

Small Business Development Corporation

ANNUAL REPORT 2009-2010



The Small Business Specialists

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Statement of compliance

FOR THE YEAR ENDED 30 JUNE 2010

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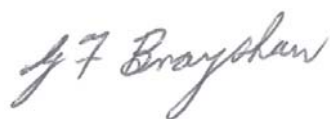
MINISTER FOR COMMERCE

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Small Business Development Corporation for the financial year ended 30 June 2010.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Ray Mountney
Chairperson of Board



Geoff Brayshaw
Member of Board

17 September 2010

Overview of the Agency



About the SBDC

The Small Business Development Corporation (SBDC) is a State Government statutory authority, established in 1984 to drive the development and growth of small businesses throughout Western Australia.

The SBDC is now the primary provider of advice and guidance to small business operators throughout the State, providing information, referral, business services, and programs tailored to the specific needs of the small business sector.

The SBDC also promotes the small business sector to others through research, advocacy, liaison and communication activities and supports the 25 Small Business Centres throughout Western Australia.

On behalf of the Western Australian government, the SBDC is also responsible for the attraction and sponsorship of business migrants into the State.

What we do

The objective of the SBDC is to provide guidance, referral and business advisory services for the effective development of new and existing small businesses in Western Australia. This is achieved through the development of programs which address specific needs within the sector including; marketing, business planning, export assistance, business migration into Western Australia, commercial tenancy, youth enterprise resources, women in business, Indian Ocean Territories, and Aboriginal business development.

The SBDC also supports the broader skills development and information needs of the small business sector through:

- Advisory services,
- Workshops,
- Online resources,
- Program development and delivery, and
- Presentations.



In keeping with the Government's key goals, the SBDC responsibly manages the State's finances through the efficient and effective delivery of services to the small business sector in Western Australia. The Corporation encourages economic activity and reduces regulatory burdens on the private sector through its national and state wide policy negotiations.

Operationally, the SBDC is structured into four key areas; Small Business Services including the Specialised Business Services Advisory team, the State Migration Centre and the Business Information and Licensing Centre;

Policy Planning and Stakeholder Relations, including the Small Business Advocacy Service and Ready Response Network; Business Facilitation Service, including the Small Business Centre Network and Corporate Affairs and Communications; and Corporate Resources.

Through the Small Business Centre Network, the SBDC supports 25 small business centres and facilitates the provision of an extensive range of services to businesses throughout regional and metropolitan Western Australia.

The SBDC provides most of its services free of charge, with a revenue base raised through business workshops and the sale of small business publications.

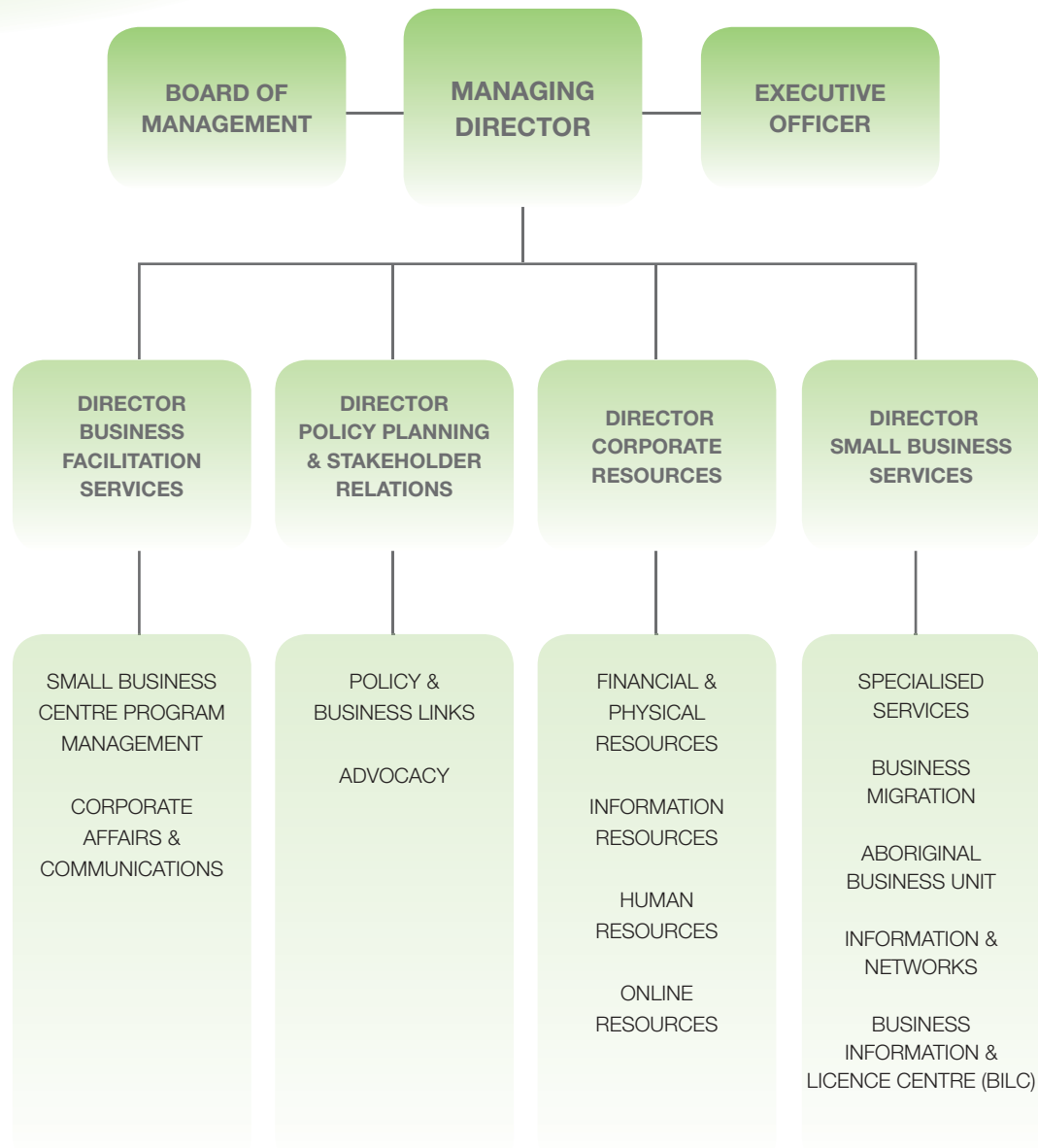
There are currently 196,000 small businesses in Western Australia responsible for 35 per cent of all employment in the State.



“The SBDC has been invaluable to FitChips over the past four years. In the beginning, we had our spreadsheets, projections and business plan evaluated by the advisors, who were always encouraging, professional and practical. Even as our business grows, there are still times when we contact the SBDC for support or advice. It’s a fantastic resource.”

***Jackie Dihm and Kaye Craddock
Founders and Directors,
FitChips***

Small Business Development Corporation Organisation Chart



As at 30 June 2010

Operational Structure

Responsible Minister

The Hon. Bill Marmion MLA, Minister for Commerce, is the Minister responsible for the Small Business Development Corporation.



*Hon. Bill Marmion MLA
Minister for Commerce*

Enabling Legislation

The Small Business Development Corporation Act 1983 makes provision for the establishment of the SBDC to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in the State and for incidental and other purposes.

Our Vision

SBDC's vision is to drive the development of Western Australia's small business sector as major contributors to the State's economy.

Our Mission

SBDC's mission is to create opportunity and wealth for small business in WA.

Strategy 2006-2010

To stimulate a culture of enterprise and celebrate the success of small business by;

- Promoting understanding and recognition of the contribution of small business to the Western Australian economy, and the relative importance of the sector to continuing economic prosperity in society.
- Promoting Western Australia as the best place to start and run a business.
- Promoting business start up and development as an exciting, worthwhile and rewarding career or lifestyle option.
- Promoting small business as a high priority to government, industry leaders, key stakeholders and the media.
- Providing easy access to the SBDC's services through enhanced market profile.
- Promoting the benefits of business migration to Western Australia, and providing support before and during relocation.

To improve the skills and knowledge base of the small business sector by;

- Promoting best management practice and legitimate entrepreneurial behaviour to small business.
- Identifying and facilitating effective responses to the emerging skill needs of small business.
- Promoting the value of seeking appropriate and timely professional assistance.
- Developing customised programs and services to improve planning and decision making by small business using leading edge technology and delivery mechanisms.

To take a leading role in influencing the policy and regulatory environment for small business by;

- Monitoring and reviewing current and proposed State Government legislation and regulations that impact on small business to ensure the needs and characteristics of small business are taken into account, red tape is reduced and the cost of compliance is kept to a minimum.
- Consulting with small businesses and their representative organisations in the development of policies and processes by all tiers of Government.
- Increasing the SBDC's advocacy role in representing the interests of small business to all levels of Government.

Overview of the Agency

Facilitate regional small business development by;

- Including an appropriate regional delivery component in all relevant SBDC programs and services.
- Developing strategic alliances with key government agencies and other organisations that have a regional focus or dimension.
- Supporting the continuing development of the Small Business Centre (SBC) Network and encouraging SBCs to build local networks and alliances that benefit small business in their regions.
- Promoting local SBCs as a source of information, and guidance for small businesses.
- Recognising, endorsing and utilising the ability of the SBC network to deliver a range of small business programs.
- Working in partnership with local government and business organisations in the development and delivery of programs and initiatives for small business.

To drive small business growth by;

- Targeting businesses with aspirations and potential for sustainable and profitable growth.
- Assisting business to expand into new markets, including export.
- Developing a suite of growth programs and initiatives for established business.

To sustain a culture of achievement within SBDC and leadership in small business development by;

- Upholding core values of independence, innovation and responsiveness within the SBDC.
- Applying best practice principles (through an entrepreneurial, performance focussed approach).
- Committing to career progression through personal development and skills enhancement relevant to the needs of small business.
- Encouraging staff teams to consider the current and future needs of small business and the SBDC and contribute accordingly.



L to R: Geoff Brayshaw, Merrill Dalglish, Ray Mountney, Larissa Beeson, Jacky Finlayson.
Front: Kitty Prodonovich, Chris Jones. (not shown Brent Pollard)

SBDC Board

The SBDC is governed by a Board, drawn from the private sector under the auspices of the *Small Business Development Corporation Act 1983*. The eight-member SBDC Board meets on a monthly basis to consider issues relevant to the direction and operation of the Corporation.

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

Membership as at 30 June 2010 comprised:

Ray Mountney (Chair)

Ray Mountney initially joined the Board as a Member in August 2009 following his very successful business career in the motor industry. In June 2010 Ray was appointed to the role of Chairman of the Board. As owner and Managing Director of Fennessy Holden and Nissan in Busselton, Ray has also served as State delegate to the National Franchise Councils of Holden and Nissan. Ray has also been active within the broader community of the South West, holding executive positions with the Busselton Chamber of Commerce and the Small Business Centre Vasse.

Larissa Beeson

Larissa Beeson has been a member of the SBDC Board since December 2004. Ms Beeson is also Regional Head of Transaction Banking WA/SA, Institutional Bank at the ANZ Bank and has worked with many business groups ranging in size from small to large, and with women in business during her career. Additionally Ms Beeson, together with her husband, has also operated a furniture upholstery business.

Geoff Brayshaw

Geoff Brayshaw was appointed to the SBDC Board in January 2005. He is a Non Executive Director, Audit Committee Chairman of the Fortescue Metals Group Limited and Poseidon Nickel Limited. Mr Brayshaw is also a Fellow of the Institute of Chartered Accountants, Associate of the Institute of Company Directors and past National President of the Institute of Chartered Accountants.

Overview of the Agency

Merrill Dalglish

Merrill Dalglish was appointed to the Board in June 2010 and will attend her first meeting in July 2010. Ms Dalglish is well known in the Mid West region where she operates a highly successful catering and events business which she started and developed with her husband. With experience on the Boards of the Mid West Small Business Centre and the Chamber of Commerce and Industry, Ms Dalglish is very familiar with the work of both the SBDC and the SBC Network.

Chris Jones

Chris Jones was appointed to the SBDC Board in 2004 and is a Director of Chris Jones Plumbing which services the Pilbara, Gascoyne and Mid West regions with bases in both Port Hedland and Kalbarri. He is Past President of the Port Hedland Chamber of Commerce and former Councillor of the Town of Port Hedland. Mr Jones is also Deputy Chair of the WA Plumbers' Licensing Board, representing regional plumbers throughout Western Australia and a current member of the Mid West Chamber of Commerce & Industry.

Caterina (Kitty) Prodonovich

Kitty Prodonovich was appointed to the Board in May 2008 and took up her position in September 2008. Ms Prodonovich has owned and operated a number of small businesses, including two award winning businesses in the Goldfields. She was the recipient of the Goldfields Young Achiever Award and winner of the 2002 Goldfields Business of the Year. She was elected the youngest executive member of the Kalgoorlie Boulder Chamber of Commerce and Industry and is a past president. Ms Prodonovich is currently the president of the Regional Chambers of Commerce and Industry in WA and Business Manager at Como Engineers.

Brent Pollard

Brent Pollard was appointed to the Board in June 2010 and will attend his first meeting in July 2010. Mr Pollard has an extensive background in developing businesses in Britain and Western Australia. He currently owns Black Toms and Mosmans restaurants in Perth and has a number of other domestic and international business interests. He has strong strategic skills and a thorough understanding of the contemporary issues facing business operators, particularly entrepreneurs.

Jacky Finlayson

Jacky Finlayson was appointed Acting Managing Director in January 2010. Ms Finlayson has held several positions within the SBDC including Business Enterprise Centre Program Co-ordinator, Director Corporate Affairs, Director Policy, Planning and Stakeholder Relations and most recently Director of Specialised Business Services. Prior to joining SBDC, Ms Finlayson ran a successful business in the land development industry.

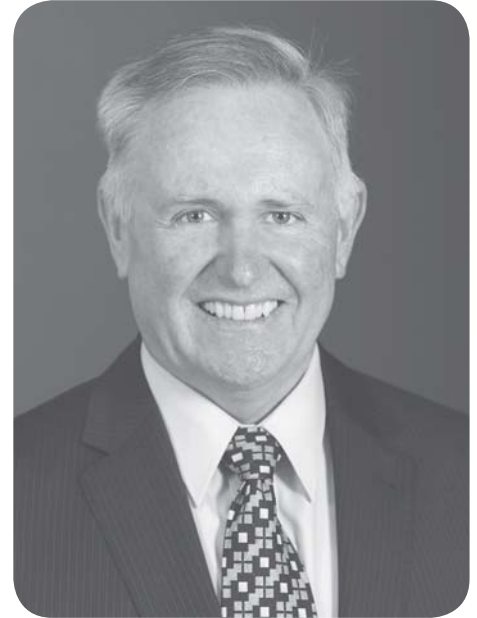
Overview of the Agency

Executive Summary

Chairman's Report

Since joining the SBDC Board in August 2009 and being appointed Chair in June 2010, I have been impressed by the high level strategic work undertaken by the Corporation, and the very worthwhile initiatives that have been implemented, to the benefit of Western Australia's small business sector.

During the year, the Corporation has undergone some significant changes with Stephen Moir resigning from the position of Managing Director in January 2010 and Jacky Finlayson stepping up in an Acting capacity. Also during the year, former Chair, Patria Jafferries and Board member Paul Niardone completed their terms.



*Ray Mountney
Chair*

I would like to take this opportunity to thank them all for their valuable contributions and to welcome our newly appointed Board members Merrill Dalglish (regional representative) and Brent Pollard who will be bringing extensive business experience to the Board and the Corporation.

Economically, it has been heartening to see that Western Australia has recovered so rapidly from the downturn of 2008-09 and regained its position as the nation's best performing economy. This must be due, in part, to the many small business operators who kept their workers employed and their shoulders to the wheel when the going got tough.

Small business is a vital component within our business community and while some may credit the multi-national mining and resource companies as the sole reason for the State's fiscal success, it is important to remember the myriad of smaller businesses that assist and support the mining and resource industry in their endeavours throughout the State.

During the year in review, the Corporation has been implementing a range of unique, innovative programs designed to build resilience in our small business sector, and these programs have been taken to the far reaches of the State to ensure equal accessibility for all businesses, in all regions.

The success of the BiZFiT program has been phenomenal, with over a thousand small business operators, over the past nine months, benefiting from the knowledge and expertise of the training modules.

As a small agency, the SBDC has the ability to move quickly to address key issues that are affecting the sector. Programs and special projects are developed and implemented in remarkably short time-frames and the results, as outlined in this report, are impressive.

During the year, the SBDC has undertaken special small business projects for ScreenWest, the Department of Premier and Cabinet and the Department of Planning and Infrastructure. This inter-governmental cooperation and exchange of expertise is both efficient and cost-effective in providing information that will benefit small business operators working within those jurisdictions.

The Small Business Development Corporation punches well above its weight when it comes to program delivery and effective outcomes. As this report attests, the Corporation is meeting the ever changing needs of the small business marketplace; ably representing the Government and the sector at national forums and providing much needed support and encouragement at the grassroots level.

As the new financial year begins, the Corporation is preparing to move to new premises with improved facilities for clients and employees, and we will continue to meet the needs of the sector in the same highly effective and professional manner.

Ray Mountney
Chair

Performance highlights

Small Business Services

Providing guidance, referral and business advisory services for the effective development of new and existing small businesses in Western Australia.

In 2009-10 the SBDC:

- provided guidance, referral and business advisory services to a total of 50,460 small business clients with KPI survey results indicating that overall client satisfaction levels were consistently high at 91 per cent,
- assisted 2,325 clients with information and guidance on commercial tenancy issues including; rent and rent reviews, termination of tenancies, obligations for repairs and maintenance, tenancy options, and rights of renewal, and assisted 121 clients in making applications to the State Administrative Tribunal,
- delivered 17 BiZFiT Local Business Forums, 11 BiZFiT Extend two-day workshops, conducted 114 BiZFiT Pulse Checks and awarded 41 BiZFiT scholarships for a total of 1,028 small business owners and operators,
- assisted 29 new Aboriginal Business clients, conducted 59 client contacts and engaged 174 stakeholders through the newly developed Aboriginal Business Unit,
- completed a full legislative audit and comprehensive classification schema for the new Business Licence Finder, resulting in 14,666 licence pack enquiries being received with 74 per cent of these accessed through the SBDC website,
- supported 11,005 members of five specialist online network groups; Young Business Network, Home Based Business Network, Women in Business Network, Business Migration Network, and Small Business Exporters Network by holding six face-to-face networking events,
- conducted 226 small business workshops for a total of 1,810 participants on topics including marketing, costing and pricing, cashflow, finance, business planning and getting your business on the web,
- developed and conducted a new workshop entitled BiZBasics for small business starters. Since February 2010, the workshop has been offered twice weekly to a total of 633 participants,
- encouraged and facilitated greater cooperation and collaboration between State and Commonwealth government agencies in their delivery of services to small business through BizLink seminars. Four BizLink seminars involving seven partner agencies and 205 small business operators were conducted throughout 2009-10,

Overview of the Agency

Executive Summary

- assisted 14,844 small business clients with information and publications in the Business Information and Licence Centre (BILC). KPI survey results indicate significant increases in clients' perceptions for "benefits to business operations" and "value to business". In addition, the BILC sold 976 copies of the SBDC publications *A Step by Step Business Plan* and *A Guide to operating a small business*,
- in conjunction with the Australian Taxation Office, has provided assistance to 687 small business clients visiting the BILC. A further 126 clients visited the Labour Relations Education Officer at the BILC,
- engaged an on-island contractor to assist in the delivery of small business advisory services to clients on Christmas and Cocos Islands. This resulted in increased activities and services to the small business sector on-island. A total of 121 one-on-one appointments were held between SBDC representatives and small business clients, and 238 participants attended small business workshops,
- recorded 417 contacts with TradeStart clients seeking export information, guidance and assistance. The SBDC has tendered for a further contract with Austrade to deliver the service through to 30 June 2014,
- through the TradeStart Export Accelerator program, provided \$4,782 (excl GST) to assist 18 small to medium sized Western Australian wine producers to meet with visiting overseas wine buyers from Korea, China, Taiwan, Malaysia and India,
- assisted in the promotion of the Government's assistance for small business by delivering 28 small business presentations to approximately 1,470 individuals at events organised by business and industry associations, educational institutions, government agencies and individual businesses,
- worked collaboratively with other government agencies and departments on projects and programs concerning small business including:
 - providing specialist small business advice and guidance to business operators who were affected by the closure of the BHP Billiton Nickel project in Ravensthorpe and Hopetoun. SBDC facilitating the distribution of Professional Services Vouchers to the value of \$45,985;



"I started off working for Alert Motorcycle School, but when the opportunity came to buy the business I found myself in charge of a company that needed some TLC to get it back on its' feet."

The BiZFiT Growth program has given me hope that with the application of sound business practices, I can improve the way the business operates and have a solid foundation on which to grow. With the business procedures ticking along well, I can get on with expanding into new areas."

***David Palmer
Alert Motorcycle School
Bayswater/Joondalup***

Overview of the Agency

Executive Summary

- developing a one-day business planning workshop for ScreenWest to provide practical guidance specifically tailored to help business operators in the film industry. The program was initially delivered to 19 participants in Perth, followed by an additional workshop held in Broome to a further nine participants; and
- collaborating with the Department of Planning and Infrastructure to conduct a business review and a financial benchmarking analysis of the Multi Purpose Taxi sector which resulted in the Minister for Transport announcing a suite of measures designed to improve access to taxi services for people travelling in wheelchairs or with a scooter.

State Migration Centre (SMC)

The SMC was established in 2006 to attract business and skilled migrants to Western Australia, to raise new capital investment and address the State's labour needs.

In 2009-10 the SBDC:

- responded to 47,227 enquiries from potential migrants and migration agents, participated in international migration expos, WA Open Days, seminars and appointments in the prime migration markets of China, the United Kingdom and Ireland. In total 16,000 participants attended these combined events. The three key outcomes achieved for the State's economy include;
- 447 State sponsorships approved for new business migrants and registration of a further 28 new business migrants for unsponsored visas to settle and go into business in Western Australia;
- 3,839 new skilled migrants sponsored to come to Western Australia, and
- collectively, these migrants propose to bring \$952 million in to the State for business investment, personal expenditure and settlement costs.

On May 10, 2010, the Skilled Migration Program, together with six State Migration officers, transferred to the Department of Training and Workforce Development.

Policy, Planning and Stakeholder Relations

Working with small business to identify and minimise red tape, influence policy development where it pertains to small business and support businesses in their interactions with government.

In 2009-10 the SBDC:

- reviewed 50 Preliminary Impact Assessments (PIA) and worked with 20 agencies to ensure that proposed regulations did not result in significant negative impacts for business and that agencies receive timely assistance to complete their PIA requirements,

Overview of the Agency

Executive Summary

- provided assistance to the Department of Treasury and Finance in analysing the red tape issues identified by the Red Tape Reduction Group (RTRG) and developed reform options for the RTRG's final report. The SBDC also prepared research papers addressing retail trading hours legislation and public notices reform including estimates of the overall regulatory burden to business and suggested practical alternatives that Government could adopt to significantly reduce costs.
- negotiated at national level to ensure the new national business names registration system will impact positively on Western Australian businesses. The changes from a state to a national system will bring benefits to business, with reduced costs and greater ease of registration and renewal,
- assisted the Department of Commerce in the drafting of amendments to the *Commercial Tenancy (Retail Shops) Agreements Act 1985* to implement recommendations outstanding from the 2003 Review of the Act,
- continued with the development of a dispute resolution model to address the needs of business and the role of government in meeting those needs. This ongoing project has strong linkages to the work the SBDC has been doing on commercial tenancy legislation at both a state and national level,
- investigated and analysed 43 business-to-government advocacy issues on behalf of individual business operators. In response, the SBDC liaised with the relevant government agencies to develop solutions,
- actively promoted and recruited 470 additional members for the Ready Response Network. During the year, six Ready Response opinion polls were conducted on a range of topical small business issues.



“I’ve wanted to do the Curtin Growth program for some time and taking part in the BiZFiT program has made it possible.

It’s been a great experience working with others in the same situation and getting good advice from experienced people. It has also helped me to confirm that I’m on the right track.”

Ross Rutherford
Longboards Scarborough

Business Facilitation Services

Managing the State-wide Small Business Centre program and the corporate affairs and communications activities of the SBDC.

In 2009-10, the 25 Small Business Centres in Western Australia;

- undertook 45,365 client sessions resulting in 1,744 new business start-ups. In addition the program facilitated the creation of 3,501 new jobs for the State and hosted 11,326 workshop participants,



Overview of the Agency Executive Summary

- increased the number of Aboriginal business clients accessing services. During 2009-10, the Network facilitated to 1,493 Aboriginal client sessions, 38 new Aboriginal business start-ups, 59 jobs created and 117 Aboriginal workshop participants,
- received \$73,000 from the Small Business Development Corporation's Small Business Initiatives Fund (SBIF) to support a range of business projects in the Gascoyne region, Busselton, Manjimup, Bunbury, Mandurah, Kalgoorlie-Boulder and the Perth metropolitan area.

In 2009-10, the SBDC:

- sponsored 41 small business award events in regional and metropolitan regions for a total contribution of \$145,000. An estimated 9,700 members of the small business community attended these events with 75 small businesses winning category awards,
- conducted the 2009 GWN Western Australian Regional Small Business Awards event which attracted entries from 51 small businesses from around the State for judging and catered for 290 guests from all regions for the Awards presentation held in Perth.
- promoted the activities and successes of 55 individual small business operators in local, state, national and international newspapers and magazines.

Corporate Resources

Providing the financial, human resource and online service functions for the SBDC.

In 2009-10, the SBDC:

- commenced preparation for the transition to Shared Services scheduled to take place in December 2010.
- developed and implemented a strategy to support and encourage staff in their preparations for the relocation of the SBDC to new premises at 140 William Street, with the least disruption to client services.

Overview of the Agency

Performance Management Framework

Outcome Based Management Framework

Government Goal: *Financial and Economic Responsibility - Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.*

Desired Outcome	Effectiveness Indicators	Service	Efficiency Indicators
Development of new and existing small business in Western Australia.	The extent to which clients rate the usefulness of the information and guidance provided to them.	Information, guidance, referral and business development services	<ul style="list-style-type: none">• Average cost per direct client contact• Average cost per indirect client contact• Average cost per Small Business Centre client contact• Cost per unit of policy advice.

Changes to outcome based management framework

The Small Business Development Corporation's Outcome Based Management Framework did not change during the reporting period.

Shared responsibility with other agencies

The Small Business Development Corporation did not share any responsibilities with other agencies in 2009-10.

Agency performance

Report on Operations

Managing Director's Report

As a result of the global financial crisis of 2008-09, building resilience has been a major focus of the programs and services delivered by the Small Business Development Corporation (SBDC) during this year in review. The BiZFIT program was specifically designed to equip business operators with the skills necessary to identify and address issues affecting their business and to respond to changing economic conditions.

As a result of strong cooperation between the SBDC, Curtin University's Centre for Entrepreneurship and the Western Australian Chamber of Commerce and Industry, the BiZFIT program has been a resounding success. It is also an impressive example of the depth of expertise available within the SBDC, and how quickly we can mobilise to respond to the changing needs of the small business sector.

Another highlight of 2009-10 is the establishment of the Aboriginal Business Unit (ABU). This has been an important area of work for the SBDC as we have sought to make our services more visible and accessible to Aboriginal people. A key feature of this undertaking is the Aboriginal Business Initiatives Fund which has enabled us to assist individuals with specialised, industry-specific mentoring while also providing groups of business operators with across-the-board support and guidance. The Small Business Centre network in particular must be commended for its support of this work, and the efforts of individual centres has resulted in very valid progress during this year.

The SBDC has also played a significant role in the Australian Business Names/Business Number project which is part of an agenda of business competition reforms lead by the Council of Australian Governments (COAG). In this regard, the State has been very ably represented by senior SBDC staff in national working groups. Speaking up for small business in national forums of senior officials on matters of competition reform can be a lonely task but the State has been served in a most professional and expert manner by the SBDC's policy team throughout this year.

Across all service areas, the SBDC has performed well during the year, with staff achieving impressive results in customer service and program delivery. In this, its 25th year, the SBDC has achieved these results while facing a number of significant operational changes - to the executive team, to the Board and operational systems, as well as a change of Minister. In addition, the SBDC has been preparing for a roll into the Office of Shared Services and a relocation to new premises - both planned for December 2010. In this sense, there has been great demands placed on staff and executive with the most important being the need to be open to change while remaining focussed on the needs of our clients - the small businesses of Western Australia.

To all of the Corporation's staff and Board I convey my sincere thanks for this effort and I commend the results of your work and your achievements in 2009-10.



Jacky Finlayson

Jacky Finlayson
Acting Managing Director

Directorate Reports

Small Business Services

Objectives: to provide guidance, referral and business advisory services for the effective development of new and existing small businesses in Western Australia. To also provide programs to address specific needs within the sector and support the broader skill development and information needs of the sector.

Business advice and guidance

Overview: One of the core services at the forefront of the SBDC since its inception in 1984 is the provision of free, confidential, independent business advice and guidance to small business operators at all stages of their business development. The SBDC's team of experienced business advisors respond to telephone, e-mail and online client enquiries, offer face-to-face appointments, on-site visits to clients' premises as well as delivering presentations to industry and business groups.

Outcomes: During 2009-10, the total number of client contacts across all delivery methods totalled 50,460. The single largest group of 14,844 visited SBDC's shopfront, the Business Information and Licence Centre (BILC) while a further 11,467 accessed information through SBDC's website and 13,566 were assisted individually. Of these individual contacts, 1,775 were face-to-face appointments between SBDC specialist business advisors and small business operators. This represents an increase of 8.9 per cent from last year, due in part to the newly established BizFit Pulse Checks program.

In addition, 121 business advisory appointments were held on Christmas and Cocos (Keeling) Islands under the Service Delivery Agreement with the Commonwealth Government (see details on page 31).

A survey of SBDC services shows a high level of overall satisfaction with the quality and usefulness of the SBDC advisory services. Results indicate that overall client satisfaction levels are consistent with last year's level of 91 per cent. Satisfaction levels increased during 2009-10 for "Value to business" (up 3% to 79%), and "likelihood of using the service again" (up 2% from 94% to 96%).



“As a resource for small business, the SBDC is invaluable. We’ve accessed the advisory service throughout the ten years we’ve been in business on everything from leasing our premises to marketing and franchising. There’s always someone there batting for you.”

**Andy Conlin
Roc Candy
Confectionery Shop
Picadilly Arcade, Perth.**

Agency performance Report on Operations

Table1 - Performance Evaluation – Total Sample (weighted data)	KPI Score 2010	KPI Score 2009	KPI Score 2008
Information/advice was useful	91	91	88
Satisfied overall with contact	94	95	89
Value to business *	79	76	78
Benefit to business operations*	78	81	73
Contributed to informed decisions on start up/ purchase*	69	72	66
Saving in time/cost in obtaining licensing information and forms from the one location*	91	93	90
Likelihood of using the service again	96	94	93

*Note, these questions were not asked of all respondents

Table 2 - Indicators for customer services remain at a very high level and have not shown significant changes compared to the 2009 results.

Table 2 - Customer Service – Total Sample (weighted data)	KPI Score 2010	KPI Score 2009	KPI Score 2008
Access to the service was easy	93	96	91
Responses were timely	97	94	90
Satisfied with overall customer service	95	96	91

Specialist advisory service – commercial tenancy

Overview: To assist small business tenants, landlords and other industry participants, the SBDC provides a specialist commercial tenancy advisory service. The service provides awareness, information and guidance on the *Commercial Tenancy (Retail Shops) Agreements Act 1985* (the Act) and all aspects of negotiating and leasing commercial premises.

During 2009-10, the leasing of business premises continued to be an area of importance and concern to small business operators, particularly with regard to shopping centres.

The SBDC, through its unique position, seeks to ensure that small business tenants and landlords are represented and their needs and views are heard. To this end, the service provides input to the Minister for Commerce and other government bodies on policy matters and commercial tenancy related legislation.

Outcome: The SBDC has produced a range of publications on leasing business premises and the Act. To further assist prospective and existing small business landlords and tenants, the SBDC has also updated and expanded the commercial tenancy information on its website.

Agency performance

Report on Operations

During 2009-10, the SBDC has assisted 2,325 clients with information and guidance on commercial tenancy issues. Assistance was sought on a wide range of matters including:

- business starters' advice,
- rent and rent reviews,
- operating expenses,
- termination of tenancies,
- obligations in regard to repairs and maintenance, and
- tenancy options and rights of renewal.

The SBDC has also assisted 121 clients in making applications to the State Administrative Tribunal, the current dispute resolution body for retail tenancy matters.

BiZFiT

Overview: As part of the 2009-10 Budget announcement, the SBDC was allocated \$2 million over two years to develop a program to boost the resilience of Western Australian small business owners.

Since the budget announcement, the SBDC has been working closely with the Chamber of Commerce and Industry WA, Curtin University's Centre for Entrepreneurship and the Small Business Centre Network on the design of the BiZFiT program and these organisations now play key roles in the delivery of the program.

Outcome: The outcome of this highly successful collaboration over the past eight months has been the development of the BiZFiT program delivered in four key elements:

- **BiZFiT Local Business Forums**

The Forums provide participants with customised, region-specific presentations from the Chamber of Commerce and Industry (WA) including future economic forecasts and the impact of a changing environment on local conditions.

- **BiZFiT Pulse Check**

Pulse Checks are free, one-on-one business reviews, conducted both by Small Business Centres and the SBDC, that assist business owners to diagnose problems and determine actions that can be taken to build the resilience of their business.



“I went from a job in the oil and gas industry to owning my own business, and I’ve found the BiZFiT program a great help.

It’s tailored at the right market, it’s concise and covers the whole spectrum of business issues, with compact segments delivered at a fast pace.

It’s also designed to suit all businesses, it’s not industry specific.

I used to be like the rat on the wheel, but now I’m working on my business, as well as in my business.”

***Nick Streeter
Grassworks, Wangara***

- **BiZFiT Extend**

BiZFiT Extend provides an opportunity for owners of established businesses to participate in a two-day workshop specially developed and delivered by the Centre for Entrepreneurship. This program provides participants with practical skills and increased confidence to build and manage a successful, resilient business. In addition, all participants are eligible to access up to five hours personal business mentoring with a BiZFiT Mentor.

- **BiZFiT Scholarships**

The BiZFiT Scholarships have been designed to provide an opportunity for small business owners to further develop their business skills through additional, longer term learning through the Curtin University's Centre for Entrepreneurship.

During 2009-10, the Small Business Development Corporation, together with the BiZFiT project partners, have delivered 17 BiZFiT Local Business Forums, 11 BiZFiT Extend two-day workshops, conducted 114 BiZFiT Pulse Checks and awarded 41 BiZFiT Scholarships.

As a result of this successful program, the SBDC has;

- Forged an innovative partnership with the Chamber of Commerce and Industry and Curtin University's Centre for Entrepreneurship in both the design and delivery of the program;
- Facilitated 1,028 business owners and operators to participate in at least one, and in many cases, several elements of the program;
- Organised multiple metropolitan BiZFiT events, such as BiZFiT Local Business Forums in Joondalup, Fremantle, Midland, Scarborough, Balcatta, Rockingham and the central business district;
- Ensured regional businesses had equal opportunity to participate in the BiZFiT events. In the first eight months of the program, the BiZFiT program was delivered in:
 - Bunbury
 - Manjimup
 - Busselton
 - Merredin
 - Geraldton
 - Albany
 - Broome
 - Derby
 - Mandurah
 - Port Hedland

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- The BiZFiT program will continue into 2010-11 in partnership with the Chamber of Commerce and Industry, the Centre for Entrepreneurship and the Small Business Centres to deliver high quality, practical information and learning for small business owners throughout the State.

In addition, it is anticipated the program will focus on forging new partnerships with specific industry groups to provide a more targeted program.

Program delivery to regional areas will continue to be of utmost importance.

Aboriginal Business Unit (ABU)

Overview: During 2009-10, the SBDC established and introduced the Aboriginal Business Unit (ABU). The ABU broadens and enhances the SBDC's existing suite of business support services to specifically assist and support the development of Aboriginal business and the Aboriginal business community in Western Australia.

Underpinning the ABU's work is the belief that Aboriginal people should be empowered to create their own future. In promoting this, the ABU is working collaboratively with the Small Business Centre network, other Government agencies and industry to provide practical, tailored, relationship-based advice on a broad range of small business issues for existing and prospective Aboriginal business operators.

Outcome: During 2009-10 the ABU engaged 29 new clients, conducted 59 client contacts and fielded 174 stakeholder contacts.

Since its inception, the ABU has collaborated on the following projects:

- Wiluna Regional Partnership Agreement (WRPA)
The ABU has worked with the WRPA to identify how local business aspirants can benefit from opportunities created by local resource projects. To date, this has primarily focused on improving business readiness and building capacity. Work has commenced to deliver advisory services to the community on a regular basis.
- Gnaala Karla Booja Employment and Economic Development Agreement (GKBEEDA)
The ABU has worked with the GKBEEDA and local Small Business Centres to focus on strategies that will lead to better opportunities for Aboriginal enterprises within the resource sector and with business and industry across Gnaarla Karla Booja country.
- Fitzroy Crossing Business Service Enhancement
The ABU has worked with various stakeholders in Broome, Derby and Fitzroy Crossing in relation to a proposed shared business facility and Community Resource Centre (CRC) for Fitzroy Crossing.

Recognising the unique service delivery needs of Aboriginal clients, in 2009-10, the SBDC launched the Aboriginal Business Initiatives Fund (ABIF). During the year in review, the ABIF has delivered a range of initiatives through the Small Business Centre Network, providing support for the development of new and existing Aboriginal businesses. Initiatives funded include:

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- Fitzroy Valley/Broome Tourism training,
- Industry specific business mentoring,
- “How to Quote and Tender” workshop held in the Pilbara region,
- “The Art of Business” workshop held in the Goldfields region,
- Aboriginal Business Culture and Opportunities Luncheon held in Albany, and
- An Aboriginal business networking function held in the Central Wheatbelt region.

Website content review

Overview: In 2009-10, considerable resourcing was allocated to the review of all business advisory material on the SBDC website, in preparation for the launch of the new website (www.smallbusiness.wa.gov.au). The SBS team, particularly the specialist business advisors, reviewed, re-wrote and created a range of material and resources, ensuring the information was current and relevant to the wide ranging needs of small business clients accessing SBDC’s online service.

The increased range of information now available on the SBDC website provides a high quality, credible online resource accessible at anytime and allows the SBS advisory service to reach a greater number of Western Australian small business operators.

Outcome: New material developed specifically for the new SBDC website includes:

- Financial forecasting tools,
- BiZGuides (additional, issue-specific information on areas such as leasing),
- Templates on business planning, risk management and marketing,
- Links to other relevant websites (such as the Australian Tax Office).

Business online service project (BOS)

Overview: On 3 July 2008 the Council of Australian Governments (COAG) agreed to a new combined Business Names/Australian Business Number licence registration system that will allow businesses to apply online in a single, seamless step. At the same meeting COAG agreed to a national Business Online Service (BOS).

The BOS project will deliver a nationally coordinated online system by which businesses can access licence information and services to assist them in managing their business responsibilities. Features will include:

- An Australian business client account,
- An online transaction gateway,
- Business news alerts/updates, and the
- Australian Business Licence Information Service.

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It will provide a more effective platform for interaction between businesses and all tiers of government, regardless of the location of the business.

Outcome: Throughout the year in review SBDC has participated in meetings and workshops with the Commonwealth, State and Territory governments to progress the project.

Currently, work is being carried out to enhance and expand the content of this service to ensure language, data and classification schemas are consistent accross Australia. The National Business Online Service will be introduced in late 2010 in staged releases.

Business licence finder

Overview: In preparation for the transition from the State-based Business Licence Information Service (BLIS) to a National Business Online Service (BOS), the SBDC recognised the need for a more comprehensive business licence directory to assist online users find the relevant licences and registrations required to operate a business in Western Australia.

Outcome: Introduced in April 2010, the Business Licence Finder (BLF) has a database of more than 6,000 federal, state and local government licenses which can be searched to create a report, tailored to clients' requirements. Any relevant codes of practice were also collected and will be included.

During 2009-10, a full legislative audit and a comprehensive classification schema for content was successfully completed. Now with codes of practice as an added feature of the BLF Western Australian users have the benefit of a much improved database.

This popular service has resulted in 14,666 licence pack enquiries for the year 2009-10 with 74 per cent of these being accessed through the website. This result indicates the growing trend for clients to access information online.

Most of these licence enquiries (in order of enquiry numbers) came from the local government authority areas of City of Perth, City of Fremantle, Town of Victoria Park and the City of Wanneroo. The five most often requested licences for 2009-10 were:

- Business name registration,
- Australian Business Number,
- Registered Trade Mark,
- GST Registration,
- National Privacy Principles.

The highest interest in licence enquiries relating to industry type in 2009-10 were for:

- Cafe and restaurant,
- Electric Wiring Installation,
- Hairdressing Service,
- Professional Photography Service,
- Clothing – Retailing.



Jani Murphy (R) with
SBDC Board member
Kitty Prodonovich

“I’ve attended a number of workshops and functions as part of the Women in Business Network and I’ve always come away feeling uplifted and supported in my business. The contacts I’ve made have been very helpful and the practical ideas I’ve been able to implement have really made a difference.”

***Jani Murphy
Email Smart***

Specialist Online Networks

Overview: The Small Business Development Corporation (SBDC) has five specialist online network groups. Each online network offers targeted information and guidance tailored to the needs of the group. Member benefits include invitations to network events, access to an interactive online forum, online guidance, up to date relevant news and events, success stories, free members’ online directory, media opportunities and links to relevant contacts.

Women in Business (WIB) – commenced in 2008 to provide information and support to women in small business to overcome barriers to success, improve their networking skills and maximise the potential of their individual business.

During 2009-10 three sub-sets of the WIB network were formed to provide network members with an opportunity to share their business experiences in smaller groups. These “BizChat” groups meet regularly and provide the benefit of peer learning, support and informal mentoring.

Home Based Business Network (HBBN) – launched in June 2004 to provide a forum for home based business operators to exchange information and ideas, and address professional isolation.

Young Business Network (YBN) – established in 2004 to support youth enterprise and foster business skill development, support, inspiration and encouragement for young entrepreneurs.

Business Migration Network (BMN) – provides business information, support and networking opportunities for business migrants to establish and develop their business operations in WA.

Small Business Exporters Network (SBEN) – assists first time and emerging exporters to develop exporting skills and knowledge with a view to stimulating export growth.

Outcome: During 2009-10, membership for the SBDC online networks totalled 11,005 members.

During 2009-10 network events included:

- ‘Sharing our Successes’ networking event attracted 70 WIB members,
- ‘Reaching Your Target Market’ was attended by 50 WIB members,
- Networking event and description of SBDC services was attended by 70 BMN members,
- ‘Building Business Resilience’ attended by 50 BMN members.
- ‘Social Media for Small Business’ – combined event offered twice and attracting an overall total of 170 online network members, and
- 17 WIB BizChat group forums were held for a total of 136 members.

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Online Networks	Members 2009-10	Activity
Women in Business Network (WIB)	1,423	381 posts on 234 topics
Home Based Business Network (HBBN)	4,953	561 posts on 315 topics
Young Business Network (YBN)	3,405	151 posts on 107 topics
Business Migration Network (BMN)	300	
Small Business Exporters Network (SBEN)	924	96 posts on 64 topics

Small business workshops

Overview: The presentation of business workshops, conducted by experienced business facilitators using practical methods which enable clients to understand and implement good business principles is a core service of the SBDC.

On average, the SBDC presents nineteen workshops per month on a variety of small business topics including marketing, costing and pricing, cashflow, finance, business planning and getting your business on the web.

Outcome: During 2009-10, a total of 1,810 participants attended 226 workshops, which represents a decrease of 8.6% in attendance. This decrease can be partially attributed to the loss of online booking functionality for three months, during SBDC's website upgrade. The improved advisory content on SBDC's website may also now be better meeting clients' needs.

To encourage greater attendance at SBDC workshops over the coming year, a number of pro-active marketing activities will be undertaken, including reminder SMS messages, follow up emails to BIZ Basics participants, posting the workshop schedule onto the business.gov.au website and adding these events to the SBDC's Facebook page.

BIZ Basics

Overview: As part of a Small Business Services strategic planning exercise undertaken in January 2010, the SBDC's existing client service model was reviewed with the aim of refreshing some of the SBDC's service offerings. One outcome of this exercise was the new BIZ Basics model.

BIZ Basics, which replaced the 'How to Start a Business' workshop, is a free, two hour information session for business starters held in the SBDC shopfront facility – the Business Information and Licence Centre (BILC).

The SBDC advisory team were averaging 160 appointments per month and up to 50 per cent of these related to starting a business. Streamlining start-up clients through the BIZ Basics sessions allowed more opportunity for SBDC advisors to work with and follow up with existing business owners. This model also prompts business aspirants to complete some fundamental planning prior to a one-on-one appointment with an advisor. This means the advisor can focus on issues the client needs most help with.

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Outcome: The first BiZ Basics session was held on 9 February 2010. It has operated twice weekly since that time, attracting a total of 633 participants to 30 June 2010.

The BiZ Basics information sessions provide:

- Thorough, practical information for small business starters,
- Greater exposure and utilisation of the BILC by hosting the sessions on site,
- Greater opportunities to cross-promote the SBDC services - books, workshops, advisory appointments, and
- Maximum benefits for clients from the advisory team's specialist skill set.

A practical, customised workbook and starters' checklist have been developed for participants. BiZ Basics material has also been distributed through the Small Business Centre Network, and is used as a reference resource for the SBDC advisory team.

BiZLinks

Overview: BiZLinks seminars have been designed to provide an introduction to the services offered to small business starters by a range of government agencies. This collaboration between seven State and Commonwealth government agencies began with a pilot seminar in July 2008.

The seven partner agencies are: the SBDC, Australian Bureau of Statistics, State Library of Western Australia, Australian Competition and Consumer Commission, Department of Commerce, the Office of State Revenue, and the Australian Taxation Office. IP Australia joined the BiZLinks group and presented for the first time in March 2010.

At every BiZLinks event, each government agency delivers a brief presentation on the services and assistance provided to small business. SBDC describes the advisory services, licence information service, shopfront, workshops and website. Participants are invited to make full use of the services available and see an advisor as required.

Outcome: A BiZLinks seminar was held each quarter during 2009-10 on a rotating schedule of locations in the Perth metropolitan area. A total of 205 participants attended a BiZLinks seminar during the year.

BiZLinks is a successful inter-government collaborative project and a proven method for promoting SBDC services. The program is set to continue in 2010-11.

Business information and licence centre (BILC)

Overview: The BILC is a one stop shop for licence information and assists in streamlining the business start up process for small business operators.

The BILC also offers information on:

- Business Taxation (officer from the Australian Taxation Office),

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- Small Business Employment (officer from the Department of Labour Relations),
- Research Information (via IBIS World),
- Publications,
- Business licencing,
- General small business enquiries,
- Online Networks.

Written information on topics of interest to small business is provided in the form of free business briefs, website content, start up packs with business licence reports and publications for sale.

Outcome: The introduction of Biz Basics has been a great success in bringing clients into the BILC and exposing clients to the bookshop and other services provided through the SBDC.

As in previous years, SBDC publications continue to be the best sellers in the bookshop. Over 976 copies of SBDC's *Step by Step Business Plan* and a *Guide to Operating a Small Business* were sold during 2009-10.

During 2009–10 the BILC had 14,844 visitors, representing a 12.72% decrease from the previous year. This decrease in visitor numbers is due in part to the changing habits of our customer base, and of business owners and operators in general, who are increasingly tending towards accessing information online.

A survey of BILC clients shows there were increases in clients' perceptions across all indicators. Compared to last year's report there were significant increases for "benefit to business operations" (up 12%) and "value to business" (up 11%). All other attributes showed some improvement.

Table 3- Performance Evaluation – BILC Clients	KPI Score 2010	KPI Score 2009	KPI Score 2008
Information/advice was useful	96	95	86
Satisfied overall with contact	97	95	93
Value to business *	89	78	68
Benefit to business operations*	92	80	77
Contributed to informed decisions on start up/purchase*	71	65	68
Saving in time/cost in obtaining licensing information and forms from the one location*	91	93	90
Likelihood of using the service again	97	95	93

*Note, these questions were not asked of all respondents and the standard error is much larger than for the overall results.

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As summarised below, there were increases for all three customer service attributes ranging from 2% to 4%.

Table 4 - Customer Service – BILC Clients	KPI Score 2010	KPI Score 2009	KPI Score 2008
Access to the service was easy	96	92	86
Responses were timely	98	94	92
Satisfied with overall customer service	96	94	90

Small business taxation information

Overview: The business taxation information service, provided by agreement with the Australian Taxation Office (ATO), is available in the BILC three days a week to provide free guidance on small business taxation issues.

Outcome: During 2009 -10, the ATO recorded 687 clients visiting the onsite ATO officer. The most popular topics for assistance during the year were ABN applications and tax deductions.

Small business employment advisory service

Overview: By arrangement with the Labour Relations Office at the Department of Commerce, a Small Business Employment service commenced in April 2009, with an education officer situated in the BILC two days per week. During 2010 the service provision changed to an “by appointment” basis. This free service now provides access, by appointment, to extensive information and guidance on small business employment issues.

Outcome: During 2009-10, 126 clients visited the on-site Labour Relations Education Officer.

Indian Ocean Territories service delivery agreement

Overview: Within the Indian Ocean Territories (IOTs) islands of Christmas Island (CI) and Cocos Keeling Island (CKI), the SBDC provides specific programs and services to individuals and businesses to foster small business development. These services are delivered through a local representative, and by private sector consultants, and are supported through visits by specialist SBDC Small Business Services advisors. The current Service Delivery Agreement (SDA) was signed in November 2008 and expires on the 30 June 2012.

Outcome: During 2009-10, the SBDC has capitalised on the extensive branding and awareness efforts promoted during the first six months of 2009. Small business operators on both islands now have heightened awareness of the services offered by SBDC and are actively seeking advice and readily participating in events.

SBDC representatives from Perth visited both islands twice during 2009-10, once in August 2009 and again in March 2010. In addition to these visits the CI based On-Island Representative visited CKI during December 2009. The objective of these visits was to deliver specialised workshops and events, and to meet with local businesses, government officials, and industry bodies.

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A total of 121 one-on-one appointments were held on CI and CKI between small business owners/operators and SBDC representatives. During these appointments specialist advice was given on the topics of grant writing, marketing, leasing, financial management, business planning, start up, employment and growth.

During 2009-10, the SBDC achieved excellent results through the workshop and event program. Attendance was high, participation active and feedback extremely positive. Workshop themes focused on business planning, customer service/marketing, building communication skills, and business resilience. One event, the 'Business Bazaar', included a key note presentation from a Perth based speaker on networking and communication. The presentation, entitled 'Turning Lemons into Lemonade', provided inspiration and practical tools to help people overcome adversity. The SBDC also delivered two presentations to CI High School students and one presentation to the staff at CI Phosphates. In addition, the business students from the CI High School also visited the SBDC offices in Perth.

Promotion of services offered by the SBDC was achieved by:

- regular advertising in both island publications '*The Atoll*' and '*The Islander*',
- regular e-mail communication with small businesses and Island organisations,
- relationship building within the community by actively engaging the schools on both islands,
- distributing SBDC branded promotional material,
- coordinating a dedicated SBDC branded small business brochure display within the CI Tourist Information Centre, and
- distributing IOT specific publications, such as a template style guide to grant writing.

The On-Island Contractor engaged by the SBDC in July 2009 has built an excellent reputation on both islands with business owners actively seeking advice and assistance. To further develop the contractor's advisory skills and knowledge, the SBDC has coordinated professional development training in Perth, including sessions with experienced advisors, and attendance at workshops and seminars.

SBDC services and activities	2009-10
Client appointments Christmas Island	84
Client appointments Cocos Islands	37
Workshop/event attendees Christmas Island	172
Workshop/event attendees Cocos Islands	66
Client short appointments, phone, e-mail both islands	199
Meetings both islands	45
TOTAL	603

Export Development Initiatives

The SBDC is committed to stimulating economic growth in WA by increasing the number of small business exporters. Specialised services and programs, designed to achieve successful export outcomes, are delivered by the SBDC to assist in achieving this goal.

TradeStart

Overview: The SBDC, in partnership with Austrade, offers TradeStart services to businesses in the Perth area. (TradeStart is a Federal Government funded program designed to help suitable Australian businesses become sustainable exporters.)

Through this partnership, the SBDC provides export coaching, identifying and prioritising target markets, and assistance on the ground in the selected overseas markets.

In October 2006 the SBDC was awarded a TradeStart contract to continue delivering the Austrade funded program in Perth through to 31 August 2010.

Outcome: Since first commencing delivery of the TradeStart service in 2002, the SBDC has assisted many small businesses in their preparation to expand their business outside Australia. During this period, more than 68 export sales have been achieved, with many exporting to multiple overseas markets.

During 2009-10, the SBDC recorded 417 contacts with clients seeking export information and guidance.

The SBDC has tendered for a further contract with Austrade, to deliver the service through to 30 June 2014.

Export Accelerator Program

Overview: The Export Accelerator Program provides specialised additional assistance to the SBDC's TradeStart clients. During the year in review, the program assisted the exporting process by directly facilitating introductions between junior exporters in Western Australia and potential overseas clients.

Outcome: During 2009-10, the Export Accelerator program provided funding of \$5,261 to assist 18 small to medium Western Australian wine producers to participate in an organised wine tasting event in Perth.

Visiting overseas wine buyers, sourced by Austrade offices in Korea, China, Taiwan, Malaysia and India, were brought to metropolitan and regional centres to sample Western Australian wines. The tasting was initiated to raise international awareness of high quality wines produced by smaller Western Australian wineries, stimulate sales and create new overseas markets.

Although exact details of resulting sales are commercial in confidence, it has been reported that several firms achieved export sales to new markets as a direct result of this initiative.

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Promotional presentations

Overview: The SBDC takes every opportunity to promote its services to potential and existing small business owners and operators. An effective method of raising awareness, and promoting the Corporation's services directly to potential clients is through the personal delivery of presentations at small business functions and events, held by external organisations.

Outcome: Throughout 2009-10, members of the Specialised Business Services team delivered 28 presentations to approximately 1,470 individuals at events conducted by business and industry associations, educational institutions, government agencies and individual businesses.

A wide variety of organisations including; the Australian Institute of Conveyancers, South Korean Trade Commission, Landscape Gardeners Association, UWA Business School, WA Society of Editors, African Professionals of Australia Incorporated, Natural Therapists Association, the Franchise Council of Australia and Women Who Lead, have sought presentations from the SBDC on topics such as:

- An overview of SBDC Services,
- Buying a franchise,
- Starting and surviving in business,
- Networking yourself and your business, and
- Marketing products and services.

Special projects

The Small Business Development Corporation works collaboratively with other government agencies and departments on projects and programs concerning small business operators around the State.

During the 2009-10 reporting period, the SBDC successfully completed the following special projects:

SPECIAL PROJECT : Department Premier and Cabinet - Crisis Response for Ravensthorpe

Overview: In April 2009 the SBDC commenced distribution of 'Professional Services Vouchers' to the Ravensthorpe and Hopetoun communities in response to the announcement by BHP Billiton of an indefinite suspension of the Ravensthorpe Nickel Operation.

As part of a comprehensive business crisis response, the SBDC distributed the Professional Services Vouchers to small business owners affected by the closure of the BHP mine, enabling them to access professional legal, accounting, and financial planning advice. Vouchers were available for seven months through to November 2009.

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Outcome: At the conclusion of the program a total of 28 Professional Services Vouchers had been issued to 19 small businesses totalling \$45,985.55 (excluding GST). This represented 61 percent of the allocated funding.

SPECIAL PROJECT : ScreenWest Business Development Program

Overview: In mid-2009, ScreenWest requested a partnership with SBDC to create a business development program for small business operators in the independent film production and affiliated independent screen industry in Western Australia.

The intent was to assist these businesses to develop business and strategic planning skills and to strengthen their applications for business development funding available through ScreenWest. The longer term goal of this project is to improve the sustainability and viability of the WA independent film industry, the individual businesses, and the WA small business sector.

Outcome: SBDC developed a one-day program to provide practical guidance specifically tailored to help business operators in the film industry. The aim was to improve business plans submitted in support of grant applications, increase applicants' confidence in their submissions, and improve the strategic management of their business.

The program was delivered in February 2010 at the SBDC training rooms to 19 participants.

Following expressions of interest in the program by several film industry businesses based in the Kimberley region. ScreenWest commissioned the SBDC to repeat the workshop in Broome for a further nine participants.

SPECIAL PROJECT : Department of Planning and Infrastructure – Multi-Purpose Taxis

Overview: In late 2008, the SBDC was invited to deliver a "How to run a business" workshop at a Multi-Purpose Taxi (MPT) Cadetship Forum, hosted by the Department of Planning and Infrastructure (DPI). (A multi-purpose taxi provides a taxi service for people who travel in wheelchairs or scooters.)

During this workshop it was observed that the MPT sector was experiencing a number of challenges including consistently high turnover of qualified drivers, poor understanding of the business environment, and a lack of business skills. MPT operators had also been expressing concern about their business viability, but were unable to provide accurate data to support this claim.

Outcome: The SBDC and the DPI collaborated on a project to establish the viability of the MPT sector in WA. During June to December 2009, the SBDC conducted a business review and a financial benchmarking analysis of the MPT sector.

The final *Multi Purpose Taxi (MPT): Business Viability Report* was delivered by the SBDC to the DPI in March 2010 which resulted in the Minister for Transport, the Hon. Simon O'Brien, announcing a suite of measures designed to improve access to taxi services for people travelling in wheelchairs or with a scooter. These initiatives included:

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- An extension for the 'standby taxi' system to ensure that all wheelchair taxi requests can be met in a timely and reliable manner,
- A trial to double the night time lifting incentive from \$10 to \$20 for MPT operators,
- An increase in the Taxi User Subsidy Scheme (TUSS) cap on the level of subsidy from \$25 to \$35. This is the first time the TUSS cap has been increased since the scheme's inception in 1988.

State Migration Centre

The State Migration Centre (SMC) at the SBDC was established in 2006 to attract business and skilled migrants to Western Australia, to raise new capital investment and to address the State's labour shortage needs. The SMC meets the Government's goals by:

- Promoting and marketing the State as a leading migration destination for business investment, employment and lifestyle,
- Assisting potential migrants with information on visa criteria and living, working and establishing a business in Western Australia, and
- Supporting qualifying business and skilled migrants with State sponsorship.

Overview: The SMC promotes Western Australia internationally to potential business and skilled migrants with a marketing program focusing on three major elements of moving to the State; strong economy, excellent business and employment opportunities, and high quality lifestyle.

China has remained Western Australia's number one market for business migrants accounting for around 23 per cent of all business migrants coming to the State. It is a developing market for skilled migrants and is also a prime export market for Western Australian education services.

South Africa has become the State's second ranked business migration market representing around 13 percent of all business migrants coming to Western Australia. South Africa is also Western Australia's third ranked skilled migration market representing around 5 per cent of all skilled migrants.



Li Chen, her husband Yu Song Liu, and their children are now Permanent Residents of Western Australia having been sponsored through the Small Business Development Corporation's Business Migration Centre.

Li has found that running a business in Australia is very different to the way things are done in China, and suggests that others wishing to do the same thing should be prepared to adapt to local business methods.

**Li (Linda) Chen
Business Migrant 2009**

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The UK and Ireland have traditionally been key business and skilled migration markets for Western Australia with Western Australia having the largest number of UK residents in the nation. It is the State's first ranked skilled migration market with around 27 per cent market share and is ranked fourth for business migration representing around 10 per cent of market share.

Outcomes: Demand for business and skilled migration information and support remained at high levels during 2009-10 with the SMC responding to 47,227 enquiries from clients and agents.

During the year in review, the SMC also introduced State sponsorship application fees for business migration applications, to help cover the cost of servicing clients. These fees were applied from July 2009 for business migration sponsorship and from September 2009 for skilled migration applications.

The three key outcomes achieved by the SMC for the Western Australian economy in 2009-10 were:

- 447 State sponsorships approved for new business migrants and registration of a further 28 new business migrants for unsponsored visas to settle and go into business in Western Australia.
- 3,839 new skilled migrants were sponsored to come to Western Australia to assist the State to overcome labour shortages, and
- Collectively, these migrants propose to bring \$952 million into the State for business investment, personal expenditure and settlement costs.

During 2009-10, the SMC and representatives from Western Australian Trade Offices participated in international migration expos, WA Open Days, seminars and appointments in the prime markets of China, the United Kingdom and Ireland. In total over 16,000 participants attended the combined events.

The SMC hosted four delegations of business migrants from China during the year. Presentations on Western Australia were provided to the delegation participants by State Government and industry groups. External meetings were also arranged with the Chamber of Commerce and Industry of WA, and the Department of State Development.

During 2009-10, the SMC has continually updated its website at www.migration.wa.gov.au to provide current information on the criteria requirements for migration to WA on a business or skilled visa. The site also provides information on living, working and establishing a business in Western Australia.

The SMC works closely with the Federal Department of Immigration and Citizenship (DIAC) and has participated in a number of reviews on the business and skilled migration programs. During 2009-10 the SMC provided a formal response from the Government of Western Australia to DIAC on;

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- Review of the Migration Occupations in Demand List,
- Future Skills List,
- General Skills Migration Points Test,
- State Occupations in Demand Baseline List, and
- Reform of the Business Migration Program.

Other major migration activities for 2009-10 include;

Hosting three Business Migrant Network Functions to introduce business operators from around the world now living in Australia to each other and to business service providers. The network is a valuable source of business support to assist business migrants establish and develop their business operations in Western Australia. The network now has around 300 members;

Distributing newsletters nationally and internationally to update and inform migration agents, migrants and key stakeholders of the activities of the SMC, the Western Australian Government migration program and changes to regulations introduced by DIAC.

Participating with DIAC on Federal and State Working Party meetings on skills migration to assist with policy development, strategies, initiatives and the review of Australia's skilled and business migration program;

Representing Western Australia on the national Skilled Migration Consultative Panel to provide advice to Senator Evans, Federal Minister for Immigration and Citizenship on Australia's General Skilled Migration Program Review;

Participating in the annual Western Australian Chinese Chamber of Commerce Migrants' Night to promote the services of the SMC and SBDC to the local Chinese community; and

Sponsoring and Judging the 2009 Western Australian Business Migrant of the Year Award.

Business migration

Overview: Despite the uncertain global economic climate and immigration requirements to enter Australia as a business migrant becoming tougher, Western Australia has not experienced a reduction in demand for sponsorship from business migrants.

The fastest growing market for business migrants in the period in review has been Singapore and Malaysia. Over the past 12 months, market share has increased to 12 per cent, making it now the third ranked market for business migrants coming to Western Australia. With close proximity to WA and the potential to facilitate export activities in the region this market is anticipated to continue to grow.

Outcome: During 2009-10, the SMC approved State sponsorship for 447 new business migrants and the registration of a further 28 new business migrants for an unsponsored visa to come to the State. Applications for sponsorship and registration came from 38 countries.

The potential economic benefit to the State from these migrants moving to Western Australia over the next 24 to 36 months is expected to be:

- capital inflow of around \$568.83 million including \$241.08 million invested in business and \$59.25 million in State Treasury Bonds,
- creation of some 995 new jobs across a wide range of industries, and
- an estimated 73 new businesses exporting Western Australian goods and services.

Business migrants who finalised their investment proposals during 2009-10 have injected over \$267 million of capital into the State's economy and generated 254 new jobs. This capital inflow represents an increase of 29 per cent on the amount that these business migrants originally proposed to bring into the State.

Skilled migration

Overview: The SMC has experienced record levels of demand for State sponsorship from skilled migrants.

India is a major source country for skilled migrants coming into the State, however, nearly 50 per cent are studying within Australia when they apply for State sponsorship. Around 10 per cent of the State's skilled migration market immigrate directly from India to Western Australia.

Skilled migration also helps to address:

- Western Australia's population growth – more than half of the State's annual population growth is made up of migrants arriving from overseas; and
- Western Australia's ageing population – migrants reduce the average age of the population in the State as most migrants are under 45 years of age with young children;

Outcome: This year the SMC approved State Government sponsorship for 3,839 new skilled migrants from 82 countries. As well as addressing the skills labour shortages in Western Australia, skilled migrants have the potential to bring \$383.21 million into the State's economy to cover settlement, personal and living costs.

The SMC has worked closely with Western Australia's Regional Development Commissions (RDCs) in attracting skilled migrants into country areas by providing certification for Regional Sponsored Migration Scheme (RSMS) applicants.

During 2009-10, the SMC approved 5 applications for regional skill waivers from the State's RDCs and 151 applications for certification under the RSMS.

On May 10, 2010, the Skilled Migration Program, together with six State Migration officers, transferred to the Department of Training and Workforce Development.

Western Australian European Office

Overview: In 2009-10, the SMC Senior Migration Officer located in the WA European Office in London conducted a range of marketing activities to promote business and skilled migration to Western Australia. These included conducting seminars and attending migration expos in Europe, providing promotional material to migration agents, and assisting WA private and public sector employers with their recruitment activities.

A number of Western Australian private and public sector employers use the UK and Ireland as primary markets from which to source skilled labour. The Western Australian office in London has been actively involved in assisting employers with these recruitment activities including arranging and facilitating participation in migration events.

The Senior Migration Officer is also responsible for handling media enquiries on migrating to Western Australia. During the year, segments were arranged in magazines, newspaper, radio and TV promoting the economy, opportunities and lifestyle of the State as a leading migration destination in Australia.

Outcome: The office recorded over 750 direct client contacts for assistance in 2009-10. In addition, the Senior Migration Officer presented 11 seminars attracting over 2,000 participants and attended 10 expos and open days with a combined attendance of over 56,000 during the program year.

Other major activities conducted from the WA European Office included:

- Updating and networking with migration and relocation agents throughout the UK and Europe on the WA migration program;
- Representing Western Australia at migration seminars and open days with European based service providers including migration agents, relocation agents and recruitment companies;
- Liaising with Federal Government agencies throughout the UK and Europe on events and activities; and
- Representing the WA Government at Federal Government consultations on migration in the UK.

The Senior Migration Officer based in the WA European Office in London was transferred to the Department of Training and Workforce Development as part of the transfer of the Skilled Migration Program.

Policy, Planning and Stakeholder Relations

Objectives:

- To work with the small business sector to identify and minimise red tape issues and to prevent any unintended consequences of new or amending regulation that may hinder business development in the State,
- To influence policy development where it pertains to small business, across all levels of Government, Local, State and Federal, and
- To support businesses in their interactions with government and promote positive consultation through dispute resolution and advocacy.

During the year in review the SBDC achieved the following:

Regulatory gatekeeping

Overview: Since Western Australia's new Regulatory Impact Assessment (RIA) regime commenced on 1 December 2009, the SBDC has worked with the Department of Treasury and Finance to evaluate all new regulatory proposals at an early stage in the policy development process.

Through this system, a Preliminary Impact Assessment (PIA) is undertaken by the relevant agency for all new regulatory proposals and where necessary the SBDC is consulted to identify and work through issues with the agency. On occasion, this has included proposing alternatives to regulation.

Where a proposal has the potential for significant negative impacts on the business community, the SBDC assists agencies by providing advice on the regulatory options available, the likely compliance costs to the small business sector, which businesses or organisations to consult with, and any measures that may assist small businesses to adapt to the proposed changes.

Outcome: The SBDC has reviewed 50 PIAs and worked with 20 agencies since the new RIA process was implemented in December 2009. This has helped to ensure that proposed regulations do not result in significant negative impacts for business and that agencies receive timely assistance to complete their RIA requirements.

Red tape reduction group

Overview: The SBDC has worked collaboratively with the DTF in supporting the Government's Red Tape Reduction Group (RTRG) established in January 2009.

Outcome: Following completion of the consultation phase in which the RTRG travelled around the State gathering information directly from small business operators, the SBDC provided the DTF with assistance in analysing the red tape issues identified, and developing reform options for the RTRG's final report.

Agency performance

Report on Operations

The SBDC also prepared research papers addressing retail trading hours legislation and public notices reform which included estimates of the overall regulatory burden to business and suggested practical alternative options that Government could adopt to significantly reduce these costs. The RTRG's final report is currently being considered by the State Government.

Business regulation and competition working group

Overview: In December 2007, the Council for Australian Governments (COAG) established the Business Regulation and Competition Working Group (BRCWG) to oversee a broad national regulation reduction agenda.

The BRCWG, comprising high level representation from the Commonwealth and State and Territory governments, identified 27 priority areas where regulation is impeding business productivity and innovation.

Outcome: The SBDC has taken an active role in responding to those initiatives which are particularly significant to small business. These include reform of business names registration, retail tenancy harmonisation, national trade licensing, national consumer policy, and personal property securities (PPS).

Australian Business Number/Business Name registration project

Overview: The SBDC has been working with Australian, State and Territory Government agencies to develop a new national business names registration system.

This new system will enable the seamless online registration of both business names and Australian Business Numbers (ABN). The changes from a state to a national business names registration system will bring benefits to business, with reduced costs and greater ease of registration and renewal. The national system will also result in businesses having a business name that applies in all states and territories and will require a single registration and annual or triennial renewal.

Outcome: During the 2009-10 period the SBDC has negotiated at the national level so the new system will impact positively on local businesses. The SBDC has been a strong advocate for small business in Western Australia on issues including the new names determination test, service levels, rights of appeal and privacy issues.

The SBDC has also participated in the development of drafting instructions for the new bill and regulations, working with the Australian Securities and Investments Commission on implementation issues and the Commonwealth Government on a communications strategy. It is anticipated that under the new system both the SBDC and a number of Small Business Centres around Western Australia will be responsible for assisting individual small businesses seeking support to complete their business registrations.

The SBDC has also kept the Western Australian business community informed and engaged in the consultation process. A series of forums were held across the State during April 2010. These forums were well attended by interested business and industry association representatives, and individual business operators who provided feedback on the proposed system.

Reviews, submissions and consultations

Overview: The SBDC regularly makes submissions to enquiries and reviews on behalf of small business, raising concerns and identifying the needs of the sector, and works collaboratively with other agencies and departments on projects specific to small business.

Outcome: During 2009-10 the SBDC has provided submissions to reviews including the:

- Independent Review of the State Industrial Relations System,
- Western Australian Government Submission – Skilled Migration Strategy,
- National reforms to the Franchising Code of Conduct and the Unconscionable Conduct provisions of the *Trade Practices Act 1974*,
- Development of Childcare Legislation with the Department for Communities,
- Review of Amendments to Unconscionable Conduct provisions in *Trade Practices Act 1974*,
- Contributed to Western Australia's Submission on the introduction of a National Occupational Licensing System, and
- Contributed to Western Australia's Submission on the development of Australian Consumer Law.

Commercial Tenancy Legislation

Overview: Throughout the year, the SBDC has continued to assist the Department of Commerce (Commerce) as it drafts amendments to the *Commercial Tenancy (Retail Shops) Agreements Act 1985* (the Act), to implement recommendations outstanding from the 2003 Review of the Act.

Outcomes: As the agency responsible for providing daily advice to small business customers on retail tenancy matters, the SBDC has been able to provide valuable insights on draft legislative changes, to better ensure that problems in the retail tenancy market would be addressed without unintended negative consequences on market participants.

The SBDC was also called on to brief the State Government Finance and Commerce Committee and provide extensive advice on changes to recommendations made in the 2003 review of the Act, as a result of further stakeholder consultation undertaken by Commerce. The legislative changes are intended to allow retail tenants to make more informed leasing decisions and operate in an improved regulatory environment.

National retail tenancy working group

Overview: The SBDC is an active participant in the National Retail Tenancy Working Group (NRTWG) that is considering options for greater national harmonisation of retail tenancy regulation.

Throughout 2009-10, the NRTWG has been progressing three projects. The first, a core model national disclosure statement, has been developed for jurisdictions to adopt to the extent permissible by their current legislation. The second, is the development of nationally consistent data collection for enquiries, complaints and dispute resolution; and the third is identification of common terms to be used nationally for retail tenancy leases.

Agency performance

Report on Operations

Outcomes: The SBDC continues to represent the interests of the WA small business sector on the NRTWG, ensuring that any proposals to harmonise regulation will minimise confusion for small business stakeholders, while still remaining sufficiently flexible to address State based issues.

Dispute resolution

Overview: The provision of an enhanced dispute resolution service for small businesses in Western Australia has been identified as an area where government could significantly improve outcomes for small business. This initiative has strong linkages to the work the SBDC has been doing on commercial tenancy legislation at both a state and national level.

Outcome: This is an ongoing project which has involved extensive research into alternative dispute resolution models to determine one that would best suit the Western Australian environment. A number of options have been developed for the Minister's consideration.

Small business ministerial council (SBMC)

Overview: The State Government advocates at the National level on behalf of Western Australian small businesses, through its representation on the Small Business Ministerial Council. The role of the SBDC is to support the Minister by working with officials from all other jurisdictions to shape the agenda for the Council's annual meeting and develop recommendations on key small business issues. This council is comprised of Small Business Ministers from the Federal Government, State and Territory Governments and New Zealand.

For the year in review, the Council has been considering the following issues:

- Business to business dispute resolution,
- Post disaster small business recovery,
- The availability and cost of small business statistics,
- Retail tenancy issues,
- The business impacts of climate change,
- Indigenous small business enterprise development,
- Franchising reforms,
- Small business access to finance,
- Small business opportunities through the digital economy, and
- Australia's demographic shift and the impact on SMEs.

The SBMC has established a number of working groups to progress specific projects. The SBDC represents the WA small business perspective through its involvement in chairing the Indigenous Small Business Enterprise Development and participating on Climate Change, Small Business Statistics and Retail Tenancy working groups as well as participation in all meetings of senior officials.

Outcomes: Following an independent review of Ministerial Councils by Dr Allan Hawke, the Council of Australian Governments (COAG) has accepted the need to effect fundamental reform to the Ministerial Council system by March 2011. This will focus Councils on national strategic priorities and will see new ways for COAG and its Councils to identify and address issues of national significance.

COAG has agreed in principle to reforms that will see current Ministerial Councils rationalised to 11 or fewer Councils overseeing key areas of ongoing importance to both the Commonwealth and the States, including health, education and training, community services, infrastructure, police and emergency services, and financial relations.

COAG will also convene from time to time Select Councils of Ministers when it requires advice on particular matters within specific timeframes.

Given these proposed reforms to the Ministerial Council system, it is unlikely that the SBMC will continue beyond March 2011. In this event, the SBDC will continue to advocate on behalf of Western Australian businesses through representation on national working groups of officials convened to examine issues of relevance to the small business sector, and to report to Small Business Ministers around Australia, either directly or through the new Ministerial Council structure.

Small business advocacy service

Overview: The Small Business Advocacy Service assists small business operators to navigate government processes and systems and interviews on behalf of individual businesses experiencing difficulties in their dealings with government. The service is free and confidential and provides useful contacts and links to other services and works to facilitate solutions. It advocates on behalf of individual businesses as well as groups of businesses, and will take up issues of wider impact at a policy level within government.

Outcome: During 2009-10, the Service investigated 43 advocacy issues brought to it by small business operators. Procurement and local government planning issues were amongst the most common concerns. The SBDC has analysed these issues in more detail and is liaising with relevant government agencies to develop potential solutions for the future that go beyond simply addressing the specific problem of a single business.

This includes meeting with the State Supply Commission (SSC) to look at options to address a range of issues raised by small business operators such as how to win government contracts and comply with tendering application requirements.

The SBDC met with a group of local governments to discuss business development initiatives and ways to improve planning processes and will continue to work directly with these agencies to facilitate long term solutions.

Agency performance

Report on Operations

Ready response network

Overview: The SBDC's Ready Response Network monitors the views of Western Australian small business operators through regular polling of topical issues. This opportunity for Network members to 'have a say' is valued by Network members and by government.

Outcomes: As a result of increased promotion and active recruiting during 2009-10, approximately 470 new businesses joined the Ready Response Network.

During the period in review, six Ready Response Network opinion polls were conducted on the following issues:

- Changes to the industrial relations environment,
- Skills shortages in WA,
- Small business expectations for 2010,
- The key issues affecting small business and what Government can do to help,
- Increasing operating expenses, and
- Proposed parental leave legislation changes.

The responses provided valuable information for use in policy formation and program development, and were also used to raise small business issues in the media.

Small business ministerial link forums

Overview: The SBDC conducts Small Business Ministerial Link Forums in both the metropolitan area and in regional Western Australia. These forums provide an opportunity for small business operators to meet directly with the Minister for Commerce and raise issues of concern.

Outcomes: Issues raised at meetings held in 2009-10 have been addressed at Ministerial and agency level, and include a focus on how to reduce red tape particularly in relation to planning and land development; small business opportunities arising from the development of the Ord Stage II Project; the ability to access training assistance for staff in remote areas; challenges within the business operating environment; and how to reduce business taxes and charges.



“When you’re just getting started it’s incredibly helpful to have someone with 30 years experience giving you tips on effective marketing for your business.

I had a face to face appointment with an SBDC adviser, followed by a two hour marketing workshop and it’s made an enormous difference to the way I was promoting my service.”

Dan Nitsche
Shadow Gap
Architectural Visualisation

Business Facilitation Services

Objectives:

To manage the State-wide Small Business Centre Program by:

- Maintaining effective relationships with Small Business Centre staff and volunteer committee members,
- Ensuring accountability is maintained within the Small Business Centre Program through contract compliance,
- Ensuring corporate governance levels across the Small Business Centres remains high,
- Developing tools to enhance the service delivery of Small Business Centres,
- Assisting and supporting the Small Business Centres in their delivery of the Program on behalf of SBDC.

Managing the SBDC's corporate affairs and communications activities by:

- Developing and managing advertising for the SBDC,
- Developing and/or organising business events,
- Organising the Western Australian Regional Small Business Awards event,
- Sponsoring local business awards programs and other events.

Small business centre program

Overview: The 25 Small Business Centres located around the State are independent, community based organisations providing locally delivered small business services. In 2009-10, the SBDC allocated \$3.024m in core operational grants to the network of Small Business Centres. Of this, \$2.32m (77%) was allocated to Centres in regional Western Australia.

This regional allocation was increased in 2009-10 with the redistribution of \$96,000 from the Small Business Centre in Belmont to six regional centres that were experiencing significant cost pressures. These recipient Centres were East Kimberley, East Pilbara, West Pilbara, Midwest, Warren-Blackwood and Goldfields.

The Small Business Centre in Belmont was not re-funded in 2009-10 as its proximity to the SBDC in the CBD made service delivery more cost effective if undertaken directly by the SBDC.

Outcome: Over the year, the Small Business Centre Program undertook 45,365 client sessions, resulting in 1,744 new business start-ups. In addition, the Program facilitated the creation of 3,501 jobs and hosted 11,326 workshop participants.

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These results represent an increase over the previous year of 12 per cent for client sessions, 14 per cent for new business start-ups, 32 per cent for job generation and 3 per cent for workshop participation. These encouraging results are evidence of the strong demand for the services offered by the Small Business Centres and the program's positive growth in the marketplace.

Aboriginal business in the region

Overview: In 2009-10 the Small Business Centre Network became aware of an increase in Aboriginal Business enquiries, particularly in regional centres. In response, the Network has introduced a process for recording Aboriginal client statistics, which will be used to better meet the needs of this growing client base.

Outcome: For the nine months to 30 June 2010, the following client contact details were recorded; 1,493 client sessions, 38 new business start-ups, 59 jobs and 117 workshop participants.

Small business initiatives fund (SBIF)

Overview: The Small Business Initiatives Fund, administered by the SBDC, provides project funding for the exclusive use of the Small Business Centres. The fund enables Centres to identify local business needs, develop project proposals aimed at addressing those needs and delivers business development initiatives throughout their region.

Outcome: This year, over \$73,000 was paid to Small Business Centres to support the delivery of locally developed initiatives. Projects supported during 2009-10 include:

- A joint initiative driven by the Small Business Centre Gascoyne in conjunction with the Gascoyne Development Commission to provide a diploma of management program through the Australian Institute of Management.
- A five-day small business management program run through Small Business Centre Stirling, working with small business to recession- proof their business, covering topics such as managing during an economic downturn, maintaining financial integrity, maximising your marketing spend, increasing return on sales effort and maintaining a winning team.
- The Small Business Centre Warren-Blackwood coordinated two specialist workshops 'Love your Customers' and 'Love Selling Terrific Trading' on converting customers to sales. Workshops were held in the South West Small Business Centres of Busselton, Manjimup, Bunbury and Mandurah.
- The Small Business Centre Goldfields ran a business workshop specially tailored for visual artists who were planning to start a business or were already in business. The workshop provided the skills to confidently assess the commercial viability of their business and develop opportunities for their business.

Agency performance

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Corporate affairs and communications

Social media initiative “WA Small Business Network”

Overview: As a result of the ever-increasing use of social media by the small business sector, the SBDC undertook to create an online social media presence as an additional means of communicating with clients. The site has been in operation since April 2009.

During the year in review, the SBDC Facebook page has continued to grow in popularity amongst small business operators in Western Australia. The site provides a forum for discussion on issues relating to business operations including seeking advice and providing feedback on SBDC initiatives.

Outcome: Since its inception, the “WA Small Business Network” Facebook page has grown to 605 fans, comprising 45% male and 55% female. Over 40% of members are aged between 25-34 years and a further 27% are between 35-44 years. With almost two thirds of all small business owners aged between 30 and 50 years, these online users are an important group to engage.

Small business sponsorship program

Overview: By sponsoring small business events, the SBDC is able to promote its services and products to many existing and potential small business operators. Events such as small business awards programs in regional and metropolitan areas are particularly effective as they also promote the small business sector and its contribution to the State’s economy and the wellbeing of the community in general.

Outcomes: During 2009-10, sponsorship was provided to 27 awards programs coordinated by Chambers of Commerce and Small Business Centres. Awards are held throughout the State and in 2009-10, SBDC supported the following small business awards:

- Albany Small Business Awards
- Armadale Small Business Awards
- Avon Valley Business Awards
- Belmont Small Business Awards
- Carnarvon Small Business Awards
- Central Eastern Business Awards
- Esperance Business Awards
- Fremantle Small Business Awards
- Goldfields Business Awards
- Gosnells & Armadale Small Business Awards
- North West Metro Small Business Awards
- Kalamunda Business Excellence Awards
- Karratha Business Awards

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- Kimberley Business Awards (incorporating the Derby and Kununurra Small Business Awards)
- Local Chambers of Commerce Business Awards
- Malaga Business Excellence Awards
- Mid West Business Excellence Awards
- Peel Business Excellence Awards
- Port Hedland Business of the Year Awards
- Rockingham Kwinana Business of the Year Awards
- South West Small Business Awards
- Swan Business Awards
- Stirling Small Business Awards
- Wanneroo Small Business Awards

Other events sponsored in 2009 include:

Warlu Way Tourism Conference

The WA Business News 40under40 Awards

CPA Congress

East Kimberley Aboriginal Awards

The Family Business Australia Awards

The Mid West Resources Forum

Conveyancers Conference WA, and

The Family Business Australia Symposium.

In total, 41 individual events were sponsored in both regional and metropolitan areas for a total of \$145,000. An estimated 9,700 members of the small business community attended these sponsored functions with 75 small business operators winning category awards.

GWN WA Regional small business awards (WARSBAs)

Overview: The Annual GWN WA Regional Small Business Awards (WARSBA) program is a highlight of the State's small business events calendar.

The SBDC sponsors the program, and encourages small business operators around the State to participate. Those judged as winners in their categories receive wide recognition as well as sponsored prizes. The Awards event helps to raise the profile of small business in the community and acknowledges the substantial contribution made by the sector to the State's economy.

Through the Awards the SBDC aims to:

- encourage participation in local small business awards throughout regional WA,
- provide small business owners with a framework to strategically analyze their business direction and achievements,

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- support local chambers of commerce and Small Business Centres in their endeavour to foster the local small business community,
- to recognise and highlight the significant contribution made by regional small business to the WA economy, and
- to celebrate individual business achievement and create entrepreneurial role models for regional business communities.

Outcome: In 2009, the event was attended by the Minister for Commerce together with more than 290 business operators, their family and friends, and representatives of regional chambers of commerce and business associations.

Entry to the WARSBAs is exclusive to businesses who have already won a category of their local awards program, ensuring the WARSBAs are a showcase of the 'best of the best' small businesses in the State.

In 2009 the Award finalists were from the Pilbara, Goldfields-Esperance, Great Southern, Midwest, Peel, Wheatbelt, Gascoyne, Kimberley and the South West regions. A record 51 entries were received at the WARSBAs this year, and over 290 guests from all regions of the State attended the awards presentation evening.

In recognition of the many successful Aboriginal businesses now operating in Western Australia, a new category was introduced into the WARSBAs this year. The winner of the 2009 Award for Best Indigenous Business was the Lombadina Aboriginal Corporation, Broome.

The winners for 2009 were:

Business of the Year	- Pumphouse Restaurant Kununurra
Best Home Based Business	- POJO Kids Mandurah
Best Franchise Business	- Mr Rental South West, Bunbury
Best Business Achiever	- Sassy Divas Bunbury
Best Micro Business	- Business Solutions (WA), Mandurah
Best Business with 5-10 employees	- Ryan Waugh Hairdressing, Albany
Best Business with 10-20 employees	- Pumphouse Restaurant, Kununurra
2009 WA Regional Small Business	
Hall of Fame Inductee	- Ms Elsie Archer.

Agency performance

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Advertising Expenditure

In accordance with Section 175ZE of the Electoral Act 1907, set out below are details of expenditure incurred during the 2009-10 financial year in relation to:

Market research organisations:	\$ 8,791.20
Advantage Communications and Marketing	\$8,791.20
Advertising agencies:	\$198,212.35
Adcorp Marketing	\$3,497.73
Brainestorm Production	\$737.00
Get Positive Productions	\$3,298.90
Firey Productions	\$1,842.50
J Design	\$1,380.50
Optimum Media Decisions	\$166,428.28
Rare Creative	\$ 17,573.44
Wren Design	\$3,454.00
Total Expenditure for 2009-10:	\$207,003.55

Media and publications

Overview: A key strategic goal of the SBDC is to promote understanding and recognition of the contribution made by the small business sector to Western Australia's economy and to the community.

Editorial content in newspapers and magazines featuring Western Australian businesses and business operators helps to bring about this positive recognition of small business and the SBDC, and is actively pursued.

The SBDC is now well established amongst local, state and national media outlets as a reliable source of relevant, timely facts and statistics on the small business sector, as well as a source of contacts for small business operators with interesting stories to tell. As a result, many SBDC clients have benefited by being featured in newspapers, magazines and television stories in Western Australia, interstate and overseas.

Outcome: During the year in review, greater promotion of small businesses and their accomplishments was achieved by including:

- 55 SBDC clients in media opportunities in newspapers, magazines and television programs, both in Australia and overseas, and,
- preparing nine new "success stories" of clients from the Young Business Network, Home Based Business Network and Business Migration Network for posting onto the SBDC website, making a total of 107 small business profile stories and photographs now on display.

Agency performance

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As well as promotional editorial, the SBDC is regularly featured in news stories in the Australian Financial Review, The West Australian, WA Business News, community newspapers and regional newspapers throughout the State and enjoys a mutually beneficial relationship with many business journalists.

Throughout 2009-10, the SBDC produced 35 media releases on issues of importance to the sector for distribution by the Minister and the SBDC and 28 speeches for the Minister and others to deliver to small business audiences. More than 80 media enquiries were responded to by the SBDC, all within the designated two hour timeframe.

The SBDC has maintained its ongoing relationship with The West Australian newspaper through the small business supplement *SME Pathways*. Since its inception in November 2007, the SME Pathways has grown from a two-page lift-out to a 24 page magazine format. It is published quarterly with each edition distributed to over 190,000 readers. The SBDC has been an editorial supporter and contributor of the SME Pathways since 2007.

Corporate Resources

To assist in the achievement of the SBDC's goals through the provision of a comprehensive support function comprising:

- financial management including budgeting and accounting services,
- human resource management,
- online services management,
- information technology infrastructure management,
- facilities management including assets, fleet, accommodation and procurement,
- records, library and information management services, and
- administration.

Corporate Resource Changes in 2010

Relocation to new premises

Overview: In December 2010, the SBDC is scheduled to move to new premises currently under construction at 140 William Street, Perth. The new building will be a major Government office accommodation hub within the Perth CBD and has been built and fitted out in line with sustainable building principles. The building is situated immediately above the central train station on William Street which will provide significantly improved access for clients.

Outcome: As part of the Corporation's change management process, the SBDC Corporate Resources personnel are implementing a strategy to support and encourage staff in their preparations for the relocation.

In consultation with the Building Management and Works division of the Department of Treasury and Finance, the SBDC is also working to ensure a smooth transition with the least disruption to client services.

Agency performance

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Transition to Shared Services Centre

Overview: Established in 2005, the Shared Services model provides an integrated framework for Whole-of-Government (WoG) to leverage economies of scale through shared technology, information and processing. Business groups within the Shared Services Centre include:

- Finance Services,
- Hire to Retire - Human Resource functions,
- People Support and Projects,
- Client Account Management,
- Solutions and Technology Support.

Outcome: The Corporation has commenced preparation for the transition to Shared Services scheduled for December 2010.

Employment and industrial relations

Training and professional development

Overview: The SBDC aims to develop and maintain an ethical, professional and skilled workforce and is committed to the provision of suitable, timely and relevant development opportunities for all staff. Secondments and acting opportunities are encouraged where appropriate to enhance skills and career development.

Outcome: Throughout the year, staff attended the following training and development courses and programs delivered both in-house and externally.

Managerial training initiatives:

- Professional development/Leadership programs,
- Pathways to Leadership through the Public Sector Leadership Program,
- Curtin Centre for Entrepreneurship Growth Owners Program,
- Curtin Centre for Entrepreneurship Growth Manager Program.

Staff training initiatives:

- Small business networking seminars,
- Starting a new business,
- Public speaking with confidence,
- Using Facebook and Twitter in your business,
- Year End Tax Strategies,
- Franchising,
- Legal skills and ethics,
- Contract Law,
- TRIM, Office 2007, Outlook.

Occupational safety and health (OSH) and injury management

Responsibilities

Overview: The SBDC is committed to the wellbeing of its employees and to providing a safe and ergonomically sound work environment. It is the Corporation's policy to comply with all provisions of the *Occupational Safety and Health Act 1984*, Regulations and Code of Practice: Occupational Safety and Health in the Western Australian Public Sector.

The objective of the Corporation is not just to prevent all work related injury and illness, but to create a working environment which maximises the effectiveness of each employee. To achieve this objective the full cooperation of every member of staff is essential. To provide a positive OS&H culture all new staff including contractors from agencies, undergo a full induction that includes an awareness of:

- The OS&H Management System and policy,
- Hazard identification and accident/incident reporting,
- Location of first aid kits,
- Contact names of First Aid Officers,
- Injury Management System and policy, and
- Evacuation procedures.

Outcome: As part of SBDC's commitment to fulfilling the directive in the Public Sector Commissioner's Circular 2009-11, eight out of eleven Directors, Managers and Supervisors received training in OSH and injury management responsibilities. This training was facilitated by the company Applied Safety and emphasised duty of care, OSH committees, consultation and communication, accident and incident reporting and the management of workers compensation.

Consultative mechanisms

A consultative process is provided through All Corporation meetings, team meetings, workplace inspections and by individual incident reporting. The Occupational Safety and Health Management System, Injury Management System and related policies are made available to all staff via the extranet.

Injury management system

Overview: The Injury Management System has been developed to support the Corporation's Injury Management Policy and is fully compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981*.

Agency performance

Report on Operations

Outcome:

Indicator	2008/09 Actual	Target	2009-10 Result
Number of fatalities	0	0	0
Lost time injury/disease (LTI/D)	1	0 or 10% reduction on previous year	Down from 1 to 0
Lost time injury/disease severity rate	1	0 or 10% improvement on previous year	Down from 1 to 0
Percentage of injured workers returned to work within 28 days	100%	100%	n/a no injured workers
Percentage of managers trained in occupational safety, health and injury management responsibilities	Approximately 25%	Greater than or equal to 50%	Achieved, 72.7% of Managers, Directors and Supervisors undertook accredited training.

Employee health promotion

Overview: The SBDC strives to implement and encourage a healthy workplace and healthy lifestyle choices for staff. Of their own volition, many staff members undertake exercise and fitness activities through local and suburban gyms and sporting clubs.

Outcome: As part of the SBDC employee wellness program, influenza vaccinations were offered to staff at no cost. An Employee Assistance Program (EAP) is also provided through the ORS Group. The EAP provides access for all employees and their immediate family to confidential professional counselling services for any personal and work related issues.

This year the SBDC introduced the "Fruit Box" - a variety of fruit delivered to the office once a week, for staff consumption. This has proved popular by providing positive health and morale benefits.

Charities and community support

Overview: The SBDC supports and encourages employees to be good corporate citizens. Under the GOSAC Award there is a provision for Blood and Plasma Donors Leave so each year, the SBDC organises and encourages staff to donate blood products to the Australian Red Cross Blood Services.

Outcome: During 2009-10, the management and staff of the SBDC:

- donated blood to the Australian Red Cross Blood services,
- raised money in aid of Sudden Infant Death Syndrome (SIDS) by holding a Casual Dress Day,
- donated Easter Eggs to Ronald McDonald House and the Perth Women and Children's Refuge,

Agency performance

Report on Operations

- donated tinned food to the Salvation Army Christmas appeal,
- participated in “Movember” - to raise awareness of men’s health issues, and
- supported the St Vincent de Paul CEO Sleep Out initiative (former CEO).

Reconciliation Action Plan (RAP)

Overview: The SBDC works towards the advancement of Aboriginal business ventures in Western Australia. The SBDC Reconciliation Action Plan (RAP) is a commitment to assisting Aboriginal and Torres Strait Islander people achieve economic independence through owning and operating small and medium sized enterprises. Our RAP has been developed by involving staff from all areas of the Corporation, specifically those who have direct involvement in the promotion of Aboriginal small business.

Outcomes: SBDC’s reconciliation initiatives for 2009-10 include:

- Providing Cross Cultural Awareness training to all staff,
- Developing and implementing policy and protocols for acknowledging traditional owners,
- Building effective relationships with Indigenous small business operators through the Aboriginal Business Unit.
- Establishing an Indigenous Small Business Award category at the WA Regional Small Business Awards.

Internal Audit

Overview: The Internal Audit function is carried out to ensure that the SBDC satisfies the compliance requirements of the Financial Management Act 2006 and applicable Treasurer’s Instructions. The audit program provides assurances to the SBDC Board regarding the quality, reliability, adequacy and integrity of the processes of internal control, compliance and reporting within the following key areas:

- Revenue and accounts receivable,
- Expenditure and accounts payable,
- Payroll,
- Fixed assets, and
- Purchasing and contracting.

Outcome: The SBDC’s Internal Audit program is contracted out and for 2009-10 was undertaken by Deloitte Touche Tohmatsu. The Internal Audit program comprised one (1) compliance audit of the Corporation’s financial, accounting and administrative systems.

Agency performance

Report on Operations

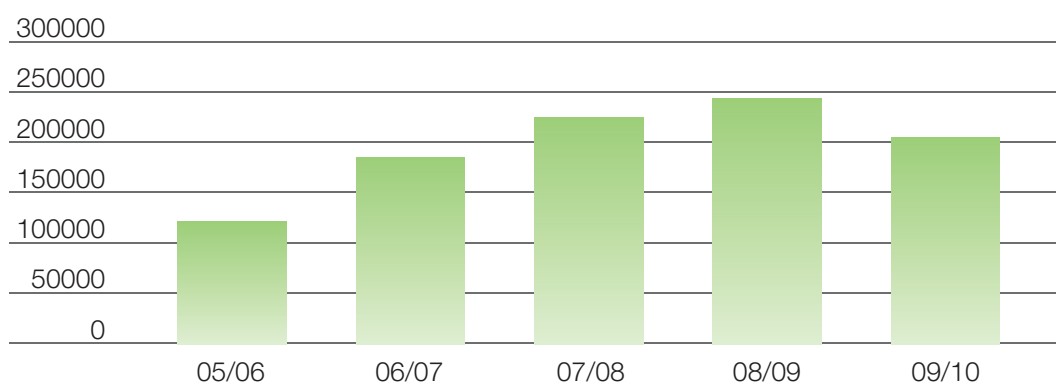
Online services

Overview: The SBDC's main website was completely redeveloped to provide a more comprehensive information source for those considering starting or already operating a small business in Western Australia. With richer information, including many new templates and "how to" guides, it was anticipated that there would be continued growth in the number of people using the website.

Outcomes: Whilst there has been a slight increase in the number of visitors to the website since its launch in November 2009, there has also been a significant fall in the number of clients spending four minutes or more (16.6%). This has been attributed to a failure to implement an optimum website transition strategy and the need for further work to optimise website information for online viewing. All content is now being reviewed for usability and will be updated over the coming year.

One key success has been the dramatic increase in the number of visitors to the website as a result of search engine referrals (more than double for the previous website). This is reflected in website visitors saving valuable time by going directly to the information relevant to their needs.

Number of SBDC Clients Accessing Services Online



Participation in the Home Based Business and Young Business online networks has fallen significantly during the year in review. This was due to a re-prioritisation of resources to support the introduction of the BiZFIT program. A planned merging of the online forums in 2010-11 will make the online forums more efficient to manage.

Agency performance

Financial targets

	2009-10 (1) Target \$'000	2009-10 Actual \$'000	Variation (2) \$'000
Total cost of services (expense limit) (Sourced from Statement of Comprehensive Income)	13,273	13,407	134 (a)
Net Cost of Services (Sourced from Statement of Comprehensive Income)	12,720	11,995	725 (b)
Total Equity (Sourced from Statement of Financial Position)	591	1,432	841 (c)
Net Increase/(Decrease) in Cash Held (sourced from Statement of Cashflows)	(247)	(211)	36
Approved Full Time Equivalent (FTE) Staff Level	59	60	1

(1) As specified in the 2009-10 Budget Statements (Budget Paper No 2 Volume 2) Pages 530 -538.

(2) Further explanations are also contained in Note 32 "Explanatory Statement" to the financial statements.

(a) The variance relates to additional depreciation and amortisation expense for software, along with accelerated depreciation of equipment, fixtures and fittings. In addition, provision has been made for make good of the existing premises at the expiration of the current lease in December 2010. This is offset by reduced employee benefits expense associated with the transfer of the Skilled Migration program to the Department of Training and Workforce Development, together with a number of positions remaining vacant during the year. There was also an overall reduction in advertising, marketing and promotional activity.

(b) In addition to (a) above, unbudgeted income resulted from the implementation of application fees for Skilled and Business Migrants during the reporting period.

(c) The variation is due mainly to a greater than expected surplus for the year.

Independent Audit Opinion



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

SMALL BUSINESS DEVELOPMENT CORPORATION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2010

I have audited the accounts, financial statements, controls and key performance indicators of the Small Business Development Corporation.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Corporation's Responsibility for the Financial Statements and Key Performance Indicators

The Corporation is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. This document is available on the OAG website under "How We Audit".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Small Business Development Corporation at 30 June 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions;
- (ii) the controls exercised by the Corporation provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Corporation are relevant and appropriate to help users assess the Corporation's performance and fairly represent the indicated performance for the year ended 30 June 2010.



COLIN MURPHY
AUDITOR GENERAL
9 September 2010

Certification of Performance Indicators

FOR THE YEAR ENDED 30 JUNE 2010

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Small Business Development Corporation's performance, and fairly represent the performance of the Small Business Development Corporation for the financial year ended 30 June 2010.



R. MOUNTNEY
CHAIRMAN



J. FINLAYSON
ACTING MANAGING DIRECTOR

3 September 2010

Performance Indicators

The Small Business Development Corporation (SBDC) operates under the broad high level government strategic goal *“to responsibly manage the State’s finances through the efficient and effective delivery of services, encourage economic activity and reduce regulatory burdens on the private sector”*. To meet this goal, SBDC’s mission is *“to create opportunity and wealth for small to medium sized businesses in Western Australia”*.

SBDC’s outcome and services that link with this government goal are shown in the table below.

Government Goal	Desired Outcome	Services
Financial and Economic Responsibility: Responsibly managing the State’s finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.	Development of new and existing small business in Western Australia.	Information, guidance, referral and business development services.

In 2009-10, SBDC achieved this desired outcome by:

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

The following outlines the key effectiveness and efficiency indicators that have been developed to measure SBDC’s performance.

KEY EFFECTIVENESS INDICATORS

The effectiveness of the SBDC in meeting its *outcome* is measured by:

- Client surveys with key stakeholder groups, namely:
 - Small business owners - those who are already operating their own business; and
 - Small business starters - those planning or contemplating operating a business in the future.
- The impact of migration to the State, namely:
 - New businesses planned by business migrants; and
 - Migrants with specialised skills planning on entering Western Australia.

Client opinion of the services provided by SBDC

The SBDC provides a range of small business services to those in business as well as those planning on starting or buying a business. (Refer Report on Operations for details of these services). The SBDC also provides core business facilitation services in major centres across the State through the provision of funding for the network of 25 Small Business Centres (SBCs). The effectiveness of small business services is measured by client surveys of those who have contacted the SBDC and SBCs during 2009-10.

Key effectiveness indicators used to measure SBDC's performance in achieving its desired outcome are subject to regular review, with indicators refined to reflect the services delivered to key client groups.

Key effectiveness indicators are:

- Usefulness of the information and guidance provided (asked of all client contacts surveyed);
- Contribution the service made to an informed decision to start or buy a business (asked only of those who were planning or contemplating starting or buying a business);
- The extent the information or guidance benefited the operations of the business (asked of all business clients who had met with a SBC manager or with a SBDC adviser); and
- The value of the guidance or information received (asked of all business clients who had met with a SBC manager, had visited the Business Information and Licence Centre or met with a SBDC adviser).

The measures reported below are based on two telephone surveys conducted during 2009-10 of random samples of SBDC and SBC clients. They have been carried out by an independent market research company to ensure maximum objectivity¹. Results from an evaluation of all those who had attended workshops at the SBDC, and a survey of those who had visited the SBDC or Business Licence Centre websites were also taken into account where appropriate.

¹ The performance evaluation for 2009-10 where clients were contacted by telephone was undertaken by Advantage Communications and Marketing. Telephone surveys were undertaken with random selections of clients who had directly sought information and guidance during 2009-10. 600 client surveys were achieved to give a maximum standard error ratio of + / - 3.9% at the 95% confidence level. Overall, 84% of respondents contacted agreed to participate in the survey. The valid sample for each service area was as follows:

Table 1: Summary of clients surveyed as part of SBDC's 2009-10 performance evaluation.

	Business Operators			Business Starters			Total Sample		
	2007 - 08	2008 - 09	2009 - 10	2007 - 08	2008 - 09	2009 - 10	2007 - 08	2008 - 09	2009 - 10
Clients - Direct advice									
<i>Small Business Services</i>	117	96	112	84	104	88	201	200	200
<i>Business Information and Licence Centre</i>	35	49	36	165	151	164	200	200	200
<i>Workshop attendees¹</i>	656	571	547	1078	812	954	1734	1383	1501
<i>Website visitors²</i>	18	33	13	65	75	17	116	154	41
<i>Small Business Centres</i>	60	60	53	140	140	147	200	200	200
Total	886	809	761	1532	1282	1370	2451	2137	2142

¹ All 1,810 who had attended a Program Workshop at the SBDC in 2009-10 were asked to complete an evaluation at the end of the workshop, with 1,501 (or 83%) of all attendees completing a survey form and nominating if they were in business or planning or contemplating starting a business.

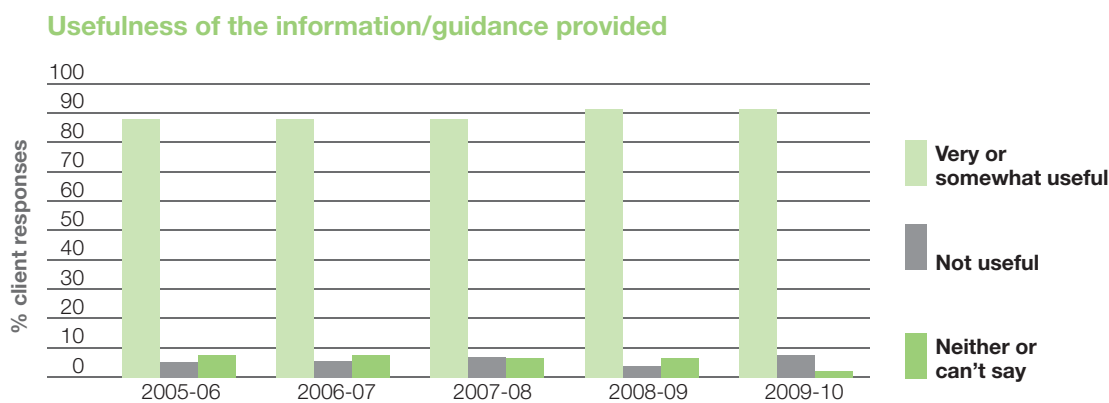
² 41 visitors to SBDC's websites (www.sbdc.com.au or www.licence.sbdc.com.au) completed the evaluation survey, with 13 noting they were in business or planning on starting a business. In 2008-09, 154 website visitors completed the survey with 108 (or 70%) noting they were in business or planning on starting a business. Both websites were completely redeveloped and relaunched in 2009-10. Participation rates for the survey were noticeably less during the reporting period and consequently a redesigned satisfaction survey will be implemented in 2010-11.

The effectiveness measures reported below combine the client scores of both the SBDC and the SBC network. High customer satisfaction with services has been maintained over several years with indicators measured in 2009-10 showing no statistically significant shifts at the 95% confidence level in comparison with the previous three years.

Usefulness of the information or guidance provided

All clients surveyed were asked – “How would you rate the usefulness of the information / guidance provided to you?”

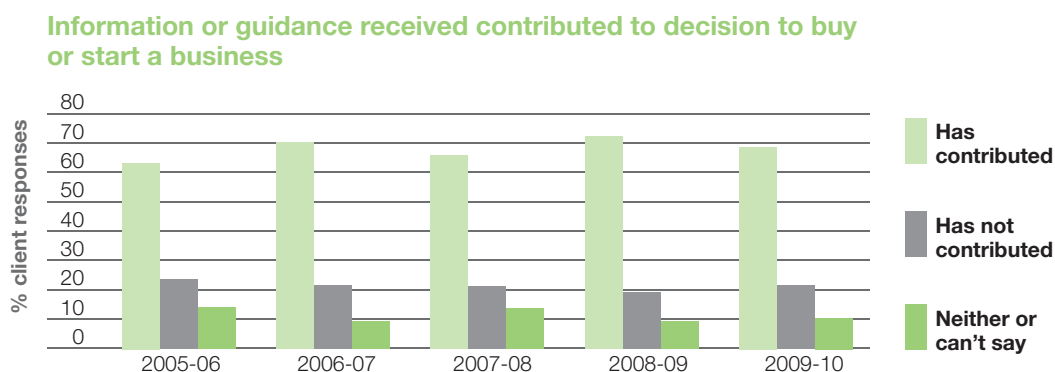
The evaluation showed the usefulness of the information / guidance provided to both business starters and established operators was similar to previous years, with 91% of clients rating it as very or somewhat useful in 2009-10 and 2008-09, and 88% in 2007-08, 2006-07 and 2005-06. The target for 2009-10 was 89%.



Contribution of service to start-up decisions

All clients interviewed who were either contemplating, planning or in the process of starting or buying a business were asked – “Would you say your contact with the SBDC / SBC directly contributed to you making an informed decision about starting or buying your business?”

There was a minor reduction of 3% compared to the last year in the number of business starters who believed the services of the SBDC / SBCs had directly contributed to their decision to start or buy a business. In 2009-10, 69% gave a positive response compared to 72% in 2008-09, 66% in 2007-08, and 70% and 63% in 2006-07 and 2005-06 respectively. The target for 2009-10 was 69%.



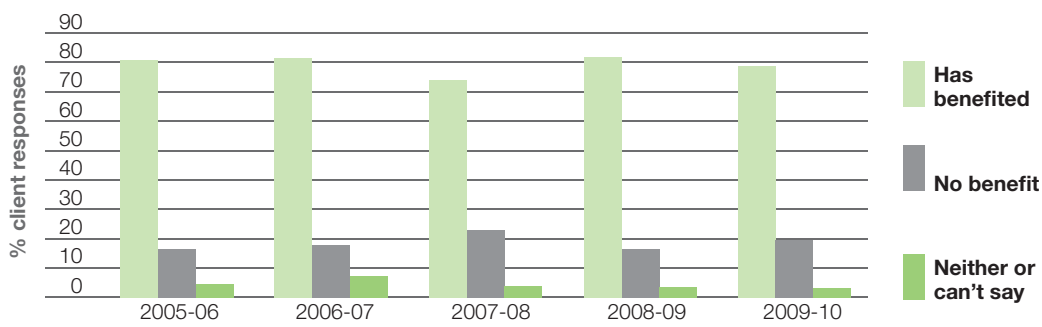
The benefit of the information or guidance received on business operations

All clients who were in business and had met with a Small Business Centre manager or a Small Business Services adviser (that is they had longer than a brief telephone conversation) were asked:

"To what extent has the information or guidance received benefited the operations of your business?"

Overall, 78% of business owners said the information or advice had benefited the operations of their business to a great, or to some extent. This represents a minor reduction of 3% against the 2008-09 result of 81%. The target for 2009-10 was 80%.

Information/guidance benefited business operations



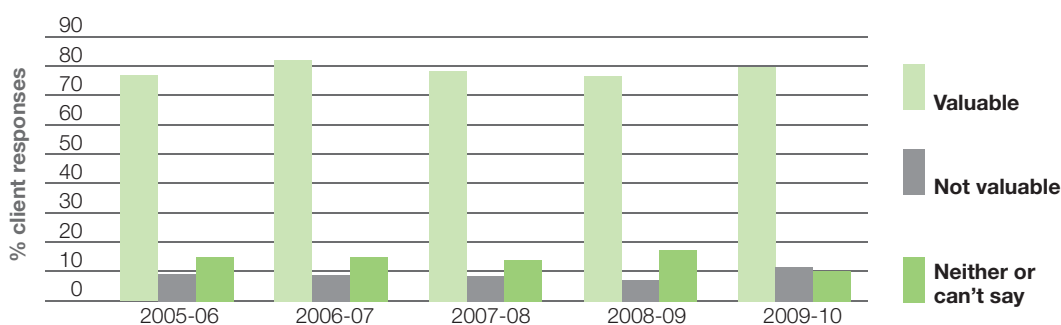
Value of the information / guidance received

All business clients interviewed who had met with a Small Business Centre manager or a Small Business Services adviser or had contacted the Business Information and Licence Centre were asked:

"How would you rate the value of the information or guidance you received?"

Overall, 79% of those surveyed said they valued the information or guidance received, a similar score to that achieved in 2008-09, 2007-08 and 2005-06 (76%, 78% and 76% respectively), and slightly down on the 2006-07 result of 83%. The target for 2009-10 was 80%.

Value of information or guidance received



Impact of Business and Skilled Migration on the State

State Migration Centre

The key role of the State Migration Centre (SMC) is to attract business and skilled migrants to Western Australia to contribute to its economic well-being through the attraction of new capital investment and to assist in addressing the State's labour shortages.

Business Migration

The SMC Business Migration Program is a successful investment attraction initiative for Western Australia. Business migrants make a significant contribution to the State's economic prosperity by being a leading source of new capital, business establishment, export income and employment generation.

In 2009-10, the SMC granted State sponsorship approval for 447 new business migrants, and registration for a further 28 new business migrants for an unsponsored visa from China, South Africa, the UK, Malaysia and 34 other countries to invest in Western Australia. The economic benefit to the State from these migrants moving to Western Australia over the next 24 to 36 months is expected to be a capital inflow of over \$568 million including \$241 million invested in business and \$59 million in State Treasury Bonds. Table 1 below shows the potential economic benefit of the business migration program should migration eventuate.

Table 1:

BUSINESS MIGRATION	2006-07	2007-08	2008-09	2009-10
Total capital inflow	\$589,997,000	\$640,061,000	\$561,747,129	\$568,634,379
Capital invested in business	\$249,104,000	\$253,144,000	\$238,509,801	\$241,083,560
Number of jobs created	1,016	1,216	1,043	995

Skilled Migration

The SMC Skilled Migration Program is an effective international labour attraction initiative for the State. Although this year the global economic downturn has had an impact on the unemployment rate in Western Australia, there are many industry sectors experiencing skill shortages in specific occupations. The attraction of skilled migrants will assist employers to meet their future workforce needs.

This financial year the SMC granted State sponsorship approval for 3,839 new skilled migrants to move to Western Australia from India, China, South Africa, the UK and 72 other countries. In addition to assisting to address skills shortages, it is estimated these migrants will bring over \$383 million into the State's economy to cover settlement and ongoing living costs. Table 2 below shows the potential workforce and economic benefits of the skilled migration program should migration eventuate.

Performance Indicators

Table 2:

SKILLED MIGRATION	2006-07	2007-08	2008-09	2009-10
State sponsored migrants	1,127	1,667	3,958	3,839
Total Capital inflow	\$123,835,000	\$185,670,000	\$315,815,864	\$383,218,858

The skilled migration program was transferred to the Department of Training and Workforce Development on 10 May, 2010.

Customer Service Index

The Customer Service Index was introduced to measure the extent to which the SBDC and the SBC network satisfied customer enquiries and requests for assistance. Questions asked were included in the Performance Evaluation Survey. The Customer Service Index comprises five individual performance indicators focusing on both the process and outcomes of providing services to clients. The Customer Service Index rating of 91% in 2009-10 compares favourably against the scores achieved in the previous years (92% in 2008-09, 87% in 2007-08, 89% in 2006-07 and 88% in 2005-06).

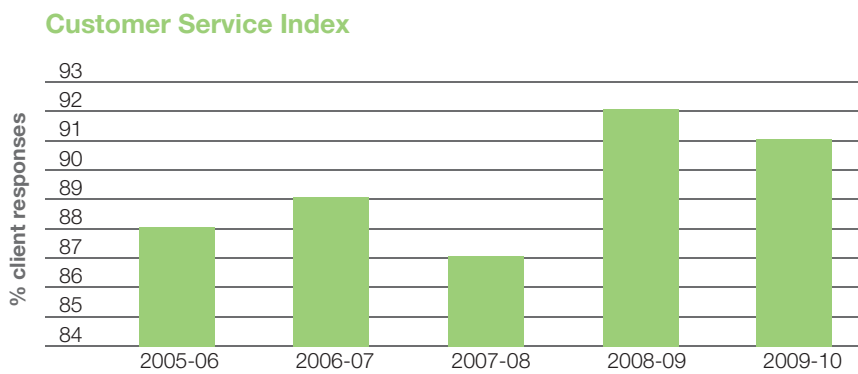


Table 3: Indicators showing the positive response that comprise the Customer Service Index over the last five years along with the target for 2009-10 are shown in the table below.

	2005-06 %	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2009-10 Target
Usefulness: How useful was the information and guidance provided to you?	88	88	88	91	91	89
Business operations: To what extent has the information or guidance received benefited the operations of your business?	79	81	73	81	78	80
Access: Would you describe the task of accessing the service as being easy or difficult?	92	95	91	96	93	95
Service: How would you rate the overall level of customer service provided by the staff?	92	92	91	96	95	94
Repeat: Would you use the service(s) again if the need arose?	91	91	93	94	96	93
Customer Service Index	88	89	87	92	91	90

Performance Indicators

Efficiency Indicators

Efficiency Indicators relate outputs to the level of resource inputs required to produce them. The key efficiency indicator for SBDC's one Output is set out below.

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.

Four Efficiency Indicators are provided. The score for each Indicator as well as the comparative scores set in 2008-09, 2007-08, 2006-07 and 2005-06 along with the target for 2009-10 are set out below.

EFFICIENCY INDICATORS	2009-10 Target	2009-10 Actual		2008-09	2007-08	2006-07	2005-06
<u>Cost for direct client contacts</u> Number of direct client contacts / equivalents ²	\$21.59	<u>\$7,589,373</u> 294,920	\$25.73	\$18.87	\$23.97	\$22.20	\$22.47
<u>Cost of indirect client contacts</u> Number of indirect client contacts ³	\$2.22	<u>\$197,234</u> 84,285	\$2.34	\$ 2.36	\$2.20	\$2.10	\$2.95
<u>Cost of SBC services⁴</u> Number of SBC client contacts	\$94.07	<u>\$4,297,811</u> 56,691	\$75.81	\$84.81	\$95.01	\$112.21	\$134.54
Policy Advice ⁵	\$1,406,857	\$1,322,430		\$1,254,049	\$1,384,579	\$1,356,443	\$1,118,134

The target for 2009-10 is as published in the 2009-10 Budget Statements (Budget Paper No 2 Volume 3) Page 884.

² Number of direct client contacts is as specified in the Output Measures (refer Report on Operations). **Direct client contacts** have contacted the SBDC for guidance or information either by a personal visit, by telephone or have visited SBDC websites for four minutes or more, or the Business Licence Information System (BLIS) website for two minutes or more.

The increased cost per direct client contact between the 2009-10 target and actual result relates to the overall reduction in client contacts during the year (down by 51,086 in 2009-10). Website contacts were down overall by 40,959 against 2008-09 due mainly to reduced activity in the Networks for Young Business, Home Based Business and Small Business Exporters (down overall by 14,973), reduced marketing and promotion of the State Migration Centre website, and the redevelopment of the Corporation's main website. Business Information and Licence Centre visitors, contacts and enquiries were also down by 8,114 from 32,440 in 2008-09.

³ **Indirect client contacts** are exposed to a display of a range of advisory, information, referral and business services that would impact on their growth and business development. These include 27,170 who have attended *Award Functions, Expos* or other *Forums* which SBDC has organised, has been the major sponsor where the focus has been on business development, or where an SBDC representative has given an address on small business matters.

Indirect client contacts also include the 57,115 occasions *SBDC websites* have been browsed for between two and four minutes.

⁴ **SBC client contacts**. In 2009-10 a total of 56,691 client assists were recorded, compared to 51,914 in 2008-09. The increased number of client assists together with an overall reduction in program costs in 2009-10 have resulted in a corresponding reduction in the cost per SBC client contact against the target for the year.

⁵ **Policy advice** includes policy submissions, investigative research, ministerial correspondence, industry liaison and small business sector advocacy. The cost of **policy advice** includes salaries and related staffing costs and all other direct costs associated with the Policy, Planning and Stakeholder Relations section of the SBDC, together with a notional allocation of corporate overhead costs. The variation between 2009-10 actual and target is the result of reduced salary costs associated with staff vacancies and reduced expenditure against a number of projects.

Significant issues impacting the agency

- The effects of the Global Financial Crisis (GFC) were still being felt by many in the small business sector throughout the 2009-10 financial year with retail businesses affected by a drop in consumer spending and others in service industries having to cope with changes in customer demands.

In recognition of this, the State Government allocated Budget funding of \$2 million over two years to help build resilience in small and medium sized enterprises throughout Western Australia. In the first quarter of 2009, the SBDC developed the BiZFiT program to achieve this outcome.

Commencing in October 2009, the BiZFiT program focuses on developing the skills and resilience of Western Australian business to enable them to achieve sustained growth irrespective of prevailing economic conditions. Over 600 regional and metropolitan businesses have accessed the program with a further 1,000 small businesses expected to participate in 2010-11. BiZFiT will continue to work strategically with business, industry and regional representatives to ensure a wider reach to business owners in need of individual support and targeted practical business training.

- In line with an overall reform agenda to create a seamless national economic environment for business in Australia, the Western Australian Government is working collaboratively with Commonwealth, State and Territory governments to progress the Council of Australian Governments (COAG) agenda in the area of business licensing.

The SBDC is the Western Australian representative for the national Business Online Service program. This program is an integral part of the reform process, delivering a single online service through which Australian businesses can access licence and regulatory information, and transact with all levels of government, through a single client account.

- In preparation for changes to the Western Australian retail trading environment coming into effect in the second half of 2009-10, the SBDC has developed a range of assistance services for business owners affected by the changes. Business to business disputes take up a significant amount of time and financial resources, and ultimately reduce productivity for the parties involved. A low-cost mediation, education and guidance service is being developed to address the growing need to assist businesses with resolving commercial disputes. This will be particularly important for the retail tenancy market in the face of changes to retail tenancy laws coming into effect in 2010-11.
- While the need for overseas skills migration has tempered slightly over the past financial year due predominantly to the GFC, the demand for business migrants has remained constant. The Business Migration program is one of the State's principal business investment attraction programs, providing an important source of new capital to support the continued growth of the Western Australian economy.

The SBDC has continued to provide State sponsorship for eligible business migrants during 2009-10. Business migrants who finalised their investment proposals during the year have injected over \$267 million of capital into the State's economy and generated 254 new jobs. This capital inflow represents an increase of 29 per cent on the amount that these business migrants originally proposed to bring into the State.

- In response to the overwhelming demand for online services, the SBDC has implemented new programs to meet this need. Timely access to information and guidance on starting and operating a small business has been greatly enhanced with the redevelopment of the Corporation's website, www.smallbusiness.wa.gov.au. The website now features access to a significant range of resources specifically designed for Western Australian small business. Further expansion will include more interactive tools and guides that will provide a comprehensive resource designed to assist those who plan to start, operate or grow a small business.
- In response to the National Partnership Agreement on Indigenous Economic Participation to support the growth and encouragement of Aboriginal business enterprises, the SBDC has established the Aboriginal Business Unit (ABU) as a first point of contact for Aboriginal people seeking business information and guidance.

The ABU also supports the state-wide Small Business Centre network in the delivery of advisory services to existing and aspiring Indigenous business owners, and funds projects aimed at building business capacity through mentoring, specialised presentations, skills development and access to financial, legal and management advice.

Certification of Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

The accompanying financial statements of the Small Business Development Corporation have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2010 and the financial position as at 30 June 2010.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



R. MOUNTNEY
CHAIRMAN



J. FINLAYSON
ACTING MANAGING DIRECTOR



R. BUTTSWORTH
CHIEF FINANCE OFFICER

3 September 2010

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
COST OF SERVICES			
Expenses			
Employee benefits expense	6	5,575,209	5,294,088
Supplies and services	7	3,761,992	3,211,279
Depreciation and amortisation expense	8	231,948	188,885
Communications expense		135,283	165,648
Maintenance expense		87,540	53,800
Grants and subsidies	9	3,021,709	3,024,591
Cost of sales	10	39,319	40,500
Other expenses	11	553,848	405,198
Total cost of services		13,406,848	12,383,989
Income			
Revenue			
User charges and fees	12	861,340	186,075
Sales	10	74,241	81,420
Interest revenue		38,735	59,106
Other revenue	13	180,261	183,575
Total Revenue		1,154,577	510,176
Total income other than income from State Government		1,154,577	510,176
NET COST OF SERVICES		12,252,271	11,873,813
Income from State Government	14		
Service appropriation		12,408,000	13,038,000
Resources received free of charge		15,694	8,862
Total income from State Government		12,423,694	13,046,862
SURPLUS FOR THE PERIOD		171,423	1,173,049
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		171,423	1,173,049

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	15	1,552,893	1,763,793
Inventories	10	31,771	28,968
Receivables	16	487,660	501,785
Amounts receivable for services	17	122,000	116,000
Total Current Assets		2,194,324	2,410,546
Non-Current Assets			
Amounts receivable for services	17	124,000	115,000
Furniture, plant and equipment	18	281,005	452,664
Intangible assets	19	101,933	152,183
Total Non-Current Assets		506,938	719,847
TOTAL ASSETS		2,701,262	3,130,393
LIABILITIES			
Current Liabilities			
Payables	21	228,105	257,546
Provisions	22	926,085	981,183
Total Current Liabilities		1,154,190	1,238,729
Non-Current Liabilities			
Provisions	22	372,263	329,690
Total Non-Current Liabilities		372,263	329,690
TOTAL LIABILITIES		1,526,453	1,568,419
NET ASSETS		1,174,809	1,561,974
Equity			
	23		
Contributed equity		862,885	1,421,473
Accumulated surplus/(deficit)		311,924	140,501
TOTAL EQUITY		1,174,809	1,561,974

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Contributed equity \$	Accumulated surplus/ (deficit) \$	Total equity \$
Balance at 1 July 2008	23	1,387,473	(1,032,548)	354,925
Total comprehensive income for the year		0	1,173,049	1,173,049
Transactions with owners in their capacity as owners:				
Capital appropriations		34,000	0	34,000
Total		34,000	1,173,049	1,207,049
Balance at 30 June 2009		1,421,473	140,501	1,561,974
Balance at 1 July 2009		1,421,473	140,501	1,561,974
Total comprehensive income for the year		0	171,423	171,423
Transactions with owners in their capacity as owners:				
Capital appropriations		84,000	0	84,000
Distributions to owners		(642,588)	0	(642,588)
Total		(558,588)	171,423	(387,165)
Balance at 30 June 2010		862,885	311,924	1,174,809

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		12,277,000	12,907,000
Capital appropriation		84,000	34,000
Holding account drawdowns		116,000	116,000
Distribution to owners		(642,588)	0
Net cash provided by State Government		11,834,412	13,057,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(5,879,897)	(5,354,205)
Supplies and services		(3,607,141)	(3,440,550)
Communication expense		(137,982)	(169,134)
Maintenance expense		(77,424)	(48,505)
Grants and subsidies		(3,123,347)	(3,026,301)
GST payments on purchases		(678,634)	(626,027)
Other payments		(378,494)	(367,581)
Receipts			
Sale of goods and services		74,858	83,384
User charges and fees		869,128	179,795
Interest received		37,087	64,616
GST receipts on sales		74,675	66,897
GST receipts from taxation authority		551,889	653,535
Other receipts		240,009	327,571
Net cash used in operating activities	24	(12,035,273)	(11,656,505)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(10,039)	(319,522)
Net cash used in investing activities		(10,039)	(319,522)
Net increase/(decrease) in cash and cash equivalents		(210,900)	1,080,973
Cash and cash equivalents at the beginning of period		1,763,793	682,820
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	24	1,552,893	1,763,793

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Note 1. Australian Accounting Standards

General

The Corporation's financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Corporation has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Corporation cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Corporation for the annual reporting period ended 30 June 2010.

Note 2. Summary of significant accounting policies

(a) General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention and are presented in Australian dollars.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The judgements that have been made in the process of applying the Corporation's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed at note 4 'Key sources of estimation uncertainty'.

(c) Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed equity.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Transfers of net assets to/from other agencies as a result of a restructure of administrative arrangements are to be accounted for as distributions to owners and contributions by owners respectively. Refer also to note 23 'Equity'.

(d) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods and rendering of services

Sales revenue represents revenue earned from the sale of goods and services net of returns, allowances and duties and taxes paid. Revenue is recognised at the point of sale for goods sold and at the time of delivery for services charged.

Interest

Revenue is recognised as the interest accrues using the effective interest rate method.

Service appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Corporation gains control of the appropriated funds. The Corporation gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury. Refer to note 14 'Income from State Government' for further information.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Corporation obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. This includes gains arising on the disposal of non-current assets.

(e) Furniture, plant and equipment

Capitalisation/expensing of assets

Items of furniture, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of furniture, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of furniture, plant and equipment are initially recognised at cost.

Subsequent measurement

Subsequent to initial recognition as an asset, the cost model is used for the measurement of all items of furniture, plant and equipment where they are stated at historical cost less accumulated depreciation.

Depreciation

Furniture, plant and equipment are depreciated over their estimated useful lives using the straight line method. Depreciation rates applicable are as follows:

Furniture - 11.25% per annum

Equipment - 15% per annum

Fixtures and Fittings - 7.5% to 20% per annum

Computing Equipment - 30% per annum

These rates are reviewed on a regular basis to ensure relevance.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

(f) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below the threshold are immediately expensed directly to the Statement of Comprehensive Income.

All acquired intangible assets are initially recognised at cost.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Corporation have a finite useful life and zero residual value. Amortisation rates applicable are as follows:

Software - 30% per annum

Development costs - 30% per annum

Computer Software

Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Development Costs

Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$10,000.

Other development costs are expensed as incurred.

(g) Impairment of assets

Furniture, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired

and is written down to the recoverable amount and an impairment loss is recognised. As the Corporation is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Refer to note 20 'Impairment of assets' for the outcome of impairment reviews and testing.

(h) Leases

The Corporation holds operating lease arrangements for the rent of the office building and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties. No finance lease is held by the Corporation.

(i) Financial instruments

In addition to cash, the Corporation has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(k) Accrued salaries

Accrued salaries (see note 21 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Corporation considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(l) Amounts receivable for services (holding account)

The Corporation receives funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (holding account receivable) that is accessible on the emergence of the cash funding requirement to leave entitlements and asset replacement.

Refer to note 14 'Income from State Government' and also note 17 'Amounts receivable for services'.

(m) Inventories

Publication stocks are valued at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

(n) Receivables

Receivables are recognised and carried at original invoice amount. The collectability of receivables is reviewed on an ongoing basis for impairment and any receivables identified as uncollectable are written-off in accordance to TI 807. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. Refer to note 2(i) 'Financial instruments' and also note 16 'Receivables'.

(o) Payables

Payables are recognised at the amounts payable when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. Refer to note 2(i) 'Financial instruments' and also note 21 'Payables'.

(p) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. Refer to note 22 'Provisions'.

Provisions - employee benefits

Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional ten weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Superannuation

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Corporation has no liabilities under the Pension or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Corporation to the GESB. The concurrently funded part of the GSS is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Corporation makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Refer to note 2(q) 'Superannuation expense'.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Provisions - other

Employment on-costs

Employment on-costs, including payroll tax and workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Corporation's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. Refer to note 11 'Other expenses' and also note 22 'Provisions'.

Restoration

A provision is recognised where the Corporation has a legal or constructive obligation to undertake restoration work to make good the premises. Estimates are based on current market rates for restoring the premises. Refer to note 11 'Other expenses' and also note 22 'Provisions'.

(q) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, and the GESBS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

(r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and expenses, at fair value.

Where services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(s) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

Note 3. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Corporation evaluates these judgements regularly.

Operating lease commitment

The Corporation has entered into a number of operating lease arrangements and has determined that the lessors retain the significant risks and rewards of ownership of the items. Accordingly, the leases have been classified as operating leases.

Note 4. Key sources of estimation uncertainty

The Corporation makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long service leave

In calculating the Corporation's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Note 5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Corporation has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Corporation.

- AASB 101 Presentation of Financial Statements (September 2007).
This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
- AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101.
This Standard changes the term 'general purpose financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.
- AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners (AASB 5 & AASB 110)
This Standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Corporation where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Corporation does not expect any financial impact when the Standard is first applied prospectively.
- AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 & AASB 1038.
This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Future impact of Australian Accounting Standards not yet operative

The Corporation cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Corporation has not applied early any following Australian Accounting Standards that have been issued that may impact the Corporation. Where applicable, the Corporation plans to apply these Australian Accounting Standards from their application date.

**Operative for
reporting
periods
beginning
on/after**

AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].	1 January 2013
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The amendment to AASB 7 *Financial Instruments: Disclosures* requires modification to the disclosure of categories of financial assets. The Corporation does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

AASB 1053	Application of Tiers of Australian Accounting Standards	1 July 2013
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This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

The Standard does not have any financial impact on the Corporation. However it may affect disclosures in the financial statements of the Corporation if the reduced disclosure requirements apply. DTF has not yet determined the application or the potential impact of the new Standard for agencies.

AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 July 2013
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This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

The Standard is not expected to have any financial impact on the Corporation. However this Standard may reduce some note disclosures in the financial statements of the Corporation. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 6. Employee benefits expense		
Wages and salaries (a)	4,648,052	4,307,080
Superannuation - defined contribution plans (b)	468,237	428,164
Long service leave (c)	117,835	196,054
Annual leave (c)	332,425	354,139
Purchased leave (c)	8,660	8,651
	<u>5,575,209</u>	<u>5,294,088</u>

(a) Includes fringe benefits tax.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(c) Includes a superannuation contribution component.

Employment on-costs such as payroll tax, workers' compensation insurance and other employee related expenses are included at note 11 'Other expenses'. The employment on-costs liability is included at note 22 'Provisions'.

Note 7. Supplies and services

Premises	1,037,766	595,546
Media, advertising and promotions	349,378	410,436
Travel and accommodation	224,622	437,682
Professional services	1,284,491	736,618
Small Business Initiative Fund payments	135,933	145,157
Sponsorships	132,014	132,471
Other services	480,521	619,036
Consumable supplies	117,267	134,333
	<u>3,761,992</u>	<u>3,211,279</u>

Note 8. Depreciation and amortisation expense**Depreciation**

Office furniture	1,008	1,862
Office equipment	7,691	6,796
Fixtures and fittings	110,503	87,139
Computing equipment	57,757	56,499
Total depreciation	<u>176,959</u>	<u>152,296</u>

Amortisation

Intangible assets - software	47,464	26,450
Development costs	7,525	10,139
Total amortisation	<u>54,989</u>	<u>36,589</u>
Total depreciation and amortisation	<u>231,948</u>	<u>188,885</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 9. Grants and subsidies		
Small Business Centres - Operational grant	3,021,709	3,008,341
Innovation to Market Program	0	4,000
Business Migrant Incentive Program	0	4,500
Export Accelerator Program	0	7,750
	<u>3,021,709</u>	<u>3,024,591</u>
Note 10. Trading profit		
Sales	74,241	81,420
Cost of sales:		
Opening inventory	(28,968)	(27,746)
Purchases	(42,122)	(41,722)
	<u>(71,090)</u>	<u>(69,468)</u>
Closing inventory	31,771	28,968
Cost of Goods Sold	<u>(39,319)</u>	<u>(40,500)</u>
Trading profit	<u>34,922</u>	<u>40,920</u>
See note 2(m) 'Inventories'.		
Note 11. Other expenses		
Restoration costs	212,548	0
Employment on-costs (a) (see note 5 'Employee benefits expense')	255,444	258,686
Other employee related expenses (b)	50,622	104,284
Audit fees (c)	35,234	30,260
Bad debts expense	0	11,968
	<u>553,848</u>	<u>405,198</u>

(a) Includes payroll tax and workers' compensation insurance. The on-costs liability associated with the recognition of annual, purchased and long service leave liability is included at note 22 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Includes staff recruitment, staff training and staff amenities.

(c) See also note 25 'Remuneration of auditors'.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 12. User charges and fees		
Workshop income	39,716	40,788
Skills and Business Migration visa application fees	664,844	0
Fees for service agreements provided to the Commonwealth Government:		
Department of Transport & Regional Services		
- Indian Ocean Territories Service Delivery Arrangement	79,492	66,450
Australian Trade Commission		
- TradeStart	77,288	78,837
	<u>861,340</u>	<u>186,075</u>

Note 13. Other revenue

Unused Small Business Centre Zone Funding returned (a)	41,222	2,129
Unused Small Business Initiatives Fund returned	24,229	34,296
Sponsorships	2,500	0
Miscellaneous	112,310	147,150
	<u>180,261</u>	<u>183,575</u>

(a) These funds will be held pending allocation in future periods to meet Small Business Centre zone needs as they arise.

Note 14. Income from State Government

Appropriation received during the year:		
Service appropriation (a)	12,408,000	13,038,000
Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
Department of the Attorney General	4,871	8,862
Department of Treasury and Finance	10,823	0
	<u>15,694</u>	<u>8,862</u>
	<u>12,423,694</u>	<u>13,046,862</u>

(a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Where services have been received free of charge or for nominal cost, the Corporation recognises revenues equivalent to the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as expenses.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 15. Cash and cash equivalents		
Bank account	1,052,343	1,263,243
Cash investments - investment with Department of Treasury and Finance	500,000	500,000
Cash on hand	550	550
	<u>1,552,893</u>	<u>1,763,793</u>

Note 16. Receivables		
Trade debtors	125,930	87,950
Net GST recoverable	118,130	68,270
Accrued interest	5,653	4,005
Prepayments	237,947	341,560
	<u>487,660</u>	<u>501,785</u>

The Corporation does not hold any collateral as security or other credit enhancements relating to receivables.

Refer to note 2(n) 'Receivables' and note 31 'Financial instruments'.

Note 17. Amounts receivable for services		
Current	122,000	116,000
Non-current	124,000	115,000
	<u>246,000</u>	<u>231,000</u>

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability. Refer to note 2(l) 'Amounts receivable for services (holding account)'.

Note 18. Furniture, plant and equipment		
Office furniture at cost	31,588	31,588
Accumulated depreciation	(31,588)	(30,580)
	<u>0</u>	<u>1,008</u>
Office equipment at cost	137,384	139,024
Accumulated depreciation	(124,054)	(123,303)
	<u>13,330</u>	<u>15,721</u>
Fixtures and fittings at cost	699,451	699,451
Accumulated depreciation	(498,121)	(387,618)
	<u>201,330</u>	<u>311,833</u>
Computing equipment at cost	359,759	359,759
Accumulated depreciation	(293,414)	(235,657)
	<u>66,345</u>	<u>124,102</u>
	<u>281,005</u>	<u>452,664</u>

Refer to note 2(e) 'Furniture, plant and equipment'.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Reconciliations of the carrying amounts of furniture, plant and equipment at the beginning and end of the reporting period are set out in the table below.

	Office furniture \$	Office equipment \$	Fixtures and fittings \$	Computing equipment \$	Total \$
2010					
Carrying amount at start of year	1,008	15,721	311,833	124,102	452,664
Additions	0	5,300	0	0	5,300
Depreciation	(1,008)	(7,691)	(110,503)	(57,757)	(176,959)
Carrying amount at end of year	0	13,330	201,330	66,345	281,005
2009					
Carrying amount at start of year	2,870	22,517	392,275	41,213	458,875
Additions	0	0	6,697	139,388	146,085
Depreciation	(1,862)	(6,796)	(87,139)	(56,499)	(152,296)
Carrying amount at end of year	1,008	15,721	311,833	124,102	452,664
				2010 \$	2009 \$

Note 19. Intangible assets

Computer software at cost	181,563	202,823
Accumulated amortisation	(91,096)	(69,631)
	90,467	133,192
Development costs at cost	49,367	49,367
Accumulated amortisation	(37,901)	(30,376)
	11,466	18,991
	101,933	152,183
Reconciliations:		
Computer software		
Carrying amount at start of year	133,192	2,217
Additions	4,739	157,425
Amortisation expense	(47,464)	(26,450)
Carrying amount at end of year	90,467	133,192
Development costs		
Carrying amount at start of year	18,991	13,118
Additions	0	16,012
Amortisation expense	(7,525)	(10,139)
Carrying amount at end of year	11,466	18,991

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 20. Impairment of assets		
There were no indications of impairment to furniture, plant and equipment and intangible assets at 30 June 2010.		
The Corporation held no goodwill or intangible assets with an indefinite useful life during the reporting period, and at the end of the reporting period there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2010 have been written-off.		
Note 21. Payables		
Trade payables	26,859	31,476
Accrued expenses	114,012	145,790
Accrued salaries	87,234	80,280
	<u>228,105</u>	<u>257,546</u>
Refer to note 2(o) 'Payables' and note 31 'Financial instruments'.		
Note 22. Provisions		
Current		
Employee benefits provision		
Annual leave (a)	274,583	321,808
Purchased leave	850	1,440
Long service leave (b)	405,020	611,825
	<u>680,453</u>	<u>935,073</u>
Other provisions		
Employment on-costs (c)	33,084	46,110
Restoration costs (d)	212,548	0
	<u>926,085</u>	<u>981,183</u>
Non-current		
Employee benefits provision		
Long service leave (b)	354,998	314,895
Other provisions		
Employment on-costs (c)	17,265	14,795
	<u>372,263</u>	<u>329,690</u>
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows :		
Within 12 months of the end of the reporting period	229,513	289,395
More than 12 months after the reporting period	45,070	32,413
	<u>274,583</u>	<u>321,808</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of the end of the reporting period	135,007	203,942
More than 12 months after the reporting period	625,011	722,778
	<u>760,018</u>	<u>926,720</u>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including payroll tax and workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

(d) Under the existing lease, the Corporation, at the expiration of the lease, must pay the Landlord an amount in lieu of the obligation to make good the premises. The amount of \$212,548 is based on professional advice of current market rates for restoring the premises. The associated expense is disclosed in note 11 'Other expenses'.

Movements in other provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount at start of year	60,905	54,966
Additional provisions recognised	0	5,939
Payments	(10,556)	0
Carrying amount at end of year	<u>50,349</u>	<u>60,905</u>

Restoration costs provisions

Carrying amount at start of year	0	0
Additional provisions recognised	212,548	0
Carrying amount at end of year	<u>212,548</u>	<u>0</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 23. Equity		
Equity represents the residual interest in the net assets of the Corporation. The Government holds the equity interest in the Corporation on behalf of the community.		
Contributed equity		
Balance at start of period	1,421,473	1,387,473
Contributions by owners		
Capital appropriation (a)	84,000	34,000
Total contributions by owners	84,000	34,000
Distribution to owners		
Transfer of Skilled Migration Program to Department of Training and Workforce Development (b)	(642,588)	0
Total distributions to owners	(642,588)	0
Balance at end of period	862,885	1,421,473
(a) Under TI 955 Contributions by Owners Made to Wholly Owned Public Sector Entities capital appropriations have been designated as contributions by owners in accordance with AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.		
(b) Under AASB 1004 Contributions, transfers of net assets as a result of a restructure of administrative arrangements are to be accounted for as contributions by owners and distributions to owners.		
Accumulated surplus/(deficit)		
Balance at start of year	140,501	(1,032,548)
Result for the period	171,423	1,173,049
Balance at end of year	311,924	140,501

Note 24. Notes to the Statement of Cash FlowsReconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	1,552,893	1,763,793
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Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(12,252,271)	(11,873,813)
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Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Non-cash items:		
Depreciation and amortisation expense (note 8)	321,948	188,885
Resources received free of charge (note 14)	15,694	8,862
Changes in assets and liabilities:		
Decrease in receivables	14,125	164,188
(Increase) in inventories	(2,803)	(1,222)
(Decrease) in payables	(29,441)	(212,982)
(Decrease)/Increase in provisions	(12,525)	69,577
Net cash used in operating activities	(12,035,273)	(11,656,505)

Note 25. Remuneration of auditors

Remuneration to the Auditor General (a)

- Auditing the accounts, financial statements and performance indicators

22,400 25,500

Remuneration to Deloitte Touche Tohmatsu

- Compliance audit

9,734 9,560

32,134 35,060

(a) The fee for the 2008-09 audit (\$25,500) was due and payable in the 2009-10 financial year. The fee for the 2009-10 audit (\$22,400) will be due and payable in the 2010-11 financial year.

Note 26. Remuneration of members of the accountable authority and senior officersRemuneration of members of the accountable authority

The number of members of the accountable authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2010	2009
\$ 0 - \$ 10,000	5	6
\$ 10,001 - \$ 20,000	2	0
\$ 20,001 - \$ 30,000	0	1

The total remuneration of members of the accountable authority

75,627 78,971

The total remuneration includes the superannuation expense incurred by the Corporation in respect of members of the accountable authority. No members of the accountable authority are members of the Pension Scheme.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<u>Remuneration of senior officers</u>		
The number of senior officers, other than senior officers reported as members of the accountable authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:		
	2010	2009
\$ 30,001 - \$ 40,000	0	1
\$ 40,001 - \$ 50,000	1	0
\$ 50,001 - \$ 60,000	1	0
\$ 80,001 - \$ 90,000	0	1
\$ 100,001 - \$ 110,000	1	0
\$ 110,001 - \$ 120,000	1	0
\$ 120,001 - \$ 130,000	0	2
\$ 130,001 - \$ 140,000	2	1
\$ 150,001 - \$ 160,000	1	0
\$ 190,001 - \$ 200,000	0	1
The total remuneration of senior officers	741,532	708,974

The total remuneration includes the superannuation expense incurred by the Corporation in respect of senior officers other than senior officers reported as members of the accountable authority. No senior officers are members of the Pension Scheme.

Note 27. Affiliated Bodies**Small Business Centres**

During the year \$3,021,709 was paid out to Small Business Centres by way of operational grants. The Centres are separately incorporated entities located in city and country areas to assist small businesses to expand or develop new business ideas.

Note 28. Indian Ocean Territories Service Delivery Arrangement

The Corporation has an agreement with the Commonwealth of Australia to provide business information, enterprise development, assistance and training to new and existing small to medium enterprises located on Christmas and Cocos (Keeling) Islands. During 2008-09, \$3,340 was returned from Christmas Island Chamber of Commerce for acquittal of 2007-08 funding and a further \$66,450 was received from the Commonwealth. Gross expenditure against this was \$72,786 and the remaining \$5,554 was carried forward to the 2009-10 financial period. During 2009-10, \$79,492 was received from the Commonwealth. Gross expenditure against this was \$84,432 and the remaining \$614 has been carried forward to the 2010-11 financial period.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Note 29. Commitments		
Lease Commitments		
Analysis of non-cancellable operating lease commitments for buildings and vehicles:		
Within 1 year	444,976	59,673
Later than 1 year and not later than 5 years	19,270	23,755
	<u>464,246</u>	<u>83,428</u>

Other expenditure commitments, being provision of catering and venue facilities for the 2010 Western Australian Regional Small Business Awards and 2010 Small Business Centre Conference, provision of Business Licence Information Services, development and presentation of Bizfit program (2010), and the provision of catering and venue facilities for the 2009 Western Australia Regional Small Business Awards (2009) contracted for at the end of the reporting period but not recognised as liabilities, payable as follows:

Within 1 year	338,170	24,500
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These commitments are all exclusive of GST.

Note 30. Contingent liabilities and contingent assets

No contingent liabilities and contingent assets exist as at 30 June 2010.

Note 31. Financial Instruments

(a) Financial risk management objectives and policies

Financial instruments held by the Corporation are cash and cash equivalents, receivables and payables. The Corporation has limited exposure to financial risks. The Corporation's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Corporation's receivables defaulting on their contractual obligations resulting in financial loss to the Corporation.

The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets as shown in the table at note 31(c) 'Financial instrument disclosures' and note 16 'Receivables'.

Credit risk associated with the Corporation's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Corporation trades only with recognised, creditworthy third parties. The Corporation has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Corporation's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

For financial assets that are past due, refer to note 31(c) 'Financial instrument disclosures'

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
Liquidity risk		
Liquidity risk arises when the Corporation is unable to meet its financial obligations as they fall due. The Corporation is exposed to liquidity risk through its trading in the normal course of business.		
The Corporation has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.		
Market risk		
Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Corporation's income or the value of its holdings of financial instruments. The Corporation does not trade in foreign currency and is not materially exposed to other price risks. The Corporation has no borrowings and its exposure to market risk for changes in interest rates relate primarily to cash and cash equivalents which are interest bearing as detailed in the interest rate sensitivity analysis table at note 31(c) 'Financial instrument disclosures'.		
(b) Categories of financial instruments		
In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:		
Financial Assets		
Cash and cash equivalents	1,552,893	1,763,793
Receivables (i)	377,583	322,955
Financial Liabilities		
Financial Liabilities measured at amortised cost	228,105	257,546
(i) the amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.		
(c) Financial instrument disclosures		
Credit risk and interest rate exposures		
The following table discloses the Corporation's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Corporation's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired. The table is based on information provided to senior management of the Corporation.		
The Corporation does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.		
The Corporation does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.		

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Interest rate exposure and ageing analysis of financial assets (a)

			Interest rate exposure		Past due but not impaired	
	Weighted average effective interest rate %	Carrying amount \$	Variable interest rate \$	Non-interest bearing \$	Up to 3 months \$	3-12 months \$
<u>Financial Assets</u>						
2010						
Cash at bank	1.11	1,052,343	1,052,343			
Cash investments	4.00	500,000	500,000			
Cash on hand		550		550		
Receivables (a)		131,583		131,583	131,583	0
Amount receivable for services		246,000		246,000		
		1,930,476	1,552,343	378,133	131,583	0
2009						
Cash at bank	2.28	1,263,243	1,263,243			
Cash investments	5.39	500,000	500,000			
Cash on hand		550		550		
Receivables (a)		91,955		91,955	91,955	0
Amount receivable for services		231,000		231,000		
		2,086,748	1,763,243	323,505	91,955	0

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable) and prepayments.

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted average effective interest rate %	Carrying amount \$	Interest rate exposure		Maturity dates
			Variable interest rate \$	Non-interest bearing \$	Up to 3 months \$
<hr/>					
<u>Financial Liabilities</u>					
2010					
Payables		228,105		228,105	228,105
		228,105	0	228,105	228,105
<hr/>					
2009					
Payables		257,546		257,546	257,546
		257,546	0	257,546	257,546

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Corporation's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$	-100 basis points		+100 basis points	
		Surplus \$	Equity \$	Surplus \$	Equity \$
2010					
<u>Financial Assets</u>					
Cash at bank	1,052,343	(10,523)	(10,523)	10,523	10,523
Cash investments	500,000	(5,000)	(5,000)	5,000	5,000
		<u>(15,523)</u>	<u>(15,523)</u>	<u>15,523</u>	<u>15,523</u>
2009					
<u>Financial Assets</u>					
Cash at bank	1,263,243	(12,632)	(12,632)	12,632	12,632
Cash investments	500,000	(5,000)	(5,000)	5,000	5,000
		<u>(17,632)</u>	<u>(17,632)</u>	<u>17,632</u>	<u>17,632</u>

Fair Values

All financial assets and liabilities recognised in the statement of financial position are recognised at amounts that represent a reasonable approximation of fair value.

Note 32. Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 5% and at least \$15,000.

(a) Significant variances between estimated and actual result for the financial year

	2010 Estimate \$	2010 Actual \$
Expenses		
Employee benefits expenses	6,006,000	5,625,675
The variance is due to the transfer of the Skilled Migration Program to the Department of Training and Workforce Development in May 2010, and a number of positions that remained vacant for part of the year.		
Accommodation	589,000	1,041,832
The variance can be attributed to a significant increase in office rental following the renegotiation of the lease for office accommodation in August 2009.		

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

	2010 Estimate \$	2010 Actual \$
Depreciation and amortisation	122,000	231,948
Additional depreciation and amortisation expense associated with full year amortisation charges for TRIM software together with accelerated depreciation charged to some equipment, fixtures and fittings as the expiration of the office lease in December 2010 will result in a reduced useful life of these assets.		
Other expenses	1,158,000	1,036,548
The variance is due to an overall reduction in advertising, marketing and promotional activity during the year. This is offset by an increase in restoration costs due to an obligation to make good current office premises at the expiration of the lease in December 2010.		
Income		
Sales of goods and services	423,000	935,580
The increase is related to application fees received from skilled and business migrants seeking State sponsorship through the Skills Migration Program and Business Migration Program.		
Other revenue	130,000	218,997
Additional revenue from Department of Planning being service fee for conducting a business review of multi purpose taxi owner/operators plus fees paid by customers for attending Bizfit forums and workshops.		
Income from State Government		
Resources received free of charge	0	15,694
This represents notional value of services provided by Department of Treasury and Finance and Department of Attorney General in relation to government accommodation and legal advice respectively.		

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2010

(b) Significant variances between actual and prior year actual

	2010 \$	2009 \$
Expenses		
Employee benefits expenses	5,575,209	5,294,088
The variation can be attributed to a 5% average salary increase plus an unbudgeted termination payout following the resignation of a senior officer during the reporting period.		
Supplies and services	3,761,992	3,211,279
The increase is related to the new Bizfit Program together with an increase in office rental following the renegotiation of the lease for office accommodation in August 2009. This is offset by a reduction in travel and marketing activities for the State Migration Centre and general marketing and advertising.		
Depreciation and amortisation expense		
Additional expense is due to accelerated depreciation charged to some equipment, fixtures and fittings as the expiration of the office lease in December 2010 will result in a reduced useful life of these assets.		
Communications expense	135,283	165,648
A decrease in telephone, postage, couriers and freight expenses relates to a reduction in overseas promotional activity for the State Migration Centre.		
Maintenance expense	87,540	53,800
An increase in software maintenance expense relates to the migration from a Novell platform to the Microsoft Windows platform including Office 2007 and Exchange/Outlook.		
Other expenses	553,848	405,198
The increase relates to a provision to meet restoration costs resulting from an obligation to make good current office premises at the expiration of the lease in December 2010.		
Income		
User charges and fees	861,340	186,075
The increase is related to application fees received from skilled and business migrants seeking State sponsorship through the Skills Migration Program and Business Migration Program.		
Interest revenue	38,735	59,106
A reduction in interest rates during the year has resulted in a decrease in interest revenue.		

Governance disclosures

Enabling Legislation

The *Small Business Development Corporation Act 1983* makes provision for the establishment of the Small Business Development Corporation to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in the State and for incidental and other purposes.

SBDC Board

The SBDC is governed by a Board, drawn from the private sector under the auspices of the *Small Business Development Corporation Act 1983*. The eight-member SBDC Board meets on a monthly basis to consider issues relevant to the direction and operation of the Corporation. Membership as at 30 June 2010 comprised:

- **Ray Mountney**
- **Larissa Beeson**
- **Geoff Brayshaw**
- **Merrill Dalglish**
- **Chris Jones**
- **Caterina (Kitty) Prodonovich**
- **Mr Brent Pollard**
- **Jacky Finlayson**

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 09/10	Actual Meetings Attended
Ms Patria Jafferries	9	9
Ms Larissa Beeson	11	11
Mr Geoff Brayshaw	11	10
Mr Chris Jones	11	11
Mr Ray Mountney	10	10
Mr Paul Niardone	9	5
Ms Caterina Prodonovich	11	8
Mr Stephen Moir ¹	6	6
Mrs Jacqueline Finlayson	5	5

Terms of Appointment

Members Current as at 30 June 2010

Name	Initially Appointed	Term Expires
Mr Ray Mountney (Chair) ²	03/08/2009	31/08/2012
Ms Larissa Beeson	31/12/2004	31/12/2010
Mr Geoff Brayshaw	31/12/2004	30/06/2011
Mr Chris Jones	31/12/2004	30/12/2010
Ms Caterina Prodonovich	12/05/2008	31/05/2011
Ms Merrill Dalglish ³	21/06/2010	30/06/2012
Mr Brent Pollard ⁴	21/06/2010	30/06/2012

Directors and Officers Liability Insurance

The SBDC takes out Directors and Officers Liability Insurance through Riskcover to provide cover for members of the Board. The policy has an Indemnity Limit of \$10,000,000.

For 2009-10 the SBDC paid an amount of \$9,934.29 towards the annual premium with individual Board members also making a contribution.

¹ Resigned, January 2010

² Appointed Chair, 21/06/2010 – term expiring 30/05/2011

³ Will attend first Board meeting on 20/07/2010

⁴ Will attend first Board meeting on 20/07/2010

Other legal requirements

Disability Access and Inclusion Plan

Overview: The Small Business Development Corporation is committed to achieving the State Government's vision for a better quality of life for all West Australians. The continued implementation of the 2007-2011 Disability Access and Inclusion Plan (DAIP) ensures people with disabilities, their families and carers, have the same rights to access our products and services as any member of the community.

Initiatives and achievements in 2009-10 are outlined below against the Government's six disability standards.

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the SBDC.

- Upgraded and improved the website so that greater use can be made from the internet for the provision of information and services. This includes business licences, booklists and procedures for ordering books.
- Contractors who provide a service on behalf of SBDC have been surveyed to ensure they conduct their business in accordance with the DAIP 2007-2011.
- SBDC is an affiliate of the Companion Card Program which promotes the existing right of people with a disability to fair ticketing. Under the program, the SBDC will issue a second ticket to a cardholder who requires the assistance of a companion to attend an SBDC event or activity, when booking or purchasing a ticket.
- People with disabilities are provided with an opportunity to comment on access to services or make a complaint according to the Complaints Management Policy.
- All activities and events are prioritised according to the Plan.

Outcome 2. People with disabilities have the same opportunities as other people to access the buildings and other facilities of the SBDC.

- Buildings and other facilities are physically accessible to people with disabilities.
- All building improvements are in accordance with the relevant Australian Standards covering access to premises.
- The accessibility needs of people with disabilities are a major consideration as part of any redesign and refurbishment programs for office premises.

Outcome 3. People with disabilities receive information from the SBDC in formats that enable them to access the information as readily as other people are able to access it.

- Information about services and programs use clear and concise language and are available in accessible formats.
- Publications are readily available at key access points.

Other legal requirements

- Events are planned using the Disability Service Commission's Accessible Events checklist.
- All websites have been developed to meet W3C (Web Content Accessibility Guidelines) compliance.
- Three online specialised networks – Home Based Business Network, Young Business Network and the Small Business Exporters Network, provide members to communicate via online forums.
- Workshops developed in CD format and online learning tools to allow access from home or office computer.

Outcome 4. People with disabilities receive the same level and quality of service from SBDC staff as other people.

- All staff are informed and reminded of their obligations and responsibilities regarding equal opportunity and the Disability Access and Inclusion Plan 2007-2011, and to be proactive in addressing improvements that can be made to access for all individuals.
- The DAIP and Equal Employment Opportunities prioritised in the induction of new employees.
- All resources, including policies and procedures available to staff on the Extranet.

Outcome 5. People with disabilities have the same opportunities as other people to make complaints to the SBDC.

- SBDC website includes a forum for users to provide feedback on services and facilities.
- Grievance mechanisms are accessible for people with disabilities and complaints are managed in accordance with our Complaints Management Policy.
- Translators and interpreters are provided to people with a disability if making a complaint.

Outcome 6. People with disabilities have the same opportunities as other people to participate in any public consultation by the SBDC.

- Promote consultation opportunities through a variety of small business forums, networks and through the Small Business Advocacy Service.
- Ensure that access needs of people with disabilities are considered in all community consultations.
- Continue to consult with disability organisations and networks as required.

Other legal requirements

Equal Employment Opportunity

Overview: The SBDC has an EEO Management Plan 2007–2011 designed to eliminate any discriminatory practices and ensure equality of employment opportunities.

SBDC staff are enthusiastic about small business and committed to providing outstanding services to the sector. In recognition of the diverse mix of talents, skills, backgrounds and perspectives of employees, the SBDC is also committed to creating a workplace that provides opportunities for development and advancement to all employees.

Outcomes: To accommodate this diversity, access to flexible work options including part time, job share and phased retirement were introduced. For employees with parenting responsibilities and those nearing the end of their career, flexible arrangements were implemented to allow them to continue to participate in the SBDC workforce.

The provision of further equitable career development opportunities including acting positions, secondments and career-enhancing projects were introduced across several sections of the Corporation.

During the year in review, improvements were made to recruitment advertisements to include wording which encourages a broader selection of diverse applicants and this, together with improved access to job application kits, has ensured greater equity for all potential applicants.

In addition, the induction process for new employees now includes awareness of EEO principles, their legal obligations, the principles of accountable and ethical decision making and their relevance to the workplace.

Further training provided by the Equal Opportunity Commission, has also been undertaken by SBDC Corporate Resources officers to ensure a well-trained point of contact exists for employees to raise grievances. Mediation and investigation resources are also available if required.

Public Sector Standards in Human Resource Management and Ethical Codes

The SBDC has complied with section 31 of the Public Sector Management Act in the administration of the Corporation's human resource management practices relating to the public sector standards and codes of ethics and conduct.

Other legal requirements

Outcomes:

Compliance issues	Significant action taken to monitor and ensure compliance
Public Sector Standards No breach claims were lodged.	<p>Information about Public Sector Standards is included on the SBDC extranet and within induction material.</p> <p>Suitable training is provided to persons participating on recruitment panels to ensure compliance with relevant Standards.</p> <p>Recruitment Guidelines are provided to all panel members.</p> <p>Transactions are reviewed internally as a quality assurance process.</p>
WA Code of Ethics Nil reports of non compliance with WA Code of Ethics	<p>WA Code of Ethics is included on SBDC extranet and within induction material.</p> <p>Policies exist on Conflict of Interest, Corporate Credit Card Use, External Employment, Offer and Acceptance of Gifts and Customer Service.</p> <p>All staff attended Accountable & Ethical Decision Making Training.</p> <p>Accountable and Ethical Decision Making is an important component of new employee inductions.</p>
SBDC Code of Conduct Nil reports of non compliance with SBDC Code of Conduct	<p>SBDC's Code reflects the WA Code of Ethics and Conduct Guide.</p> <p>SBDC Code included on the extranet and within induction material.</p>

Other legal requirements

Recordkeeping Plan

Overview: The SBDC's Recordkeeping Plan (RKP) was approved by the State Records Commission in April 2010.

Outcomes: A review of the existing plan was undertaken to consider new processes, policies, procedures and control mechanisms following the implementation of the Electronic Document and Records Management System (EDRMS). The review also looked at compliance issues relating to the creation, capture and archiving of electronically stored records within the EDRMS.

The efficiency and effectiveness of the SBDC's recordkeeping systems is also subject to ongoing review, particularly as the full implementation of the EDRMS progresses. Other changes to recordkeeping practices have resulted in considerable benefits for those business areas in the overall discoverability and management of records created and captured.

The SBDC maintains an effective recordkeeping training program. All new staff and contractors receive comprehensive training at induction detailing policies and procedures, and outlining their records management responsibilities. Additional training and materials are made available to employees on request and can be tailored to meet specific needs. The effectiveness of recordkeeping training is subject to ongoing review and evaluation to ensure that it meets the needs of both the SBDC and State Records Office.

Records management staff have continued their professional development through attendance at information networking opportunities and structured information management training.

Advertising Expenditure

In accordance with Section 175ZE of the Electoral Act 1907, set out below are details of expenditure incurred during the 2009-10 financial year in relation to:

Market research organisations:	\$8,791.20
Advantage Communications and Marketing	\$8,791.20
Advertising agencies:	\$198,212.45
Adcorp Marketing	\$3,497.73
Brainestorm Production	\$737.00
Get Positive Productions	\$3,298.90
Firey Productions	\$1,842.50
J Design	\$1,380.50
Optimum Media Decisions	\$166,428.28
Rare Creative	\$17,573.44
Wren Design	\$3,454.00
Total Expenditure for 2009-10:	\$207,003.55

Legislation Impacting on Activity

In the performance of its functions, the SBDC complies with the following legislation:

Business Names Act 1962
Child Support (Registration and Collection) Act 1988 (Cth)
Copyright Act 1968 (Cth)
Corporations (Western Australia) Act 1990
Corruption and Crime Commission Act 2003
Criminal Code Act Compilation Act 1913
Disability Services Act 1993
Electoral Act 1907
Equal Opportunity Act 1984
Evidence Act 1906
Evidence Act 1995 (Cth)
Electronic Transactions Act 2003
Financial Management Act 2006
Freedom of Information Act 1992
Fringe Benefits Tax Act 1986 (Cth)
Income Tax Assessment Act 1936 (Cth)
Income Tax Assessment Act 1997 (Cth)
Industrial Relations Act 1979
Minimum Conditions of Employment Act 1993
A New Tax System (Goods and Services) Act 1999 (Cth)
Occupational Safety and Health Act 1984
Pay-roll Tax Act 2002
Pay-roll Tax Assessment Act 2002
Privacy Act 1988 (Cth)
Public and Bank Holidays Act 1972
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Small Business Development Corporation Act 1983
Spam Act 2003 (Cth)
State Records Act 2000
State Superannuation Act 2000
State Supply Commission Act 1991
State Trading Concerns Act 1916
Superannuation Guarantee (Administration) Act 1992 (Cth)
Taxation Administration Act 2003
Treasurer's Instructions 804 and 805
Workers' Compensation and Rehabilitation Act 1981

Cth = Commonwealth Acts

Government policy requirements

Corruption Prevention

The SBDC is committed to the highest level of integrity, ethics and equity and corruption prevention forms part of our overall risk management strategy as an important element of internal control. Policies that support and promote ethical behaviour by staff in the conduct of their duties are subject to ongoing review and include:

- Code of Conduct,
- Complaints Management,
- Public Interest Disclosure,
- Acceptance and Registration of Gifts and Benefits,
- Acceptable Use of the Internet.

Staff and members of the Board are briefed on a range of statutory and administrative requirements relating to ethical conduct including the requirement to declare conflicts of interest. A comprehensive induction program, the inclusion of the policies on the extranet and regular internal communications also seek to ensure that all staff are aware of and understand their responsibilities.

Publications

The Small Business Development Corporation (SBDC) publishes a wide range of books and periodicals, in both hard copy and electronic format. These publications are listed below:

Annual Reports – Each financial year the SBDC produces an *Annual Report* to highlight its business and financial activities. Electronic (pdf) copies of the reports from 2008-09 onwards can be downloaded from the SBDC website. Copies from previous years are available electronically by request from the SBDC Information Coordinator.

Books – Hard copies of the SBDC books can be purchased via the SBDC online Bookshop or directly from the Business Information and Licence Centre (BILC).

Media Releases – The SBDC regularly produces media releases to inform the small business sector on topical issues. Media releases from 2009 are available from the SBDC website under “About SBDC”, “Media Releases” and “Previous Media Releases”.

Small Business Briefs – Small business briefs are a series of information sheets available in hard copy format at no charge from the Business Information and Licence Centre (BILC). Small business briefs are also available in electronic (pdf) format from the SBDC Website and can be downloaded to either view or print.

Small Business InSight – The SBDC regularly publishes a newsletter titled *Small business inSight* to highlight the latest products, services, government policies, and legislation of interest to small businesses in Western Australia. Hard copy issues can be obtained from the Information Coordinator.

Staffing Summary - As at 30 June 2010

Employee Profile	2009-10
Permanent Full Time	53
Permanent Part Time	9
Fixed Term Full Time	4
Fixed Term Part Time	1
Graduate	1
Casual	9
Total	77 (60 FTE)

Throughout the year the SBDC employed a total of 77 people, representing 60 full time positions.

The higher head count is a reflection of the Corporation's flexible work practices, including job share arrangements and part time hours for people with young families and those planning retirement.

During May 2010, 5 staff and 4 casual employees in our Skilled Migration team transferred to the Department of Training and Workforce Development.