate the latest in published material.

Business Information and Licence Centre (BILC)

The BILC is committed to creating an environment where clients gain information and support that assists them to achieve their small business goals. In 2001/02 the centre's staff responded to more than 36,000 client enquiries.

Publications

The centre boasts a large selection of Australian business publications.

The SBDC also publishes a number of its own publications to provide the State's small business operators with up-to-date resources. Wherever possible, the SBDC produces these publications as support material for its information workshops. The publications cover an extensive range of small business needs:

- A guide for operating a small business
- A guide to buying a small business
- Business planning
- Business structures
- Common questions about the Commercial Tenancy Act for leases entered into before 1 July 1999 : advice for landlords and tenants
- Common questions about the Commercial Tenancy Act for leases entered into on or after 1 July 1999 : advice for landlords and tenants
- Evaluating your business idea : is it worth the effort?
- Home truths : information and inspiration for home based business
- How to negotiate your way to a better retail lease
- Leasing business premises : a commercial and practical guide
- Market research for small business
- Step-by-step business plan



The SBDC has introduced an online bookshop facility for its clients. This additional service has allowed clients in regional areas, in particular, reliable reference material. Clients can read a small extract from the available publications and can then purchase them online.

A further benefit of the online bookshop has been the receipt of orders from all over the world. The service is especially useful to clients who wish to become part of the Business Migration Program. Available publications include those on how to conduct business in Australia, vital information on business structures, employment of staff, business planning and industry-based texts.

Business Licence Information Service (BLIS)

The SBDC's Business Licence Information Service (BLIS) is a convenient, one-stop facility for potential small business operators or members of the small business community who are seeking information on the Commonwealth, State and local government authority licences or permits that apply to their operation.

BLIS processed 11,830 enquiries during 2001/02. With technology-based business services becoming increasingly popular with the business community, the Internet version of BLIS was launched in October 2001. The website allows clients to access this service twenty-four hours a day. Clients can search for information on small business and download free industry-based licence information. To date, more than 4,000 clients have used this service.

Business Taxation Information

In cooperation with the Australian Taxation Office (ATO), the SBDC has a specialist taxation information officer available for consultations in the BILC. This arrangement has proved an invaluable resource for clients seeking information and assistance with their tax obligations. More than 7,500 clients took advantage of the service during the year.

Online Information

The SBDC recognises the importance of thorough evaluation of a business idea and effective business planning. With this in mind, the BILC offers clients the use of a network of computers with Internet access for business-related research. Clients can access online information, register for an ABN, research a business name and identify trends in their industry.

To assist clients to research business information, the IBIS World online service is also available to BILC clients at no cost. This program offers information on the present performance of industries, and projections of up to five years on current trends. IBIS World has recently been upgraded to access their online Internet site that provides clients with access to constantly updated information.

Education

During 2001/02, BILC staff made 20 presentations to students from high schools, colleges and universities. The SBDC also offers support to a number of youth-oriented business programs where students can utilise the BILC's resources.

Business Facilitation Services

About the Business Enterprise Centre (BEC) network

The SBDC supports a network of 37 Business Enterprise Centres (BECs) located in regional and metropolitan areas throughout the State. Each BEC is community-owned and is managed by a volunteer committee comprised of local representatives from business, private and public sector organisations and local government.

Each centre employs a manager to provide guidance and small business improvement services to the local small business community. The BEC also provides an important link to other private and public sector service providers.

The Role and Function of the BEC Support Unit

The BEC Support Unit assists the BEC network in a variety of ways, including:

- administering the core operational grant funds;
- coordinating a range of BEC enhancement projects including manager training, assisting committees with the recruitment and induction of managers, and an annual conference for all managers and committee chairpersons;
- coordinating events designed to raise awareness of the BEC network and its role in developing small businesses;
- coordinating BEC marketing activities including brochures, promotional materials and advertising; and
- maintaining benchmark data and research.

Programs

To add value to the core facilitation services provided by the BECs, the SBDC also provides a range of additional programs.

Small Business Initiatives Fund (SBIF)

The Small Business Initiatives Fund (SBIF) was introduced to enhance the ability of the BEC network to identify and address the needs of the small business community at a local level.

The fund has a particular focus on projects that assist small business development in the following areas:

- skills development;
- business mentoring;
- business planning;





- e-commerce;
- youth enterprise development;
- women in business;
- export facilitation;
- enterprise culture development; and
- delivery of specialist presentations to regions.

A total of 19 projects worth \$441,907 were approved in the year ended 30 June 2002. The diversity of projects that have received funding demonstrates the effectiveness of the program to deliver assistance that addresses the business needs of local communities.

The following projects are a sample of those approved in 2001/02:

- Albany BEC: the Women Going Places workshop. A series of 12 workshops were presented that catered for the specialised needs of women in business.
- Albany, Leschenault and Esperance BECs: Marketing Magic. Seminars were presented that were designed to improve small business marketing skills.
- Southern Avon BEC: Assisted with the funding of two Frontiers in Enterprise workshops and the Spring Open Forum Festival. The workshops were designed to promote value-adding and business attractions to the region, and sought to encourage the creation of employment opportunities and increased productivity.
- Leschenault BEC: Young Achiever Program (YAP). Funding was provided to support the YAP, which assists with the development of necessary skills required in starting and developing a business.
- Central Midlands (Wongan Hills) BEC: A research project was undertaken to identify the benefits of e-commerce and to investigate the potential for a local portal to assist small businesses in the region.
- Central Midlands and Central Wheatbelt (Wyalkatchem) BECs: Rural Business Information for a Positive Future. A series of 24 workshops were undertaken to provide skills development to rural small business operators and access to specialised professional development.
- Belmont BEC: A series of skills development and e-commerce workshops. These workshops aimed to enhance the skills of small businesses operating in the textile, clothing and footwear industry. The BEC also developed a pilot project delivering 20 skills development workshops aimed at meeting the specific needs of small business operators from migrant and multicultural backgrounds.

Regional Smart Start

Regional Smart Start is a regional funding-support program for West Australian small businesses delivered through the BEC network. It is designed to provide specialist guidance to clients intending to start a new business in regional WA.

Placements during 2001/02 resulted in the start of 17 new small businesses. A further 19 businesses were started with funding support allocated prior to 30 June 2001.

Small Business Mentor Service

The BECs promote the value of the mentor relationship through the Small Business Mentor Service - a joint initiative of the SBDC, the Rotary Club of Perth and the Office of Seniors Interests. The SBDC has developed a comprehensive network of mentors who are able to work with small business proprietors to develop their business ideas. A key objective of the program is to encourage the implementation of a goal-oriented business plan.

During the year 70 successful matches were made between volunteer mentors and small business clients. Forty one of these matches were completed by BECs.

To further enhance awareness of this program, and to recognise the valuable contribution of the volunteer mentors, the SBDC held a celebratory event on International Volunteer Day. The event was attended by the Minister for Small Business and included a speech from both a mentor and mentoree who described the benefits of the service.

Special Projects

Ansett

In response to the collapse of Ansett Airlines, the SBDC embarked on a number of visits to communities in the Pilbara and Kimberley to meet with small business representatives, chambers of commerce and local government. The purpose of these visits was to accurately determine the impact of the airline's collapse on small businesses and to identify areas of need which could be met by the SBDC and BECs within the regions. Following this work, the BECs in the Pilbara and Kimberley have developed and introduced programs specifically targeted at improving the efficiency of small businesses. Most notably, these have included the Marketing Magic seminars.

Rural Assistance Package

In response to the effect of the adverse seasonal conditions experienced by rural communities in the Great Southern region, the BEC Support Unit - in conjunction with the Small Business Services team - developed and coordinated a range of initiatives to assist small businesses affected by reduced farm cash flow.

Initiatives such as enhanced support through the Small Business Improvement Program (SBIP) and visits by SBDC specialist advisers were maintained by working in cooperation with the Central Great Southern (Tambellup), Jerramungup, Esperance, Narrogin and Albany BECs. These centres all played a significant role in providing up-to-date information about the difficulties facing small businesses in these areas, thus enabling the SBDC to develop an appropriate and timely response.



Marketing Magic Seminars

As part of SBDC's commitment to developing small business in regional areas of the State, the Marketing Magic seminar series was expanded. Conducted by renowned marketing specialist, Barry Urquhart, these seminars have proven to be very popular with those communities where the seminars have been held. The presentations provide participants with practical advice on improving their business performance and have been a significant achievement in terms of improving the equity of access to speakers of international calibre for regional small businesses. Importantly, the WA Tourism Commission recognised the value of these seminars and became a joint sponsor with the SBDC for the majority of regional presentations. In conjunction with the BEC network, seminars have now been held in Northam, Kununurra, Derby, Broome, Karratha, Geraldton, Kalgoorlie, Bunbury, Albany, Esperance and Perth.

BEC Enhancement Initiatives

Extranet Facility

Access to online information has narrowed the resource gap for remote locations thus ensuring BEC clients are provided with up-to-date business assistance no matter where they are in Western Australia.

The SBDC has developed an Extranet facility that provides the BEC network with online access to the information resources of the SBDC. Of particular relevance is the IBIS World and FMRC Benchmarks information tools, which are used extensively by BECs during client consultations. In addition to the Extranet facility, BECs and their clients can also access the Business Licensing Information Service (BLIS) online, which provides full details on the licensing requirements for small businesses across the State.

The Certificate IV in Business Facilitation Program

Fifteen BEC managers have participated in a training program developed by the Australian Institute of Enterprise Facilitators (AIEF) and conducted by the Australian Institute of Management. The program is a 10 module course that commenced in April 2001 and continued this year. It provides training in areas such as business counselling, financial awareness, marketing, working with growth businesses and e-commerce. Successful completion of the course - which is assessed and accredited by Victoria University of Technology - will qualify participating BEC managers for membership of the AIEF.

Small Business Smart Business

The effectiveness of BECs in linking small business proprietors with a range of State and Federal Government assistance programs has been recognised by the State Department of Training in the development of its Small Business Smart Business initiative. The program was developed in collaboration with the SBDC and is designed to improve business productivity and encourage a training culture within small businesses.

The scheme provides qualified businesses with up to \$200 towards the cost of accessing relevant training for the proprietor or their employees. Following the success of the pilot programs in regional communities, the scheme was extended this year to involve the entire BEC network including, for the first time, the metropolitan area.

The value of the current program is \$1.3 million, and it is expected that more than 6,500 small businesses will be encouraged to participate in training as a result of this initiative.

Stakeholder Relationships

As community-based organisations, BECs work closely with chambers of commerce, local governments and other groups such as Telecentres and Project Mainstreet programs. The BEC Support Unit encourages these key stakeholder relationships by presenting information that demonstrates the economic impact of individual centres and the network. The cooperation between the BECs and these organisations is further enhanced by co-sponsoring events. Examples of these successful collaborations include the response to the Ansett collapse and the ongoing work to assist rural communities affected by the adverse seasonal conditions.

Internet Camera Facilities

The BEC Support Unit has now placed Internet cameras within all 27 regional BECs in an effort to improve the level of accessibility to services for rural and remote small businesses. The cameras will create the opportunity for these small businesses to access the BEC service by using an Internet connection through their nearest telecentre. There has been technical difficulties in some areas and the BEC Support Unit will continue to work with the Telecentre Support Unit to rectify any operational issues that may arise with this technology.

2001 BEC State Conference

The 2001 BEC state conference moved away from the traditional format of past conferences and focussed the network's attention on identifying opportunities for improving the operations of the network. This included looking closely at all facets of the network - from the support of the SBDC through to the contribution of committees and the roles of managers.

A number of key initiatives were identified and responsibility for their completion was spread evenly between the BEC Support Unit, the Business Enterprise Centre of WA's peak body and the BEC Managers' Association. During the year the following projects were completed:

- a revised induction program for BEC managers;
- work on a comprehensive committee manual to assist members to understand their role;
- development of a BEC manager mentor program;
- a review of the BEC network's marketing strategy; and
- the commencement of regular electronic newsletters to managers and committees.



Corporate Communications



Through the Corporate Communications and Events team, the SBDC is committed to raising the profile of the corporation and championing the achievements of Western Australia's small business sector. The team aims to:

- ensure the effective, accurate and timely communication of issues affecting small business;
- maintain and build positive working relationships with key stakeholders in order to communicate the capabilities and achievements of the small business sector;
- ensure the effective, accurate and timely promotion of the SBDC's products and services; and
- generate and coordinate events that serve to provide an information exchange between the SBDC and the small business sector.

Communication

Media

During the year more than 60 media statements and success stories profiling WA businesses were released by the SBDC. These statements communicated issues affecting the small business sector, highlighted areas of opportunity and promoted the sector's achievements.

Key areas for media releases included:

- program announcements such as the Cash Flow Today workshops and the Business Information and Licence Service (BLIS) launch;
- business migration;
- interest rate cuts and increases;
- trends in advisory enquiries, growth opportunities and business licence enquiries;
- tips for tax and marketing; and
- award winners.

Promotion

Events

The SBDC hosted and participated in 45 events generating more than 11,900 indirect client contacts. Highlights included:

Goldfields Business Breakfast - GEM Launch

More than 80 small business people and representatives attended the Goldfields launch of the Government Electronic Marketplace (GEM) in Kalgoorlie on the 15 August 2001. The launch was a coordinated event between the Department of Industry and Technology, the SBDC and the Goldfields Business Enterprise Centre.

Attendees received a briefing on the concept behind GEM and the business benefits of registering with the scheme. In addition, all attendees were offered a free one-on-one live demonstration of GEM and were given the opportunity to register their business there and then.

Business Licence Information Service launch

The SBDC held the official launch of the Business Licence Information Service (BLIS) on 4 October 2001. The launch was attended by more than 50 representatives from local government, industry groups and relevant government agencies.

The launch provided a brief history of the initiative as well as describing the full capabilities of BLIS. In addition, a live demonstration of the site showed guests how to obtain a complete package of licence information for their businesses within minutes.

Marketing Magic Seminars

In June 2001, the SBDC held its inaugural Marketing Magic seminar in Northam. Due to the success of this seminar, a series of Marketing Magic seminars - designed to assist small businesses to evaluate their marketing strategies and to optimise their local market share - was implemented.

Based on this objective, and with a focus on regional centres, Barry Urquart of Marketing Focus presented the first seminar of the series in Kalgoorlie on 4 September 2001. Ten Marketing Magic seminars were held from September to April - an average of more than one seminar per month. The SBDC ran these seminars in conjunction with local Business Enterprise Centres, which coordinated all aspects of the seminar from venue and invitation arrangements through to publicity and promotion. The majority of seminars were also supported by sponsorship from the WA Tourism Commission.

The seminars conducted were:

- Kalgoorlie - 4 September 2001
- Perth - 26 October 2001
- Geraldton - 8 November 2001
- Broome - 5 December 2001
- Derby - 6 December 2001
- Bunbury - 18 February 2002
- Esperance - 20 February 2002
- Karratha - 11 March 2002
- Kununurra - 9 April 2002
- Albany - 22 April 2002

Sponsorship

The SBDC sponsored 24 small business-related events during the year.

One of the more significant events, was the SBDC's Gold sponsorship of the Department of Industry and Technology's Business Breakthrough Breakfast - Innovate for Success, Local Goes Global on the 22 May, 2002. The seminar was held at the Hyatt Hotel and attended by almost 500 people from both the private and public sectors.

Local Small Business Awards

The SBDC sponsored 13 local small business awards around the State, from Karratha to Albany. The aim of these award sponsorships was to recognise the achievements of small business throughout the State and to raise the profile of the SBDC and the BEC network in both metropolitan and regional Western Australia. An SBDC representative attended each of the award nights and was responsible for presenting the Young Business Achiever Award.

Telstra WA Small Business Awards

The SBDC recognised the significance of young business people to the future of the small business sector by sponsoring the Young Business Achiever Award at the 2002 Telstra WA Small Business Awards. The winner of the award was Mark Rattigan of Tempo Music Productions in Mandurah.

Micro Business Awards

The SBDC sponsored the Micro Business Awards, which were held on 18 October 2001 at the Parmelia Hilton. More than 70 guests attended the awards presentation, which was specifically tailored for businesses employing less than five people.

Expos

The SBDC participated in four exhibitions including Local Government Week, Dowerin Field Day, CPA Congress 2002 and Emigrate 2002.

Advertising

The SBDC's advertising strategy focussed on an integrated and ongoing campaign by creating and reinforcing awareness of the brand and related services through press and radio in both metropolitan and regional Western Australia.

Policy and Business Liaison

The Policy and Business Liaison team works with, and on behalf of, Western Australian small businesses to increase their viability and to provide opportunities for business growth and development.

The team monitors the external environment, identifies opportunities to promote and support the small business sector, and highlights areas of potential concern to small businesses (individually, in particular sectors or as a whole) that government may have a role in addressing.

As part of its operations within the government sphere, the Policy and Business Liaison team works to keep the State Government informed about the potential impacts of decisions on the small business sector and, thereby, ensures that small businesses are not unnecessarily restricted or impeded by decisions taken. In addition, the team has a role in ensuring government agencies have an appreciation of the unique needs and characteristics of small businesses, so that government policies and procedures and general dealings with the sector are small business sensitive.

Identifying and Addressing Issues

Public Liability Insurance

Small businesses - particularly those in the high-risk adventure tourism, sports and leisure-oriented industries - experienced significant increases in premiums for public liability insurance cover during 2001-02. These premium increases, and in some cases an inability to access public liability insurance cover, had serious implications for the affected small businesses and generally resulted in an environment of uncertainty for all small businesses.

With the emergence of the public liability insurance crisis, the SBDC took immediate action by researching the impacts and preparing a comprehensive report for the Minister for Small Business. The report identified the extent of the problem, the reasons for premium increases, the industries most affected and addressed possible solutions to assist the small business sector.

The SBDC played a key role in examining and advocating options to make public liability insurance more affordable for small businesses. At the Premier's request, the SBDC chaired a whole-of-government working group to examine and report on the feasibility of pooling public liability insurance arrangements. The group looked at critical success factors for pooling, examples of successful pooling arrangements and potential target groups that might benefit from pooling then reported to the Premier on these matters. The SBDC also participated in other whole-of-government working groups to examine legal issues and risk-minimisation strategies to address the increases in public liability insurance premiums and, through these means, contributed to the information and advice being provided to State Cabinet.



Small Business Advocacy Service

In March 2002, the SBDC established a Small Business Advocacy Service to assist Western Australian small businesses in their dealings with government agencies. This free service is available to all small businesses in Western Australia. It investigates issues and concerns brought before it and facilitates solutions where appropriate.

The service assists the SBDC in identifying areas where government dealings with small business can be improved or enhanced, and works to have these addressed by agencies for the benefit of the small business sector.

Key aims of the service are to:

- provide a high-profile focal point within government for small businesses to approach when they have issues with government agencies;
- improve relationships between government agencies and small businesses by developing a better understanding within government of the needs of small businesses;
- promote a best-practice approach to dealing with the small business sector within government agencies;
- demonstrate the clear intent of Government to work productively with small businesses and facilitate small business growth; and
- provide another avenue for identification of red tape issues that can be separately pursued as part of the Government's regulatory reform agenda.

A toll-free telephone service and dedicated email address have been established to provide small business operators with easy and affordable access to the service.

Since its inception, the service has handled issues ranging from telecommunications to motor vehicle dealers' licences, tourist operator requirements and local government permits for home-based business operations.

Ready Response Network

The Ready Response Network connects small business operators and their representatives with the SBDC via the Internet. The network provides small businesses with the opportunity to have a say on issues affecting them. In turn, the network enables the SBDC to gain an indication of the underlying attitudes and opinions of the sector and to use this as input to policy submissions, government reviews and taskforces, program development activities and the like.

Through the Ready Response Network, the SBDC canvassed the views and opinions of around 430 small business operators and 70 small business representative organisations on a range of issues including crime, training, apprenticeships and small business aims.

During the year, the SBDC actively sought to expand the network. As a consequence, the number of network participants increased from around 300 to 500, and the SBDC commenced preliminary investigation into suitable online system upgrades.

Research

The SBDC facilitated the small business sector's input and access to the latest small business research projects and outcomes. It also carried out research into specific issues affecting the small business sector. The SBDC used the results of this research to influence government policy and decision making and to assist in the development of appropriate solutions to identified issues.

State Business Tax Review

In its 2001/02 budget, the State Government announced that it would be conducting a review of State business taxes. The objective of the review was to make recommendations on how to improve the efficiency, equity and simplicity of the State's tax system, with a particular focus on minimising compliance costs.

In view of the potential implications of the review for the small business sector, the SBDC commissioned a study into the compliance and administrative impacts that State business taxes have on small business operators and how these impacts could be reduced.

The results of this study were used as the basis of the SBDC's submission to the review, which included 23 recommendations on how the business tax regime and administration system could be simplified and rationalised to the benefit of small business.

Institute for Small Business Research

The SBDC convenes the Institute for Small Business Research (ISBR) - a cooperative initiative between the SBDC, Western Australia's five universities and the Market Research Society. The ISBR promotes the use of research by the small business sector as a whole. It also encourages and promotes research into issues affecting the growth and development of small business in Western Australia.

The SBDC worked with the ISBR to host an information-exchange session for small business researchers in September 2001. Twenty-eight participants attended to learn about the SBDC, its role, services and involvement with small business research and researchers. The SBDC and ISBR also continued to promote and manage the SBDC's online small business research database, which contains information on completed and ongoing small business research from academic institutions across Australia.

Small Business Research Forum

In June 2002, the SBDC conducted a Small Business Research Forum to improve links between academic researchers and members of the small business community.

Researchers from the five West Australian universities provided information about small business research currently being undertaken in their institutions. In response, 13 representatives from a range of small business, industry associations and Business Enterprise Centres provided feedback to the researchers on areas that the small business sector identified as important for future research.

Further research into small business failure was identified as a key priority. Other potential research topics suggested by attendees included small businesses' contribution to the economy, the psychology of enterprise and risk taking, what information small businesses need from their advisers and how can this be delivered, and micro-business research in rural towns.



Working within Government

'Red Tape' Reduction Initiatives

Overly complex government regulations and procedures, duplication of information requirements and extensive paperwork and administrative obligations can place a heavy burden on small business operators. A key role of the SBDC is to develop and implement measures to facilitate the reduction of 'red tape'.

Small Business Impact Statement

A major initiative of the SBDC in early 2002 was the introduction of an obligation for government agencies to prepare a Small Business Impact Statement (SBIS) to accompany all submissions to Cabinet that may have a significant impact on small business. The SBDC had primary responsibility for the development of the SBIS.

The SBIS requires agencies to identify:

- the small businesses likely to be affected by a proposal;
- the direct and indirect costs to be incurred by small businesses in complying with the proposal;
- the extent and results of consultation undertaken by the agency with the small business sector; and
- any implementation measures that will assist small businesses in adapting to the proposed change.

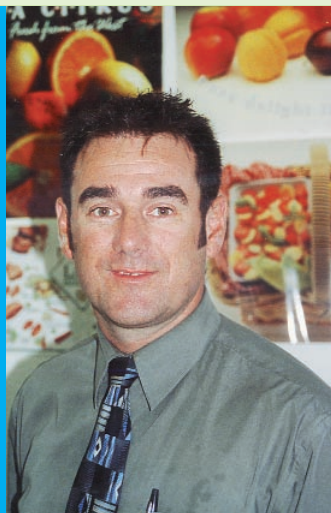
Preparation of the SBIS will help ensure that government agencies give due consideration to the impact of proposals on small business as they are being developed and that Cabinet is better informed of how the decisions it makes will affect the small business community.

Red Tape Buster Service

A new Red Tape Buster service was tested by the SBDC in the first half of 2002. The service involves the SBDC working with small business operators and their representatives and takes an industry-specific approach to the identification of red tape issues.

The trial of the service focused on the motor trades industry. Following one-on-one interviews during February 2002 with a sample of 10 independent small business operators involved in a range of different business activities in the motor trades industry (e.g. car repairs, car sales and panel beating), a Red Tape Buster Forum was held on 7 June 2002. More than 90 small business operators, their representatives and relevant government regulators attended the forum and worked together to identify red tape issues affecting the motor trades industry.

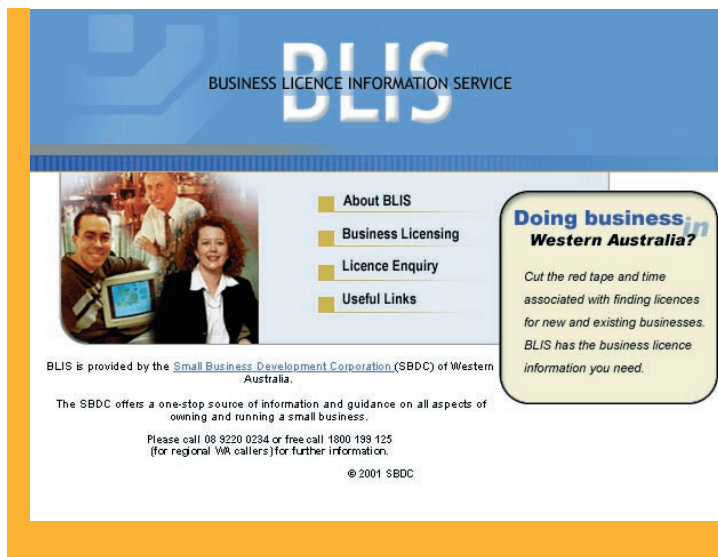
Red tape issues identified through the service focused primarily on business licensing requirements such as duplication of information, licence durations and inconsistent licensing requirements. Those issues will be examined and acted upon by the SBDC's Regulation Review Panel, which is comprised of members of the small business sector.



Online Business Licence Information System

In October 2001, the SBDC launched the online version of its Business Licence Information System (BLIS).

The BLIS contains information on approximately 6,000 Commonwealth, State and local government licences required to operate a business, contact details for the agencies that administer particular licences, details of licence fees and periods of cover, and many relevant licence application forms.



The online BLIS is a sophisticated system that, after asking a series of questions of users, creates a comprehensive report detailing the potential licences to which the prospective or existing small business is subject. The report covers the broad spectrum of licences and obligations including planning and building, taxation, employee relations, health and waste disposal. The BLIS report also provides users with a wide range of application forms for downloading and completion.

Local Government Forms Simplification

The SBDC commissioned a study to assess the feasibility and potential scope of a project to develop standard local government licence application forms and to determine what can be delivered for the benefit of the small business sector in this regard.

Program Information Sharing Mechanism

Taking the initiative for all small business agencies across Australia, the SBDC designed and developed the Program Information Sharing Mechanism (PRISM). PRISM is an online database designed to encourage information-sharing and reduce duplication between small business agencies in program development and delivery for small businesses.

PRISM was completed in March 2002 and program data from other Australian states and jurisdictions was incrementally loaded into the system prior to its official release at the Small Business Ministerial Council meeting in June. PRISM contains information on small business programs around the country that are currently under development or have recently been implemented.

Submissions and Reviews

The SBDC monitored, reviewed and made submissions on a number of government policy and legislative proposals, including the:

- Senate Enquiry into Small Business Employment;
- State Business Tax Review;
- Security of Payment Taskforce Report;
- Review of Western Australian Court Fees;
- Discussion Paper on the Proposal for a Western Australian Civil and Administrative Review Tribunal;
- Review of the Car Rental Industry;
- National Competition Policy Report on the *Legal Practitioners Act 1893*; and
- Streamlining of Planning Legislation Position Paper.

Submissions made by the SBDC highlighted the potential impacts of proposals on the small business sector. The submissions also recommended ways in which the proposals could be modified to more appropriately reflect the needs and characteristics of the sector and avoid imposing unintended or unnecessary obligations on small business.

Participation in Decision Making and Advisory Bodies

In addition to public liability insurance working groups, the SBDC participated in a number of key government decision-making and advisory bodies to identify small business priorities, resolve issues and champion the interests of the small business sector.

- The State Regulatory Reform Working Group: The purpose of this group is to initiate a government-wide regulatory reform process aimed at simplifying procedures required of business and reducing the compliance costs for business.
- The State Industry Policy Working Party: This working party has been directed to prepare a high-level industry policy statement outlining the Government's economic development objectives, recommending the ongoing development of specific sub-strategies across government, and appropriate mechanisms to monitor and evaluate progress.
- The Australian Taxation Office (ATO) Small Business Liaison Group: With the introduction of the GST largely bedded down, this group turned its focus to ATO administrative and consultative arrangements and other taxation issues. These included the simplified tax system, alienation of personal services income, and consideration and implementation of the tax value method.
- WA Food Coordinating Committee: The committee continued to assess how national food safety legislation and standards can best be adopted in Western Australia. It facilitated three industry stakeholder consultation forums in this regard. The committee also gave consideration to how regulatory agencies could coordinate risk management and provide consistent and appropriate information, regulation and enforcement across the food industry.

Online Development Unit (ODU)

The Online Development Unit's (ODU) role is to enable the SBDC to source the information it requires to shape its strategic objectives and become the State's pre-eminent source of small business related information. The ODU provides robust, innovative information and knowledge systems and technology to enable SBDC's employees, clients and stakeholders to be productive and effective.

Websites

During the year the redevelopment of the SBDC website was completed. The site incorporates a modern database platform, with an innovative content management system and substantially improved navigation and searching functionality. A new book ordering - and workshop booking - facility with online, real-time payment capabilities was another key feature of the redevelopment project.

In addition, the development of the Internet version of the Business Licence Information System (BLIS) was completed. BLIS provides a comprehensive database of licences across all three tiers of government for small business operators to view or download on a 24 hour-a-day, seven days-a-week basis.

The Extranet continued to be the main mechanism for information retrieval and dissemination throughout the corporation and the Business Enterprise Centre network. Its contents continue to grow and in November 2001, software was installed to enable the Knowledge Exchange's holdings to be searched through the Extranet.

Application Systems

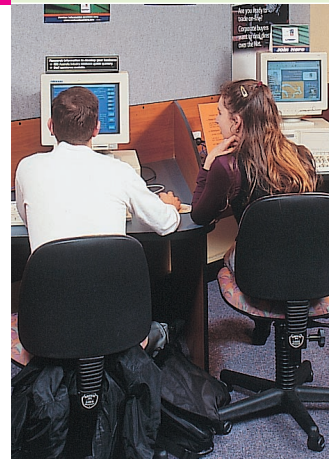
Early in the year saw the development of a client recording statistical application - StatsWhiz. The new application provided a network friendly, modern database (SQL) statistical collection system that allows flexible reporting, reduced input error and network administration time.

A new SQL version of records management software was installed to considerably improve functionality and assist SBDC satisfy the requirements of the new State Records Act.

Network Infrastructure

ODU ensures SBDC's network infrastructure performs at a high level and contributes to improvements in productivity and effectiveness and ensures compatibility issues are minimised. To achieve this aim, during the year ODU:

- completed the construction of a purpose-built computer room, with its own security and climate control, racks for mounting equipment and storage for other IT hardware and licence information;
- installed a new main file server;
- rolled-out Windows 2000 PRO and Office XP to take advantage of the significant speed, stability, user-friendliness and connectivity;
- upgraded Zenworks to develop secure, stable images of our operating and application platforms and perform remote diagnosis and problem solving; and
- replaced hubs with switches, increasing network speed by 10 to 25 times as well as tangible improvements in LAN administration.



Corporate Services



Role and Function

The Corporate Services team assists in the achievement of the SBDC's goals through the provision of comprehensive support functions including:

- financial management and accounting;
- human resource management; and
- administration and information systems.

Review of the *Small Business Development Corporation Act 1983*

A comprehensive review of the corporation was undertaken in the latter half of the 2001-02 financial period. The review sought to answer the following questions:

- Has the SBDC been meeting its statutory obligations under its own Act, since the last review was conducted in 1995?
- Is the SBDC meeting its statutory obligations under other statutes?
- Are the powers and functions of the corporation, as defined by the Act, still relevant to meeting the current and future needs of small business in Western Australia?
- Are the SBDC's major programs effectively and efficiently contributing to achieving the functions of the corporation as defined by the Act. In particular, is the Business Enterprise Centre network and its link to the SBDC effective in meeting the developmental needs of small business in Western Australia?
- What is the appropriateness of the SBDC, and are any amendments to its statute required?

An independent steering committee was appointed by the Minister for Small Business in January 2002 to oversee the review process and the Boshe Group was contracted to provide consultancy support.

The final report of the steering committee, including recommendations addressing the above terms of reference, was presented to the Minister for Small Business on 20 June 2002.

Financial Management

A number of financial reforms were implemented during 2001/02 as part of the Department of Treasury and Finance's accrual appropriation regime. These included:

- Capital user charge: Appropriations were increased to enable agencies to pay the capital user charge, which was levied at 8% of the net asset position at the end of each quarter.

- Depreciation: Appropriations were increased by the estimated depreciation expense for the year. This amount was credited to a holding account and will become a funding source for asset replacement in future years.
- Leave liability: Appropriations were increased where the agency's leave liability increased. The amount, like depreciation, was credited to a holding account.

The SBDC has set in place adequate controls and internal processes to account for these changes to financial management and reporting.

In addition, the SBDC moved to revise its output structure for 2001/02. Previously, the SBDC operated under one outcome that was acquitted by two outputs. Under the revised structure, the outcome is measured by a single output as this is believed to better reflect the performance of the SBDC in achieving its objectives.

Training and Employee Development

Addressing the needs of the small business sector is a major consideration in developing staff skills and knowledge. Multi-skilling and staff participation in acting opportunities is actively encouraged by the SBDC to enhance career development.

During the year an organisation-wide training needs analysis was conducted to ascertain the training requirements of employees. As a result of this analysis, a series of one-on-one and group training programs were undertaken that addressed key areas. This year also saw considerable training in software applications following an upgrade from Office 97 to Office XP.

In addition, all staff attended a highly successful staff development day that focused on:

- balancing a healthy lifestyle and work commitments;
- communication and teambuilding;
- customer service; and
- future challenges.

The Knowledge Exchange

The Knowledge Exchange actively supports and maintains information initiatives in a number of key areas including research, publishing, and all functions of the library service.

The Extranet remained the hub of all the electronic subscription services and, in early November 2001, *Inmagic Webpublisher* software was installed to enable the library's holdings to be searched from the Extranet. Information resources were supplemented through the inter-library loans scheme. Internet resources enabled a large proportion of information retrieval and dissemination activities to be conducted at minimal cost.

Records

With the growing emphasis on high-quality record-keeping principles and standards, the corporation's records management system (*RecFind*) was upgraded to the SQL version and now holds 4,360 file titles.

To ensure the professional processing of inactive records, our records management system (RecFind) was enhanced. Inactive records were classified according to SBDC's retention and disposal schedule and Australian Standard 4390-1996 to determine how long records should be retained. Inactive records can now be transferred to the State Records Office, resulting in a number of efficiency gains. These include resources not being wasted by storing records for longer than necessary and the easier retrieval of inactive records stored off-site.

Internal Audit

The SBDC's internal audit function is currently outsourced to the firm of Deloitte Touche Tohmatsu. Two compliance audits were conducted during the year, and recommendations arising from the audits were implemented where appropriate.

Risk Management

A review of the corporation's risk management plan was undertaken to evaluate and determine the likelihood and impact of business risks. A number of strategies are maintained to minimise the likelihood and impact of risks including:

- effective internal and external audit functions;
- adequate insurance cover;
- strategic planning processes; and
- management reporting functions.

Corporate Governance

The Small Business Development Corporation

Timothy Atterton

Tim Atterton is chairman of the SBDC board and director of the Entrepreneurship and Business Development Unit at Curtin University Business School. Tim comes from a strong family business background in the United Kingdom. Immediately prior to joining Curtin University, he was executive director - responsible for strategic planning and operational management - of the prestigious Small Business Centre at Durham University Business School. He has worked in the area of entrepreneurship and small business development in more than 40 different countries over the past 20 years, including development projects for a range of international organisations including the World Bank, United Nations and European Union.

Ian MacDonald

Ian MacDonald is managing director of the APC Group, a Perth-based manufacturing company specialising in storage systems for industrial and commercial applications. The company incorporates APC Storage Solutions, APC Engineering and APC UNI-Shelf.

Kim Hutchinson

National chairman of RSM Bird Cameron, Kim Hutchinson is also a member of the Institute of Chartered Accountants and the Australian Society of Certified Practising Accountants.

Anne Butorac

Dr Anne Butorac is a director of AAAJ Consulting Group, and a partner in the Old Bakery Gallery, a West Australian arts and crafts retail outlet.

Esther Roadnight

Esther Roadnight is administrator and director of Roadnight and Associates, a Kalgoorlie-based insurance agency. Esther chairs the Goldfields Business Enterprise Centre and is a former president of the Kalgoorlie/Boulder Chamber of Commerce.

Diane Miskelly

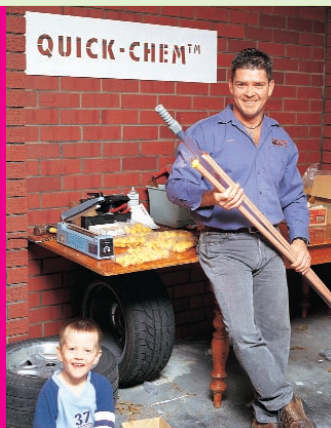
Diane Miskelly is managing director of Hospitality Accessories Pty Ltd, which also incorporates Events and Weddings, supplying the hospitality industry with products and decor. Diane is a past and current member of various catering and hospitality industry committees.

Brent Rudler

Brent Rudler is proprietor of North West Liquor Supplies in Port Hedland and a partner in Pilbara Party Hire. He is Mayor of Port Hedland and is on the board of the Pilbara Development Commission and the Port Hedland Port Authority.

George Etrelezis

Managing director of the SBDC, George Etrelezis has a background in banking, specializing in importing, exporting, lending, securities, training and marketing. George has owned and operated his own retail small business.



Functions of the Board

As the SBDC's governing body, the Board has responsibility for performing the functions set out in the Small Business Development Corporation Act 1983.

The SBDC Board has four strategic roles:

- direction of the organisation;
- determination of standards;
- coordination of planning, policies, and decision-making frameworks; and
- acting in an advisory capacity to the Minister, the Government and other agencies.

Operational roles of the Board include:

- setting strategies;
- focusing on client service and customer needs;
- striving for organisational best practice and compliance with standards; and
- delegation of operational decision-making to officers within the SBDC.

Attendance at Meetings

Board Member	No of Meetings 2001/2002	Actual Meetings Attended
Mr Timothy Atterton	11	10
Mr John Garland	6	6
Dr Anne Butorac	6	6
Mr Kim Hutchinson	12	11
Mr Ian MacDonald	12	12
Ms Diane Miskelly	11	10
Mrs Esther Roadnight	12	9
Mr Brent Rudler	12	11
Mr George Etrelezis	12	12

Terms of Appointment

Name	Initially Appointed	Term Expires
Mr Timothy Atterton (Chairman)*	23/07/01	30/06/2004
Mr John Garland (Chairman)*	19/07/94	31/12/2001
Dr Anne Butorac	03/12/01	31/12/2004
Mr Kim Hutchinson	24/08/98	31/12/2003
Mr Ian MacDonald	24/08/98	30/06/2003
Ms Diane Miskelly	23/07/01	30/06/2003
Mrs Esther Roadnight	24/08/98	30/06/2003
Mr Brent Rudler	24/08/98	31/12/2003

* Mr John Garland's term expired on 31 December 2001. Mr Timothy Atterton was appointed Chairman from that date.

Member Interest:

During the 2001/02 financial period, the Small Business Development Corporation contracted the firm of RSM Bird Cameron. Board member, Mr Kim Hutchinson is National Chairman of RSM Bird Cameron.

Public Sector Standards in Human Resource Management

In accordance with the legislative requirements under the *Public Sector Management Act 1994*, the Small Business Development Corporation reports that:

- The SBDC has complied with section 31(1) of the *Public Sector Management Act 1994* in the administration of the corporation's human-resource-management practices relating to the public sector standards and codes of ethics and conduct.
- The SBDC's human resource management processes have adequate checks in place to ensure compliance requirements are met. These include adopting best-practice guidelines in adherence with public sector standards.
- No applications for breach of standards review were received by SBDC between 1 July 2001 and 30 June 2002.

Equal Employment Opportunity

The SBDC's Equal Opportunity management plan sets out to eliminate any discriminatory practices and to ensure equality of employment opportunity. Recruitment advertisements are worded in such a way as to encourage diverse applicants and improved access to job application kits ensures equity for all potential applicants.

The induction process for new employees ensures that all employees are aware of EEO principles, their legal obligations and EEO's relevance to the workplace. Coordination of training for grievance officers ensures that they are kept up-to-date on current issues, practices, skills and trends. There were no EEO complaints during 2001-02.

Staff are represented in the various EEO groups as follows:

	Women	Men	Non English Speaking Background	People with Disabilities
Permanent full time	15	15	2	1
Permanent part time	4	0	0	0
Fixed Term full time	7	3	0	0
Fixed Term part time	1	0	0	0
Casual	0	1	0	0
Temporary	0	0	0	0
Total	27	19	2	1

Enabling Legislation

The conduct of the Small Business Development Corporation is established under the *Small Business Development Corporation Act 1983*.

Freedom of Information

It is the SBDC's policy to make information available freely, wherever possible, and a freedom of information statement is available to the public at both reception areas. During the year the SBDC received no applications for access to documents under the *Freedom of Information Act 1992*.

Disability Services Plan

The SBDC is committed to ensuring that people with disabilities have suitable access to its services and products. In improving access for clients, the SBDC has made greater use of the Internet for the delivery of services through a redevelopment of its website. This included substantially improved navigation and searching functionality, together with a new bookshop and workshop-booking facility incorporating online, real-time payment capabilities. The site also includes a virtual tour of the Business Information and Licence Centre.

The SBDC has continued to promote its email address as a source of seeking business guidance, licensing information and for ordering business planning publications.

The SBDC continues to use the Disability Services Commission training kit to increase its understanding of people with disabilities. On induction and through ongoing staff development, employees are informed of their obligations and responsibilities regarding equal opportunity and the disability services plan. Staff are encouraged to be proactive in suggesting access improvements.

Youth Outcomes

The b.generation (www.bgeneration.com.au) website is designed to provide information and inspiration to encourage young people - between the ages of 18 and 25 - to consider small business as a viable career option. The website includes information on how to start and operate a business; where to access free business advice; statutory requirements and regulations; education and business skills development; market research; information on youth business competitions and awards; and inspirational stories of successful young business operators. The website also offers membership of the interactive online b.generation network, which keeps members up-to-date with information and events of interest. Small business workshops are offered to b.generation network members at discounted rates to encourage the development of a strong, skills-based enterprise culture.

A part-time staff resource is allocated to maintaining the b.generation website and online network, as well as liaising with youth enterprise-related organisations, government and professional bodies, private industry and educational institutions.

As part of the Telstra Small Business Awards, the SBDC sponsors the Young Business Achiever Award to recognise the achievements of young West Australian business operators. The corporation also sponsors the Young Achievement Australia (YAA) program and mentors a group of Curtin University students.

In addition, the SBDC supports the Shell Livewire competition with marketing, a free workshop for participants, representation on the Shell Livewire committee and mentoring for an entrant.

Advertising Expenditure

In accordance with Section 175ZE of the *Electoral Act 1907*, the details of certain expenditure incurred during 2001/02 are set out below:

• Market research organisations:	\$22,931.60
Patterson Market Research	
• Direct mail organisations:	\$2,381.50
Post Data	
• Advertising agencies:	\$280,286.91
Marketforce Productions	
Media Decisions	
• Media advertising organisations:	\$101,977.70
94.5 FM	
92.9 FM	
6PR Southern Cross Broadcasting	
WIN Television WA Pty Ltd	
Total Expenditure for 2001/02:	\$407,577.71

Small Business Guarantees Act 1984

This scheme ceased on 31 May 1997; however, the Act will remain in force until all outstanding loans are cleared.

As at 30 June 2002, there were two outstanding loans for \$250,000, which represents a contingent liability to the State. The balance of those loans as at 30 June 2002 was \$79,323.36.





Code of Conduct

The SBDC has developed and implemented its own code of conduct in line with the code of ethics and the customer service charter.

The code of conduct is a public statement of the ethical principles, values and behaviours expected from staff. It is an assurance to the public that employees will act in an ethical and responsible manner. The code of conduct is based on the following principles:

- Fairness: We will be fair and honest in all our dealings and ensure our actions are non-discriminatory.
- Respect for persons: We will respect our clients and each other, conduct ourselves with integrity and treat others as we would expect to be treated ourselves.
- Responsible care: We will exercise a duty of care to our customers and use the SBDC's assets responsibly, efficiently and in the best interests of the SBDC.

Occupational Health and Safety

The SBDC provides a safe and secure working environment for its employees. During 2001/02 there was only one workers' compensation claim. It resulted in no lost time.

Recycling

The SBDC actively promotes the recycling of high grade waste paper.

Staffing - Positions as at 30 June 2002

MANAGING DIRECTOR	George Etrelezis
Executive Assistant	Vivienne Sullivan/Lucy Hamilton
CORPORATE SERVICES	
Director Corporate Services	Ray Buttsworth (Acting)
Finance and Administration Coordinator	Pauline Ng (Contract)
Human Resources Coordinator	Hilary Bell (Secondment)
Administrative Support Coordinator	Vacant
Administrative Support Officer	Leanne Merrick
Administrative Support Officer	Susan Newstead/Tina Morton
Administrative Support Officer: Records	Vacant (Allan Nicholls - Temp)
ONLINE DEVELOPMENT UNIT	
Director Online Development Unit	Ron Couacaud
Project Officer	Stephen Edwards (Acting)
Knowledge Coordinator	Diane Cooper
Information Technology Officer	Cameron Watts
IT Support	Matthew Bishop (Contract)

BUSINESS FACILITATION SERVICES

Director Business Facilitation Services	Stephen Moir
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Business Enterprise Centre Facilitation Team

Business Enterprise Centre Liaison	Jacqueline Finlayson
Business Enterprise Centre Liaison	Terry Orr
Business Enterprise Centre Liaison	Frank Green (Contract)
Business Enterprise Centre Liaison	Mike O'Donnell
Administrative Support Officer	Dianne Calhoun

Corporate Communications Team

Corporate Communications Officer	Tracy Taggart
Corporate Communications Officer	Tamara Laurence
Administrative Support Officer	Vacant (Alyssa Hayden - Temp)

SMALL BUSINESS SERVICES

Director Small Business Services	Bruce Macfarlane
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Small Business Services Team

Small Business Services Officer	Russ Davis
Small Business Services Officer	Bruno Delfante
Small Business Services Officer	Bob Galloway
Small Business Services Officer	Leanne Graesslin (Contract)
Small Business Services Officer	Ann Kennish
Small Business Services Officer	Richelle Moran
Small Business Services Officer	Jim Mouzalidis
Small Business Services Officer	John Pitt
Small Business Services Officer	Brian Robertson
Small Business Services Officer	Robyn Binks
Project Officer	Carmel Tick (Contract)
Administrative Support Officer	Joanne Bolt
Administrative Support Officer	Val Cook

Business Information and Licence Centre

Business Information and Licence Centre Coordinator	Mary Prosser (Acting)
Customer Service Officer	Shantelle Jackson
Customer Service Officer	Carey Breman (Contract)
Customer Service Officer	Susan Crockford
Customer Service Officer	Jason Bartholomeusz

POLICY AND BUSINESS LIAISON

Director Policy and Business Liaison	Juliet Gisbourne
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Policy and Business Liaison Team

Policy and Business Liaison Officer	Warren Gibson
Policy and Business Liaison Officer	Cassandra Jones
Policy and Business Liaison Officer	Tracy Taylor
Policy and Business Liaison Officer	Aaron deRozario (Secondment)
Administrative Support Officer	Diane Rix

Secondment to the Department of Industry & Technology (Portfolio Policy Unit)	Michelle Downie
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Legislation Impacting on Activity

In the performance of its function, the SBDC complies with the following relevant written laws:

- Business Names Act 1962
- Child Support (Registration and Collection) Act 1988 (Cth)
- Copyright Act 1968 (Cth)
- Corporations (Western Australia) Act 1990
- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Evidence Act 1906
- Financial Administration and Audit Act 1985
- Freedom of Information Act 1992
- Fringe Benefits Tax Act 1986 (Cth)
- Government Employees Superannuation Act 1987
- Income Tax Assessment Act 1936 (Cth)
- Income Tax Assessment Act 1997 (Cth)
- Industrial Relations Act 1979 (WA)
- Minimum Conditions of Employment Act 1993
- A New Tax System (Goods and Services) Act 1999 (Cth)
- Occupational Safety and Health Act 1984
- Payroll Tax Act 1971
- Public and Bank Holidays Act 1972
- Public Sector Management Act 1994
- Small Business Development Corporation Act 1983
- State Records Act 2000
- State Supply Commission Act 1991
- State Trading Concerns Act 1917
- Superannuation Guarantee Act 1992
- Training Guarantee (Administration) Act 1990
- Workers' Compensation and Rehabilitation Act 1981
- Workplace Agreement Act 1993

SBDC Publications

The Small Business Development Corporation publishes a wide range of books and periodicals, in both hard copy and electronic format. The publications — and their availability — are listed below:

Annual Reports

2001 (complete report 1.7 MB)

Goals and key achievements (section 836 KB)
Corporate activities (section 579 KB)
Corporate governance (section 135 KB)
Financial statements (section 245 KB)

2000 (complete report 4.5 MB)

Goals and key achievements (section 757 KB)
Corporate activities (section 3.4 KB)
Financial statements (section 395 KB)

1999

Books

The SBDC publishes a number of its own publications. You can purchase hard copies of these publications from either the Business Information and Licence Centre (BILC), 553 Hay Street (cnr Pier St), Perth or you can order them from the SBDC online bookshop at:

<http://www.sbdc.com.au>

1. A Guide for operating a small business – 271 pages - \$25.00
2. A Guide to buying a small business – 40 pages - \$10.95
3. Business planning – 40 pages - \$5.50
4. Business structures – 36 pages - \$5.50
5. Common questions about the Commercial Tenancy Act for leases entered into before 1 July 1999 : advice for landlords and tenants – 16 pages - \$5.50
6. Common questions about the Commercial Tenancy Act for leases entered into on or after 1 July 1999 : advice for landlords and tenants – 20 pages - \$5.50
7. Evaluating your business idea : is it worth the effort? – 16 pages - \$5.50
8. Home truths : information and inspiration for home based business – 94 pages - \$10.00
9. How to negotiate your way to a better retail lease – 20 pages - \$5.00
10. Leasing business premises : a commercial and practical guide – 24 pages - \$9.90
11. Market research for small business – 86 pages - \$16.50
12. Step-by-step business plan – 96 pages - \$25.00



Business Briefs

Small Business Briefs are a series of information sheets that are available at no charge from the Business Information and Licence Centre (BILC), 553 Hay Street (cnr Pier St), Perth or you can download them from the SBDC website at:

<http://www.sbdc.com.au>

Topics include:

Applying for finance
 Business planning
 Business structures
 Buying a business
 Dispute resolution : mediation a better way
 Electronic commerce
 Employment
 Exporting : the Ten Commandments
 Government assistance for small business
 Insurance for small business
 Intellectual property
 Leasing commercial property : a short practical guide
 Market research
 Partners in business
 Personal security for retailers

Media Releases

Press releases are produced regularly to inform the small business sector about topical issues affecting them.

Small Business Fact Sheet

The Fact Sheet is produced on an annual basis and is available in hard copy (at no charge) from the Business Information and Licence Centre (BILC), 553 Hay Street (cnr Pier St), Perth or they can be downloaded from the SBDC website at:

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