

Mr Dan Barron-Sullivan; Ms Margaret Quirk; Chairman; Mr Tony McRae; Mr Max Trenorden; Mr Mick Murray

Division 62: Small Business Development Corporation, \$11 165 000 -

Mr P.B. Watson, Chairman.

Ms M.M. Quirk, Minister for Small Business.

Mr S. Moir, Acting Managing Director.

Mr R.H. Buttsworth, Director, Corporate Resources.

Mr D.F. BARRON-SULLIVAN: I turn the minister's attention to page 1081, service 1, "Information, Guidance, Referral and Business Development Services". Under the Small Business Development Corporation Act, the Small Business Development Corporation can do a couple of things that are funded from this area. Of its own motion, it can make recommendations, tender advice and make reports to the minister or her predecessors on any matter or thing relating to or affecting small business. Also, at the request of the minister or one of the minister's predecessors, the SBDC can investigate any matter affecting small business referred to it by the minister and report to the minister thereon. The minister may not know off the top of her head the answer to my two questions. What reports has the Small Business Development Corporation given either the minister or her predecessor over the past year in accordance with those parts of the act? What advice has the Small Business Development Corporation given to the minister or any of her predecessors specifically about the deregulation of liquor licensing laws in Western Australia?

Ms M.M. QUIRK: To my recollection, I have neither received nor sought any advice on that. By way of providing supplementary information, we will need to make some inquiries about any actions taken by my predecessors.

Mr D.F. BARRON-SULLIVAN: In relation to liquor licensing, can any of the minister's officers advise whether the corporation gave either the minister or the previous ministers any advice on that matter?

Ms M.M. QUIRK: We will provide that information as supplementary information. Our initial view is that no advice was given but we will check that.

Mr D.F. BARRON-SULLIVAN: Is it correct that the corporation is the government's primary, if not only, source of policy advice relating to things that impact on small business?

Ms M.M. QUIRK: The member is aware that that is part of the process of a submission going to cabinet. Obviously, I cannot disclose what goes to cabinet. One of the items which must be considered and which involves consultation is the impact a matter will have on small business. To that extent small business would have been involved and the Small Business Development Corporation would have been involved in proffering advice. Similarly, either I or my predecessor - probably my predecessor - may well have signed off on some information provided to cabinet. It is incorrect to say that because no report was sought, there were not other processes.

Mr D.F. BARRON-SULLIVAN: I am aware of the situation of cabinet submissions. We have been through that before.

The CHAIRMAN: Can I reiterate what supplementary information the member was seeking?

Mr D.F. BARRON-SULLIVAN: Over the past 12 months, what reports have been given to the minister in accordance with the Small Business Development Corporation Act either as a result of a motion moved by the SBDC or at the request of the minister in relation to matters that affect small business?

Ms M.M. QUIRK: Is the member referring to those reports that are said to be explicitly pursuant to the Small Business Development Corporation Act?

Mr D.F. BARRON-SULLIVAN: It is a shame that I do not have the act with me. It is section 11(2)(b) and (c).

[*Supplementary Information No A14.*]

Mr D.F. BARRON-SULLIVAN: What advice did the SBDC give either the minister or her predecessors about liquor licensing?

Ms M.M. QUIRK: "Whether advice", not "what advice". I would not provide that information as supplementary information. The question you asked was -

Mr D.F. BARRON-SULLIVAN: There is nothing stopping the minister from doing that. If it is a cabinet submission, the minister cannot give it to me.

Ms M.M. QUIRK: I would have some difficulty with doing that in any event.

Mr D.F. BARRON-SULLIVAN: Why?

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Ms M.M. QUIRK: I would have some difficulty in any event.

Mr D.F. BARRON-SULLIVAN: Why? It is a normal act of the SBDC in accordance with the act. Unless the minister is worried about what was said -

Ms M.M. QUIRK: I would not make that undertaking until I had seen the advice.

Mr D.F. BARRON-SULLIVAN: The minister wants to make sure it is not the advice that she does not want me to see.

The CHAIRMAN: Will the minister not provide supplementary information for that question?

Ms M.M. QUIRK: No. I am happy to confirm whether advice was given and the member can take whatever means are necessary to secure that advice, but I am not prepared to tell the member that I will give him advice holus-bolus before I have looked at it.

Mr A.D. McRAE: I refer to the skilled migration unit regarding major policy decisions on page 1081. I note the allocation for the coming financial year of \$800 000 for that unit. Western Australia's current unemployment rate is 2.7 per cent. Therefore, the retention of skilled and capable people is probably one of the most vital ingredients for small business in Western Australia today. I am keen to understand what are the key criteria for measuring the outcomes of the expenditure of \$800 000? How will we measure whether the expenditure of that \$800 000 is delivering to small businesses in Western Australia? Small businesses understand the cost inputs into their services and the competitive pressures that are placed on them. The resource sector in particular is probably offering high wages to poach a number of skilled labourers out of small businesses. How is this \$800 000 going to be measured so that we can determine whether skilled migrants are coming to Western Australia, and how can we measure the retention of those people in the small business sector?

Ms M.M. QUIRK: The member is correct that small business cannot offer the same rates of pay that big business can. Small businesses are losing staff and skills and are finding it very difficult to recruit. I am getting feedback from small business that growth has been hampered by its inability to attract and retain staff.

Mr A.D. McRAE: Is there any research on that or is it anecdotal evidence?

[12.50 pm]

Ms M.M. QUIRK: A lot of it is anecdotal evidence. SBDC regularly surveys business and certainly in my short time as minister I have had very robust feedback from small business. We took action to address skills shortages and help business share in the economic boom by establishing a state migration centre within the SBDC, the idea being to attract skilled migrants to WA. We have been responsible for this program since 1 July 2006. We combined the skilled migration unit with the SBDC business migration program to form the State Migration Centre. In 2007-08 we intend to visit the prime markets of India, Europe and Asia to participate in expos and seminars to attract skilled migrants to WA. The target for this financial year is to sponsor 1 200 skilled migrants into the state. We are also going interstate and we have had a major advertising blitz in the eastern states to attract skilled workers to Western Australia. These are promoted through major expos in Melbourne and Sydney and part of that is the successful and ongoing Go West Now campaign. We are also working with industry to train 33 000 apprentices and trainees by 2009, with special emphasis on areas of skill shortage. Mr Moir can probably provide more information about the key indicators that we look for to see whether the program is successful.

Mr S. Moir: The Small Business Development Corporation actively works with a number of other key industry groups and also public sector agencies. For example, in Melbourne two weeks ago we had the health department, police department and the Chamber of Commerce and Industry of Western Australia with us to attract skilled migrants. Although we have a personal target of 1 200 skilled migrants in the next 12-month period, we also look to promote so that other employer groups such as the Chamber of Commerce and Industry or the Chamber of Minerals and Energy of Western Australia also can attract people in addition to those 1 200. Overall, we would be looking at making an impact on the direct skill shortages we are experiencing in Western Australia.

Mr A.D. McRAE: How many of the 1 200 skilled migrants who are being targeted are coming from overseas and how many are from within Australia? Of the overseas migrants, how many would be subclass 457 visa holders, and in which particular skill categories? Finally, how will the department ensure, because this is a problem, that the stated skills for the subclass 457 visa holders meet Australian standards?

Ms M.M. QUIRK: The 1 200 are all from overseas and skilled. None of them is a 457 visa holder. Mr Moir can answer the additional questions.

Mr S. Moir: All migrants coming to Australia who are listed as skilled have to pass the trade recognitions assessment program to ensure that they have the relevant qualifications. Similarly, for instance, teachers have to

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be at a level assessed by the education system in Western Australia to ensure that we have the appropriate qualities coming through. In relation to interstate migration with Go West Now, we did more than 2 000 consultations in Melbourne over the two-day period of that expo. We see the eastern states as being a particularly strong market given that two of the states are not performing as strongly as Western Australia at the moment.

Mr M.W. TRENORDEN: My electorate is on fire and a lot of small business operators are popping out of the woodwork there. It seems the business enterprise centres have been decimated in my area and the services to small businesses have been slashed. I refer to the third dot point on page 1084 that refers to the Small Business Centre model, which I have never heard of. I am just wondering whether I can get some services back into my electorate. So that the minister knows what I am talking about -

Ms M.M. QUIRK: I know exactly what the member is talking about. I am looking for the answer.

Mr M.W. TRENORDEN: York, Beverley and those places are growing strongly. Small business operators are moving out of the metropolitan area and trying to establish in most towns. The pressure for services is right on.

Ms M.M. QUIRK: Nineteen of the 26 business enterprise centres that we fund are in regional areas. The vast majority of the funding reflects that.

Mr M.W. TRENORDEN: I am not going to debate that point but my fastest growing centre was slashed and burned. I refer to York-Beverley-Pingelly. It was just cut out. The wheatbelt centre was cut as well. The surviving centre, in Northam, is now servicing what used to be three areas. I am talking about my electorate. Whereas my electorate was serviced by two very good offices, which in my view and in the community's view were performing well, there is now only one office, but the effort required in my electorate has gone through the roof.

Ms M.M. QUIRK: I have some figures in front of me finally. I am sorry the member had to wait for the answer. The member is referring to the establishment of the central zone business enterprise centre that attaches to the wheatbelt. The funding for that has increased from \$540 000 to \$634 000 in 2006-07, and will further increase to about \$653 900 in 2007-08. Under this new model, BECs have funding that ensures that they are able to provide better services. Of particular interest to the member, his Small Business Centre - which admittedly he will say is not local, but it covers his electorate - was responsible for the establishment of 31 new business start-ups, 48 full-time jobs and seven part-time jobs in 2006-07.

Mr M.W. TRENORDEN: I will just make one point and then leave it because we are running out of time. What the minister has described is a significant slashing of services in my electorate. There is an increase of \$100 000 and whereas previously there were two BECs, there is now one. The workload the minister has just referred to is correct. I have come out of that process in my electorate very badly. I would like someone to look at it now that the program has finished. As the minister will know from her visit, my electorate is on fire, particularly in the small business area. The minister is right about the 31 new business start-ups, but the centre is handling only the amount of work that can be handled; it is not coping with the task it faces. Previously, the funds allocated to my electorate were between \$700 000 and \$800 000, but the amount has gone down to \$600 000.

Ms M.M. QUIRK: I will refer that to Mr Moir, but in the grilling I got when I was in York, about 80 per cent of the questions were not to do with small business but related to infrastructure issues.

Mr S. Moir: The corporation is monitoring very closely the performance of all 26 small business centres across the state to ensure that they are living up to the contract we now have with them. The contract that was introduced as part of this Small Business Centre program is far more rigid in terms of performance requirements for each of these centres. Part of that measurement is to talk extensively with stakeholders. I must say that the feedback we have had to date from stakeholders, particularly around the York area, is that a level of satisfaction is coming through.

Mr M.W. TRENORDEN: Have you tried Beverley and Pingelly?

Mr S. Moir: Yes, I have.

Mr M.W. TRENORDEN: I am getting a different message.

Mr S. Moir: We particularly talk to local government during that process because local government was clearly the most effective, or certainly the most vocal part, of the groups that were telling us as a result of the review what their areas of disappointment were. As I said, we are monitoring it very closely and keeping the minister apprised of the performance. We will do that on an ongoing basis to make sure that these centres, which have been much better resourced out of this program, are delivering the service to small business.

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Mr M.W. TRENORDEN: I totally disagree, but we will leave it at that, minister.

The CHAIRMAN: We have two minutes left. The member for Collie-Wellington has surfaced.

Mr M.P. MURRAY: I refer to the first dot point on page 1084 of the budget papers under “Major Initiatives For 2007-08”. It states that the SBDC plans to increase investment into Western Australia by attracting more business migrants through participating at international migration expos and seminars. Will the minister please advise how the state determines which markets to target and how successful the program has been?

Ms M.M. QUIRK: I know from my own experience that it is very successful. For example, I was recently on a trip to China and reported in this place that we attracted over \$72 million worth of prospective investment from business migrants. As I said earlier, we are expanding in other markets as well, such as India, South Africa and Europe. We are targeting people who want to invest and come here as business migrants. The important thing to remember is that a lot of these people, especially those from China, want to set up businesses and export back to China, so that will further expand our growth there.

The appropriation was recommended.

Meeting suspended from 1.00 to 2.00 pm