

# Small Business Development Corporation

Annual Report 2003-04



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Tim Atterton

## chairman's report

Data available from the Australian Bureau of Statistics, which monitors trends in the business population, continues to confirm that the small business sector in Western Australia is diverse, vibrant and growing. The growth in the number of small businesses in Australia as a whole has slowed over the past two years to an average of 0.7 per cent per annum; however, the number of small businesses in WA has increased by 2.8 per cent per annum over the past two years. There are now a total of 139,500 small businesses across the State and 193,500 small business operators. Western Australia recorded the second highest average annual increase in 'small business stock', while a number of other states and territories recorded no growth or negative growth. The greatest growth was recorded in non-employed businesses, with these businesses now comprising 62 per cent of the State's total small businesses. From a small business support perspective, it is interesting to note that 51 per cent of all small businesses in the State have been operational for less than five years; 72 per cent are home based; 33 per cent are run by women; and 39 per cent of business operators were born overseas. All of these positive statistics are provided against the backdrop of a very healthy State economy that recorded around 6.8 per cent growth during 2003–04.

The Small Business Development Corporation (SBDC) continues to respond passionately and enthusiastically to the challenge of championing the cause of small businesses in Western Australia by offering practical, relevant programs and services that respond to their development needs. In addition to its core policy, advocacy and business support services, the SBDC launched a range of innovative new initiatives during 2003–04 that were designed to support small businesses as their operating environment became more complex and uncertain. These new initiatives included the launch of two Internet-based networks for home based businesses and young entrepreneurs under the age of 25. The immediate response to these initiatives has been tremendous, with more than 1,500 business operators subscribing to these new networks within the first few weeks of their respective launches. Further new developments include initiatives targeted at mature-age business entrants, first-time exporters, and the retail and tourism sectors. In common with our target small business audience, the SBDC appreciates the necessity to be fleet-footed and innovative. In this respect, it is important that we identify changes in our own marketplace and respond accordingly.

In particular, the provision of support for business migrants into Western Australia has become a significant proportion of our activity base. During the past year, more than 300 migrants were assisted to relocate into the State from many overseas locations. These new business operators make an immediate and substantial contribution to our growth and prosperity. They transfer significant sums of money into our economy, create sustainable employment opportunities and many enter export markets almost immediately. These new entrants to our small business community are most welcome, and it is pleasing to report that WA continues to lead the rest of the country in terms of promoting business migration.

From a service delivery perspective, it would be remiss of me as chair of the corporation not to thank all the representatives from the Statewide network of Business Enterprise Centres (BEC) and their external stakeholders for their invaluable contribution to the recent review of the BECs. The BEC network across the State has been operational for many years and provides valuable, and in many ways unique, support and assistance to small businesses in both metropolitan and regional areas. In common with all other organisations, though, a regular strategic review is essential. Stage one of the BEC review was achieved with minimal disruption thanks to the contribution of all concerned. We look forward to implementing stage two during the next 12 months to the long-term benefit of both the BECs and their clients. I have no doubt that the successful implementation of stage two recommendations will lead to a more sustainable and dynamic network that responds fully to the identified needs of small businesses in local communities.

Of course, there are always matters of concern to the small business sector. We continue to liaise closely with all trade and membership groups on a regular basis to identify barriers to success and, hopefully, to influence the introduction of positive and timely solutions. Current examples of issues that impact negatively on the performance of small businesses in Western Australia would include trade and skills shortages, possibly unfair competition and trade practices, and the sharp rise in insurance premiums.

In closing, I would like to acknowledge the contribution of the Hon Bob Kucera MLA, the Minister for Small Business, and his departmental staff for their support over the past year. The Minister has great empathy and passion for small business and works tirelessly in our cause. I would, also like to express my sincere gratitude to my fellow SBDC board members for their whole-hearted contribution in providing strategic direction and guidance to the SBDC during 2003–04. Finally, it would be negligent of me not to acknowledge the passion, commitment, hard work and sheer enthusiasm of the SBDC team. The past year has been hectic, mainly due to the high level of new initiatives and activities that needed to be developed and tested before being disseminated across the State. Without exception, the SBDC team responded positively to the challenges and frequently delivered results beyond my expectations and under difficult circumstances. Congratulations to them all!

Tim Atterton  
Chairman  
Small Business Development Corporation

## Managing Director's Report



George Etrelezis

Despite the challenges of rising oil prices, competition from big business and uncertainty about interest rates and world economies, the Western Australian small business sector showed great resilience this financial year.

Economic growth, business investment, strong exports and confident consumer sentiment all had a positive impact on small business. Complementing these external factors was the positive environment created by the State Government, through the Small Business Development Corporation (SBDC).

The year was characterised by the SBDC developing programs to empower our clients through skills development and, at the same time, creating opportunities for them to 'connect' with each other. Always responsive to the needs of the marketplace, initiatives developed by the SBDC included those aimed at retailers, home based business operators, small business operators in the tourism industry, young business entrepreneurs and mature-age entrants to the small business sector.

### Changes in Service Delivery

As small business operators change the way they do business, so too does the SBDC change its method of program delivery. In direct response to the State's strong growth in the number of home based business operators, the SBDC set out to develop a specific program to support them. The result was a multi-faceted program offering information and guidance, aptly named the Home Based Business Network. The highlight of the program was an interactive online forum. A first for the SBDC, the online forum encourages small business operators to interact and share ideas and experiences in a way that isn't normally possible when working from home.

As web-based initiatives are a preferred method of communication for 18 to 25 year-olds, it made sense for an interactive online forum to also be included in the Young Business Network. Replacing the b.generation website, the Young Business Network boasts more comprehensive information, news and events. It also includes a showcase of success stories to inspire other young business operators.

Acknowledging that the strongest growth across the different age groups for small business operators has occurred in the over 50 age group, the SBDC launched the *Wise moves: a practical kit for mature aged small business entrants* publication in June 2004. The aim of the publication was not to promote mature-age entry into the small business sector, but rather to draw attention to the challenges ahead. It encourages potential small business operators to thoroughly address their business proposal before making an emotional and financial commitment.

Another highlight for the sector was the inaugural Western Australian Regional Small Business Awards. Developed for the existing regional small business awards programs to feed into, this initiative succeeded in raising the profile — and pride — of regional small business operators.

### Innovative Workshops

Two other important initiatives were the development of workshop programs for small business operators in the tourism industry and retailers in small shopping centres and strips.

The Tourism Today Workshop was a successful joint initiative of the SBDC and the Western Australian Tourism Commission (WATC). It's a reality that our State's tourism sector has been impacted by events such as international acts of terrorism and the SARS virus. The Tourism Today program was developed to assist small tourism operators improve their performance and get the most out of their business through the development of marketing, selling and customer-service skills.

The Supa Shop program was developed in direct response to the needs of retailers in small suburban and regional shopping centres and strips. By learning how to up-skill, retailers improve their own viability at the same time as they contribute to the ongoing vitality of their shopping precinct.

The Tourism Today and Supa Shop workshop programs complement the existing Ca\$hflow Today and Marketing Today workshops already delivered by the BEC network.

### Small Business Advocacy

The SBDC strongly supported and represented the views of WA small businesses at both the state and national levels during 2003/04 by making submissions to a number of government reviews and proposals on a range of issues.

In particular, the debate over the effectiveness of the *Trade Practices Act 1974* (TPA) in protecting small businesses was a significant issue for the small business sector during the year and was the subject of an inquiry by the Senate Economic References Committee. The need to ensure that small businesses are able to compete on a level playing field was promoted by the SBDC in its submission to the inquiry, as was the need for the TPA to better protect small businesses from misuse of market power and predatory pricing conduct by large companies.

The Small Business Advocacy Service complemented our support services for individual small businesses by helping them deal with government agencies and investigate specific issues. The service also provided a valuable avenue to identify red tape and government regulation affecting small business operations.

### Recognition

It is also timely to acknowledge the contribution of the volunteer chairpersons and committees who guide the delivery of services of the Statewide Business Enterprise Centre (BEC) network. In wake of the BEC Review, it has been a challenging year for BEC volunteers and staff and I commend them for their patience and stoicism throughout this difficult process.

A special thanks to the sponsors, associations and individual small business operators who have contributed to our achievements this year. We value both their input and their feedback and we look forward to forging even stronger relationships in the year ahead.

The SBDC's success at developing programs in response to the needs of the sector is directly linked to the strategic direction provided by our board. Complementing the board's dedication is the enthusiasm and expertise of the SBDC staff in the development and delivery of the programs. The staff have worked tirelessly and with great spirit in serving our small business clients. Their dedication and commitment to the task at hand is a credit to them all.

George Etrelezis  
Managing Director  
Small Business Development Corporation

## SBDC's role, vision and mission

### our role

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

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

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

### our vision

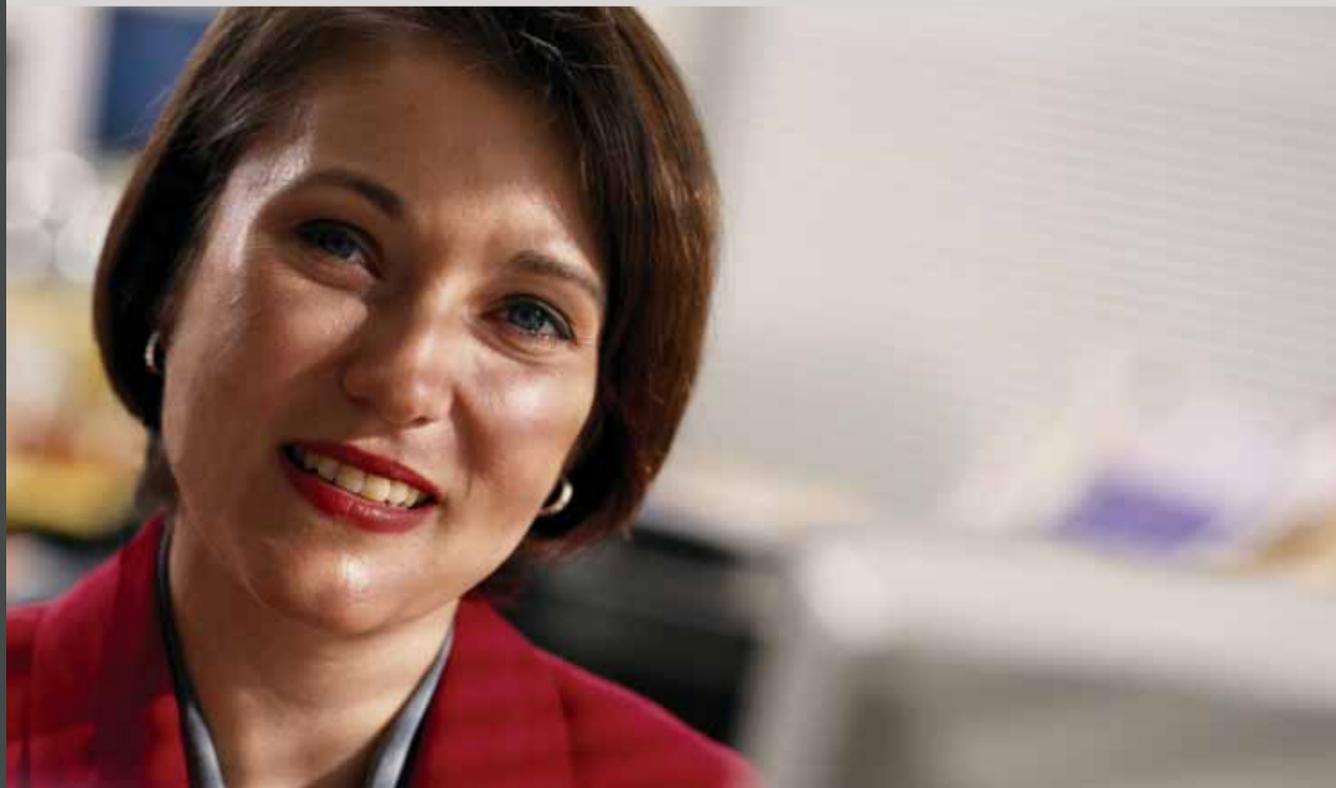
Our vision is to be the driving force in the realisation of small businesses as major contributors to the State's economy.

### our mission

Our mission is to create opportunity and wealth for small business in Western Australia.

### our values

We are independent, innovative and responsive. We provide a rewarding, stimulating and enjoyable workplace.



## An overview of the Western Australian small business sector

### at a glance

- There are 139,500 small businesses in WA.
- These businesses are owned and run by 193,500 people.
- The number of WA small businesses grew by an average annual rate of 2.8 per cent between June 2001 and June 2003.
- In WA, around 100,000 small businesses are operated from or at home.
- 25,051 new business names were registered in WA in 2003-04, and 32,648 business names were renewed.
- The Internet is accessed by 62 per cent of WA small businesses.
- Small businesses make up over 40 per cent of Australia's goods exporters.



### small business growth

The number of small businesses in WA is continuing to climb, according to the latest figures from the Australian Bureau of Statistics (ABS).

At June 2003, there were 139,500 small businesses in WA. This represented an annual average increase of 2.8 per cent over the two years from June 2001. This rate was second only to that recorded by Victoria and well above the national average annual rate of 0.7 per cent.

The reporting period June 2001 to June 2003 included a number of significant events such as the SARS outbreak, the collapse of Ansett Airlines, drought and international economic and political instability. In light of these events, WA's small business growth is remarkable.

Approximately 62 per cent of WA small businesses were non-employed, 28 per cent employed 1-4 people, and 10 per cent employed 5-19 people.



Source: ABS Cat. No. 8127.0





### Ethnicity

As at June 2003, 39 per cent of WA small business operators were born overseas.

This proportion was higher than in any other State or Territory.

The average annual increase in the number of overseas-born operators, between June 2001 and June 2003 was 4.9 per cent. Once again, this is higher than in any other State or Territory.

Source: ABS Cat. No. 8127.0

From 1 July 2003 to 30 April 2004, approximately 30 per cent of all offshore business migrants arriving in Australia came to WA, the highest in the country.

### Gender

The number of women operating a small business in WA remained almost constant between June 2001 and June 2003. At June 2003, 63,600 WA women owned and ran their own small business, only slightly down from 64,300 in June 2001.

One-third (33 per cent) of all people operating a small business in June 2003 were women.

Source: ABS Cat. No. 8127.0

### Employment

Small businesses in WA employ around 364,000 people. (This includes both small business operators and employees.)

The small business sector in WA accounts for approximately half of all private-sector, non-agricultural employment.

Source: ABS Cat. No. 1321.0

### Small Business Operators

A small business operator is a person who owns and runs a small business. This includes the proprietor of a sole proprietorship, the partners of a partnership and the working directors of an incorporated company.

In June 2003 there were 193,500 small business operators in WA. (Because a small business may have more than one operator, or because a person may own and run more than one business, the number of small business operators differs from the number of small businesses).

Over the two years from June 2001 to June 2003, the number of WA small business operators increased by an average annual rate of 1.9 per cent. This was the second-highest rate, after Victoria, and was well above the national rate, which declined, on average, by 0.2 per cent.

Source: ABS Cat. No. 8127.0



The Home Based Business Network was launched at the Constitutional Centre of WA in June 2004.

## home-based businesses

In WA, approximately 100,000 small businesses operate either at home or from home. In June 2003, these businesses represented 72 per cent of all WA small businesses.

WA recorded Australia's greatest average annual increase in home-based business numbers (6.8 per cent) over the two year period June 2001 to June 2003. The national average annual increase in home-based business numbers was just 0.4 per cent.



Around one-quarter (24 per cent) of home-based businesses in WA employ at least one employee, and 45 per cent have been in operation for five or more years. More than half (59 per cent) of all WA home-based businesses have access to the Internet.

Source: ABS Cat. No. 8127.0

## home-based business operators

In June 2003, 126,500 people in WA owned and ran a home-based business. There was an average 5.2 per cent per annum increase in the number of WA people operating a home-based business between June 2001 and June 2003. This was the highest increase in the country.

Home-based business operators represent 65 per cent of all WA small business operators.

Home-based business operators were predominantly male (69 per cent), and 38 per cent were born overseas.

Source: ABS Cat. No. 8127.0

## exporting

In 2002–03, over 40 per cent of Australia's goods exporters were small businesses with fewer than 20 employees, an estimated annual turnover of less than \$1 million and exports of less than \$1 million. These businesses contributed \$1.1 billion to Australia's goods exports.

Source: ABS Cat. No. 5368.0

Austrade research indicates that small and medium enterprises are the main growth sector of the exporter community.

Source: Australian Trade Commission



## internet use

The Internet was accessed by 62 per cent of WA small businesses in June 2003, up from 53 per cent in June 2001.

As the size of businesses increased, so did the likelihood that they had access to the Internet. 52 per cent of non-employing businesses had access, while 86 per cent of businesses with 5–19 employees had access.

The major uses of the Internet were:

- email (53 per cent);
- research (50 per cent); and
- making or receiving payments (32 per cent).

Source: ABS Cat. No. 8127.0

## industries

In WA, the industries contributing the highest number of small businesses are:

- property and business services (approx 22 per cent);
- construction (approx 18 per cent);
- retail trade (approx 16 per cent);
- manufacturing (approx 8 per cent); and
- transport and storage (approx 7 per cent).

Source: ABS Cat. No. 1321.0



## what is a small business?

A business is generally regarded as small if it has the following characteristics:

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

For statistical purposes, small businesses are identified as those businesses that employ less than 20 people.

Non-employed businesses are those that are sole proprietorships or partnerships, and do not have any employees.

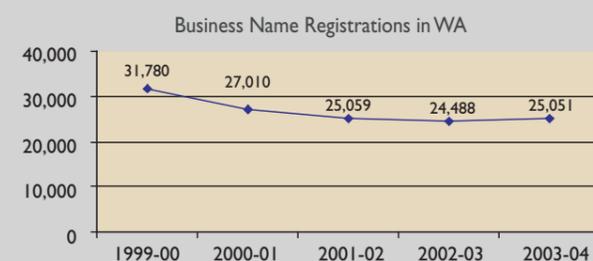
Micro-businesses are those that employ less than five people. This includes non-employed businesses.

Agricultural businesses are not included in statistical small business counts.

All data contained in this section that is sourced from the ABS is based on the above definition of a small business and is used with the permission of the ABS.

## business name registrations

As of 30 June 2004, 181,823 business names were registered with the Department of Consumer and Employment Protection. A total of 25,051 new business names were registered in WA in 2003–04, and 32,648 business names were renewed.



In 2003–04, the number of new business names registered in WA regions were:

- South West: 1,586
- Peel: 943
- Wheatbelt: 700
- Great Southern: 570
- Goldfields–Esperance: 428
- Mid-West: 384
- Kimberley: 336
- Pilbara: 295
- Gascoyne: 103

The rest of the new business names registered (19,706) were in the Perth metropolitan area.

Source: Department of Consumer and Employment Protection (WA)

### References

Australian Bureau of Statistics,

— *Characteristics of Small Business, 1999* (Cat. No. 8127.0)

— *Characteristics of Small Business, 2003* (Cat. No. 8127.0)

— *International Trade in Goods and Services, 2003* (Cat. No. 5368.0)

— *Small Business in Australia, 2001* (Cat. No. 1321.0)

Department of Consumer and Employment Protection, *Registration Services* (WA)

Harcourt T, 2004, *Tracking the numbers – How did the Australian exporter community fare in 2002–03*, Australian Trade Commission, Canberra, viewed 22 July 2004 ([www.austrade.gov.au](http://www.austrade.gov.au)).

## output measures

The mission of the Small Business Development Corporation (SBDC) is to create opportunity and wealth for small to medium sized businesses in Western Australia.

The following table shows how SBDC supports the broad, high-level government strategic goal with its more specific desired outcome and output.

Government Strategic Goal	Desired Outcome	Output
To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australia by creating the conditions required for investment and growth.	Development of new and existing small business in Western Australia.	Information, guidance, referral and business development services.

For this financial year, the SBDC achieved the desired outcome through the provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia.

### OUTPUT PERFORMANCE MEASURES

	2002 / 03 Actual	2003 / 04 Target	2003 / 04 Actual
<b>Quantity</b>			
Clients – direct advice <sup>1</sup>	116,747	120,000	135,718
Clients – indirect advice <sup>2</sup>	37,484	38,000	50,534
Grants given <sup>3</sup>	303	40	36
Clients of Business Enterprise Centres	115,140	115,000	117,339
Unit of policy advice	1	1	1
<b>Quality</b>			
Satisfaction with services <sup>4</sup>	90%	90%	90%
<b>Timeliness</b>			
Satisfaction with services	90%	90%	90%
<b>Cost<sup>5</sup></b>			
Average cost per direct client contact	\$37.02	\$35.90	\$31.16
Average cost per indirect client contact	\$3.00	\$3.33	\$2.91
Cost of average grant per client <sup>6</sup>	\$3,222.52	\$3,668.59	\$1,478.45
Average cost per BEC client contact	\$29.35	\$32.60	\$30.10
Cost per unit of policy advice	\$897,304	\$992,907	\$893,736

<sup>1</sup> Direct clients include those who used the Small Business Services, the Business Information and Licence Centre, attended workshops, contacted the Policy and Business Liaison unit, those who visited the SBDC web-site for four minutes or more, visited the Business Licence Information Service website for two minutes or more or were Home Based Business or Young Business Network members.

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

<sup>3</sup> Grants given were for the Business Innovation Development Scheme and Business Migrant Incentive Program. The reduction in grants in 2003/04 relates to the cessation of the Small Business Improvement Program.

<sup>4</sup> This figure was obtained from Client Surveys conducted by independent research company Research Solutions Pty. Ltd in February and June 2004 with 600 men and women who have used the SBDC and BEC services.

<sup>5</sup> Based on a total accrual cost of \$8,854,491.

<sup>6</sup> Grant commitments valued at \$117,562 under the Small Business Improvement Program in 2002/03 were reduced or terminated in 2003/04. This amount was subsequently reversed in 2003/04 resulting in a significant reduction in the cost of average grant per client.



## small business services

The role and function of the Small Business Services (SBS) team is to support the establishment and growth of small businesses in Western Australia. The SBS team provides information and professional guidance on starting and developing a business.

During 2003–04, the SBS team also developed and introduced a series of new specialist programs to expand the knowledge – and boost the skills – of small business operators. These included the introduction of the Home Based Business Network and the Young Business Network to the SBDC's suite of online products. Another initiative was *Wise moves: a practical kit for mature aged small business entrants*.

### Business Information and Licence Centre (BILC)



The key source of Western Australian small business information is the Business Information and Licence Centre (BILC). The BILC is a one-stop service for all information and licensing requirements on starting, buying and growing a business. The service can be accessed by visiting the SBDC's shopfront at 553 Hay Street, Perth. Alternatively, the service can be contacted by calling 9220 0222. (Country callers can call toll free on 1800 199 125.)

The BILC has one of the State's largest range of business publications on how to start, buy or improve a business. A range of free business research material is available, including the IBISWorld database of Australia's business industries.

Demand for the BILC's services continued to grow last year, with more than 37,000 telephone and in-person enquiries.

As part of a continuing agreement with the Australian Taxation Office (ATO), an officer is available to provide specialist business taxation information and advice in the BILC. In the past year, more than 4,100 SBDC clients accessed this service.

#### Best Selling Publications

The BILC stocks publications on all aspects of starting, operating and growing a small business, particularly those written by Australian and Western Australian authors. The BILC also stocks specialist publications produced by the SBDC. The range includes more than 200 titles, some of which are available at no charge.

Sales from the BILC and the online bookshop for 2003–04 topped \$126,000, an increase of eight per cent on the previous year. The best selling publications for the year were all written and produced by the SBDC:

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

#### Business Licence Information Service

The Business Licence Information Service (BLIS) provides up-to-date information on Commonwealth, State and local government authority licences or permits that may be required to operate a business. The service now has information on more than 6,000 licences and permits.

During 2003–04, more than 21,000 enquiries were processed through BLIS. This represents an increase of nearly three per cent on the previous year. This increase was largely due to the growing popularity of the SBDC's internet licence service ([www.licence.sbdc.com.au](http://www.licence.sbdc.com.au)). This service provides clients with 24 hour access to the information they need and now accounts for around 66 per cent of all BLIS enquiries.

#### Business Innovation Development Scheme

The Business Innovation Development Scheme (BIDS) is available to potential and existing small businesses and individuals to assist them to commercialise an invention or new technology. The scheme provides access to advice from specialist private sector consultants and mentors to advance the commercialisation process.

A group of BIDS clients was invited to display their products at the 2004 Small Business Opportunities Expo. These included businesses and individuals involved in furniture manufacturing, plastic pot recycling, display shelving for disks and videos, and boat transportation.

#### Business Migration into Western Australia

In 2003–04, Western Australia was ranked as the number one destination for business migrants coming to Australia. Of the 1,819 business skills visas approved by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) for Australia, 492 (27 per cent) visas were allocated to business migrants relocating to Western Australia.

Under the revised business skills visa criteria introduced by DIMIA in March 2003, state and territory governments now play a much bigger role in attracting business migrants through sponsorship.

During the past year, 306 state sponsorship applicants were approved for Western Australia. If all of these business migrants take up their visas, the result will be a capital inflow of more than \$390 million into the State over the next three years. Other major economic benefits will include:

- investment in business of more than \$177 million;
- creation of more than 1,100 new jobs;
- 85 new businesses generating export income from the sale of Western Australian products or services; and
- investment in regional WA economies of around \$60 million.

The impact on the State's economic wellbeing — in terms of new capital, business establishment, export income and job creation — will be further enhanced this financial year as an additional 74 business migrants without sponsorship have formally expressed their interest in relocating to Western Australia.

Most of the sponsored business migrants are from the UK, representing around 31 per cent of the total for the past year. The second most important business migration market was China with 18 per cent. This was followed by Singapore (13 per cent), Malaysia (eight per cent) and South Africa (six per cent).

The businesses being established or purchased by business migrants are diverse. They range from accommodation, cafes, retail and restaurants through to agriculture, communications, construction and mining.

Demand for assistance in relocating to Western Australia as a business migrant has continued to increase. During 2003–04, the SBDC responded to more than 5,200 contacts from around the world. This was an increase of some 1,600 enquiries, or 31 per cent, on the previous year.

The SBDC's Business Migrant Incentive Program was also used to attract business migrants into regional areas of Western Australia. The program provides a financial contribution of up to \$1,500 to develop a business or investment proposal in a regional area.

of the State. During the year the SBDC provided assistance totalling \$22,500 to 15 approved clients.

The SBDC has undertaken a number of promotional initiatives to attract business migrants to Western Australia. These have included leading a delegation to participate in the UK Emigrate 2004 Expo, participating in DIMIA open days in China, and producing a new video and disk to promote the economic, business and lifestyle benefits of Western Australia.

The marketing program for 2003–04 included working with the Migration Institute of Australia, ethnic business associations and DIMIA to create awareness of the SBDC's migration and business development services and arranging for business migrant success stories to appear in local and overseas print media. The SBDC has also provided promotional material for a network of international migration agents and the State's Overseas Trade and Investment Offices to showcase the business and lifestyle attributes of Western Australia.

#### Commercial Tenancy

The SBDC Commercial Tenancy Service offers awareness, information and guidance on the Commercial Tenancy (Retail Shops) Agreements Act 1985 and all aspects of negotiating and leasing a commercial premise.

In 2003–04, the SBDC responded to more than 3,200 commercial tenancy enquiries. Assistance was sought on a wide range of matters, with particular emphasis on:

- starters' advice;
- operating expenses of the landlord paid by the tenant;
- rent and rent reviews including a 'CPI plus' factor;
- termination of tenancies;
- disputes over repairs and maintenance; and
- exercising options and rights of renewal.

The SBDC also assisted clients seeking to resolve disputes through the low-cost mediation facility for tenants and landlords available through the Commercial Tribunal. Some 130 clients were assisted with their applications to the tribunal.

#### E-Commerce

The SBDC e-commerce service is designed to encourage small business operators to adopt e-commerce to improve the efficiency and effectiveness of their business. The service provides online information and skills development, including e-

commerce case studies. The service is supported by the availability of e-commerce guidance through in-person appointments or over the telephone.

The e-commerce service complements the suite of SBDC online products targeting start-up, trading and marketing.

To encourage small business operators to incorporate e-commerce into their day-to-day operations and introduce them to the online learning products available through the corporation, the SBDC also conducted five e-commerce workshops in metropolitan and regional locations in Western Australia. These workshops were held at Christmas Island, Joondalup, Northam, Broome and Derby.

Despite the increased affordability and uptake of Internet broadband, there is still a need to promote the benefits of e-commerce to small businesses so they will adopt this technology.

#### Facilitating Business Development Opportunities: Wood Manufacturers' Tour

In March 2004, the SBDC — in conjunction with the South West Development Commission — held a wood manufacturers' tour of Western Australia's South West. An initiative of the Minister for Small Business, the tour aimed to build relationships between the State Government, timber-mill operators and the small businesses that are the end users of the resource.

The tour brought together small business furniture manufacturers and timber-mill operators to enhance their understanding of changing supply regimes. Participants were offered the opportunity to network and develop partnerships between supplier and customer and between miller, furniture maker and cabinet maker. The tour also provided an opportunity for participants to discuss issues relevant to the timber-manufacturing industry so as to establish stronger links in the supply chain. In total, 16 participants joined the three-day tour and visited seven timber-producing businesses.

Participants agreed that the tour provided a useful insight into the diversity of timber-producing businesses in the area. Furthermore, it generated a better understanding between producers and manufacturers.

#### Franchising

Per capita, franchising is more popular in Australia than anywhere else in the world. Strong growth in the sector was experienced again in 2003–04 and growth is expected to remain at a rate of four per cent per annum for most of the decade. This is faster than the predicted rate of growth of Australia's GDP.

The franchising sector continues to grow in importance to the economy. There are now about 850 franchise systems in Australia with a combined annual turnover of \$80 billion. In Western Australia there are over 6,200 franchise outlets representing around 11.5 per cent of all outlets in the country.

In 2003–04, more than 400 clients sought SBDC guidance on buying a franchise, franchising an existing business, or settling disputes between franchisees and franchisors. Comprehensive information on franchising is also available online through the SBDC website.

#### Home Based Business Network

Home based businesses are booming in Western Australia. In fact, 72 per cent (100,000) of Western Australia's 139,500 small businesses are operated either from home (with no other premises than the homes of the operators) or at home, where most of the work of the business is carried out at the homes of the operators.

In response to this rapidly expanding sector, the SBDC launched the Home Based Business Network (HBBN) on 2 June 2004. The HBBN comprises a dedicated website ([www.homebasedbusinessnetwork.sbdc.com.au](http://www.homebasedbusinessnetwork.sbdc.com.au)) that is supported by a home-based business kit. The website and kit address all aspects of operating a business from, or at, home. Online features of the program include information, guidance, success stories, and an interactive forum where members can share ideas and experiences.

Evidence of the success of the HBBN is highlighted by its membership reaching 1,000 within 30 days of its launch.

#### Indian Ocean Territories

The SBDC has a service-delivery arrangement with the Commonwealth Department of Transport and Regional Services to provide information and guidance services to small businesses located in the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands.

On the islands, the service is delivered through the Indian Ocean Group Training Association. The service is managed and supported by the SBDC through telephone and email consultations, online information and bi-annual visits to the islands. During the past year, the service received nearly 300 contacts from the islands for events, workshops, appointments, and telephone and email enquiries.

Ongoing challenges for the Indian Ocean Territories include operating in a small market and the cost and availability of freight and air services.

After a one-year deferral in the construction of the Christmas Island permanent immigration reception and

processing centre, the project has recommenced, and this is set to have a significant impact on the economy of the island.

#### International Business Network

Close links with ethnic business associations were maintained during 2003–04 to ensure that SBS services were available to all groups in Western Australia. SBDC staff participated in functions, events and activities with the following organisations:

- Australian British Chamber of Commerce
- Australia China Business Council
- Australia Indonesia Business Council
- Australia Malaysia Business Council
- Australia South Africa Business Council
- Italy Australia Association
- India Australia Chamber of Commerce
- WA Chinese Chamber of Commerce

The SBDC also hosted three major delegations from Croatia, China and Thailand. In August 2003, a visit by Madam Ou Xinqian, Vice Chairwoman of the National Development and Reform Commission (NDRC) of China, was co-hosted by the SBDC and the Department of Industry and Resources (DOIR).

The visit was an opportunity to showcase State Government services for small businesses, provide an outline of the economic and trade relationships between Western Australian and China, and consolidate important networks with key representatives of China. The NDRC plays a critical role in major projects in China. Madam Ou's responsibility as Vice Chairwoman of NDRC includes the development of small and medium-sized businesses, economic operations and industry policy.

In December 2003, the SBDC hosted a delegation of 50 senior officials from Thailand's Ministry of Industry. The aim of the visit was to enhance their knowledge of government programs and services for small and medium-sized businesses.

In February 2004, the SBDC hosted a delegation of Croatian business owners. The SBDC arranged a two-day program to outline the SBDC's business development services and to stimulate trade between Western Australia and Croatia. The program included visits to local business operators in the manufacturing and primary production sectors. A Croatian journalist and cameraman recorded the delegation's trip, and the resulting program has since featured on six TV programs in Croatia.

### Marketing and Market Research Services

The SBDC Marketing and Market Research Service assists new and existing small businesses to compete more effectively in the marketplace in which they operate. The service encourages small businesses to gather market information and knowledge, and to develop and implement plans and strategies to increase sales.

During 2003–04, the SBDC responded to more than 2,700 marketing and market research enquiries, which represented an increase of 12 per cent on the previous year. Information and guidance was provided on marketing and research techniques and on electronic communications to support online business activities.

The service is supported by a range of publications available from the Business Information and Licence Centre at 553 Hay Street, Perth or via the SBDC's online bookshop at [www.sbdc.com.au](http://www.sbdc.com.au). The service is complemented by an SBDC workshop called *Introduction to market research*.

### Small Business Mentor Service

Mentoring is a process that can have a significant impact on a small business operator who is seeking assistance with the issues and problems of management and growth. A mentor can offer impartial and confidential advice and guidance that can contribute significantly to the success of a business.

Working with the statewide Business Enterprise Centre (BEC) network, the SBDC has coordinated the delivery of the Small Business Mentor Service in metropolitan and regional WA since 1996. Business mentors recruited for the service have management expertise and experience in a broad range of business operations and are willing to assist other small business operators on a voluntary basis.

The service is delivered in the metropolitan and regional areas with the assistance of the BEC network. During 2003–04, 100 new small business mentor matches were made. There are currently 130 businesses receiving the assistance of a mentor. Thirty-three of these are in the metropolitan area and the remainder in the regions.

### Mature Aged Entry Program: Wise Moves



The Wise Moves program was launched in June 2004 to meet the needs of the growing number of potential small business owners aged over 50.

Although 54 per cent of the 193,500 (ABS 2003) small business operators in Western Australia are aged between 30 and 50 years, the strongest growth across the different age groups was recorded in the over-50 age group. The average increase of around 10 per cent per annum over the two-year period [2001–03] is significantly higher than in any other state or territory in Australia.

The Wise Moves program provides a dedicated resource and kit for mature-aged business entrants. Information and guidance is available on starting a new business, buying an existing business, buying into an existing business as an investor or buying a franchise.

Regardless of what brings mature-aged people to the point of contemplating a small business — necessity or opportunity — Wise Moves is designed to assist them assess their business proposal before committing emotionally and financially to a business. They are also encouraged to consider their options for self-employment, their motives, their personal and financial capacity, and the risks involved.

*Wise moves: a practical kit for mature aged small business entrants* can be purchased from the Business Information and Licence Centre at 553 Hay Street, Perth or via the SBDC's online bookshop at [www.sbdc.com.au](http://www.sbdc.com.au).

### Supa Shop Retailer Development Program

The Supa Shop program is a new initiative which aims to develop the management skills of small retailers so they can improve their business performance. It was developed in direct response to an identified gap in the market.

The program aims to up-skill retailers located in small suburban and regional shopping centres and shopping strips so they can increase their share of the retail dollar. The result is an improvement in the ongoing viability of their own businesses, as well as the shopping precincts in which they trade.

The Supa Shop program is delivered throughout Western Australia by the BEC network utilising experienced retail consultants. It comprises three two-hour workshops:

- *Winning in your local market*
- *Customer focused selling skills*
- *Merchandising: a retail skill for every business*

An optional follow-up one-on-one consultancy service to identify and discuss store-specific issues and suggest business development strategies is also included.

Response to the SBDC Supa Shop program has been strong. Since the initiative was launched in March 2004, 12 programs have been completed with 721 attendees at 36 workshops. Thirty-one follow-up consultancies have been conducted. A further 10 programs have been booked as at the end of June 2004.

### Women in Business

Over the past decade, women have consistently represented approximately one-third of all small business owners in Western Australia. The latest statistics indicate a levelling out of the number of female small business operators, but the participation rate is still significant. There are currently 193,500 small business operators in the State, of which 63,600 (33 per cent) are women. Furthermore, women represent 31 per cent of home based business operators.

The SBDC continues to offer specific resources and services for women in business. The Women in Business pages of the SBDC website reflect the many different sectors within which women operate their businesses. These include home based businesses, services, manufacturing, tourism, retail and export.

New success stories have been added to the website to showcase the achievements of women in business. *Home truths: information and inspiration for home based business* publication for women in home based businesses has also been updated and is now available online as well as from the BILC.

The SBDC has continued to encourage greater participation by women in export through its Women in Export Network, which is featured on the SBDC website. The network assists women to prepare and position their business for export. There are currently 300 women registered with the network who are committed to working together to build relationships and develop export opportunities.

### Export Assistance

Only a small proportion of Western Australian small-to-medium enterprises export their products or services. Recognising the value of exporting to the economic prosperity of Western Australia, the SBDC offers a number of export services.

### Export Ready program

The SBDC's Export Ready program assists small businesses through the early stages of export preparation in order to increase their chance of success.

The program provides small businesses with access to a free consultancy-based service to address the specific needs of a business in preparation for exporting. During 2003–04, seven small businesses were assisted under the program. These businesses offer a diverse range of products and services, including:

- boat building
- communications security system
- storage equipment
- power generation
- email software
- medical aids
- plumbing services

With the support of the Export Ready program, these businesses are now much further down the track to exporting.

### TradeStart Program

Since December 2002, the SBDC has been delivering the Austrade TradeStart program in the Perth metropolitan area. The aim of the program is to assist new exporters to make their first export sale.

TradeStart provides free one-on-one assistance for new exporters. This includes coaching, assistance with prioritising markets and meeting overseas specialists, and providing qualified market contacts and follow-up.

During 2003–04, 29 TradeStart clients were approved by Austrade. This was six more than the target set for the SBDC by Austrade. The total number of TradeStart clients approved since the SBDC began delivering the program is now 63. Several of our clients have achieved export sales as a result of this program.

### Export Allies

The Federal and State Governments are committed to doubling the number of exporters by 2006.

To facilitate this objective, the WA Export Allies Group was formed. This comprises representatives from the SBDC, Austrade, the Department of Industry and Resources, the Department of Foreign Affairs and Trade and the Department of Agriculture. A key aim of the group is to better coordinate the provision of information and access to export-assistance programs for Western Australian businesses.

The Export Allies Group organised two conferences during 2003–04 to encourage and support new and existing exporters.

The first was the Export Expo Conference, held in September 2003, and sponsored by BankWest. The conference included concurrent practical workshops on the technical aspects of exporting and the government assistance available. Overseas market information sessions and a networking function followed. The conference attracted more than 100 participants, and feedback on the value of the conference was positive.

The second conference was held in conjunction with Australia Post in March 2004. This highlighted how to use the postal system to start exporting. The conference focussed on how local wine producers successfully exported to Singapore using Australia Post and the Singapore Post Office. More than 120 people attended the conference.

### Small Business Workshops

The SBDC conducts regular information workshops that are practical and inexpensive and increase the awareness and knowledge required to successfully start and operate a business. Delivered by presenters who are experienced in business, they are held at times convenient to small business operators. Last year the following workshops were delivered by the SBDC:

- Applying for finance
- Costing and pricing products and services
- Employing people
- Exporting starts with an 'e'
- Feasibility of your business idea
- Home based business
- How to buy a business
- How to start a business
- Introduction to business planning

- Introduction to market research

In total, 245 workshops were delivered, attracting more than 3,200 participants. The most popular workshop was *How to start a business*, with more than 700 attendees. Workshop attendance in 2003–04 increased by 18 per cent compared to the previous year.

The SBDC has also developed a series of specialist workshops targeting specific management skills needed in the market. These include:

#### • Ca\$hflow Today Workshops

Cashflow management is critical to the success of a business. This non-technical workshop presents the principles of managing cashflow and covers the cashflow cycle, cashflow problems and financing options.

Delivered through the BEC network, 15 *Ca\$hflow today* workshops were held across metropolitan and regional areas in Western Australia during the year.

#### • Marketing Today Workshops

The *Marketing today* workshops are designed to assist small business owners, especially in regional Western Australia, to maintain a competitive edge. Delivered throughout Western Australia by the BEC network, *Marketing today* covers marketing analysis, strategies and planning in a community-based environment that nurtures networking with other local small business owners.

In 2003–04, 16 *Marketing today* workshops were conducted across metropolitan and regional areas in Western Australia.

#### • Tourism Today Workshop Program

In a joint initiative with the Western Australian Tourism Commission (WATC), the SBDC developed the *Tourism today* workshop program. The program assists small operators involved in the tourism sector to improve their business performance through the development of marketing, selling and customer-service skills.

The program is delivered throughout Western Australia by the BEC network and utilises experienced consultants. Comprising four two-hour workshop sessions, the program covers the key elements of operating a successful tourism business.

Since its launch in March 2004, the program has been well received. *Tourism today* programs have been completed in Broome and Albany, with 231 participants across the eight workshops.

The SBDC also delivered large segments of the *Tourism today* workshop in the WATC's Better Business Blitz program in Exmouth and the Swan Valley.

### Youth Enterprise Program

This year the b.generation website was replaced by the Young Business Network (YBN) website ([www.youngbusinessnetwork.sbdc.com.au](http://www.youngbusinessnetwork.sbdc.com.au)). This features more comprehensive information, an interactive forum, news and events. There are 16 new inspirational stories of successful young Western Australian entrepreneurs on the website. The YBN website was launched at the Business Opportunities Expo on 25 June 2004 and attracted more than 200 members within the first few days of its launch.

YBN members receive a free "Step into business" kit and are eligible for special member benefits including a 50 per cent discount on SBDC workshops and access to the YBN interactive forum. They can also have their business profile added to the website and attend YBN networking events.

### Business Incubator Support Program (BISP)

Business incubators offer a valuable transitional facility for businesses that are starting up or growing beyond the limitations of being based at home. Benefits such as a flexible lease, 24-hour access, security, and on-site management support contribute to the potential for success for small business tenants.

The SBDC supports the Business Incubators Association of Western Australia (BIAWA) by promoting the facilities of the State's 12 incubators to the small business sector. Under a memorandum of understanding with the BIAWA, the SBDC also provides its business development services to incubator tenants.

During 2003–04, the BISP assisted 38 clients to become tenants of a business incubator, and three clients to graduate into their own commercial premises.



## business facilitation services



The Business Facilitation Services team is responsible for two distinct operational areas within the SBDC – the Business Enterprise Centre (BEC) Support Unit and Corporate Communications and Events.

This combination of activity highlights the importance of the relationships between the SBDC and the BEC network, and the common aims of promoting the range of services provided by the State Government to assist small businesses across Western Australia.

### The Business Enterprise Centre (BEC) Network

The SBDC supports a network of BECs located in regional and metropolitan areas throughout the State. Each BEC is community owned and is managed by a volunteer committee comprising representatives from businesses, private and public sector organisations, and local government.

Each centre employs a facilitator to provide guidance and small business improvement services to the local small business community. The BECs also provide an important link to other private and public sector service providers, as well as State Government initiatives.

### BEC Network Achievements

Throughout 2003/04, the Business Enterprise Centre network provided high level business facilitation services to small business operators. The BEC network recorded more than 116,000 client contacts, including around 31,000 client assists involving business counselling or exchange of ideas. The network also assisted in the creation of more than 1,900 new small businesses and the generation of more than 6,000 new jobs.

### The Role and Function of the BEC Support Unit

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

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

### Programs

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

### Small Business Initiatives Fund

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

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

- skills development
- business mentoring
- business planning
- e-commerce
- youth enterprise development
- women in business
- export facilitation
- enterprise culture development
- delivery of specialist presentations to regions

A total of \$188,885 was approved for distribution under the Small Business Initiatives Fund during the year ended 30 June 2004. The diversity of projects that received funding demonstrates the effectiveness of the program in addressing the business needs of local communities.

Some of the projects approved in 2003–04 included:

- Albany Business Centre: Two risk-management workshops were conducted that were based on an occupational safety and health manual developed by the Leschenault BEC. The manual was developed using SBIF funds during 2002–03, and the project demonstrates the capacity for programs funded by SBIF to be delivered throughout the network.

- Leschenault BEC: Three Financial Dynamics workshops were conducted to assist small business operators to gain a stronger understanding of financial information and financial planning.
- Esperance BEC: Two full-day workshops on customer service were presented. These workshops were aimed at businesses working in the tourism industry and were an outcome of the Esperance Business Tourism Summit, a joint project between the Shire of Esperance, Esperance Chamber of Commerce and the Regional Tourism Association.
- Peel BEC: A series of workshops were undertaken that provided coaching and mentoring sessions for small businesses with growth potential.
- Margaret River BEC: Funds were provided to present The DNA of Profitable Retailing. The presentation, delivered by Barry Urquhart, was designed to stimulate improvement in the retail sector and to assist small retailers to convert browsers into buyers, develop employment opportunities and encourage local community confidence.

### BEC Review

The independent review of the BEC program, which began in early 2003, was completed during 2003–04 following extensive consultation with BEC committees, staff and stakeholders. The Centre for Entrepreneurial Management and Innovation at the University of Western Australia produced the report and the Minister for Small Business released it for public comment in January 2004.

Following the public comment period, the Minister for Small Business announced the implementation of a two-stage plan to achieve optimum benefits for small businesses throughout Western Australia. The plan was centred on the establishment of regional BEC zones and recognised the importance of community involvement in determining both the type of BEC services and most appropriate method of service delivery required within each region. The plan also provided a platform for BECs to integrate their activities within the local economic development priorities of their area.

Stage one of the Minister's response involved the preparation of the BEC network for the establishment of regional BEC zones. The SBDC requested each BEC sponsor organisation to submit a business case for State Government funds to deliver BEC services. The submissions required sponsor organisations to provide evidence of community support for the service, identify strategic links within their area, and quantify financial and in-kind contributions from stakeholders such as local government.

All BECs were required to lodge stage-one submissions by 31 May 2004. Thirty-five stage one submissions were received and assessed by the SBDC board. Following completion of the assessment, which included seeking additional information and clarification from many BECs, the Minister for Small Business endorsed the SBDC's recommendation that funding for the 2004-05 financial year be provided to all 35 BECs.

Stage two of the plan involves the formalisation of five regional BEC zones. These zones will have a role in determining the optimum distribution of BEC resources to more effectively meet the future need for small business services in Western Australia. This provides an opportunity for BECs to consider alternative delivery formats, shared resources and any other restructuring to maximise the effectiveness of the BEC service.

### BEC changes — Busselton-Dunsborough and Subiaco

During 2003–04, two BEC management committees ceased operating. The Busselton–Dunsborough Enterprise Centre ceased providing facilitation services in February 2004. The Subiaco BEC advised it would not be providing a funding submission as part of the stage one review implementation plan and ceased operating on 30 June 2004.

The needs of small businesses in both these areas will be considered as part of stage two of the review implementation plan. In the meantime, businesses can access services directly through SBDC or are referred to an alternative BEC.

### North West Expo

The 2004 North West Expo was held in Broome in May and attracted approximately 5,000 visitors. Five BECs — East Kimberley, Broome, Derby, Karratha and Pt Hedland — participated in a joint stand with the SBDC. A range of services and programs were featured, and the programs generating the most demand were Tourism Today, Supa Shop and e-Commerce.

Significant cooperation occurred between the BEC/SBDC stand, representatives of the Australian Competition and Consumers Commission, and the Australian Taxation Office. This resulted in excellent cross-referral opportunities and added value to the information provided to clients.

The event was successful in attracting a broad range of visitors and greatly helped to raise the profile of the BECs within the region.

### Tourism and Retailing Initiatives

BECs have provided valuable support to both tourism and retail businesses, particularly with the delivery of skills development programs aimed specifically at small businesses in these sectors.

The Tourism Today program was successfully piloted by the Broome BEC in March 2004 and has since been presented by BECs in other locations around the State.

The Supa Shop retailing program was well supported by BECs during its development and was officially launched by the Minister for Small Business in Geraldton in March 2004. Once again, BECs have played a vital role in promoting the program to their local communities.

Because BECs coordinate the delivery of these workshops, small businesses in most areas of Western Australia are able to access these programs.

### Stakeholder Relationships

As community-based organisations, BECs work closely with chambers of commerce, local governments, regional development commissions and other groups such as telecentres. The BEC Support Unit encourages these key stakeholder relationships by presenting information that demonstrates the economic impact of individual centres and the network.

Stage one of the BEC review implementation has provided BECs with an opportunity to reassess and

evaluate their stakeholder relationships. In numerous instances, the need to demonstrate community support for a BEC service has resulted in significant increases in the level of financial and in-kind support provided to individual BECs by local government authorities and other key stakeholders.

### 2003 BEC State Conference

The 2003 BEC Annual Conference was held at Margaret's Beach Resort in Margaret River in October 2003. The committee and staff of the Margaret River Business Development Centre — in particular, Dr Barbara Maidment — assisted in organising the conference. The conference focused on skill development and network cooperation to improve the effectiveness of the BEC network as a whole.

The conference also included a number of business facilitation and skills enhancement workshops. The business facilitation sessions, which were organised by BEC managers, were particularly well received by participants and allowed for demonstrations of real-life case studies. By sharing case studies, less experienced managers were able to learn from their more experienced counterparts.

Similarly, the various skills enhancement workshops — which included sessions on the Supa Shop program, business financing, writing grant proposals and time management — were also well received.

### Media

During 2003–04, more than 30 media statements on small business issues were developed by the SBDC. In addition, more than 30 small business success stories were developed for release to targeted media or for posting on our website. The majority of success stories were developed for the Young Business Network, followed by the Home Based Business Network and the Business Migration website. A series of exporting success stories were also written.

Key topics for media releases included:

- findings from the Ready Response Network;
- new SBDC program announcements;
- special events and launches;
- interpretation of legislation for small businesses;
- business migration achievements; and
- small business awards announcements.

The SBDC maintained its commitment to respond to national and local media enquiries in a timely and professional manner. During the year, more than 50 media enquiries were processed on topics ranging from home based businesses to the Business Enterprise Centre Review and the WA Regional Small Business Awards. Media enquiries included requests for radio interviews and quotes for print articles. All enquiries were responded to within 24 hours and most within three hours.

### Promotion

The SBDC hosts and participates in a diverse range of events aimed at profiling the current services of the SBDC or creating awareness of new initiatives and programs. This year, these events resulted in around 15,730 indirect client contacts. Highlights are outlined below.

### Business Opportunities Expo 2003 and 2004

The eleventh annual Business Opportunities Expo, held in July 2003, was successful in attracting more than 4,500 visitors, an increase of 20 per cent on the previous year's attendance.

The SBDC again provided the anchor exhibit for the expo, profiling licence information, publications for sale and workshops. A new feature added to the 2003 event was an additional exhibit showcasing the success of the home based business sector. This stand featured 10 home based business operators who interacted with expo visitors, sharing their experiences about the benefits and challenges of operating a business from home.

Another new feature was the inclusion of the SBDC's e-Commerce stand, which proved to be a successful method of promoting the e-Com Entry Point and the suite of interactive online learning resources e-Start, e-Trade and e-Marketing.

An unusual outcome of the expo's timing saw the 2004 Business Opportunities Expo held during the same financial year as the 2003 expo. Once again, the SBDC was the anchor exhibitor. In total, six exhibits were coordinated by the SBDC, including two new stands aimed at promoting the Home Based Business Network and the Young Business Network. Visitors to both stands were able to immediately register for membership.

The Minister for Small Business officially launched the Young Business Network after he opened the expo.

### Telstra WA Small Business Awards

The importance of recognising the achievements of small business through awards programs was highlighted by the outstanding success of Western Australian business, Footwear Industries. In addition to winning the 2003 Telstra Western Australian Small Business of the Year Award, Footwear Industries also went on to win the national title. This national recognition has contributed to the rapid growth achieved by the business, including exporting success and employment generation.

### Australia Post Western Australian Regional Small Business Awards

The inaugural Western Australian Regional Small Business Awards (WARSBA) - profiling the success of regional small businesses - was held on 5 December 2003 at the Mandurah Performing Arts Centre. The event attracted around 200 guests, including small business operators, representatives from local chambers, business associations and Business Enterprise Centre chairs and managers.

A key objective of the WARSBAs is to enhance the local awards programs currently held in several regions throughout the State. Entry is limited to those businesses who have already won a category of their local awards event, making the WARSBAs a contest between the State's best regional businesses.

The inaugural event included 57 regional business entrants from nine regions, who competed in six award categories. They were assessed in three key areas:

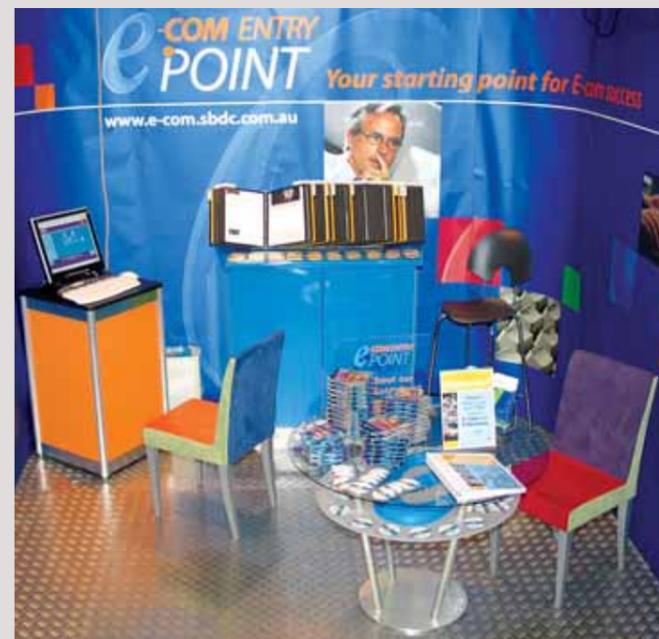
- business model (including products and services, marketing and vision);
- business performance; and
- customer care.

### Corporate Communications and Events

The role of the Corporate Communications and Events team is to increase recognition of the SBDC and to highlight the range of programs and services available to the small business sector. A further goal is to champion the achievements of Western Australia's small business sector.

The team has the following aims:

- maintain and build positive working relationships with key stakeholders;
- communicate the capabilities and achievements of the small business sector to the West Australian public;
- ensure the effective, accurate and timely communication of issues affecting small businesses; and
- generate and coordinate events that provide an information exchange between the SBDC and the small business sector.



The winners of the 2003 Australia Post WA Regional Small Business Awards were as follows:

**Micro-business (sponsored by Planet Creative)**  
Emso Marketing — Peel

**5 to 10 Employees (sponsored by WA Business News)**  
Coastal Stainless — Albany

**10 to 20 Employees (sponsored by Telstra Countrywide)**  
Sands Pharmacy — Peel

**BEC Achiever (sponsored by GWN)**  
Craven Foods — Bunbury

**Home-based Business (sponsored by CSC)**  
Applied Body Therapeutics — Peel

**Regional Small Business of the Year  
(sponsored by Australia Post)**  
Sands Pharmacy — Peel

As a result of the inaugural event, the SBDC has worked closely with local awards coordinators to raise the standard of entries and the level of participation. This has been an effective method of consolidating relationships with regional BECs, chambers of commerce and businesses.

#### Event coordination

The Corporate Communications and Events team coordinated the following SBDC events and program launches.

- Hospitality and Catering Industry Red Tape Forum Breakfast
- Tourism Today
- Supa Shop
- Regional Working with Government Forum
- Home Based Business Network
- Wise Moves
- Young Business Network

#### Sponsorship

This year, the SBDC sponsored more than 30 events, ranging from keynote presentations to large exhibitions. These sponsorships included 14 local small business awards programs.

Highlights of the SBDC's sponsorship program are described below:

#### Motor Trades Association Centenary Awards

The SBDC participated on the judging panel for these awards, which were presented at an event attended by the Premier on 7 November 2003.

#### 2003 Family Business Awards

The 2003 Family Business Awards presentation was held at His Majesty's Theatre on 16 July 2003. The event has established a strong reputation as a credible and well organised awards program. The SBDC's sponsorship, including representation by the Director of Business Facilitation Services on the judging panel, has created opportunities to raise awareness of the services of the SBDC within a key sector of our core market.

#### Australia Post Licensed Post Office Conference

The Licensed Post Office Conference, held at the Hyatt Regency Hotel on 31 August 2003, attracted more than 200 delegates from across Western Australia. Delegates received information on growing and sustaining their businesses. The SBDC provided a guest speaker for the conference program and provided a display of information and services at the conference expo. This was an excellent opportunity to promote the BEC network to regional delegates.

#### Regional Chamber of Commerce Conference

The SBDC provided sponsorship for the Regional Chambers of Commerce conference that was held in Kalgoorlie in August 2003. The conference attracted delegates representing chambers of commerce across Western Australia. This group is a particularly important stakeholder for the SBDC. The importance of this relationship will continue to increase with the participation of regional chambers in the State Regional Small Business Awards.

#### Exporting Expo

Sponsorship was provided to facilitate the Export Expo and Conference held at the Hyatt Hotel on 16 September 2003. The event also provided an opportunity for the SBDC to promote its TradeStart and Export Ready services.

#### Family Business Australia Seminar

Sponsorship was provided to assist Family Business Australia to conduct its one-day learning journey on family business issues on 29 April 2004. Approximately 60 guests attended the seminar. Guest speakers at the event included family business operators Denis Horgan and Alex Kailis. Topics addressed included mediation for family businesses, succession plans, accessing international markets, recruiting for family businesses and building brands for family businesses.

#### Australian Institute of Conveyancers

Sponsorship was provided to the Australian Institute of Conveyancers to hold its State Conference in Mandurah from 21 to 24 May 2004. Approximately 200 delegates attended the conference. The SBDC's chairman was a key speaker at this event. Promotional materials, highlighting a range of the SBDC's services, were included in the event satchel.

#### Home Based Business Seminar

Sponsorship was provided to the Albany Chamber of Commerce and Industry to hold its Home Based Business Seminar on 1 June 2004. Approximately 55 people attended the seminar. Once again, the SBDC's promotional materials were provided to delegates.



The 2003 Australia Post Regional Small Business of the Year winner, Josephine Jennings of Sands Pharmacy.

#### Local Small Business Awards

By providing support for local small business awards, the SBDC builds on significant relationships with stakeholders and raises the profile of its services.

All regional awards programs sponsored by the SBDC feed into the WA Regional Small Business Awards program. Category award winners are automatically included in the state award. The Peel and South West regions were particularly well represented amongst the finalists and winners of the inaugural Statewide event. It was especially pleasing to note that finalists were also identified from the Karratha, Port Hedland, Goldfields, Esperance and Albany regions.

Strong interest in the West Australian Regional Small Business Awards program has also been generated by the SBDC's representation at local small business awards programs. Small business communities in the Wheatbelt and Kimberley regions are considering reinstating local awards programs in 2004 to enable their small businesses to participate at the State level.

#### Advertising

The SBDC's advertising strategy has continued to focus on an integrated and ongoing campaign of creating and reinforcing awareness of the SBDC's brand and services. This was achieved through press and radio commercials using media outlets in both metropolitan and regional areas.

Media advertising was delivered through The West Australian, The Sunday Times, Business News and regional newspapers.

In addition to regular radio advertisements featuring the SBDC's advisory and Business Information and Licence Centre services on Mix 94.5, selective marketing was used to promote our new programs. These included advertising the Young Business Network on Nova 93.7, Wise Moves on 6PR, and Regional Working With Government on 6TZ Bunbury and Bunbury Hot FM.

## policy and business liaison

The principal role of Policy and Business Liaison is to work with small businesses and their representatives to identify, monitor and respond to issues affecting the small business sector in Western Australia. The aim of the team is to be innovative and responsive to the unique needs and characteristics of the sector:

Policy and Business Liaison undertakes research and analysis of legislative and policy proposals and discussion papers from across the three tiers of government. It also initiates and manages key projects to address specific small business needs. It is committed to promoting best practice in all government dealings with business.

On behalf of individual small businesses, specific industry groups and the sector as a whole, Policy and Business Liaison works to identify and address small business issues and concerns. Through advocacy and liaison with government agencies, Policy and Business Liaison promotes the development and review of policies and processes that reduce unnecessary regulation and enable small businesses to grow.

Policy and Business Liaison supports the Minister for Small Business in his portfolio responsibilities. It also provides support to the SBDC board.

The activities of the team are in line with the State Government's commitment to promote the interests of the small business sector and to recognise its importance to the Western Australian economy.

In 2003–04, the team focused on liaising and consulting with small businesses to identify emerging issues and to foster their interests as widely as possible.



## Small Business Liaison and Consultation

### Regional Working With Government

The first Regional Working With Government Forum was developed and managed by Policy and Business Liaison. It was held in Bunbury on 25 May 2004.

Designed especially for small business operators in the South West region, the forum highlighted how the Government and the small business sector can work together to build on their strengths and develop new business opportunities.

Approximately 75 people attended the forum, most of whom were small business operators from across the South West and who represented a range of industries. Representatives from the Western Australian Government, Commonwealth Government, local governments, local chambers of commerce and business associations were also present.

In particular, small business operators attending the forum benefited from a series of concise presentations on practical issues such as:

- the range of free or low-cost services offered by government and how these can be accessed;
- how to compete for government business, including tips on tendering and how to use the Government Electronic Market (Gem);
- projects and development opportunities in the region; and
- how small businesses can make their views and opinions known to government.

Forum attendees were also able to hear and learn from the experiences of two local small business operators. Mr Andrew Spokes from DAD Australia

and Ms Angela Whittington from Imaging the South provided insightful first-hand perspectives on how they had used government assistance and services to develop their businesses.

An open discussion session at the conclusion of the forum provided small business operators with the opportunity to have their concerns or questions addressed by the Minister for Small Business and the forum presenters.

Attendees said the forum provided them with valuable information to assist their business growth and development.

### Small Business Ministerial Link Forums

The series of Small Business Ministerial Link Forums continued in 2003–04 with a regional forum held in Kalgoorlie–Boulder on 28 August 2003. Small business operators and business association representatives from Kalgoorlie–Boulder and other parts of the State had the opportunity to directly and openly speak with the Minister for Small Business about issues affecting regional small businesses.

Discussion at the forum focussed on:

- operating costs for regional businesses;
- red tape concerns and measures to address these; and
- attracting and retaining employees in regional areas.

Comments and feedback provided by attendees were extremely constructive. The forum provided a valuable opportunity for the Minister to receive, and take on board, a regional perspective on issues important to small business.

The Minister has supplemented the link forums by regularly meeting with groups of small business operators in particular localities thus offering small businesses an additional avenue to give feedback to the Government.

### Red Tape Buster Forum

More than 160 people attended the SBDC's Red Tape Buster Forum for the hospitality industry, which was held on 13 August 2003. Attendees included many small business operators from hotels, taverns, restaurants, caterers, lunch bars, and bed and breakfast establishments. A range of business associations and chambers of commerce were also represented at the forum.

The Red Tape Buster Forum aimed to identify and encourage government agencies to address areas of red tape (i.e. duplicative or unnecessarily burdensome regulation) that may hinder the operations of small businesses within a particular industry.

At the forum, small business operators and their representatives had the opportunity to raise their red tape concerns directly with the Minister for Small Business, the Western Australian Local Government Association and a panel of senior government representatives from the Department of Racing, Gaming and Liquor; the Department of Consumer and Employment Protection; the Australian Taxation Office and the Department of Health.

### Visit to South West Small Businesses

On behalf of the Minister for Small Business, Mr John D'Orazio MLA, Member for Ballajura and chair of the Public Accounts Committee, undertook a three-day visit to small businesses in the South West towns of Harvey, Busselton, Margaret River and Collie in July 2003. The purpose of the trip was to identify small business issues and attitudes in these regional areas. The SBDC coordinated and participated in the trip.

Mr D'Orazio attended seven meetings with groups of small business operators and their representatives and also undertook 13 on-site business visits.

A number of issues such as signage requirements, quoting on work by utilities, and administrative costs associated with the Wine Equalisation Tax (WET) rebates were investigated further by Policy and Business Liaison following the visit.

### Ready Response Network

During the year, the SBDC's Ready Response Network continued to expand and provide small business operators with the opportunity to have their voices heard on current and emerging issues impacting on the small business sector. The Ready Response Network now boasts more than 800 small business participants as well as approximately 30 industry associations and the State's network of Business Enterprise Centre managers.

Feedback sought from the Ready Response Network on topical questions provides the SBDC with useful insight into the underlying attitudes and opinions of Western Australia's small business sector. This feedback is used to shape policy direction and to promote small business's interests through input into government submissions and reviews made by the SBDC.

For example, questions to the Ready Response Network in June 2004 canvassed the opinions and views of small businesses on banking. This included identifying the top five banking issues for small businesses and how well the banking sector understands the needs of small business. The aggregate responses from Ready Response Network participants contributed to the SBDC's input to the Australian Bankers' Association's Small Business Forum.

Other topics explored by the Ready Response Network in 2003–04 were small business expectations for 2004, finding the right staff, business planning, and the development of an online training portal.

To ensure the Ready Response Network continued to provide an effective method for the SBDC to gauge small business opinions, the network was upgraded in 2003–04 to create a more flexible and efficient survey management system. The seamless transfer of information to the redeveloped system ensured that participants were not affected.

#### Small Business Research Website

The Small Business Research website, [smallbusinessresearch.com.au](http://smallbusinessresearch.com.au), links the small business sector to the research community. The website aims to increase awareness of, and improve access to, the wealth of small business research available in Australia and internationally. By making this research available, the SBDC hopes to increase the opportunities for its practical application and enhance interactions between researchers and small business operators, their representatives and intermediaries.

The website offers information on a wide range of small business research projects, including topics on home based business, entrepreneurship, innovation and training. The information provided on the website includes a brief description of the research project, whether the research is completed or in progress, and details of the researchers, along with where to find the full results of the research.

In recognition of the potential benefits that may be gained from making the results of research more accessible to both researchers and small business users, the SBDC significantly upgraded the website in 2003–04. Key features of the upgrade were:

- enhanced search and browse facilities;
- an automated “keep me informed” function allowing users to receive an email when new or updated research is available on the website;
- online submission or editing of research project details thus providing researchers with the ability to quickly and easily submit or upgrade details of their research projects online; and
- an improved layout for the website.

The enhanced website was demonstrated at the 2003 Annual General Meeting of the Institute for Small Business Research, and positive feedback was received from researchers in attendance.

#### Small Business Advocacy Service

The Small Business Advocacy Service continues to provide a valuable link to government for small businesses in Western Australia.

The free service is available to assist small businesses in their dealings with government agencies and to investigate specific issues affecting individual small business operators. The service works to facilitate resolutions to issues where appropriate, to improve the understanding of small business within government agencies and to promote a best practice approach to government dealings with the small business sector.

This year, the service dealt with approximately 90 enquiries on a range of issues. For example, the service:

- liaised with a utility provider to secure supply for a regional processing plant faced with a six-month delay for connection;
- explored options with state and local government authorities for retention of kerbside fuel dispensers in small regional communities that would otherwise be left without retail fuel outlets;
- facilitated meetings with government agencies for a charter cruise operator to obtain approvals and berthing arrangements for a new tourist service;
- assisted small firms to obtain reviews of complaints regarding government procurement processes and contracts awarded by agencies;
- clarified and facilitated reviews (where appropriate) of local government zoning and approval decisions impacting adversely on small business operations; and
- clarified issues related to the security of payment and defect liability conditions for a small road-contracting firm undertaking work for a government agency.

The service also provides an avenue to identify red tape and government regulations affecting the operations of small businesses. These areas are then separately pursued as part of the Government’s regulatory reform agenda to lessen the administrative pressure on small business.

## Fostering Small Business Interests

The SBDC is responsible for analysing the impact of government policy and legislative proposals on the small business sector and representing the interests of small businesses.

During 2003–04, Policy and Business Liaison provided direct comments to government on a range of proposed policies and procedures to ensure the needs of small businesses were taken into account. Input was provided through written submissions or via the SBDC’s participation on advisory groups.

### Submissions and Reviews

#### Better Protection for Small Business under the Trade Practices Act 1974

In recent years, the small business sector has called for the *Trade Practices Act 1974* (TPA) to be strengthened to provide more effective protection for small businesses. The SBDC has been a keen participant in the ongoing debate about the effectiveness of the TPA. Key concerns have included the need for the TPA to provide an equal playing field between small and big businesses and to improve the misuse of market power provisions to stop big businesses using their power to drive small businesses from the market.

In June 2003, the Senate Economics References Committee commenced an inquiry into the effectiveness of the TPA in protecting small businesses. Given the importance of the TPA to the small business sector, the SBDC made a submission to the inquiry. The SBDC’s submission highlighted, among other things, the need to strengthen the misuse of market power provisions in section 46 of the TPA and to address the insufficient level of protection for small businesses against unconscionable conduct.

The Senate Committee released a report in March 2004 containing 17 majority recommendations, most of which called for legislative amendment to address areas of weakness in the TPA identified by the Committee. The Federal Government announced its response to the Committee report in June 2004. While some amendments are proposed by the Federal Government, other changes sought by the small business sector have not been addressed. The SBDC will monitor the progress in implementing the amendments and, in due course, their effectiveness.

#### Small Businesses and the Drought

During times of drought, non-farm small businesses can be just as adversely affected as farmers. While the first impact of a drought is on farm businesses, a subsequent flow-on effect occurs to non-farm small businesses that are directly dependent on farm businesses for their livelihood. These include cropping, fencing and haulage businesses. Ultimately, small businesses outside the agricultural sector — such as hardware stores, supermarkets and service stations — are also impacted by the drought. Small businesses located in drought-affected areas therefore need assistance and support to overcome these difficulties.

In response to the review of the national drought policy by the Drought Review Panel, the SBDC highlighted issues relevant to small businesses. The SBDC suggested a number of strategies to address these issues. These included the promotion of local economies as a whole, closer and more effective cooperation and coordination between the local, State and Commonwealth government, and a stronger focus on how governments can best assist small business operators in rural areas to prepare for the long term.

#### The Relationship Between Trademarks, Business Names, Company Names and Domain Names

People starting a small business often experience confusion and uncertainty when it comes to registering trademarks, business names, company names and domain names. Common problems include misconceptions about the legal nature and protection afforded by the different registration processes, and a lack of awareness of the potential financial and other business implications of infringing on a registered trademark.

The SBDC highlighted these problems in its submission to a review of the relationship between trademarks, business names, company names and domain names conducted by the Commonwealth Advisory Council on Intellectual Property. The SBDC suggested that a primary objective, from a small business perspective, would be a system that is uniform, streamlined and integrated.

### Other Submissions

Policy and Business Liaison also provided, or contributed to, written submissions on a range of issues including:

- the Commonwealth Government's tourism green paper, which put forward a medium to long term strategy for sustainable development of the tourism sector;
- the Commonwealth's report *Regional Business – A Plan for Action* on regional business growth;
- recommendations of the Cawley report on amendments to the *Industrial Relations Act 1979* in relation to the role of the Western Australian Industrial Relations Commission and the licensing of industrial agents;
- a National Competition Policy review of the *Employment Agents Act 1976* and the licensing regime it imposes on employment agents;
- a discussion paper produced by the Real Estate and Business Agents Supervisory Board on real estate seller disclosure statements;
- a review of aspects of the *Labour Relations Reform Act 2002* to evaluate the operation and effectiveness of industrial relations reforms implemented under the legislation; and
- an issues paper on the regulation of holiday accommodation managers.

### Participation In Decision Making And Advisory Bodies

Policy and Business Liaison is actively involved in a number of decision making and advisory bodies to ensure that small business issues and priorities are taken into consideration.

A key advisory body in which the SBDC participates is the State Training Board's Small Business Training Committee. The committee was established in July 2003 in response to the report *Meeting the Training Needs of Small Business*. The committee's main role is to provide advice to the board on small business training and skills development issues. Its focus to date has been on overseeing, advising on, and contributing to key recommendations of the report.

The key recommendations of the report included the development of a Small Business Skills website to provide small business operators in Western Australia with quick and easy access to information on the training and skills development options available to them. The SBDC has been heavily involved in the development of the website. It will include information

on training providers, case studies on successful small business operators who have undertaken training, information on mentoring and business coaching options and templates to assist in preparing key business documents. The committee has also been involved in facilitating easier access to online training for small businesses and expansion of the Small Business Smart Business program.

Other decision making and advisory bodies in which the SBDC participates include:

- The Small Business Ministerial Council Standing Committee: The committee comprises representatives from State, Territory and Commonwealth small business agencies. Its role is to examine and advance agenda items and issues for consideration by Small Business ministers at their annual council meeting.
- The Australian Tax Office Small Business Liaison Group: The group considers a range of small business taxation issues. This year, issues considered have included indexation of tax thresholds, the use of data collected through the Business Activity Statement and capital gains tax liability for home based businesses.
- The Burglary Taskforce: The taskforce leads and coordinates action on policy and key projects to reduce the incidence of burglary in Western Australia, including that experienced by small business. Over the last year, the taskforce has overseen the Office of Crime Prevention's Burglary Reduction Project piloted in Bentley, Morley and Carnarvon and the development of the State Burglary Action Plan.

Policy and Business Liaison promotes a greater understanding of the significance and needs of the small business sector in Western Australia through its representation on these bodies.



Singaporean business migrants  
Mabel and Cliff Leong of  
Foodz Circle in Canning Vale.

## online development unit

The Online Development Unit (ODU) enables the Small Business Development Corporation to access the information and knowledge it requires to implement its strategic objectives and to become the State's pre-eminent source of small business information. The aim of the ODU is to enable the SBDC's employees, clients and stakeholders to achieve their objectives through the innovative use of information systems and technology.



### The Main SBDC Website

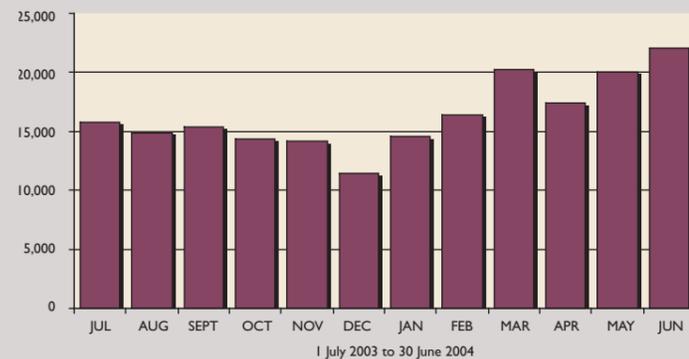
The ODU has continued to see encouraging growth in the usage of the many online resources it provides. The chart below shows the consistent increase in traffic to the SBDC's main website (www.sbdc.com.au) over the last three financial years.

SBDC Main Website Visits



Since last year, there has been an overall increase of 14 per cent in traffic to all SBDC websites. This includes a 19 per cent increase in traffic to the main SBDC website. The chart below shows that, on average, the main website receives more than 39,400 hits a day from more than 530 visitors who each spend nine minutes browsing.

SBDC Website Visits 2003/2004



Reflecting the increase in small business activity in Western Australia, the most popular pages of the website are in the "Starting a Business" section, followed by the "Business Workshops" page and the business migration section. This trend is highlighted by one of the most requested documents — Western Australian Government State Sponsorship Guidelines for Business Skills Visas — being downloaded by more than 4,500 users.

The implementation of the online workshop booking system has also proven successful, with online bookings and payments growing to an average of 55 a month.

Growth in website activity is expected to continue as the membership base of the online initiatives — the Home Based Business Network and the Young Business Network websites — continues to increase.

## New Website Developments and Upgrades



During the year, the ODU coordinated the development of the following new websites and information systems. Key features of the websites include the highly successful interactive forums:

- Small Business Research website -launched 28 November 2003
- Ready Response Network -upgraded March 2004
- Home Based Business Network website -launched 2 June 2004
- Young Business Network website -launched 25 June 2004

## Network Infrastructure

ODU has undertaken several high-level initiatives to help the productivity and effectiveness of the SBDC. Some of these initiatives are listed below:

- A spam firewall has been implemented. This has resulted in almost 36,000 spam emails being blocked since its implementation, thus saving a considerable amount of time for SBDC staff.
- A 24-port network switch and Internet router were installed to support our expanding network needs and to provide faster, more reliable Internet connectivity.
- Several high-speed laser printers were installed. This has increased productivity in the Business Information and Licence Centre, particularly when processing and printing licence information.



## corporate services

## role and function



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

- financial management including budgeting and accounting services;
- human resource management;
- facilities including asset management, fleet management and procurement;
- administration; and
- records, library and information management services.

**Training and Employee Development**

The SBDC recognises the diverse mix of skills and abilities amongst its staff and has continued to invest in appropriate development opportunities. Secondments and acting opportunities were encouraged to enhance career development.

A development needs analysis was piloted in the Business Facilitation Services team, comprising the BEC Support Unit and the Corporate Communications and Events teams. The analysis focused on the current (one-to-two year) and future (three-to-five year) needs of individual staff, their sections and the corporation. The results of the pilot have been reviewed and modified for its wider implementation.

During the year, all staff attended a highly successful staff development day focusing on:

- lifestyle balance;
- teambuilding; and
- future challenges.

**Occupational Health and Safety**

The SBDC is committed to providing a safe, secure working environment for its employees. No workers' compensation claims were received this year.

**Risk Management**

Effective risk management is an integral part of day-to-day operations and is an important element of internal control. The SBDC manages its risks in accordance with the requirements of Treasurer's Instruction 825: *Risk Management and Security*.

The SBDC has effective security measures in place to safeguard its assets from loss and misuse due to theft or damage. Insurable risks are covered through policies with RiskCover, and these are regularly reviewed. Other material risks are managed through identifying the nature and extent of exposure, analysing the impacts and the likelihood of each risk event and implementing appropriate control mechanisms.

**Internal Audit**

The objective of the SBDC's internal audit function is to determine whether the corporation has satisfied the compliance requirements of the Financial Administration and Audit Act 1985 and applicable Treasurer's instructions. The audit program focuses on the processes and procedures within the following key systems:

- revenue and accounts receivable;
- expenditure and accounts payable;
- payroll;
- fixed assets; and
- purchasing and contracting.

During 2003–04, the SBDC contracted the firm of Deloitte Touche Tohmatsu to undertake the internal audit program. This comprised two compliance audits of the financial, accounting and administrative systems.

Recommendations arising from the audits were implemented where appropriate.

**Complaints Management**

The SBDC's complaints management process was subject to review during the year. The process sets out to ensure that when a customer raises a complaint, it is received and addressed in strict confidence — with a spirit of helpful cooperation — and is resolved promptly.

**Strategic Planning**

A strategic planning session involving the SBDC board and members of the executive was conducted in April 2004. The focus of the session was on the existing and future programs and objectives of the SBDC. This included the optimum use of available resources to achieve these outcomes.

**Knowledge Exchange (Library)**

During the year, the Knowledge Exchange maintained a customised and targeted approach to information provision. This supported both the internal research needs of SBDC staff and the BECs and provided access to information tools for external clients. In addition, the Knowledge Exchange provided assistance and expertise with the publishing of SBDC products and contributed to the maintenance and development of the Extranet.

**Records**

In continuing to strive to provide high-quality recordkeeping principles and standards, the SBDC's records management system (RecFind) was upgraded to version 5.0.0B. It now holds 6,389 file titles.

This year has seen a number of major achievements in record keeping. The SBDC's *Recordkeeping Plan* (RKP 2003059) was approved by the State Records Commission in November 2003, complying with all requirements under the State Reports Act 2000.

As a result, a number of initiatives have been undertaken. The *Recordkeeping Plan* (RKP) requires that the SBDC has in place a *Recordkeeping Policy*, a *Records Management Procedures Manual*, a *Records Management Disaster Recovery Plan*, a *Vital Records Policy*, *Records Management User Guidelines* and a *Retention and Disposal Schedule*. Compliance with the RKP has ensured that the SBDC practices in recordkeeping remain high. The implementation of the RKP proceeds apace to ensure that documents required by the State Records Office will be ready for the coming year.

Vital records continue to be identified and brought into the RecFind records management system. Best practice procedures have been introduced to maintain the existing high level of record keeping.

Induction training continued to be conducted for all new employees. It included guidance on how to use the RecQuery TC records management system. Information sessions were also held for existing employees on record keeping requirements at the SBDC's monthly All Corporation meetings.

**Spreading the Word: SBDC Publications**

The statutory provision of section 201(3) of the *Copyright Act 1968* (Cth) obliges publishers to deposit copies of their publications in libraries in the country of publication. Legal deposit copies of the following SBDC publications, which were either first published or reprinted, were lodged with the National Library of Australia and the State Library of Western Australia:

- *Annual Report 2003*
- *BEC 2003 Operational summary: operational summary of the Business Enterprise Centre network in Western Australia*
- *Business planning*
- *Home based business kit: a practical kit for operating a home based business*
- *Small business insight (electronic)*
- *Wise moves: a practical kit for mature business entrants*
- *Young business network: step into business action plan*

These SBDC publications have also been given Cataloguing in Publication (CIP) entries and an ISBN (International Standard Book Number). They appear in the 2004 edition of *Australian Books in Print*, a resource that provides booksellers and librarians with as much information as possible about Australian books, series of books and publishers.

## corporate governance

### 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 in the establishment, development and carrying on of small businesses 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 SBDC. As at 30 June 2004, the membership of the board consisted of the following individuals:

#### Timothy Atterton

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

#### Kim Hutchinson

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

#### Anne Butorac

Dr Anne Butorac is a director of AAAJ Consulting Group (established in 1998) and a partner in the Old Bakery Gallery, a Western Australian arts and crafts retail outlet (established in 1995). Prior to that Anne had a long career in education as a classroom teacher, lecturer and senior administrator.

#### Diane Miskelly

Diane Miskelly is the proprietor of Hospitality Suppliers Network and a consultancy business within the hospitality industry. She has operated her own businesses in the hospitality industry for more than 17 years and is currently organising regional trade shows for suppliers in the industry.

#### Brent Rudler

Brent Rudler is proprietor of North West Liquor Supplies in Port Hedland and a partner in Pilbara Party Hire. He is Deputy Chair of the Port Hedland Port Authority and a board member of the Local Government Advisory Board.

#### Denise Price

Denise Price is the owner and designer of Daneechi Swimwear Magic, manufacturers and retailers of specialist swimwear. She is the founding chairman of Subiaco Mainstreet, past vice president of the Subiaco Business Association and is the small business representative on the State Government's State Development Forum.

#### Stuart Thompson

Stuart Thompson is a director of Thompson McRobert Edgeloe, a town planning management and engineering firm based in Bunbury. He is the chairman of the Leschenault Business Enterprise Centre and a member of the City of Bunbury Built Environment Advisory Committee.

#### George Etrelezis (ex-officio)

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

### Functions of the Board

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

The SBDC board has four strategic roles:

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

Operational roles of the board include:

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

### Attendance at Meetings

BOARD MEMBER	NO OF MEETINGS 2003-04	ACTUAL MEETINGS ATTENDED
Mr Timothy Atterton	11	10
Dr Anne Butorac	11	10
Mr Kim Hutchinson	11	10
Ms Diane Miskelly	11	9
Mr Brent Rudler	11	11
Mrs Denise Price	10	10
Mr Stuart Thompson	10	10
Mr George Etrelezis	11	10

### Terms of Appointment

NAME	INITIALLY APPOINTED	TERM EXPIRES
Mr Timothy Atterton (Chairman)	23/07/2001	30/06/2007
Dr Anne Butorac	03/12/2001	31/12/2004
Mr Kim Hutchinson	24/08/1998	31/12/2004
Ms Diane Miskelly	23/07/2001	30/06/2005
Mr Brent Rudler	24/08/1998	31/12/2004
Mrs Denise Price	21/07/2003	30/06/2006
Mr Stuart Thompson	21/07/2003	30/06/2006



## People and Communities

### Disability Services Plan

During 2003–04, the SBDC continued its ongoing commitment towards ensuring that people with disabilities have suitable and equitable access to the SBDC's services and products.

Achievements against the disability services plan outcomes during the past year include:

#### Outcome 1. Existing services are adapted to meet the needs of people with disabilities.

Achievement: In meeting the needs of people with disabilities, the SBDC has made greater use of the Internet and the SBDC website to provide information, business licences, booklists and procedures for ordering books online. An email facility is also available for requesting specialist small business information and guidance.

#### Outcome 2. Access to buildings and facilities is improved.

Achievement: The SBDC has processes in place to ensure that any improvements or modifications to buildings, facilities and services recognises the accessibility needs of people with disabilities.

#### Outcome 3. Information about services is provided in formats that meet the communication requirements of people with disabilities.

Achievement: The SBDC continues to ensure that information about services and programs is written in clear and concise language and is available in accessible formats. Further improvements have been made to the functionality of the websites to improve access for all clients. In particular, our websites have been developed to ensure compliance with priority 1 of the W3C's Web Content Accessibility Guidelines, and we endeavour to meet priority 2 or better.

#### Outcome 4. Advice and services are delivered by staff who are aware of, and understand the needs of, people with disabilities.

Achievement: On induction and through ongoing staff development, employees are informed of their obligations and responsibilities regarding equal opportunity and the disability services plan. They are encouraged to be proactive in addressing improvements in access for all individuals.

### Outcome 5. Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes.

Achievement: The SBDC website includes a forum for users to provide feedback on services and facilities and to have grievances and complaints managed in accordance with our complaints management policy. In addition, regular surveys of clients are conducted to elicit information and feedback regarding the delivery of our services.

### Cultural Diversity and Language Services

The SBDC continues to provide free access to interpreter services for clients from culturally diverse backgrounds. In addition, during 2003–04 the SBDC promoted and maintained close links with ethnic business associations to ensure that our services were available to groups from culturally diverse backgrounds.

### Youth Outcomes

During 2003–04, b.generation — a resource committed to the provision of information and inspiration for young entrepreneurs in the 18–25 age group — was replaced by a new, expanded youth enterprise service.

Due to limitations of its outdated technology, the b.generation website underwent a major upgrade and re-branding to provide more comprehensive and practical information and support through an interactive online forum for young entrepreneurs.

As a result, the youth resource was changed and, on 28 June 2004, the SBDC launched the Young Business Network (YBN) [www.youngbusinessnetwork.sbdc.com.au](http://www.youngbusinessnetwork.sbdc.com.au), with the positioning statement, 'inspiring and supporting the business generation'.

To promote the new expanded services, a dedicated YBN stand was created at the 2004 Business Opportunities Expo, with several network members showcasing their businesses and representing YBN as ambassadors. This provided an opportunity for the young business operators to raise the profile of their business at no cost, and to demonstrate to the public that young business operators are an emerging force in the growth of Western Australia.

A part-time staff resource is allocated to monitoring and providing online support to YBN members, as well as performing a liaison function with youth enterprise related organisations, government bodies, private industry, education institutions and professionals.

In addition, the SBDC has continued to support youth enterprise in Western Australia through:

- mentoring a group of University of Western Australian students participating in the Young Achievement Australia (YAA) Business Skills program;
- providing judging and mentoring expertise for the final Western Australia Shell Livewire competition; and
- sponsoring the annual WA Young Small Business Achiever Award.

## The Environment

### Energy Smart Government Policy

In accordance with the Energy Smart Government policy, the SBDC has committed to achieving a 12 per cent reduction in non-transport related energy use by 2006–07 with a 6 per cent reduction targeted for 2003–04.

Energy Smart Government Program	Baseline	2003–04	Variation %
Energy Consumption (MJ)	764,017	672,801	-11.9%
Energy Cost (\$)	\$33,704	\$29,678	-\$4,026
Greenhouse gas emissions (tonnes of CO <sub>2</sub> )	195	178	-17 tonnes

During the year, the SBDC continued to encourage responsible energy use. Effective energy-saving practices — including the efficient use of lighting and office equipment — were regularly promoted and highlighted to all staff through internal communications.

Energy consumption is monitored on an ongoing basis to identify and investigate abnormal usage and to develop effective strategies to address any inefficiency. In addition, energy efficiency is a consideration when purchasing computing and other electrical equipment.

### Recycling

Consistent with the Government's commitment to waste reduction, the SBDC actively promotes the recycling of high-grade waste paper with recycling bins placed strategically throughout the office.

## The Regions

The SBDC is committed to the outcomes of the Regional Development Policy.

To ensure its programs and services are accessible to small businesses in the regions, the SBDC supports a network of 26 Business Enterprise Centres (BECs) throughout regional Western Australia. The SBDC is also committed to providing a comprehensive website, online services and toll-free telephone number to ensure regional small businesses are able to easily, conveniently and cheaply access its specialist business information services.

The SBDC has contributed to ensuring Government decision-making is based on a thorough understanding of regional issues by calling for public comment on the review of the BEC network undertaken in 2003–04, and facilitating a number of forums to give regional small business operators the opportunity to be heard by Government representatives. Two regional representatives are also included on the Board of the SBDC as required by the *Small Business Development Corporation Act 1983*.

The business achievements of regional small businesses are also recognised by sponsorship of nine regional awards programs and by the Western Australian Regional Small Business Awards, a state regional awards final inaugurated by SBDC in 2003.

A comprehensive report was provided to the Department of Local Government and Regional Development on the SBDC's progress in meeting the specific strategies allocated to it under the Regional Development Policy. The initiatives undertaken by the SBDC in this regard are detailed further throughout this report.

## Governance

### Equal Employment Opportunity (EEO)

The SBDC implemented its EEO management plan for 2004–07 and continues to progress the initiatives of the plan. The plan sets out to eliminate any discriminatory practices and to ensure equality of employment opportunity.

To facilitate this, recruitment advertisements are worded to encourage a broad selection of applicants. Together with improved access to job application kits, this has ensured equity for all potential applicants. In addition, the induction process for new employees includes awareness of EEO principles, their legal obligations and relevance to the workplace.

The provision of equitable career development opportunities for all employees focuses on the development, retention and promotion of diversity within the existing workforce. Coordination of training for grievance officers ensures they are kept up to date on current issues, practices, skills and trends.

There were no EEO complaints during 2003–04.

Staff are represented in the various EEO groups as follows:

	Women	Men	Non English Speaking Background	People with Disabilities
Permanent full time	21	14	1	1
Permanent part time	5	1	0	0
Fixed Term full time	0	1	0	0
Fixed Term part time	1	0	0	0
Casual	3	3	2	0
Temporary	0	0	0	0
Total	30	19	3	1

### Freedom of Information (FOI)

It is the SBDC's policy to make information freely available wherever possible. The *Freedom of Information Act 1992* requires the SBDC to maintain and publish an information statement. This statement is made available to the public at both reception areas and on our website.

During the year, the SBDC received and processed one application for access to documents under the *Freedom of Information Act 1992*.

### Evaluations

During 2003–04, an independent review of the Business Enterprise Centre (BEC) program was undertaken. The review focussed on three broad areas:

- Define an appropriate model for BECs and the BEC network as a whole for the next five years.
- Establish an optimum distribution network.
- Review critical aspects of service delivery.

Further details regarding the review are included in the report on operations in the Business Facilitation Services section.

### Public Sector Standards in Human Resource Management

In accordance with the legislative requirements under the *Public Sector Management Act 1994*, the SBDC reports that:

- The SBDC has complied with section 31(1) of the Act in the administration of its human resource management practices relating to public sector standards and codes of ethics and conduct.
- The SBDC's human resource management processes have adequate checks in place to ensure compliance requirements are met. These include adopting best-practice guidelines in adherence with public sector standards.
- No applications for breach of standards review were received by the SBDC between 1 July 2003 and 30 June 2004.

### Code of Conduct

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

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

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

During 2003–04 the SBDC's code of conduct was reviewed to ensure consistency with the public sector code of ethics.

### Public Interest Disclosure

The SBDC is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of contributions by staff to enhance administrative and management practices. It also strongly supports disclosures being made by staff regarding corrupt or other improper conduct.

During 2003–04 the corporation appointed the Director Corporate Services as the Public Interest Disclosure (PID) Officer who is responsible for receiving disclosures of public interest information relating to matters falling within the sphere of responsibility of the SBDC. Comprehensive internal guidelines have been developed and are promoted to all staff. In addition, a staff information summary document and a PID lodgement form are included on the SBDC Extranet to assist and support staff in making disclosures.

### Advertising Expenditure

In accordance with section 175ZE of the *Electoral Act 1907*, set out below are details of expenditure incurred during the 2003–04 financial year:

Market research organisations: Research Solutions	\$ 19,138.35
Direct mail organisations: Australia Post (EDI Post)	\$ 6,213.34
Advertising agencies: Marketforce Productions Media Decisions	\$ 92,863.27
Media advertising organisations: 94.5 FM	\$ 72,039.00
<b>Total Expenditure for 2003–04:</b>	<b>\$ 190,253.96</b>

## Staffing: Positions as at 30 June 2004

### MANAGING DIRECTOR

	George Etrelezis
Executive Assistant	Vivienne Sullivan /Lucy Hamilton (job share)

### CORPORATE SERVICES

Director Corporate Services	Ray Buttsworth
Finance and Administration Coordinator	Pauline Ng (Contract)
Human Resources Coordinator	Hilary Bell
Administrative Support Officer	Leanne Merrick
Administrative Support Officer - Records	Allan Nicholls

### ONLINE DEVELOPMENT UNIT TEAM

Director Online Development Unit	Diane Cooper (Acting)
Project Officer	Cameron Watts (Acting)
Knowledge Coordinator	Joanne Marchioro (Secondment)
Information Technology Officer	Lloyd Johnson (Contract)

### BUSINESS FACILITATION SERVICES

Director Business Facilitation Services	Jacky Finlayson (Acting)
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#### Business Enterprise Centre

##### Facilitation Team

Business Enterprise Centre Liaison	Stephen Edwards
Business Enterprise Centre Liaison	Terry Orr
Business Enterprise Centre Liaison	Aaron deRozario
Administrative Support Officer	Dianne Calhoun

#### Corporate Communications Team

Corporate Communications Officer	Tracy Taggart
Corporate Communications Officer	Phaidra Yanchos (Secondment)
Administrative Support Officer	Pia Duxbury

### SMALL BUSINESS SERVICES

Director Small Business Services	Bruce Macfarlane
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#### Small Business Services Team

Small Business Services Coordinator	Bruno Delfante (Acting)
Small Business Services Officer	Russ Davis
Small Business Services Officer	Bob Galloway

Small Business Services Officer

Mike O'Donnell (Contract)

Small Business Services Officer

Ann Kennish

Small Business Services Officer

Richelle Moran

Small Business Services Officer

Brian Robertson

Small Business Services Officer

Robyn Binks

Small Business Services Officer

Mary Prosser

Project Officer

Tamara Laurence (Acting)

Small Business Services Officer

Brian Childs (Contract)

Small Business Services Officer

Genelle Surace (Contract)

Small Business Services Officer

Lloyd Chin (Contract)

Administrative Support Officer

Zorica Kulish

Administrative Support Officer

Joanne Smith

Administrative Support Officer

Val Cook

Administrative Support Officer

Susan Newstead/Tina Morton (job share)

#### Business Information and Licence Centre

Business Information and Licence Centre Coordinator

Sue McCaughey

Customer Service Officer

Susan Crockford

Customer Service Officer

Jane Gardiner

Customer Service Officer

Linda Wilkinson

#### POLICY AND BUSINESS LIAISON

Director Policy and Business Liaison

Andrea Michailidis (Contract)

Policy and Business Liaison Officer

Warren Gibson

Policy and Business Liaison Officer

Cassandra Bate

Policy and Business Liaison Officer

Jim Mouzalidis

Policy and Business Liaison Officer

Martin Hasselbacher

Policy and Business Liaison Officer

Kiran Ranbir (Secondment)

Administrative Support Officer

Diane Rix

Secondment to Office of the Minister for State Development

Juliet Gisbourne

Secondment to Rottneest Island Taskforce

Stephen Moir

Secondment to Functional Review Implementation Team

Ron Coucaud

## 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*
- *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 Administration and Audit Act 1985*
- *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*
- *Small Business Guarantees Act 1984*
- *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

## Publications

### Books

The SBDC publishes a number of books. Members of the public can purchase hard copies of these from:

Business Information and Licence Centre (BILC)  
553 Hay Street (Cnr Pier St)  
PERTH WA 6000

Alternately, they can purchase an electronic (PDF) copy from the SBDC website.

1. *A Guide for operating a small business*, 2nd ed, 271 pages, \$25.00 (PLU: 408)
2. *A Guide to buying a small business*, 40 pages, \$10.95 (PLU: 303)
3. *Business planning*, 40 pages, \$5.50 (PLU: 432)
4. *Business structures*, reprinted 2002, 31 pages, \$5.50 (PLU: 442)
5. *Common questions about the Commercial Tenancy Act for leases entered into before 1 July 1999: advice for landlords and tenants*, 16 pages, \$5.50 (PLU: 418)
6. *Common questions about the Commercial Tenancy Act for leases entered into on or after 1 July 1999: advice for landlords and tenants*, 20 pages, \$5.50 (PLU: 420)
7. *Evaluating your business idea: is it worth the effort?*, 16 pages, \$5.50 (PLU: 436)
8. *Home based business kit: a practical kit for operating a home based business*. Hard copy only, purchase via bookshop, \$25.00. (PLU: 500)
9. *Home truths: information and inspiration for home based business*, 2nd ed, 90 pages, \$19.95 (PLU: 450)
10. *How to negotiate your way to a better retail lease*, 20 pages, \$5.00 (PLU: 419)
11. *Leasing business premises: a commercial and practical guide*, 24 pages, \$9.90 (PLU: 417)
12. *Market research for small business*, 86 pages, \$16.50 (PLU: 406)
13. *Step-by-step business plan*, 2nd ed, 96 pages, \$25.00 (PLU: 440)
14. *Wise moves: a practical kit for mature aged small business entrants*, (hard copy only, purchase via bookshop \$25.00) (PLU: 502)

### Media Releases

The SBDC regularly produces media releases to inform the small business sector about topical issues. Media releases from 2001 are available on the SBDC website publication page.

### Small Business Briefs

- *Applying for finance*, 2 pages
- *Business planning*, 2 pages
- *Business structures*, 2 pages
- *Buying a business*, 2 pages
- *Charging customers credit card fees*, 1 page
- *Credit management*, 2 pages
- *Dispute resolution*, 2 pages

- *Employment*, 3 pages
- *Exporting: the Ten Commandments*, 2 pages
- *Government assistance for small business*, 2 pages
- *Importing: the 10 Basic Steps*, 2 pages
- *Insurance for small business*, 2 pages
- *Intellectual property*, 2 pages
- *Leasing commercial property: a short practical guide*, 2 pages
- *Market research*, 2 pages
- *Partners in business*, 2 pages
- *Personal security for retailers*, 3 pages
- *Recovery of a debt*, 2 pages
- *The name of the game*, 2 pages

**Small Business Fact Sheets**

The *Small business fact sheet* is available in hard copy at no charge from the:

Business Information and Licence Centre (BILC)

553 Hay Street (Cnr Pier St)  
Perth 6000  
Western Australia

Alternately, the public are able to obtain an electronic (PDF) copy from the SBDC website publications page.

Issues available are:

- October 2002, 4 pages
- May 2001, 4 pages

**CERTIFICATION OF PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2004**

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 2004.



**T. ATTERTON  
CHAIRMAN**



**G. ETRELEZIS  
MANAGING DIRECTOR**

**20 AUGUST 2004**



The *Wise Moves kit* was launched in June 2004.





## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### SMALL BUSINESS DEVELOPMENT CORPORATION PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

#### Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Small Business Development Corporation are relevant and appropriate to help users assess the Corporation's performance and fairly represent the indicated performance for the year ended June 30, 2004.

#### Scope

##### *The Corporation's Role*

The Corporation is responsible for developing and maintaining proper records and systems for preparing performance indicators.

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

#### Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it 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 performance indicators.

D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

## performance indicators

The Small Business Development Corporation (SBDC) operates under the broad high level government strategic goal "to deliver a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australia by creating the conditions required for investment and growth". 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 output that link with this government goal are shown in the table below.

Government Strategic Goal	Desired Outcome	Output
To deliver a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australia by creating the conditions required for investment and growth.	Development of new and existing Small Business in Western Australia.	Information, Guidance, Referral and Business Development Services

In 2003-2004, SBDC achieved this desired outcome and output 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 to operate a business in the future.
- The impact of Business Migration on the State.

#### 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). In addition, SBDC provides funding for core business facilitation services to a network of thirty five Business Enterprise Centres (BECs) located across the State. The effectiveness of the small business services provided is measured by client surveys of those who have used SBDC and BEC services during 2003-2004.

Key effectiveness indicators used to measure SBDC's performance in achieving its *Outcome*, *development of new and existing Small Business in Western Australia*, were reviewed prior to client surveys conducted in 2003-2004, with indicators refined to reflect the services delivered to key client groups.

Indicators used were:

- 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 of those who were planning to start or buy a business only.
- The extent the information or guidance benefited the operations of the business - asked of all business clients who had met with a BEC manager or with a SBDC adviser.
- The value of the guidance or information received – asked of all business clients who had met with a BEC 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 2003-2004 of random samples of SBDC and BEC clients. They have been carried out by an independent market research company to ensure maximum objectivity [1]. Results from an evaluation of all workshop attendees at the SBDC, a survey of SBDC or Business Licence Centre website visitors as well as a survey of attendees at an SBDC sponsored function were also taken into account where appropriate.

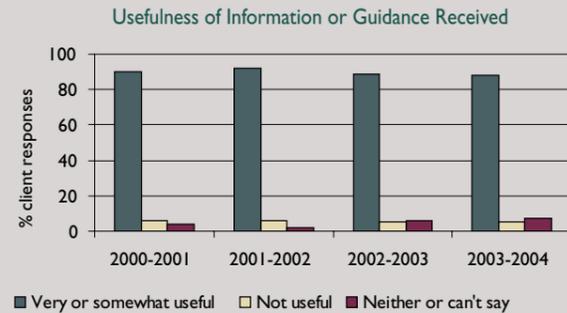
The effectiveness measures reported below combine the client scores of both the SBDC and the Business Enterprise Centre network.

### 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 indicated the perceived usefulness of the service provided to both business starters and established operators remained high, with 88 percent of clients rating it as very or somewhat useful, compared to 89 percent in 2002-03, 92 percent in 2001-02 and 90 percent in 2000-2001.



[1] The Performance Evaluation for 2003-04 where clients were contacted by telephone was undertaken by Research Solutions Pty. Ltd. Telephone surveys were undertaken with random selections of clients who had directly sought information and guidance during 2003-04. The sample size of 600 from a total population of 270,000 (approx) provides a sampling error of approximately + / - 4% at the 95% confidence level. Overall, 51.3% of telephone numbers rang resulted in the respondent agreeing to participate in the survey.

The valid sample for each service area was as follows:

Service Area	Established Business Operators		Business Starters		Total Sample	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04
<b>Clients - Direct advice*</b>						
Small Business Services	103	95	86	105	189	200
Business Information and Licence Centre	28	32	169	168	197	200
Workshop attendees <sup>1</sup>		505		2114		2619
Web-site visitors <sup>2</sup>		52		214		343
Business Enterprise Centre Network	92	115	105	85	197	200
<b>Clients - Indirect advice<sup>3</sup></b>						
					206	245
<b>Total</b>	<b>223</b>	<b>799</b>	<b>360</b>	<b>2686</b>	<b>789</b>	<b>3807</b>

<sup>1</sup> All those who had attended a workshop at the SBDC were asked to complete an evaluation at the end of the workshop.

<sup>2</sup> 343 website visitors completed the evaluation survey, with 52 noting they were in business, and 214 planning on starting a business.

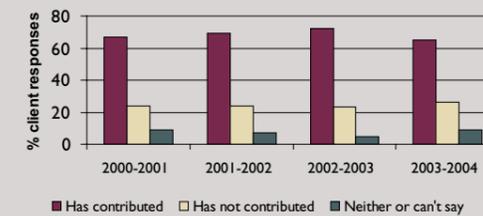
<sup>3</sup> Indirect clients who attended functions where the SBDC was represented (245 clients) were not asked their business status.

### 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 / BEC directly contributed to you making an informed decision about starting or buying your business?"

65 percent of business starters believed SBDC or the BEC services had directly contributed to their decision to start or buy a business. This compares with 72% in 2002-2003, 69 percent in 2001-02 and 67 percent in 2000-01.

Information/Guidance Received Contributed To Informed Decision To Buy Or Start A Business



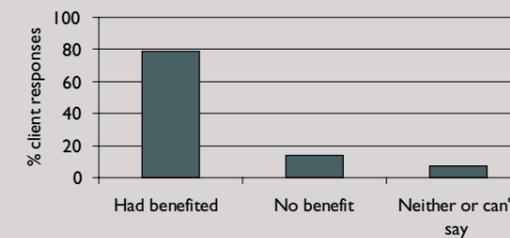
### The benefit of the information or guidance received on business operations

All clients who were in business and had dealings with a Business Enterprise Centre manager or a Small Business Services consultant, were asked:

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

Overall, 79 percent of business owners said the information or advice had benefited the operations of their business to a great or to some extent. As 2003-2004 was the first year this question had been asked, there is no comparative data.

### How Information/Guidance Had Benefited Business Operations



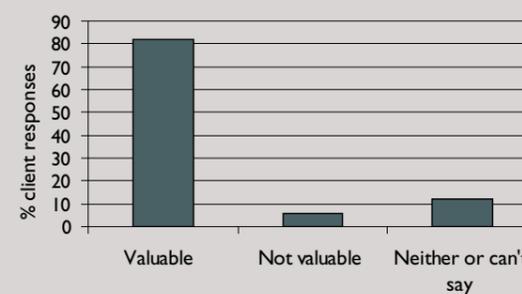
### Value of the information / guidance received.

All business clients interviewed who had met with a Business Enterprise Centre manager or a Small Business Services consultant (that is they had longer than a brief telephone conversation), 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, 82 percent of those surveyed said they valued the information or guidance received (with 50 percent indicating the contribution was very valuable). As 2003-2004 was the first year this question had been asked, there was no comparative data.

Value of Information or Guidance Received



### Impact of Business Migration on the State

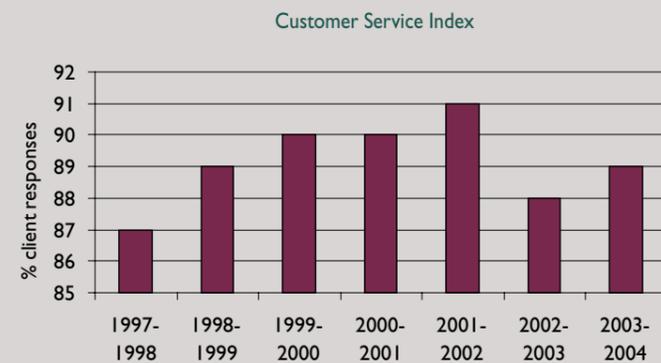
SBDC provides an important service in the facilitation of business migration to Western Australia through state government sponsorship. Sponsorship is a prerequisite for applying for a visa to enter Western Australia. The number of state sponsorships approved during 2003-2004 was 306. These sponsorship approvals are based on a number of criteria including business and economic development which are assessed by SBDC. The sponsorships approved reflect the following investment into the state if migration eventuates:

- Total capital - \$390,714,000;
- Total capital in business - \$177,216,000; and
- Employment creation – 1,143 new jobs.

### Customer Service Index

The Customer Service Index was introduced to measure the extent to which the SBDC and BEC network satisfied the customer's inquiry and request for assistance. Questions asked were included on 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.

For 2003/04 a Customer Service Index rating of 89 percent was recorded. This compares with 88 percent in 2002-2003, 91 percent for 2001-2002, 90 percent in 2000-2001 and in 1999-2000, 89 percent for 1998-99 and 87 percent in 1997-98.



The scores showing the positive response given for each of the five Performance Indicators over the last six years are shown in the table below.

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
	%	%	%	%	%	%	%
<b>Usefulness:</b> How useful was the information and guidance provided to you?	91	91	92	92	92	89	88
<b>Business operations:</b> [2] To what extent has the information or guidance received benefited the operations of your business?	70	72	77	75	78	74	79
<b>Access:</b> Would you describe the task of accessing the service as being easy or difficult? Total 'easy' responses shown	95	94	94	94	95	94	92
<b>Service:</b> How would you rate the overall level of customer service provided by the staff?	81	94	96	94	96	91	93
<b>Repeat:</b> Would you use the service(s) again if the need arose?	95	94	94	94	94	92	92
<b>Customer Service Index</b>	<b>87</b>	<b>89</b>	<b>90</b>	<b>90</b>	<b>91</b>	<b>88</b>	<b>89</b>

[2] Following the review of effectiveness indicators in 2003/2004, the question "to what extent did the information and guidance you received contribute to an improvement in your decision making," was replaced with the question asked of business customers: "To what extent has the information or guidance received benefited the operations of your business?"

## 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 2002-2003, 2001-02 and 2000-2001 are set out below:

EFFICIENCY INDICATORS	2003-04		2002-03	2001-02	2000-01
<u>Cost of direct client contacts</u>	<u>4,281,626</u>	\$31.30	\$38.88	\$45.65	\$48.42
Number of direct client contacts / equivalents [3]	136,782				
<u>Cost of indirect client contacts</u>	<u>146,976</u>	\$2.91	\$3.00	\$3.12	\$2.34
Number of indirect client contacts [4]	50,534				
<u>Cost of BEC services</u>	<u>3,532,153</u>	\$30.10	\$29.35	\$32.80	\$40.33
Number of BEC client contacts	117,339				
Policy Advice	\$893,736	\$897,304	\$840,831	\$1,026,812	

[3] Number of direct client contacts is as specified in the Output Measures (refer Report on Operations) namely: Clients – **direct advice** (135,718) plus the number of 'equivalent direct clients' that are serviced through the provision of grant money (1,064) equals 136,782.

#### Explanation:

**Direct client contacts** have contacted the SBDC for guidance or information either by a personal visit, by telephone or have visited the SBDC web-site for four minutes or more, or the BLIS website for two minutes or more.

**Grants** are given either under the Business Innovation Development Scheme or the Business Migrant Incentive Program, to provide funding for small businesses or potential business migrants to use the services of a private sector consultant to prepare business or marketing plans, feasibility studies or a business proposal to enhance a visa application.

The average grant per small business is \$1,478.45 (refer Output Measure costs – Report on Operations). Assuming the average hourly rate for the services of a private sector consultant is \$100, the grant money provides each client with approximately 14.78 hours of consultant's time (\$1,478.45 / 100). From SBDC records, each SBDC consultant sees on average two clients per hour. Therefore the number of 'direct client contacts equivalent' is 14.78 (consultant hours) x 2 (clients per hour) x 36 (grants given) = 1,064 'equivalent direct clients'.

[4] **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 15,325 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 13,302 who have browsed the SBDC web site for an average of two to four minutes, 8,271 who have accessed the b-generation web-site, which targets youth, 2,382 who have accessed the Small Business Research web-site for two minutes or more, and 11,449 who have accessed the SBDC's e-commerce web-sites for two minutes or more.

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The accompanying financial statements of the Small Business Development Corporation have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June, 2004, and the financial position as at 30 June, 2004.

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



T. ATTERTON  
CHAIRMAN



G. ETRELEZIS  
MANAGING DIRECTOR



R. BUTTSWORTH  
PRINCIPAL ACCOUNTING OFFICER

20 AUGUST 2004



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### SMALL BUSINESS DEVELOPMENT CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

#### Audit Opinion

In my opinion,

- (i) the controls exercised by the Small Business Development Corporation provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Corporation at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

#### Scope

##### *The Corporation's Role*

The Corporation is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements 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.

D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

## Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>COST OF SERVICES</b>			
<b>Expenses from ordinary activities</b>			
Employee expenses	2	3,585,254	3,548,525
Supplies and services	3	2,394,498	2,506,190
Depreciation expense	4	125,919	99,606
Communications expense		143,126	151,980
Maintenance expense		59,625	54,040
Grants and subsidies	5	2,339,505	3,147,450
Capital user charge	6	196,120	177,000
Costs of disposal of non-current assets		10,444	3,260
<b>Total cost of services</b>		<b>8,854,491</b>	<b>9,688,051</b>
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
<b>Revenue from operating activities</b>			
User charges and fees		67,000	48,193
Trading profit	7	68,970	62,880
Commonwealth grants and contributions	8	225,265	229,775
<b>Revenue from non-operating activities</b>			
Interest revenue		113,107	110,904
Proceeds from disposal of non-current assets	9	1,022	277
Other revenues from ordinary activities	10	104,052	345,344
<b>Total revenues from ordinary activities</b>		<b>579,416</b>	<b>797,373</b>
<b>NET COST OF SERVICES</b>		<b>8,275,075</b>	<b>8,890,678</b>
<b>REVENUES FROM STATE GOVERNMENT</b>			
Output appropriation		8,510,000	8,677,000
Resources received free of charge		0	11,000
<b>Total revenues from State Government</b>		<b>8,510,000</b>	<b>8,688,000</b>
<b>CHANGE IN NET ASSETS</b>		<b>234,925</b>	<b>(202,678)</b>

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



## Statement of Financial Position

AS AT 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash assets	12	2,966,032	2,717,935
Inventories		54,545	37,195
Receivables	13	229,196	407,786
Amounts receivable for outputs	14	122,000	115,000
<b>TOTAL CURRENT ASSETS</b>		<b>3,371,773</b>	<b>3,277,916</b>
<b>NON-CURRENT ASSETS</b>			
Amounts receivable for outputs	14	46,000	36,000
Furniture, plant and equipment	15	343,252	370,966
<b>TOTAL NON-CURRENT ASSETS</b>		<b>389,252</b>	<b>406,966</b>
<b>TOTAL ASSETS</b>		<b>3,761,025</b>	<b>3,684,882</b>
<b>CURRENT LIABILITIES</b>			
Payables		34,505	37,992
Provisions	16	544,295	539,656
Other liabilities	17	258,505	585,265
<b>TOTAL CURRENT LIABILITIES</b>		<b>837,305</b>	<b>1,162,913</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	16	292,294	237,941
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>292,294</b>	<b>237,941</b>
<b>TOTAL LIABILITIES</b>		<b>1,129,599</b>	<b>1,400,854</b>
<b>NET ASSETS</b>		<b>2,631,426</b>	<b>2,284,028</b>
<b>EQUITY</b>			
Contributed equity	18	428,473	316,000
Accumulated surplus		2,202,953	1,968,028
<b>TOTAL EQUITY</b>		<b>2,631,426</b>	<b>2,284,028</b>

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

## Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2004 \$	2003 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Output appropriations		8,378,000	8,545,000
Capital contributions		97,000	196,000
Holding account drawdowns		115,000	104,000
<b>Net cash provided by State Government</b>		<b>8,590,000</b>	<b>8,845,000</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee costs		(3,478,808)	(3,417,477)
Supplies and services		(5,219,696)	(5,978,307)
Capital user charge		(196,120)	(177,000)
GST payments on purchases		(537,523)	(613,004)
<b>Receipts</b>			
Sale of goods and services		194,425	170,011
Commonwealth grants and contributions		227,665	227,375
Interest received		112,474	114,349
GST receipts on sales		63,390	62,488
GST receipts from taxation authority		506,319	642,259
Other receipts		103,838	346,375
<b>Net cash used in operating activities</b>	<b>19(b)</b>	<b>(8,224,036)</b>	<b>(8,622,931)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of furniture, plant and equipment		1,022	277
Purchase of furniture, plant and equipment		(118,889)	(150,915)
<b>Net cash used in investing activities</b>		<b>(117,867)</b>	<b>(150,638)</b>
<b>Net increase in cash held</b>		<b>248,097</b>	<b>71,431</b>
Cash assets at the beginning of the financial year		2,717,935	2,646,504
<b>CASH ASSETS AT THE END OF THE FINANCIAL YEAR</b>	<b>19(a)</b>	<b>2,966,032</b>	<b>2,717,935</b>

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 2004

### I. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

#### General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views 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 Administration and Audit Act 1985* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

#### Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

#### (a) Output Appropriations

Output Appropriations are recognised as revenues 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 into the Corporation's bank account or credited to the holding account held at the Department of Treasury and Finance.

#### (b) Contributed Equity

Under UIG38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) and transfer of superannuation liability have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

#### (c) Revenue

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

#### (d) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets costing less than \$1,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

#### (e) Depreciation of non-current assets

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

Motor Vehicles - 12.5% per annum

Fixtures and Fittings - 7.5% per annum

Computing Equipment - 30% per annum

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

#### (f) Leases

The Corporation has entered into a number of operating lease arrangements for the rent of the office building and motor vehicles where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property. No finance leases are held by the Corporation.

#### (g) Inventories

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

#### (h) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

#### (i) Payables

Payables, including accruals not yet billed, are recognised when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days. The Corporation considers the carrying amounts of payables approximate their net fair values.

#### (j) Employee Benefits

##### (i) Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

##### (ii) Long Service Leave

The Corporation applied the long hand method at 30 June 1999. The resulting liability was not materially different from that calculated using the short hand method and therefore the short hand method has been applied since year ending 30 June 2000. Under the short hand method, leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised after an officer has completed four years of service.

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

(iii) Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

On 30 June 2004, unfunded liabilities relating to the Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme were assumed by the Treasurer. The amount assumed by the Treasurer is disclosed at Note 18.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Corporation. Accordingly, deriving the information for the Corporation is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(iv) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (See notes 2 and 16)

(k) Accrued Salaries

Accrued Salaries (refer note 17) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Corporation considers the carrying amount approximates net fair value.

(l) Net Fair Value of Financial Assets and Liabilities

Net fair values of financial instruments are determined on the following bases:

Monetary financial assets and liabilities not traded in an organised financial market - carrying amounts of receivables, payables and accruals (which approximates net market value).

(m) Grants

The Corporation recognises, as a current liability, grants approved but not yet paid under the Small Business Improvement Program.

(n) Valuation of Non-current Assets

All non-current assets are recognised at cost.

(o) Resources Received Free of Charge

Resources received free of charge which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(p) Comparative Figures

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

	2004	2003
	\$	\$
<b>2. EMPLOYEE EXPENSES</b>		
Salaries, wages and allowances	2,968,360	2,905,593
Superannuation	293,699	279,856
Long service leave	31,989	73,482
Annual leave	31,970	29,263
Other related expenses*	259,236	260,331
	<b>3,585,254</b>	<b>3,548,525</b>

\*These employee expenses include payroll tax, fringe benefits tax, staff recruitment, staff training, staff amenities and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 16.

**3. SUPPLIES AND SERVICES**

Premises	462,736	467,016
Media, advertising and promotions	463,419	559,073
Travel and accommodation	144,429	125,501
Professional services	499,744	457,258
Small Business Initiative Fund payments	192,185	291,149
Sponsorships	62,759	46,894
Other services	444,181	433,179
Consumable supplies	125,045	126,120
	<b>2,394,498</b>	<b>2,506,190</b>

**4. DEPRECIATION EXPENSE**

Office furniture	5,542	5,305
Office equipment	17,876	21,562
Fixtures and fittings	10,442	10,204
Motor vehicles	1,147	2,118
Computing equipment	90,912	60,417
	<b>125,919</b>	<b>99,606</b>

**5. GRANTS AND SUBSIDIES**

Business Enterprise Centres	2,420,000	2,418,000
Small Business Improvement Program (l)	(117,562)	564,992
Business Innovation Development Scheme	13,203	34,913
Business Migrant Incentive Program	23,864	129,545
	<b>2,339,505</b>	<b>3,147,450</b>

(l) Grants commitments valued at \$117,562 under the Small Business Improvement Program in 2002/03 were subsequently reduced or terminated in 2003/04. As a result, this amount was reversed in 2003/04.

	2004	2003
	\$	\$

#### 6. CAPITAL USER CHARGE

	196,120	177,000
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A capital user charge rate of 8% has been set by the Government for 2003/04 and represents the opportunity cost of capital invested in the net assets of the Corporation used in the provision of outputs. The charge is calculated on the net assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.

#### 7. TRADING PROFIT

Sales	126,583	122,210
<b>Cost of sales</b>		
Opening inventory	(37,195)	(39,305)
Purchases	(74,962)	(57,220)
	<b>(112,157)</b>	<b>(96,525)</b>
Closing inventory	54,544	37,195
<b>Cost of Goods Sold</b>	<b>(57,613)</b>	<b>(59,330)</b>
<b>Trading profit</b>	<b>68,970</b>	<b>62,880</b>

#### 8. COMMONWEALTH GRANTS AND CONTRIBUTIONS

Department of Industry, Tourism and Resources		
- Business Licence Information System	0	44,500
Department of Transport & Regional Services		
- Indian Ocean Territories Service Delivery Arrangement	47,065	61,075
Australian Trade Commission		
- TradeStart	178,200	124,200
	<b>225,265</b>	<b>229,775</b>

#### 9. NET GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

<b>Gain on Disposal of Non-Current Assets</b>		
Computing equipment	800	189
Proceeds from disposal of non-current assets	800	189
<b>Loss on Disposal of Non-Current Assets</b>		
Office equipment	(10,222)	(3,173)
Proceeds from disposal of non-current assets	222	88
<b>Net (loss)</b>	<b>(9,422)</b>	<b>(2,984)</b>

	2004	2003
	\$	\$

#### 10. OTHER REVENUES FROM ORDINARY ACTIVITIES

Unused Regional Enterprise Funding Scheme (REFS) funds returned*	16,701	72,090
Unused Small Business Initiatives Fund returned	37,330	90,342
Department of Education and Training		
- Small Business Smart Business Program	0	100,000
Department of Consumer and Employment Protection		
- Commercial Tenancy (Retail Shops) Agreements Act 1985 Review	0	20,000
Western Australian Tourism Commission		
- Growth for Tourism Operators Programme	0	5,000
Other	50,021	57,912
	<b>104,052</b>	<b>345,344</b>

\* Represents unused funds expensed in previous periods under the Regional Enterprise Funding Scheme (REFS) which have been returned to the Corporation during the years 1999/2000 to 2003/04. The funds have been reallocated to the Small Business Initiatives Fund and are available through Business Enterprise Centres to develop projects for small business linked to skills development, planning, mentoring, e-commerce, youth enterprise and export facilitation.

#### 11. REVENUES FROM STATE GOVERNMENT

##### Appropriation revenue received during the year:

Output appropriations (I)	8,510,000	8,677,000
Resources Received Free of Charge (II)		
Determined on the basis of the following estimates provided by agencies.		
Office of the Auditor General	0	11,000
	<b>8,510,000</b>	<b>8,688,000</b>

(I) Output appropriations are accrual amounts reflecting the full cost of outputs 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.

(II) Where services have been received free of charge, the Corporation recognises revenues equivalent to the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as expenses. Commencing with the 2003/04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003/04 audit (\$12,000) will be due and payable in the 2004-05 financial year.

#### 12. CASH ASSETS

Bank account	1,465,582	1,217,485
Cash investments - investment with		
Department of Treasury and Finance	1,500,000	1,500,000
Cash on hand	450	450
	<b>2,966,032</b>	<b>2,717,935</b>

	2004	2003
	\$	\$
<b>13. RECEIVABLES</b>		
Trade debtors	1,517	4,644
Net GST recoverable	67,305	96,377
Accrued interest	6,527	5,894
Prepayments	153,847	300,871
	<b>229,196</b>	<b>407,786</b>

#### 14. AMOUNTS RECEIVABLE FOR OUTPUTS

Current	122,000	115,000
Non-current	46,000	36,000
	<b>168,000</b>	<b>151,000</b>

This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

#### 15. FURNITURE, PLANT AND EQUIPMENT

Office furniture at cost	74,547	70,842
Accumulated depreciation	(45,782)	(40,240)
	<b>28,765</b>	<b>30,602</b>
Office equipment at cost	173,950	216,321
Accumulated depreciation	(131,908)	(130,066)
	<b>42,042</b>	<b>86,255</b>
Fixtures and fittings at cost	235,269	235,269
Accumulated depreciation	(136,588)	(126,146)
	<b>98,681</b>	<b>109,123</b>
Motor vehicles at cost	16,943	16,943
Accumulated depreciation	(16,943)	(15,796)
	<b>0</b>	<b>1,147</b>
Computing equipment at cost	508,399	428,583
Accumulated depreciation	(334,635)	(284,744)
	<b>173,764</b>	<b>143,839</b>
	<b>343,252</b>	<b>370,966</b>

#### 15. FURNITURE, PLANT AND EQUIPMENT (CONTINUED)

##### Reconciliations

Reconciliations of the carrying amounts of furniture, plant and equipment at the beginning and end of the current financial year are set out below:

	Office furniture \$	Office equipment \$	Fixtures and fittings \$	Motor vehicles \$	Computing equipment \$	Total \$
<b>2004</b>						
Carrying amount at start of year	30,602	86,255	109,123	1,147	143,839	370,966
Additions	3,705	(15,893)	0	0	120,838	108,650
Disposals	0	(26,478)	0	0	(41,021)	(67,499)
Depreciation	(5,542)	(1,842)	(10,442)	(1,147)	(49,892)	(68,865)
Carrying amount at end of year	<b>28,765</b>	<b>42,042</b>	<b>98,681</b>	<b>0</b>	<b>173,764</b>	<b>343,252</b>

Negative addition in office equipment represents reclassification to computing equipment.

#### 16. PROVISIONS

	2004	2003
	\$	\$
<b>Current</b>		
Annual leave	198,088	166,119
Long service leave	268,634	296,348
Other (I)	77,573	77,189
	<b>544,295</b>	<b>539,656</b>
<b>Non-current</b>		
Long service leave	250,640	190,937
Superannuation - unfunded lump sum liability (II)	0	15,139
Other (I)	41,654	31,865
	<b>292,294</b>	<b>237,941</b>
	<b>836,589</b>	<b>777,597</b>

I) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under other related expenses (under Employee expenses) at Note 2.

II) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board. As from 30 June 2004, the liability was transferred to the Treasurer and reported centrally by the Department of Treasury and Finance. In accordance with Treasurer's Instruction 955 (3)(iv), this transfer has been accounted for as a contribution by owner and included at Note 18.

The Corporation considers the carrying amount of employee benefits approximates the net fair value.

	2004 \$	2003 \$
<b>17. OTHER LIABILITIES</b>		
Accrued expenses	83,611	117,628
Accrued salaries	174,894	72,106
Grants payable (I)	0	395,531
	<b>258,505</b>	<b>585,265</b>

(I) Applications for The Small Business Improvement Program ceased in February 2003. There were no outstanding commitments as at 30 June 2004.

### 18. EQUITY

#### Contributed equity

Opening balance	316,000	120,000
Capital contributions (I)	97,000	196,000
Transfer of superannuation liability (I)	15,473	0
<b>Closing balance</b>	<b>428,473</b>	<b>316,000</b>

(I) Capital Contributions and transfer of superannuation liability have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.

#### Accumulated surplus/(deficiency)

Opening balance	1,968,028	2,170,706
Change in net assets	234,925	(202,678)
<b>Closing balance</b>	<b>2,202,953</b>	<b>1,968,028</b>

	2004 \$	2003 \$
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### 19. NOTES TO THE STATEMENT OF CASH FLOWS

#### (a) Reconciliation 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 assets	2,966,032	2,717,935
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#### (b) Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(8,275,075)	(8,890,678)
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#### Non-cash items:

Depreciation expense	125,919	99,606
Resources received free of charge	0	11,000
Net loss on sale of property, plant and equipment	9,422	2,984
Transfer of superannuation liability	15,473	0

#### Changes in assets and liabilities:

Decrease in receivables	178,590	44,155
Decrease/(increase) in inventories	(17,350)	2,110
(Decrease)/increase in payables (I)	6,753	(29,383)
Increase/(decrease) in other liabilities	(326,760)	12,127
Increase in provisions	58,992	125,148

<b>Net cash used in operating activities</b>	<b>(8,224,036)</b>	<b>(8,622,931)</b>
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(I) Amount payable for fixed assets is not included as such payment is classified under investing activities.

### 20. REMUNERATION OF AUDITORS

Audit fees to the Auditor General (free of charge)	0	11,000
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Commencing with the 2003/04 audit, the Office of the Auditor General will be charging a fee for audit. The fee for the 2003/04 audit (\$12,000) will be due and payable in the 2004/05 financial year.

	2004	2003
	\$	\$

## 21. REMUNERATION OF ACCOUNTABLE AUTHORITY AND SENIOR OFFICERS

- (a) The total fees, salaries, superannuation and other benefits for the financial year of the members of the Accountable Authority are:
- |  |        |        |
|--|--------|--------|
|  | 70,960 | 72,376 |
|--|--------|--------|
- (b) The total fees, salaries, superannuation and other benefits for the financial year of Senior Officers are:
- |  |         |         |
|--|---------|---------|
|  | 660,417 | 648,717 |
|--|---------|---------|
- (c) The number of members of the Accountable Authority whose total fees, salaries, superannuation and other benefits for the financial year, falls within the following bands are:

	2004	2003
\$0 - \$10,000	6	6
\$20,001 - \$30,000	1	1

- (d) The number of Senior Officers whose total fees, salaries, superannuation and other benefits for the financial year, falls within the following bands are:

	2004	2003
\$80,001 - \$90,000	2	2
\$90,001 - \$100,000	1	2
\$100,001 - \$110,000	1	1
\$110,001 - \$120,000	1	-
\$170,001 - \$180,000	1	1

## 22. AFFILIATED BODIES

- (a) **The Institute for Small Business Research (ISBR).**

The Corporation's affiliation with ISBR forms a valuable link between the small business sector and the research capacity of Western Australia's major academic institutions. The achievement of the objectives of this affiliation is reflected in the report on operations. During the financial year, the Corporation provided secretariat duties and staff support.

- (b) **Business Enterprise Centres (BEC)**

During the year \$2,420,000 was paid out to 37 Business Enterprise Centres by way of grants and transfers. The Centres are separately incorporated entities located in city and country areas to assist small businesses to expand or develop new business ideas.

	2004	2003
	\$	\$

## 23. REGIONAL ENTERPRISE FUNDING SCHEME (REFS)

Under this scheme the Corporation provided funds to the regional BECs to lodge with banks in support of loans of up to \$10,000 to small business.

The scheme was closed to further applications on 21 October 1999 and was replaced with the Small Business Initiatives Fund (SBIF). Unutilised REFS deposit funds were transferred to the SBIF.

(i) Balance of funds with participating banks as at year end	20,375	47,046
(ii) Balance of loans outstanding as at year end (3 in 2003, 2 in 2004)	1,849	6,328
(iii) Loans defaulted in previous year brought to account (2 in 2001)	11,457	0
(iv) Recovered default loans for the year	590	1,970

### Reconciliation of funds transferred to SBIF for the year:

Balance of REFS deposit funds with participating banks at the beginning of year	47,046	115,801
Less Defaulting loans paid out	11,457	0
	<b>35,589</b>	<b>115,801</b>

Plus Recovered defaults to year end	590	1,970
Accrued deposit interest at year end	897	1,365
	<b>37,076</b>	<b>119,136</b>

Less Funds retained by the participating banks to support outstanding REFS loans	20,375	47,046
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<b>Funds transferred back to the Small Business Development Corporation</b>	<b>16,701</b>	<b>72,090</b>
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## 24. 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. An amount of \$39,935 was carried forward from 2002/03 and during 2003/04 a further \$47,065 was received from the Commonwealth. Gross expenditure against this was \$44,270 and the remaining \$42,730 has been carried forward to the 2004/05 financial period.

	2004 \$	2003 \$
<b>25. LEASE COMMITMENTS</b>		
Analysis of non-cancellable operating lease commitments for buildings and motor vehicles:		
Within 1 year	63,331	243,323
Later than 1 year and not later than 5 years	17,328	191,174
	<b>80,659</b>	<b>434,497</b>

All commitments are exclusive of GST.

## 26. FINANCIAL INSTRUMENTS

### Interest rate risk exposure

The following table details the Corporation's exposure to interest rate risk as at the reporting date:

30 June 2004	Weighted average effective interest rate %	Floating interest rate	Non interest bearing	Total
<b>Financial Assets</b>				
Cash at bank	3.36	1,465,582		1,465,582
Cash investments	5.06	1,500,000		1,500,000
Cash on hand			450	450
Receivables			229,196	229,196
		2,965,582	229,646	3,195,228
<b>Financial Liabilities</b>				
Payables			34,505	34,505
Other liabilities			258,505	258,505
		0	293,010	293,010
<b>30 June 2003</b>				
Financial assets	4.09	2,717,485	408,236	3,125,721
Financial liabilities		0	623,257	623,257

### Credit risk exposure

All financial assets are unsecured.

### Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

	2004 \$	2003 \$
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## 27. EXPLANATORY STATEMENT

- (a) Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 5% and at least \$15,000.

### REVENUE

<b>User charges and fees</b>	67,000	48,193
Increased admission fees resulting from an increase in the number and frequency of workshops conducted during the financial year.		
<b>Other revenues from ordinary activities</b>	104,052	345,344
Reduction in other revenues due to once off funding in 2002/03 for <i>Commercial Tenancy (Retail Shops) Agreements Act 1985 Review</i> and <i>Growth for Tourism Operators Programme</i> . Further reduction with the cessation of the service fee paid to SBDC under the <i>Small Business Smart Business Program</i> , and a decrease in unspent monies returned for <i>Regional Enterprise Funding Scheme</i> and <i>Small Business Initiatives Fund</i> .		

### EXPENDITURE

<b>Depreciation expense</b>	125,919	99,606
Additional depreciation expense associated with an increase in computing equipment purchased during the year.		
<b>Grants and subsidies</b>	2,339,505	3,147,450
Substantial decrease in grants payment due to cessation of <i>Small Business Improvement Program</i> in February 2003 and reductions in grants paid under the <i>Business Innovation Development Scheme</i> and <i>Business Migrant Incentive Program</i> during the year.		
<b>Capital user charge</b>	196,120	177,000
The higher Capital User Charge payment represents an increase in the average net asset position for the reporting period.		

## 27. EXPLANATORY STATEMENT (CONTINUED)

	2004 Estimate \$	2004 Actual \$
(b) Details and reasons for significant variations between estimates and actual results are detailed below. Significant variances are considered to be those greater than 5% and at least \$15,000.		
<b>REVENUE</b>		
<b>Grants and Subsidies</b>	60,000	225,265
The increase relates to funding received under the Tradestart program from the Australian Trade Commission. The contract for the program was not confirmed until after 2003/04 budget was finalised.		
<b>Other revenue</b>	80,000	105,074
Additional unbudgeted receipts resulting from unspent monies returned under the Small Business Initiatives Fund (SBIF).		
<b>EXPENDITURE</b>		
<b>Superannuation</b>	276,000	293,699
Increase in superannuation contribution as a result of general incremental movements.		
<b>Cost of goods sold</b>	80,000	57,613
Actual is lower than anticipated due to increased inventory resulting from the bulk purchase of new kit stock lines.		
<b>Grants, subsidies and transfer payment</b>	2,815,000	2,339,505
An amount of \$400,000 budgeted in 2003/04 to assist the Business Enterprise Centre network has been carried forward to 2004/05 for implementation of BEC review recommendations.		
<b>Supplies and services</b>	2,569,000	2,226,810
Funds budgeted in 2003/04 for projects under the Small Business Initiatives Fund were not expensed and have been carried forward to 2004/05.		
<b>Accommodation</b>	444,000	468,060
Increase in expense as a result of property outgoings from previous periods brought to account in 2003/04 through external property management.		
<b>Capital User Charge</b>	102,000	196,120
The higher Capital User Charge payment represents an increase in the average net asset position during the reporting period.		
<b>State Taxes</b>	124,000	153,940
Increase in payroll tax resulting from a corresponding increase in employee expenses and superannuation paid during the year.		

## 28. THE IMPACT OF ADOPTING INTERNATIONAL ACCOUNTING STANDARDS

The Small Business Development Corporation is adopting international accounting standards in accordance with AASBI 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS)'.

AASBI requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports for periods ending on or after 30 June 2004 to disclose:

### 1. How the transition to Australian equivalents to IFRS is being managed

The Small Business Development Corporation has :

- identified key differences in accounting policies, disclosures and presentation in financial statements;
- provided necessary staff training ; and
- prepared a plan to convert accounting policies and processes so as to account and report on the IFRS basis.

### 2. Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS

The Small Business Development Corporation has identified the following key differences:

- Accounting Standard AASB 119 'Employee Benefits' requires measurement of other long-term employee benefit liabilities that are payable 12 months or more after the end of the reporting period at present value and the discount rate use to be based on government bonds. Such liabilities are currently measured at remuneration rates expected to be paid when the liabilities are settled.
- Accounting Standard AASB 138 'Intangible Assets' requires that all computer software not integral to the operation of the hardware should be classified as intangible assets. These software are currently classified under furniture, plant and equipment.
- Accounting Standard AASB 136 'Impairment of Assets' requires an annual impairment test to be performed on current and non-current assets.

Quantitative information relating to the above changes was not known or reliably estimable at the time these financial statements were prepared.

## glossary of terms used in this report

ABS	Australian Bureau of Statistics
ATO	Australian Taxation Office
BEC	Business Enterprise Centre
BFS	Business Facilitation Services
BIAWA	Business Incubators Association of Western Australia
BIDS	Business Innovation Development Scheme
BILC	Business Information and Licence Centre
BISP	Business Incubator Support Program
BLIS	Business Licence Information Service
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
DOCEP	Department of Consumer and Employment Protection
DOIR	Department of Industry and Resources
EEO	Equal Employment Opportunity
FOI	Freedom of Information
GEM	Government Electronic Market
HBBN	Home Based Business Network
ISBR	Institute for Small Business Research
ODU	Online Development Unit
PID	Public Interest Disclosure
SBDC	Small Business Development Corporation
SBIF	Small Business Initiatives Fund
SBS	Small Business Services
TPA	Trade Practices Act
WATC	Western Australian Tourism Commission
YBN	Young Business Network





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