

**Division 18: Small Business Development Corporation, \$14 790 000 —**

Ms S.E. Winton, Chair.

Mr P. Papalia, Minister for Small Business.

Mr D. Eaton, Small Business Commissioner.

Mr R. Buttsworth, Director, Corporate Resources.

Ms E.L. Roebuck, Senior Policy Adviser.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall be examined only in relation to their portfolio responsibilities.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide, and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 31 May. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

I give the call to the member for South Perth.

**Mr J.E. McGRATH:** My question relates to paragraph 3 under significant issues impacting the agency on page 239 in which it states —

Collectively host to half of all small businesses in the State, 30 local governments are now participating in the Small Business Friendly Local Government initiative,

How were those councils selected and what methodology was used to pick them out of 140 councils?

**Mr P. PAPALIA:** It is a voluntary initiative; they are the ones that came forward to participate.

**Mr J.E. McGRATH:** Were they the only ones that came forward to participate?

**Mr P. PAPALIA:** To date, yes.

**Mr J.E. McGRATH:** Can the minister provide us with any update on this initiative?

**Mr P. PAPALIA:** I will ask the commissioner to respond.

**Mr D. Eaton:** As of 8 May, 33 local governments have committed to the small business-friendly local government program, which now covers 56 per cent of small businesses. Basically, there are two objectives, one of which is to promote better practice within the local government sector. It is acknowledging local governments that are undertaking activities. They sign up to a charter and, amongst other things, they commit to having engagement with their local small business community and to speaking to them about pressure points from local government. They commit to treating small business suppliers fairly by paying them on time. They commit to having a dispute resolution process with local small businesses that is non-litigious and to having a couple of activities in each of their annual programs that are about economic development and supporting small business. It has been quite successful and is growing in momentum. I suggest that it has been a catalyst whereby local governments are starting to learn from each other.

**Mr J.E. McGRATH:** Given that report by the commissioner, is the minister hopeful that more local governments will get involved in this program? Can he give us the names of the local governments that are involved up to this stage? To do so on notice would be fine.

**Mr P. PAPALIA:** I will give the member an answer, not on notice, but by supplementary information.

Yes, we aspire to get everyone to do it. We hope that as more councils get involved, they will increasingly recognise the goodwill apart from anything else, and the benefit in fostering successful small businesses. It will improve the likelihood of small business succeeding in their jurisdictions. I encourage them all to do it. Over time, we will try to get more. It is clearly working. It is a fairly rapid change from the production of the budget

through more significant numbers of population covered by the councils involved. Some of the big ones in Perth are in it.

**Mr D. Eaton:** Wanneroo, Stirling, Joondalup.

**Mr J.E. McGRATH:** The City of South Perth?

**Mr P. PAPALIA:** South Perth—commissioner, are you going to talk to —

**Mr D. Eaton:** I will provide that as supplementary information.

**Mr P. PAPALIA:** I will undertake to provide the member with a list of all local governments that have embraced the small business–friendly initiative.

[*Supplementary Information No B24.*]

[11.20 am]

**Mr P.J. RUNDLE:** Paragraph 1 under the heading “Significant Issues Impacting the Agency” on page 239 of the *Budget Statements* refers to the government’s creation of the unit to improve the situation for subcontractors. The minister knows how I feel about subcontractors in regional areas. Can he tell me whether any of the new unit members will be tasked specifically with supporting subcontractors in regional areas?

**Mr P. PAPALIA:** They will have the role of supporting subcontractors right across the state. The means by which individuals will contact them will enable them to do that. Individuals will be able to remain anonymous wherever they are, draw to the attention of the unit, and then, obviously, the commissioner, a circumstance in which they feel they are being treated wrongly or inappropriately, and the unit will be able to investigate in a way that protects the anonymity of the individual, thereby preventing bullying and blacklisting and the like, which might occur if subcontractors were to complain about their treatment by way of other means. It will mean that right around the state, the larger subcontractors will not know whether they have been the subject of a report or whether they have been just the subject of a random audit. That will protect their anonymity. Yes, they will support the whole state. There are subcontractors everywhere.

**Mr P.J. RUNDLE:** Obviously, I congratulate the minister on the creation of this unit. There is a predicted doubling of FTEs allocated to the service delivery area, as outlined on page 242. Is that reflective of the increase in FTEs for the unit from eight to 16?

**Mr P. PAPALIA:** Yes, that is incorporating the unit. We have to get a bill through Parliament—we will introduce that soon—to empower the Small Business Commissioner to do what we need him to do. We will give him powers to audit and the like to ensure that he can get access to the information he needs. The resources for the unit are already bedded down in the Small Business Development Corporation, so he has those. But we need the powers to enable the unit to do its job.

**Mr P.J. RUNDLE:** Halfway down page 240, reference is made to access to justice. The budget increases from \$1.36 million to \$3.697 million. Is that increase in the budget part of the scenario of increasing the number of FTEs?

**Mr P. PAPALIA:** Yes. That reflects the additional personnel resources for the SBDC to do this role. It is also reflected in the last line item in the table of spending changes on page 238.

**Mr P.J. RUNDLE:** I refer to the outcomes and key effectiveness indicators outlined on page 240 of the *Budget Statements*. There is an increase from \$300 million to \$800 million in the total value of capital inflow to the state from the business migration program. Does this relate to the 850 new jobs created during the year by two business migrants, as referred to on the next page; and, if so, what are those jobs and who are the two business migrants who have created 850 jobs?

**Mr P. PAPALIA:** I do not think it is fair to name the individuals in this place. I can perhaps have a discussion with the member and get information to him about them. The business migration program is a good thing for Western Australia. Individuals who come are required to invest a minimum of \$1.5 million and create a business, which obviously has the potential to employ people. These are two significant migrants we managed to attract to Western Australia, and that is in the interests of Western Australians. As the member may be aware, some people view migrants coming to the state as being potentially negative. I do not want to put their names out there in this domain without seeking their authority, but I can get it for the member.

**Mr P.J. RUNDLE:** I take that on board. Obviously, it was a fairly startling result and it has been detailed in the budget. I am happy to either talk to the minister afterwards or receive it as supplementary information.

**Mr P. PAPALIA:** I will undertake to provide the member with supplementary information on the sectors that the businesses are involved in. I will seek authority from the individuals to provide the member with their names. If they provide that, I will provide their names. It is just subject to me seeking their advice.

[*Supplementary Information No B25.*]

**The appropriation was recommended.**

[11.30 am]