

**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ADDITIONAL QUESTIONS FOR 2009/10 ONGOING ESTIMATES HEARING
SMALL BUSINESS DEVELOPMENT CORPORATION**

Wednesday, 29 July 2009

Ministry of Commerce

Question No. 1: Hon Ljiljanna Ravlich MLC asked - I refer to the Government's aspiration for savings of 7.6 billion over five years across government as outlined on page 13 of the budget overview and ask -

- 1.1 Is your agency redirecting any capital works expenditure – if so can you provide details including the value?

Answer: No

- 1.2 Is the agency selling surplus government land and/or assets and if so can you provide a list of land and/or assets earmarked for sale?

Answer: No

- 1.3 Is the agency proposing to privatise any of its function or contract out any of its services – if so which ones?

Answer: No

- 1.4 Is the agency intending to reduce staff numbers over the next 4 years and if so what ceiling has the agency set and how many staff will be shed over the forward estimates?

Answer: No

- 1.5 Is the agency aware of the government's new responsible public sector wages policy – if so, what is it?

Answer: Yes. To achieve public sector wage outcomes that are sustainable and reflect government priorities.

- 1.6 What Public Private Partnerships are anticipated to be entered into by the agency over the forward estimates?

Answer: Nil

Question No. 2: Hon Ljiljanna Ravlich MLC – I refer to the Corporation's passenger and commercial vehicle fleet –

- 2.1 What is the total number of vehicles currently in the fleet?

Answer: 6

2.2 Has any official instruction from government been received to reduce the fleet by 10% over the forward estimates?

Answer: Yes

2.3 Can front line services be maintained if the fleet is reduced by 10% over the forward estimates?

Answer: Yes

Question No. 3: Hon Ljiljanna Ravlich MLC - I refer to page 534 of the Budget

3.1 Are you aware of a one off definitional change between Capital Works Program and Asset Investment Program?

Answer: No

3.2 Do you know why the definition was changed and the reason for it?

Answer: No

3.3 What do you understand the difference between Capital Works Program and Asset Investment program to mean?

Answer: Not applicable

3.4 What programs have been deleted from the Capital Works Program published in the 2008-09 budgets and the Asset Investment program published in the 2009-10 budgets due to the change in the definition of Capital – could you provide examples.

Answer: Nil

3.5 Please provide the full list of projects that have been deleted?

Answer: Not applicable

3.6 What is the status of those deleted programs, are they being reconsidered or abandoned, and by what process is this being done?

Answer: Not applicable

Question No. 4: Hon Ljiljanna Ravlich MLC - I refer to line items at page 530 – 538 and ask –

4.1 At page 531 of the Budget it is stated that the desired outcome of investment in the SBDC is “the development of new and existing Small Business in Western Australia”. On 28 April 2009 the SBDC revoked \$96,000 of previously promised funding to the Belmont Small Business Centre.

Notwithstanding the decision to withdraw previously promised funds, Government investment in operational grants to the SBDC have actually increased by \$50,000 (from \$2,974,000 in 2008-09 to \$3,024,000 in 2009-10, page 535). Further the Government intends to increase funding to the SBDC for information, guidance, referral and business development services by \$220,000 (page 532).

In the absence of any substantive budget cut to the SBDC will the Minister reconsider the decision to revoke funding to the Belmont SBC?

Answer: No

Question No. 5: Hon Ken Travers MLC asked - As of the last date you reported to Treasury on your finances :

5.1 Can you identify all accounts held by your agency?

Answer: As at 24 July 2009 the Small Business Development Corporation maintained an operating account with Bankwest and an Investment account with the Department of Treasury and Finance (DTF).

5.2 How much cash is held in each of these accounts?

Answer: Bankwest Account - \$1,570,667
DTF Account - \$500,000

5.3 How much of this cash is restricted or subject to approval or control?

Answer: All of the cash in these accounts is subject to approval and control.

5.4 As of this date, what is your estimated annual average cash as a percentage of your appropriation?

Answer: 12%

Question No. 6: Hon Ken Travers MLC asked - As of the last date you internally monitored each account your agency has:

6.1 How much cash is held in each of these accounts?

Answer: As at 6 August 2009 the amounts held in each accounts was:
Bankwest Account - \$1,230,823
DTF Account - \$ 500,000

6.2 How much of this cash is restricted or subject to approval or control?

Answer: All of the cash in these accounts is subject to approval and control.

6.3 As of this date, what is your estimated annual average cash as a percentage of your appropriation?

Answer: 12%

Question No. 7: Hon Ken Travers MLC asked – please provide, for each question below, for each account held by your agency the figures as of 30 June 2009?

7.1 How much cash is held in each of these accounts?

Answer: Bankwest Account - \$1,263,243
DTF Account - \$ 500,000

7.2 How much of this cash is restricted or subject to approval or control?

Answer: All of the cash in these accounts is subject to approval and control.

7.3 As of this date, what is your estimated annual average cash as a percentage of your appropriation?

Answer: 12%

Question No. 8: Hon Ken Travers MLC asked – for the following categories –

- i) Media and Marketing;*
- ii) Advertising; and*
- iii) Consultants.*

8.1 Please provide how much was spent on the above in the 07/08 and 08/09 financial years.

Answer: 2007/08 Spend:

| | | |
|------|---------------------|--------------|
| i) | Media and Marketing | \$759,319.97 |
| ii) | Advertising | \$919,276.92 |
| iii) | Consultants | \$ 40,997.00 |

2008/09 Spend:

| | | |
|------|---------------------|--------------|
| i) | Media and Marketing | \$478,605.09 |
| ii) | Advertising | \$262,670.36 |
| iii) | Consultants | \$ 32,962.00 |

8.2 How much is budgeted to be spent in each area in the 09/10 financial year?

Answer: Budgeted to be spent in 2009/10:

| | | |
|------|---------------------|--------------|
| i) | Media and Marketing | \$400,000.00 |
| ii) | Advertising | \$200,000.00 |
| iii) | Consultants | \$ 30,000.00 |

8.3 Can you please define what activities you include in each of these areas?

Answer: Definition of activities included in each of these areas:

- i) Media and Marketing - Includes the cost of sponsorships, brochures, flyers and other marketing materials, display materials at events, together with market research organisations and direct mail organisations.
- ii) Advertising - Includes the direct cost of advertising agencies.
- iii) Consultants - The activities included is as per the definition of Consultants contained in Premier's Circular 2005/08. "A consultant is considered to be any person engaged on a fee-for-service basis to provide strategic advice for Government to act on".

8.4 Are there any activities that could be included in the ordinary meaning of the words that are not included in the above figures and if yes, please detail?

| | | |
|---------|------------------------|----|
| Answer: | i) Media and Marketing | No |
| | ii) Advertising | No |
| | iii) Consultants | No |