



**Small Business
Development Corporation**



Annual Report 2022 - 23

The Small Business Development Corporation acknowledges the traditional custodians of the land on which we work and live. We pay our respects to Elders past, present and emerging.

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This report is available in alternative formats on request.

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Cover image: Greenbunch, Black Diamond Drilling

The Small Business Development Corporation acknowledges and thanks the following WA small businesses whose stories and photographs appear in this annual report:

Ami Marine
AVL Electrical
Black Diamond Drilling
Colour Passion
Empower Studios
Fireplaces WA
Framous Picture Framing
Greek Streats
Greenbunch
Leaf Bean Machine
LP Visuals
My Little Bookshop
Prana
Suppa Club
The Life Spring
The Refrigeration Co
Women's and Breast Imaging





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Overview of agency

Statement of compliance for the year ended 30 June 2023

Hon Jackie Jarvis MLC

Minister for Small Business

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the annual report of the Small Business Development Corporation for the reporting period ended 30 June 2023. The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

A handwritten signature in black ink that reads "Grant Cucel".

Grant Cucel

Chair

Operational structure

About the SBDC



Hon Jackie Jarvis MLC
Minister for Small Business

The Small Business Development Corporation (SBDC) is an independent statutory authority of the Government of Western Australia, established in 1984 under the *Small Business Development Corporation Act 1983* (SBDC Act).

What we do

The primary role of the SBDC is to encourage, promote, facilitate and assist the establishment, growth and development of small business in Western Australia. This is achieved by providing practical advice, information, and guidance to small business owners. The SBDC also offers a dispute resolution service, delivers skills development workshops for existing and aspiring small business operators and investigates unfair practices that impact small business. Since the onset of the COVID-19 pandemic the SBDC has administered several grant programs designed to provide financial assistance to small businesses impacted by disruption.

The SBDC works directly with small business owners and liaises with industry and business associations to exchange information and provide support and assistance to their members. The Corporation also provides advice and support to the Minister for Small Business on matters affecting the sector, including the effect of government policy and legislation on small business, and advocates to all levels of government for policies and regulations that support the establishment and growth of small businesses.

Through these and other avenues, the SBDC raises awareness of the importance of small business to the economy and advocates for policies that nurture the growth and diversity of the sector.

Responsible Minister

As at 30 June 2023, the Hon Jackie Jarvis MLC, Minister for Small Business, has responsibility for the SBDC, and appoints representatives from the small business community to the Corporation's Board. The Hon Don Punch MLA held the Small Business portfolio from 19 December 2021 to 14 December 2022.

Enabling legislation

The *Small Business Development Corporation Act 1983* (SBDC Act) provides for the establishment of the Small Business Development Corporation and a Small Business Commissioner to support the enhancement of a competitive and fair operating environment and to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in Western Australia. The Act also empowers the Corporation to give financial assistance, grants and funding in relation to small businesses.

The Small Business Commissioner is authorised to investigate complaints about any matter that affects the commercial activities of small businesses and to offer a dispute resolution service designed to help small business operators resolve their commercial disputes.



Our vision

A strong and enterprising small business sector in WA.

Our mission

To facilitate relevant, practical support to small businesses and advocate on their behalf.

Our values

Enterprise — we value a solution-focused and inventive culture.

Collaboration — we actively work with others to achieve shared goals.

Integrity — we act with courage, honesty and respect.

Our purpose

Unleashing Western Australians' enterprising business spirit.

We know just how critical the small business sector is to our state's economy. Without it, our lives in Western Australia would look very different.

When it comes to small business, we believe in the people who have self-selected for the challenge of running their own business.

At the SBDC, we're working for a reality where the spirit it takes to own and operate a small business is free to flourish – day in, day out, week after week, and for the years ahead.

It takes a steely determination to start. And it takes an enterprising business spirit to succeed. That's us.

"We are a people of endeavour. Recognising that it is those we serve that matter most."



Photo: Empower Studios



Photo: Greenbunch

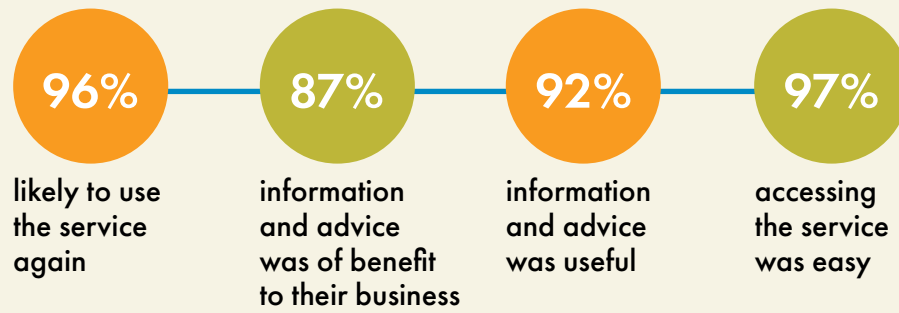
Our strategic objectives

In accordance with our strategic plan, the SBDC strives to:

- offer targeted, contemporary and practical services across WA
- evolve our business model to be agile and future-focused
- build strategic alliances and partnerships
- advocate for small business
- contribute to the growth and diversity of the WA economy.

Year in review

2022-2023



Telephone surveys were undertaken with a random selection of clients who had directly sought information and guidance during 2022-23. 735 client surveys were completed, giving a maximum standard error ratio of +/- 3.45% at the 95% confidence level. The overall response rate for the survey was 97%.

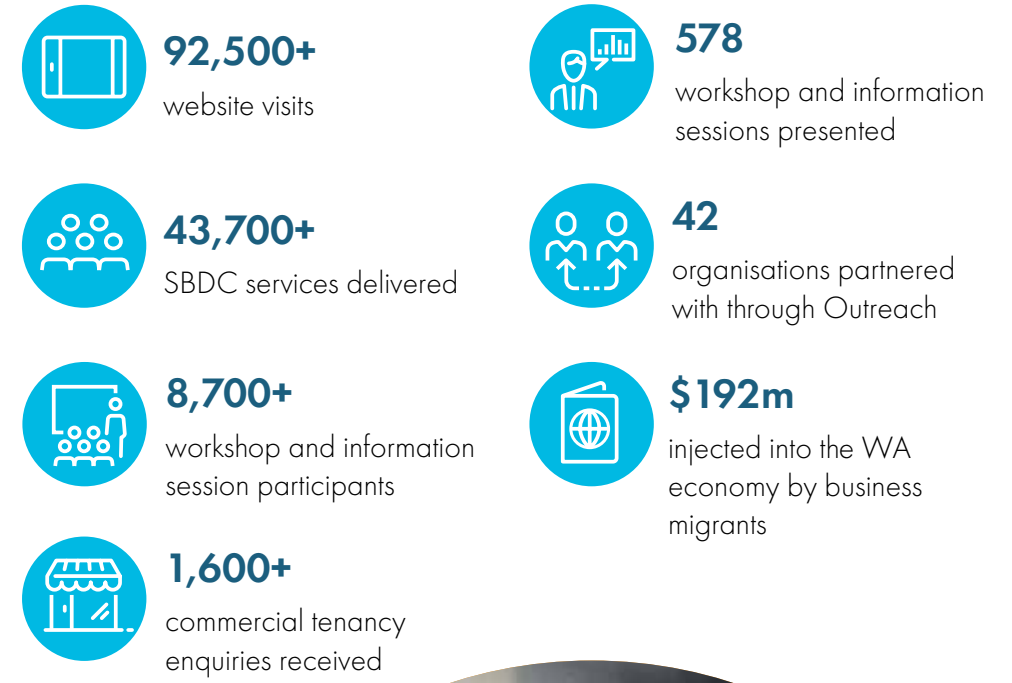
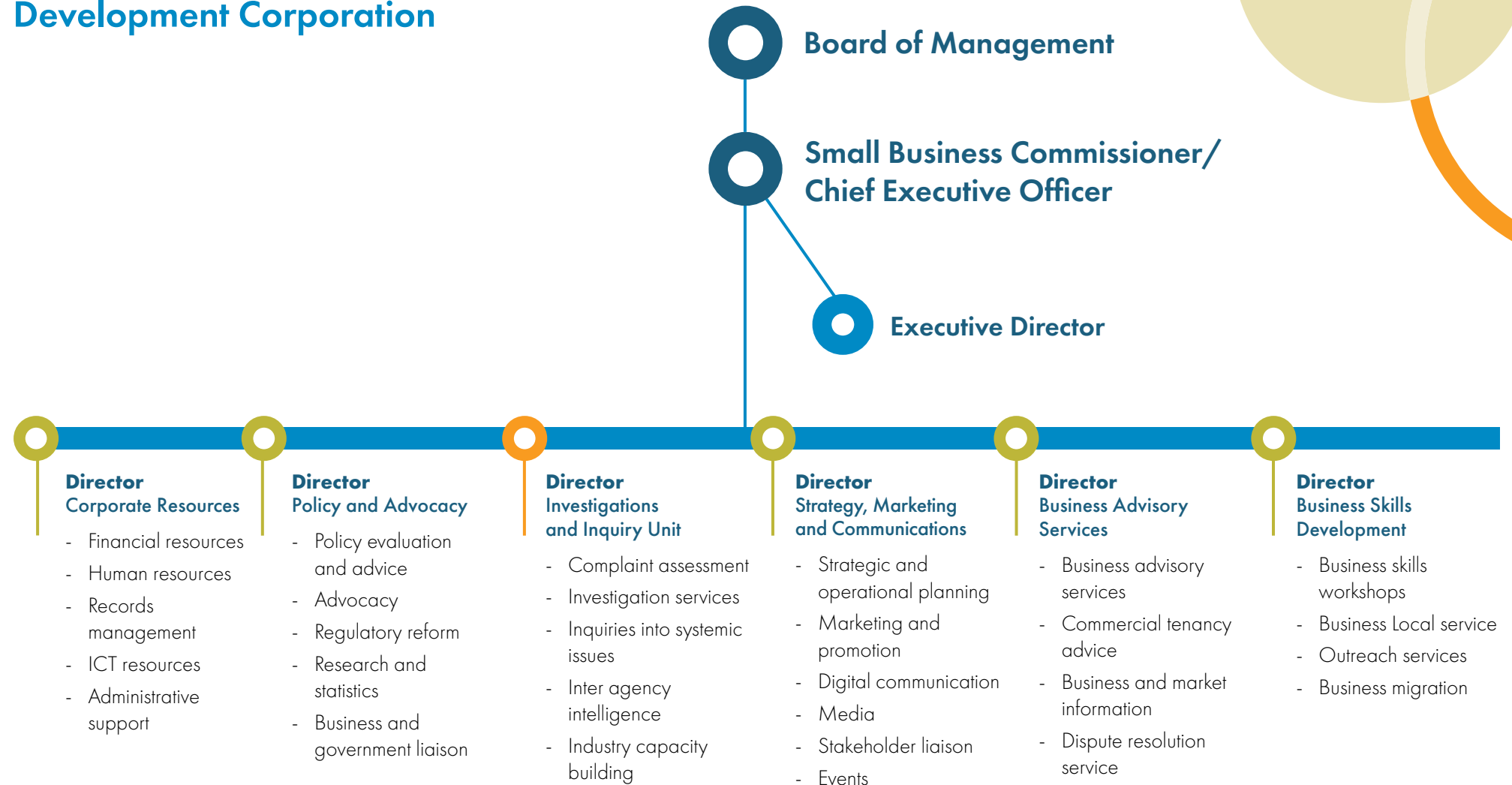


Photo: Greek Streets

Organisational structure

Small Business Development Corporation





“Every interaction I have had with the SBDC has been efficient, as in a very timely response. I feel that it is an approachable organisation and that its employees and associates genuinely wish to help small businesses thrive in WA”

Cherie
Workshop attendee



Photo: Boost your Business mini conference

Operational structure

SBDC Board

The SBDC is governed by an independent Board, drawn from the private sector under the auspices of the SBDC Act.

Membership as at 30 June 2023

Grant Cucel (Chair)
 Eliza Carbines
 Danelle Cross
 Cindy Hurst
 Gillian Nathan
 Michael Schaper
 David Eaton (ex-officio)

Small Business Commissioner

David Eaton is the WA Small Business Commissioner and Chief Executive Officer of the SBDC. This dual role, is responsible for the day-to-day operation of the SBDC. The Small Business Commissioner provides advice to the Minister for Small Business and all tiers of Government, to improve the business operating environment and support the establishment and growth of small businesses in Western Australia. The Commissioner can also undertake inquiries and investigations into poor practices that impact upon small businesses.

Business Advisory services

The SBDC's core service is the delivery of free information and guidance to small business operators to aid the development and growth of the sector in WA. These services are provided by phone on the SBDC's 133 140 number, online through live chat, via email, in person and via video appointments.

Business Advice

Experienced business advisers provide individualised, confidential advice to existing small business owners or those who are planning to start a business. This includes specialised guidance and information on commercial tenancy.

Business and market information

Accurate information allows small businesses to make informed decisions. The SBDC facilitates access to business information, including an online Business Licence Finder, industry and market data and financial benchmarking reports to help small business clients plan and evolve their businesses.

Dispute resolution service

The dispute resolution service is an affordable, confidential and flexible service to assist small businesses to resolve a dispute with another business or government department.

Business Skills Development

Keeping business skills up-to-date is essential in today's dynamic operating environment. The SBDC delivers a range of practical and affordable in person and online workshops, on a variety of topics, to small business owners.

Business Local

The Business Local program provides a network of local business advisers throughout WA, to help regional business owners with their business challenges and opportunities.

Outreach services

Outreach extends the SBDC's services through collaboration with other organisations, including industry associations, educational institutions and corrective services, to cost-effectively engage with diverse stakeholders and small business owners.

Business migration

The WA Business Migration program is a key investment attraction initiative for the state. Business migrants are a source of new capital for business and investment activities that deliver new employment and economic diversification for WA.

Operational structure

Policy and Advocacy

The SBDC ensures that the small business voice is heard and considered by governments at all levels, through evidence-based advocacy, submissions, representation and liaison. The agency influences policy development that affects small business, particularly in relation to regulatory reform and improving the operating environment for small businesses.

Strategy, Marketing and Communications

The SBDC's Strategy, Marketing and Communications team sets the direction of the Corporation's strategy, promotes the SBDC brand and ensures information about the agency's range of services and resources for small business is available to the public through channels including the website, social media platforms, earned content, advertising and events.

Corporate Resources

The Corporate Resources function of the SBDC ensures that the financial, human and technological resources of the SBDC are carefully managed to enable high quality delivery of the agency's services.

Investigations and Inquiry Unit

The Investigations and Inquiry Unit is a specialist unit within the SBDC that supports the Small Business Commissioner by investigating poor practices including delayed payments and breaches of contract experienced by subcontractors and other small businesses in relation to larger organisations or government entities.



Key small business numbers¹

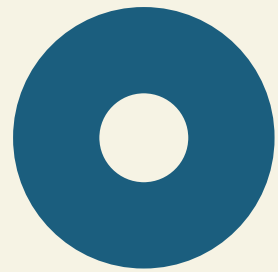


97.1%
of all businesses
are classified
as **small**

234,971
small businesses in WA
(including non-employing businesses)

150,093
non-employing
businesses in WA

2,506,012
small businesses in Australia



62%
are non-employing



35.1%
are small (1-19 staff)



2.7%
are medium



0.2%
are large

What is small business?

The SBDC Act defines a small business as a business undertaking that is wholly owned and operated by an individual person, persons in partnership, or by a proprietary company within the meaning of the *Corporations Act 2001* (Cth) and which:

1. has a relatively small share of the market in which it operates
2. is managed personally by the owner or owners or directors, as the case requires
3. is not a subsidiary of, or does not form part of, a larger business or enterprise.

The SBDC uses the standard Australian Bureau of Statistics (ABS) definition of small business, which is any non-employing business or a business employing fewer than 20 staff.

¹Australian Bureau of Statistics (June 2022) 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2018 to June 2022, (time series spreadsheet), accessed 1 July 2023.

Statistics include only those businesses actively remitting Goods and Services Tax (GST). As such, small businesses not registered for GST are not captured in this data.

Executive summary

Chair's report



On behalf of the SBDC Board, I am proud to present the annual report for the 2022-23 financial year.

It was another remarkable year for small business in Western Australia, as we closed the chapter on one of the most significant disruptions to business that many of us have experienced.

The COVID-19 pandemic continued to influence the work of the Corporation throughout 2022-23, with the SBDC finalising the distribution of more than \$250 million in COVID-19 business assistance grants on behalf of the State Government. The relief package represents one of the most generous business support programs delivered by any Australian state throughout the pandemic, with the Small Business

Hardship Grant program alone providing more than \$233 million in financial assistance to nearly 25,000 Western Australian businesses.

Administering such a high volume of grants involved a significant investment of time and effort from our team, who continued to work tirelessly to serve the business community of Western Australia, while expanding our collective expertise and experience in grant management. The work in this area did not end with COVID-19. The SBDC was tasked with delivering the Commonwealth Government's 25 per cent top up payment to recipients of COVID relief, in lieu of the grants being declared non-assessable non-exempt for tax; and Commonwealth-State Disaster Recovery Funding for Kimberley and Pilbara businesses impacted by Cyclones Ellie and Ilsa in early 2023.

While the SBDC team got on with the important work of providing support and skills development to small businesses, our Board has worked throughout the year on evolving our governance procedures, including refining our agenda processes and introducing a greater focus on risk management. This will provide a foundation to ensure that we can set and achieve robust objectives, accurately monitor and address risks, and optimise the performance of the agency as it undertakes its essential work in the years to come.

In the spirit of looking to the future, the SBDC Board significantly invested in the Corporation's new Strategic Plan for 2023 to 2026. With key objectives to "serve, evolve, strengthen, connect and grow", this important document will form a roadmap to guide the SBDC to serve its purpose: Unleashing Western Australians' enterprising business spirit.

As I endorse my second annual report as Chair of the SBDC, I'd like to thank the Minister for Small Business, the Hon Jackie Jarvis MLC, and acknowledge the efforts and commitment of the Small Business Commissioner, David Eaton, the leadership team and all the staff of the SBDC who make such valuable contributions to supporting WA's small business community, each and every day.

Grant Cucel

Chair

Small Business Development Corporation

Executive summary

Chief Executive Officer's report



In my more than 40 years in business — the last decade as Small Business Commissioner and CEO of the Small Business Development Corporation (SBDC) — I have witnessed a range of challenges across our small business sector, many caused by economic factors and disruptive world events. In the 2022-23 financial year, businesses across WA faced rising costs and economic uncertainty, supply chain disruptions, staffing challenges, a fast-evolving digital environment and a continuing burden of regulatory compliance.

However, there have also been growing opportunities for businesses to overcome some of these challenges, such as developing points of difference to attract and retain talent and exploring how to streamline processes or leverage artificial intelligence to reduce costs.

For the SBDC, the last few years of disruption reinforced the critical role we play in providing the targeted support, services and information that the small business community and stakeholders need to

meet the inevitable challenges of small business and adapt to suit the changing environment; including the needs of their customers.

Like the businesses we serve, we too have evolved and embraced more ways to engage our customers via digital channels. One example is the commencement of welcome emails to WA small businesses that register an ABN, to introduce them to the SBDC and invite them to utilise our free services, such as the Starting a Business workshop, at the beginning of their business journey. These workshops are offered face-to-face and online to give our customers the opportunity to meet us on their platform of choice.

This year, we also finalised delivery of the \$2.2 million Western Australian Government Small Business Friendly Approvals Program, as part of the Streamline WA initiative. The program involved 20 local government authorities and resulted in the identification of almost 500 innovations and reforms, which will benefit both small businesses and the local governments themselves. Now, our focus will shift to strengthening these relationships to sustain reform implementation, and most importantly, to keep small businesses at the forefront of the application and approval processes.

Looking forward, in the 2023-24 State Budget, the SBDC has been tasked with leading two significant whole-of-government projects. Based on the insights and experience gained through the administration

of the COVID-19 Business Assistance packages, our agency, in collaboration with the Department of the Premier and Cabinet and Office of Digital Government, will lead the development of a whole-of-government approach to improving grant administration. Our team will also lead a program of work to support the WA Government's engagement with SMEs by enhancing the ServiceWA for Business interface, again working closely with several State Government Departments. These are exciting projects, an outcome of the State Government's increased commitment to the importance of the small business sector and confidence in the SBDC.

I would like to acknowledge and thank the Minister for Small Business, Hon Jackie Jarvis MLC, the SBDC Board, the leadership team and staff of the SBDC for their resilience, passion and commitment over the past year. I continue to be incredibly thankful for the energy and enthusiasm of our team, and their genuine care for the small businesses of Western Australia.

A handwritten signature in black ink, appearing to read 'D. Eaton', written in a cursive style.

David Eaton

Small Business Commissioner
Chief Executive Officer
Small Business Development Corporation

Outcome-based management framework

Government goal: Future jobs and skills – grow and diversify the economy, create jobs and support skills development.

Desired outcome	Effectiveness indicator	Services	Efficiency indicators
A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment.	<ul style="list-style-type: none"> The extent to which the information or guidance provided was useful. The extent to which the information or guidance provided contributed to a decision to start or buy a business. Total value of capital inflow to the State from the Business Migration program. Number of jobs created through the Business Migration program. 	Information, guidance, referral and business development services.	<ul style="list-style-type: none"> Cost per client serviced directly by the agency. Cost per client serviced through third-party delivery. Cost of policy development, advice and reform projects as a percentage of the total cost of service.
		Access to justice for small business.	<ul style="list-style-type: none"> Cost per client serviced directly in the provision of dispute resolution. Cost of subcontractor support services as a percentage of the total cost of service.

There were no changes to the Outcome-based management framework during the reporting period.





“Thank you for the Facebook group, it has already been a great help. Have booked in for two more workshops that I'm really interested in. I'm so excited about launching my new business and finally working for myself. It has been a long term dream and with the knowledge I've gained and will be gaining, I'm so confident for the future.”

Workshop participant

Photo: Boost your Business mini conference

Agency Performance

Shared responsibility with other agencies

The SBDC worked collaboratively with a range of agencies to deliver services and programs that benefited small business, including:

- The Department of Primary Industries and Regional Development (DPIRD) (Agriculture and Food) to deliver the farm debt mediation service and liaise with Local Content Officers.
- The Department of Mines, Industry Regulation and Safety (DMIRS) on the statutory review of the *Commercial Tenancy (Retail Shops) Agreements Act 1985*.
- The Department of Fire and Emergency Services (DFES) to deliver the Commonwealth-State funded Disaster Recovery Funding Arrangements WA and recovery efforts in the region.
- METRONET to deliver support and advice to local businesses preparing for or experiencing disruption from construction works.
- The Department of Treasury on the impacts of COVID-19 hardship payments to small businesses.

- The Department of Health and industry representatives on the regulation of vapes and vaping products.
- Energy Policy WA in the development of the Workplace Electric Vehicle Charging Grant program.
- The Department of Mines, Industry Regulation and Safety.

Collaboration with strategic partners

To expand the reach and general awareness of the SBDC's services, it is essential to leverage relationships with strategic partners including the following organisations, to reach small business owners with essential information and support:

- John Curtin Law Clinic at Curtin University, to refer small business owners for pro bono legal advice and services from final year law students.
- The City of Cockburn, Money Mentors Mandurah, National Debt Helpline, Small Business Debt helpline and Rural West for small business financial counselling.
- The Regional Chambers of Commerce and Industry WA, to ensure regional small businesses were provided with updates and information from the SBDC.
- Western Australian Leaders (WA Leaders) to provide match-funded monthly development and coaching sessions to regional small business operators for up to 12 months.
- The Australian Institute of Company Directors to deliver a two-day SME Governance Program for South West business owners on a match-funded basis.
- The Streamline WA Steering Group to advance Stop the Clock and Performance Measurement reforms as part of the Small Business Friendly Approvals Program.
- The SBDC's Business Local network, providing advisory and business skills development on behalf of the SBDC throughout regional Western Australia.
- Local government authorities who participated in the Small Business Friendly Approvals Program in 2022-23.
- A wide range of industry organisations and representatives.

Agency Performance

Financial Targets

	2022-23 Target \$'000 ¹	2022-23 Actual \$'000	Variation \$'000	Explanation of significant variations ²
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	16,054	17,919	1,865	The variance is due mainly to employee costs associated with the administration and processing of multiple grant programs and salary increases due to the public sector wages policy.
Net cost of services (sourced from Statement of Comprehensive Income)	15,732	17,676	1,944	In addition to the variation in Total Cost of Services the agency received lower than expected income from Business Migration fees.
Total equity (sourced from Statement of Financial Position)	4,108	3,866	(242)	The decrease in total equity is due primarily to a higher than expected deficiency for the period.
Agreed salary expense level	6,901	8,285	1,384	The variance is due mainly to salary associated with the administration and processing of multiple grant programs and salary increases due to the public sector wages policy.
Agreed executive salary expense limit	411	576	165	The variance is due to subsequent approvals for the cost of a short term Director of Strategic Projects and Grant Management position, and reclassification of the CEO salary band.

¹ As specified in the 2022-23 Budget Statements (Budget Paper No 2 Volume 1) pages 268-276.

² Further explanations are contained in Note 9 "Explanatory Statement to the financial statements".



Agency Performance Activity Reports

“ I am grateful for the knowledge and workshops available at affordable prices. Very supportive when you are trying to get a business set up with limited funds. ”

Daryl
Workshop attendee

Photo: Ami Marine

CASE STUDY

Fireplaces WA



Fireplaces WA is a family-owned business offering a range of gas, wood, bio-ethanol and electric fireplaces. Jasmine Kik and her partner bought the business four years ago and have been learning about the world of small business ever since.

"We've owned the business for just under four years but the business has been established for about 45 years. When we bought it, the previous owners told us about the SBDC."

Since discovering the SBDC's services, Jasmine has been in touch for advice on a range of issues. One example is when she asked what to do when a potential client presented a quote issued by the previous owners years before.

"I've used the business advisory service on many occasions over the years. I've rung the SBDC because I haven't known the answer. It's been really helpful to talk through some of the issues with advisers and just get directions on how to approach things."

"I was able to get advice on the steps to take, the process to follow, the words to write. You can just take a deep breath and move forward."

Another challenge Jasmine experienced was staffing, especially when the demand for fireplaces spiked with more people spending time at home during the pandemic. With difficulties finding the right people to work, Jasmine and her partner also wanted to give the best customer service possible and deliver solutions to customers in a timely manner. They called the SBDC.

"If there's one thing I would tell other business owners, it would be to always give the SBDC a call. They will always give you the best advice they can offer... it calms you and helps you approach whatever situation you're in."

Agency Performance

Activity Reports

Business advisory services

The SBDC's business advisory service delivers free information and guidance to small business operators, supporting the development and growth of the sector in WA.

Confidential business advice

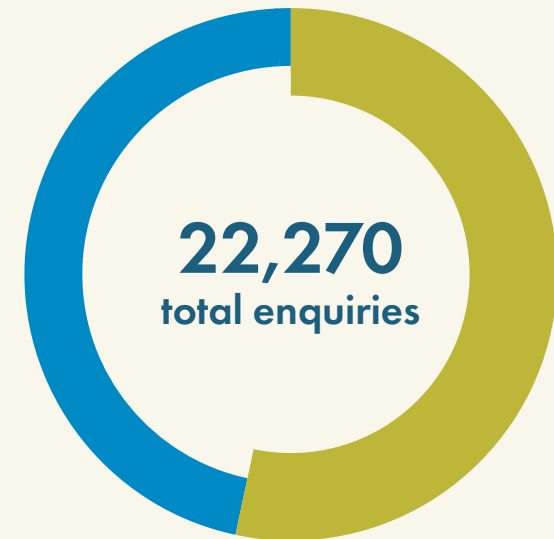
This is a core service provided by phone through the SBDC's 133 140 number, in person and online through live chat and email. Advisers with small business experience provide confidential advice on topics including start-up strategies, business growth plans, business resilience guidance, managing disputes and business exits.

Commercial tenancy advice

For many businesses, occupancy costs such as rent represent significant overheads which can impact the success, goodwill, value and future sale of the business. The SBDC provides information and guidance to tenants and landlords on the *Commercial Tenancy (Retail Shops) Agreements Act 1985* (CT Act) and other aspects of commercial leasing, through experienced commercial tenancy advisers.

In the 2022-23 financial year, the SBDC was consulted by the Department of Mines, Industry Regulation and Safety (DMIRS), the administrators of the CT Act, to provide advice and marketplace information on matters including a statutory review of the legislation. The SBDC actively contributed to a DMIRS working party and continues to provide specialised advice and support on CT issues and disputes.

2022-23 Advisory enquiries



51%

11,455 Total business advice enquiries (including commercial tenancy and business migration enquiries)

49%

10,815 Business Local advisory hours



CASE STUDY

Framous Picture Framing



For more than 30 years, Gary Mitchell has been carving a niche in WA's small business landscape. His business, Framous Picture Framing, offers a range of services including framing photos, memorabilia, posters, prints and mirrors, and repairing and restoring artwork and frames.

Gary knows just how much the world of small business has changed over the past 30 years.

"Some of the biggest challenges I've faced – and probably will face again – are the economic challenges that every business owner has to go through. When the economy starts toughening up, you have to batten down," said Gary. He credits the SBDC with helping him get through some tough times.

"There was a period there where things got quite tough and I was considering going out of business. The SBDC helped me, through courses and advice, to stay in business, reassess the business – and I'm still here after all of this time. It's been challenging – but with the SBDC's help, I'm still in business."

Knowing that SBDC services are available has given Gary great peace of mind in his business. Gary uses the example of having to evolve his approach to marketing and learn about social media.

"I came from the dinosaur era of print media and I've had to move into social media where I've had no idea. The SBDC has been terrific. I've done some courses on social media and what I should do and not do – you find out what you don't know and what you need to find out."

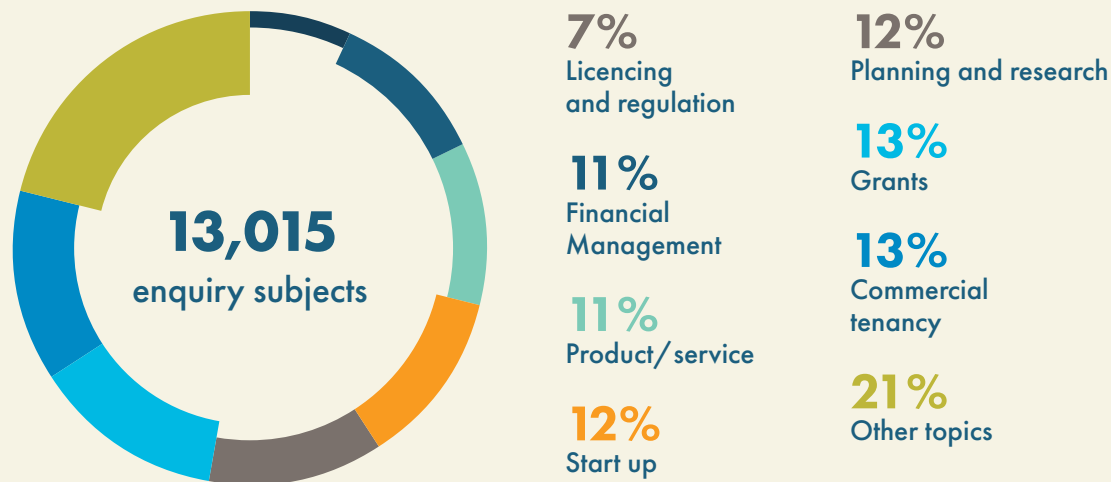
"The one thing I'd pass on to other business owners is that it's normal to hit the road of confusion and dead end. You pick up the phone to the SBDC and they guide you out of that road. They are terrific."



Agency Performance

Activity Reports

What clients sought information about



Assistance is provided on topics including start-up strategies, commercial tenancy, financial management and products and services.

The continuing financial impact of the COVID-19 pandemic resulted in 13 percent of enquirers seeking advice on grants.

Commercial Tenancy (CT)

The leasing of a business premises is vital to many small businesses and is frequently central to the goodwill, value and future sale of the business. It is also an important financial decision: in addition to the initial capital investment, ongoing occupancy costs such as rent are significant business overheads.

The SBDC provides information and guidance to tenants and landlords on the CT Act and other aspects of commercial leasing, with the assistance of experienced commercial tenancy advisers. Specialised advice and support on CT issues and disputes is also provided by the agency. Of 1,636 CT enquiries this year, 14 per cent were dispute-related.

CASE STUDY

The Life Spring



Narelle and Andrew Andersons' business, The Life Spring, operates across two locations with three float cabins in Rockingham and three float pods in Cockburn. As Narelle explains "Basically they're vessels full of magnesium water and you float on the top. Your body absorbs the magnesium which makes you feel good."

Juggling two sites, resourcing and training their teams and other factors have presented some unexpected challenges in the Andersons' business journey.

"We have two businesses in two locations – I would say staffing is one of our biggest issues. If people leave, you need to find the right person, it can be one of the biggest hurdles you can face as a business owner. There's wages and changes to legislation and things like that can be hard to keep on top of without knowing where to go for help."

Narelle discovered SBDC services online almost two years before opening her first business.

"I didn't know where to start. I had this brilliant idea and I didn't know where to turn, then I found the SBDC website."

Narelle has used several SBDC services to

date and is a regular attendee at SBDC online workshops.

"The SBDC webinars and courses help with things I don't have experience in. I always try to do courses on things that I'm not an expert in. Online courses work for me personally because I can structure that around my day. For a two-hour course, if I leave with one bit of information that I didn't have before, that's a win for me. You might not need it right now – but next week or next year you might."

"I would recommend using the SBDC to anybody going into business – or already in business. We've used them from the very beginning from before we even opened, right up until today when I've just enrolled in another online course!"





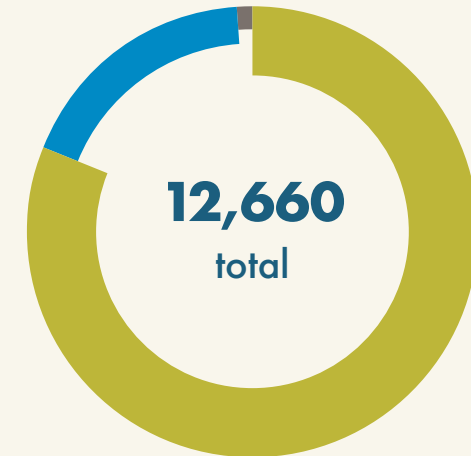
Agency Performance

Activity Reports

Business and market information

Accurate information allows small businesses to make informed decisions. The SBDC facilitates access to business information, including an online Business Licence Finder, industry and market data and financial benchmarking reports to help small business clients plan and evolve their businesses.

The online Business Licence Finder enables individuals to search, discover and inform themselves about their business compliance obligations across all levels of government. Access to IBISWorld market research reports and Australian financial industry benchmarks enables business clients to build detailed insights to help them understand their performance, learn more about their industry, customers and competitors, and uncover new opportunities.



9,821
Business Licence Finder

2,583
IBISWorld reports

256
Australian benchmarks

Agency Performance

Activity Reports

Dispute Resolution Service

The SBDC's dispute resolution service (DRS) is an affordable, confidential and flexible service designed to help small businesses resolve disputes with another business or government department through case management and, if required, mediation.

Participation in the DRS is voluntary and provides parties with an opportunity to negotiate solutions in a confidential environment to help avoid the time and expense associated with legal proceedings. Parties maintain control of their dispute while considering options for resolution that may be more suitable to their circumstances, when compared to traditional litigation.

DRS case managers provide independent and objective guidance to both parties in dispute through a case management process. Parties are guided to identify the relevant issues in dispute, clarify their individual rights and responsibilities and consider possible pathways to resolution.

If case management doesn't resolve the dispute, the SBDC also provides access to a subsidised mediation service through which parties benefit from the assistance of a professionally accredited mediator for \$125 per party per

session. Case managers work with the parties to ensure they are fully prepared for mediation and to maximise the potential for settlement.

Commercial tenancy disputes involving landlords or tenants seeking to enforce rights or obligations under the CT Act may first attempt resolution of their dispute through the DRS. If a commercial tenancy dispute cannot be resolved through case management or mediation, the Small Business Commissioner may provide a certificate to enable a party to apply to the State Administrative Tribunal (SAT) to have the dispute formally determined.

The SBDC also facilitates farm debt mediations in partnership with the Rural Business Development Corporation, funded by the Department of Primary Industries and Regional Development.

Disputes in the 2022-23 financial year

In the 2022-23 financial year, the following trends were identified:

- Most commercial tenancy enquiries and disputes referred to DRS were related to operating expenses, market rent reviews and termination of leases.
- There was a significant increase in faults and warranty issues for new and used motor vehicles.
- Website development and operation continued to be an ongoing area of dispute, often referred to DRS.

Disputes finalised* by case management in 2022-23 had an estimated value of \$18.6 million (based on client estimations). The value of disputes finalised through the SBDC mediation process including farm debt mediations this year was conservatively estimated at \$13.3 million in 2022-23.

In the past year, nearly 98 per cent of cases were finalised via the SBDC's case management service, resulting in very few cases requiring mediation.

*Cases are referred to as 'finalised' when they have been closed. They may be finalised for a number of reasons, including the dispute being resolved, one or more parties no longer wanting to proceed, or the matter being taken to court.

Agency Performance

Activity Reports

Business Skills Development

Workshops

The SBDC continues to support skills development across WA's small business community by providing access to quality, supportive and affordable workshops.

SBDC workshops deliver practical information to businesses in the early stages of development and more specialised or advanced topics for established business operators. Workshops focus on the development of skills in areas such as business skills, financial management, interpersonal skills, sales and marketing, strategic planning and risk management, tendering and contracts.

In the 2022-23 financial year, 407 free and low-cost workshops were delivered in person and through online channels throughout the year, reaching a total of 5,916 participants.

A new innovation was the staging of Boost your Business in October 2022. The one-day mini conference for small businesses focused on brand building and attracted 65 participants.

Service provision

The SBDC contracts a diverse panel of specialist providers to help deliver workshops on different topics throughout the Perth metropolitan area. With the panel of enterprise skill service providers, in place since July 2018 due to end on 30 June 2023, the SBDC undertook an open, competitive tender process in late 2022 to refresh the panel.

As a result, the SBDC successfully appointed 22 service providers to the enterprise skills panel to commence delivering a range of workshop titles from 1 July 2023. Of the new service providers, 18 are classified as small businesses.

Business skills workshops 2022-23



Business Local regional advisory service

The Business Local service provides a network of local business advisers to deliver business advice and workshops in regional WA on behalf of the SBDC. These services are managed by six providers across the regions and delivered to suit the needs of local small business communities.

In May 2023, the SBDC appointed an external consultant to undertake a review of the regional business advisory service delivery model. The purpose of this review is to canvas feedback and insights from key stakeholders and clients in regional Western Australia to assess the current model and advise of any considerations to keep the service contemporary and relevant for regional small business operators. This review is expected to conclude in the first quarter of the 2023-24 financial year.

Business Local services 2022-23

	Total
Hours of one-to-one advisory sessions delivered	11,179
Hours of advice delivered through workshops	4,549
Small businesses accessing the service for the first time	4,113

CASE STUDY



LP Visuals

LP Visuals is a videography business which specialises in creating marketing videos for corporate clients. Laundon Peacock launched his business as a university student, offering freelance video services.

"I started the business as a freelancer but turned it into a company about two years ago, under the guidance of the SBDC," said Laundon. He said that before following his father's advice to contact the SBDC, he was a technician running a business, not a business owner.

"I knew how to create the video and do the technical work, but I didn't know how to run a business. How do you market? How do you make sure clients are happy? How do you present yourself well? How do you keep clients coming back? How do you manage things financially? I didn't really understand what I was doing."

Since first making contact with the SBDC, Laundon has participated in a number of workshops, including on finance and marketing topics, and

engaged with the business advisory service.

"They've all been fantastic. The workshops are incredibly specialised so they look at one area of your business that you're looking to improve. The most impactful has been the business advisory one-to-one relationship. Our adviser at the SBDC is fantastic. He's incredibly personable and really takes the time to understand our business and where we want to go."

Laundon's advice to any business owner is to focus on continuous improvement. "Not only do you have to understand how to start a business, but every day you have to try to get better. That's the only way to grow."

"I would definitely recommend the SBDC to any business owner. I think no matter what stage you're at, there's something to offer – and if you're at a time of crisis, they're always there to help."

CASE STUDY

The Refrigeration Co

Molly Kirk and her husband Jordan worked for a refrigeration company before they bought out the business, The Refrigeration Co. While Jordan was highly experienced in commercial refrigeration and Molly had a solid background in administration, they learned there was much more to running their own business.

According to Molly, before they came across SBDC services, she and Jordan found many aspects of running a business daunting.

"We didn't have much guidance – it was a whole new world for us," she said. "I was googling one night and somehow ended up on the SBDC website. While I was on there reading, there was a little chat box that popped up on the bottom and it said: 'Would you like some help?' and I said: 'Yes please!' Then they put us in touch with our adviser who turned out to be somebody with a lot of experience in the same industry doing the exact same thing – so it was a bit of a goosebump moment."

Molly and Jordan received general advice through the SBDC business advisory service and then discovered there was much more they could learn.

"At the beginning we had mentioned we were going to buy out another business, and there were different things we weren't sure of. After that it was financial support, learning these are the kinds of reports you should run to have a look at what's going on."

"I've been able to call up the SBDC when I've delved down some new path that I haven't been before, and I've found some resources and I don't know what I'm doing... it's good to have that point of call. Using the SBDC is a bit of a no-brainer, considering it's free. It's a big help."



Agency Performance

Activity Reports

Outreach services

Outreach extends the SBDC's services through collaboration with other organisations such as industry associations, educational institutions and across all tiers of government. Outreach aims to engage with a wide range of stakeholders, to inform small business owners who may not have been aware of the services available from the SBDC.

A major focus of Outreach is to support people who are actively considering starting a business. The program provides participants with quality business information and advice, supporting a stronger and more sustainable small business sector.

Outreach	Total
Organisations collaborated with	42
Workshops/event presentations	139
Participants	1904

State Government recovery activities

In the 2022-23 financial year, the SBDC supported State Government recovery activities throughout WA. This included support for businesses impacted by Tropical Cyclone (TC) Seroja in the Mid-West, Ex-TC Ellie in the Kimberley and TC Ilsa in the Pilbara.

The SBDC continued to administer small business recovery grants for business impacted by Cyclone Seroja in this financial year. Ongoing support and assistance has also been provided to local businesses through the SBDC's Business Local service provider in the Mid-West.

The SBDC has contributed to the Ex-Tropical Cyclone Ellie economic recovery working group since January 2023. This has involved partnering with other State and Local Government Authorities to develop support packages and programs to facilitate economic recovery.

Western Australian Leaders

Western Australian Leaders (WA Leaders) is a membership-based organisation providing a range of initiatives and resources to support companies at different stages of their business growth. The SBDC collaborated with WA Leaders to provide regional small business operators with subsidised access to monthly development and coaching sessions for up to 12 months. These sessions were delivered through WA Leaders and made available online for regional business to attend. Topics included improving marketing and sales techniques, growth plans, strategy, and people management.

SME Governance Program

In March 2023, the SBDC collaborated with the Australian Institute of Company Directors (AICD) to deliver a two-day SME Governance Program in Bunbury. Attended by 14 business operators from across the South West region, the program included sessions on creating value through governance, strategy, financial management and risk reduction. The program costs were match-funded by the SBDC and participants.



Agency Performance Activity Reports

SBDC Outreach: Case study

The SBDC's Outreach service provides support for businesses preparing for or experiencing construction projects in their vicinity, including:

- attendance at local events
- input into business support programs or surveys
- visiting businesses with contractors or other parties
- providing and facilitating workshops or information
- organising for SBDC business advisers to meet with affected small businesses
- undertaking regular meetings to keep up to date with any information that may have an impact on small businesses in the construction zone.

METRONET Projects

METRONET is a State Government public transport infrastructure project that is constructing approximately 72 kilometres of new passenger rail and 23 new stations across the Perth metropolitan area. In the 2022-23 financial year, the Outreach team was engaged in several METRONET projects.

Victoria Park – Canning level crossing removal project

SBDC team members met with economic development officers in areas impacted by the 18-month shutdown of the Armadale train line necessitated by the level crossing removal, to encourage them to consider activities or ways they could support small business operators during this time. The Outreach team also engaged with the Public Transport Authority (PTA) to confirm business support, and provided feedback to the alliance contractor (Armadale Line Upgrade Alliance – ALUA) with recommendations to adjust the wording of some questions for a small business survey.

Byford rail extension

The Byford rail extension project involves the redevelopment of Armadale Station and extension of the Armadale line out to Byford. Outreach team members attended a Business Armadale event in the City of Armadale about the project. They also presented to businesses in the Shire of Serpentine Jarrahdale at a Business Breakfast organised by Business SJ, a local business networking group. The key message was to encourage business operators present to be proactive and plan ahead for the impact of construction works.

New Midland Station

A new Midland Station is being constructed to replace the existing station which is more than 50 years old. The Outreach team built a new relationship with the Midland Junction Alliance and PTA's Midland Station project officer, in order to plan activities and business engagements for local businesses in the 2023-24 financial year.

Bayswater Station

A new Bayswater Station will improve connectivity with the Midland Line and Forrestfield-Airport Link and mark the first phase of the Morley-Ellenbrook Line. By liaising with the Evolve Bayswater Alliance who are designing and constructing the new project, the SBDC was able to keep up to date with planned activities and support, including business resilience grants offered by the alliance. Outreach team members attended events with the PTA to provide information about the SBDC's services to local small businesses, encouraging them to make contact if they had any questions or issues.



Agency Performance

Activity Reports

Business Migration

The WA Business Migration Program is designed to attract investment into WA through new capital investment activities. Business migrants deliver new employment and economic diversification across our state and are attracted via program activities including:

- Marketing WA as a leading destination for investment, employment, education and lifestyle.
- Providing information on business visas and living, working and establishing a business in WA.
- Supporting qualifying clients with State nomination to lodge a visa application with the Department of Home Affairs (DHA) under the Business Innovation and Investment Program.

The SBDC has strategic alliances with the Department of Jobs, Tourism, Science and Innovation; the Migration Institute of Australia; Migration Alliance and the Department of Home Affairs (DHA) to generate maximum exposure for the WA Business Migration Program and support new migrants as they establish and develop their businesses.

In the 2022-23 financial year, the number of new business migrants was significantly impacted by the allocations of State nomination places to WA by the DHA. An initial allocation of 40 places was fully exhausted by September 2022. There was an expectation that further allocation would be made available, but this was not the case. As a result, the Business Innovation and Investment Program (BIIP) was closed for Visa subclass 188 applications by December 2022. The 13 applications received before applications closed but not provided with a nomination were withdrawn and the application fees refunded.

It is expected that the economic impact of the DHA decision to limit State nominations will be most visible in three or four years when these migrants confirm the finalisation of their investment and/or business establishment in WA.

Measure	2020/21	2021/22	2022/23
New State nominated business migrants	442	116	40
Existing business migrants finalising net assets in WA	81	78	63
Total net assets into WA economy	\$230.8M	\$231.6M	\$191.8M
New jobs created	99	129.5	80.5

CASE STUDY



Black Diamond Drilling Services Australia

Black Diamond Drilling Services Australia provides tools and equipment to the mineral exploration, mining, water well and geotechnical sectors of the drilling industry.

Andy Yang, Managing Director of Black Diamond, participated in the SBDC's Business Migration Service after moving to WA as a student in 2017.

Andy first learned about the program while preparing to apply for a permanent residency visa for the state. Along with support to prepare and lodge relevant visa applications with the Department of Home Affairs, the Government of Western Australia's State Migration program, managed by the SBDC, provided information on living, working and establishing a business in WA.

"This program provides a lot of information for people who have started a new business or just arrived in WA to help them understand how to run a business step-by-step," said Andy. "It also offers experienced small business advisers to guide us in different areas and workshops to help us learn new skills and build up our local networks."

Andy's company offers a range of drilling products, most of which originate from a manufacturing facility in Hunan province in China. From 2020 onwards, the pandemic and supply chain issues forced Andy and his team to focus on business development opportunities in WA. Since then, he has noticed that an increasing number of his customers are preferencing Black Diamond Drills' local, Australian-made product range - even if the cost is higher.

This focus on the domestic market, together with government policies to support the resources industry during the pandemic, have helped to grow Black Diamond Drills' business. The company has focused on careful expansion, keeping a close eye on the economy and staying up-to-date with innovations in mining.

Andy has found that having access to local advice and support in building networks through the SBDC has been beneficial for his business. Together with his young family, he is also enjoying the lifestyle of living in Western Australia.

"I would recommend that anybody in a similar situation engage with the advisers and networks of SBDC. You can carefully explore the feasibility of your plan under the guidance of advisers and other successful small business owners."

Agency Performance

Activity Reports

Policy and Advocacy

The SBDC leads and contributes to the development and implementation of policies and initiatives which support a fair and productive operating environment for small businesses in WA and the growth and diversity of the state's economy.

This involves engaging in a range of initiatives and activities such as:

- Consultation with the business community.
- Representation of small business interests on Government committees and working groups.
- Development and review of small business-related policies and initiatives across all levels of government; including liaison with Commonwealth, State and local governments and other stakeholders to ensure that the impacts of policy and regulatory decisions are understood and addressed through evidence-based advocacy.
- Collaboration with State Government agencies and stakeholders to ensure that the impacts of policy and regulatory decisions are understood, considered and addressed, including contributing to the development of new legislation which impacts small businesses.



- Working with Streamline WA and the Council of Regulators to identify opportunities to reduce unnecessary compliance burdens on small business and improve regulation and regulatory practices across government.
- Submissions to policy and regulatory reviews and monitoring and reviewing policy and regulatory reforms including proposed amendments to legislation which will affect small business.
- Providing advice to the Minister for Small Business on matters impacting the small business sector, economic diversification and growth.

Examples of these activities across the 2022-23 financial year include:

Legislation, policy and advocacy

- A statutory review of the *SBDC Amendment Act 2020* was completed with the report tabled in Parliament.
- A comprehensive submission to the statutory review of the *Commercial Tenancy (Retail Shops) Agreements Act 1985* and representation of small business interests as part of a joint-agency working group.
- Updates provided to Streamline WA and the Council of Regulators on local government reform initiatives arising from the Small Business Friendly Approvals Program.
- Participation in the WA Government's liquor reforms advocating for a risk-based system of licensing.

Partnerships and collaboration

In the past financial year, the SBDC has worked closely with:

- The Department of Treasury on the impacts of COVID-19 hardship payments to small businesses.
- The Department of Health and industry representatives on the regulation of vaping products.
- Energy Policy WA in the development of the Workplace Electric Vehicle Charging Grant program.
- The Streamline WA Steering Group to advance the Stop the Clock and Performance Measurement reforms.
- The Department of Mines, Industry Regulation and Safety and Energy Policy WA in relation to landlords (including shopping centre owners) adding margins for on-sold electricity in embedded commercial networks.

Government reviews and regulatory proposals

- Submissions to the Commonwealth Government on the:
 - Australian Bureau of Statistics' review of the Australian and New Zealand Standard Industrial Classification (ANZSIC)
 - independent review of the *Payment Times Reporting Act 2020* (Cth)
 - Treasury's Strategic Plan for the Payments System
 - Department of Industry, Science and Resources' proposed Country of Origin Labelling for Seafood in Hospitality Settings

- Department of Home Affairs' 2023-2030 Australian Cyber Security Strategy Discussion Paper.
- Submissions to Commonwealth Parliamentary inquiries into:
 - the effectiveness of corporate insolvency in Australia
 - the capacity and capability of ASIC to undertake proportionate investigation and enforcement action arising from reports of alleged misconduct.
- Submissions to the State Government on:
 - the independent review of WA's management of and response to COVID-19
 - the independent review of the *WA Jobs Act 2017*
 - reforms to WA's disability legislation.
- Advice provided on a range of matters including:
 - the WA Government's nitrous oxide ban
 - development of the WA Digital Economy Strategy
 - real estate and property agent CPD mandatory training
 - the review of the *Construction Industry Portable Paid Long Service Leave Act 1985*
 - the ATO's small business debt collection practices
 - the establishment of a state-wide mobile food vendors register.

Agency Performance

Activity Reports

Small Business Friendly Approvals Program

The SBDC's Small Business Friendly Approvals Program aims to simplify and streamline the local government approvals process to make it easier for small businesses to start, relocate or grow in their communities.

The \$2.2 million Streamline WA funded program entered its final delivery phase in the 2022-23 financial year. After being selected via the SBDC's Expression of Interest process, participating local government authorities (LGAs) commenced a facilitated program to assist them to:

- Use a hybrid of design thinking and human-centred design principles to learn about the challenges small business customers may experience when navigating often complex and confusing application and approval processes.
- Take a customer-centric approach, looking through the lens of a customer, as opposed to a regulator, to develop greater understanding, empathy and a genuine desire to identify improvements to benefit the customer and organisation.

- Partner with the SBDC and local businesses to develop and implement reforms to streamline regulatory application and approvals processes.

This year, the full 10-day program was delivered to two regional and one inner city LGA. In addition, two intensive two-day masterclasses and one interactive session were presented to regional LGAs who were unable to commit to the full program due to resource limitations.

Since the start of the program in 2021, 20 LGAs and 213 officers have participated in the Small Business Friendly Approvals Program. Overall, they identified 499 reform initiatives, aimed at creating a better operating environment for local small businesses.

Approvals Program participants

City of Armadale	City of Karratha
Shire of Boddington (interactive session)	City of Kwinana
Shire of Broome (masterclass)	City of Mandurah (masterclass)
City of Bunbury	City of Melville
City of Busselton	Shire of Nannup
Town of Cambridge	City of Rockingham
Shire of Chittering	City of Subiaco
City of Cockburn	Town of Victoria Park
Shire of Esperance	City of Vincent
City of Joondalup	City of Wanneroo

Agency Performance

Activity Reports

Case study: Shire of Nannup

The Shire of Nannup participated in the SBDC's Small Business Friendly Approvals Program in 2022-23.

This active and forward-thinking regional local government authority had developed a comprehensive and welcoming investment prospectus during the height of pandemic restrictions, in readiness for an anticipated economic rebound once the disruption eased and state borders reopened. However, they realised that to fully achieve their investment goals, it was essential to examine the Shire's application and approvals processes to remove barriers and encourage small businesses to start, relocate or expand in Nannup.



Program participants examined and improved their small business application and approval processes to ensure they were ready to support both small businesses and event investment. An example is the UCI Gravel World Championships, a long-distance cycling event, which in 2026 will be hosted by Nannup. This event is expected to attract more than 25,000 visitors, a significant economic boon for a regional town of only 1,300 people.

Supported by Elected Members, the Chief Executive Officer took the entire team of 14 administration staff offline to participate in the 10 day program. Their reform development centred around four themes:

- providing better information upfront
- introducing a business/event support function
- identifying low-risk approvals which could be fast-tracked/automated
- streamlining internal processes to improve the application and approvals experience.

Throughout the program, Shire of Nannup officers examined and challenged their current practices, identified improvements and were encouraged to innovate.

Breaking down traditional departmental silos to collaborate across their organisation also helped to highlight the different regulatory obligations and processes of each area.

"The program has enabled us to align with our strategic goals, in building a vibrant and sustainable community, to collectively understand the processes from a customer's point of view," said Shire CEO David Taylor.

"By taking this approach we can empathise with the business community, understand the reality of building economies in small towns and break internal silos to make it easier for business approvals to occur."

As an outcome of participating in the program the Shire launched an online a Small Business Portal in June 2023, to assist businesses to start and grown in Nannup.



CASE STUDY

Women's & Breast Imaging

Dr Vanessa Atienza-Hipolito bought the Cottesloe-based Women's & Breast Imaging as an established business.

"The business has been operating for 42 years and I have owned it for eight," said Vanessa. "Taking over a well-established business was a challenge. At the time, I was a breast radiologist with no business background. It has taken a lot of effort and a steep learning curve to operate this long-standing business."

Vanessa first learned about the SBDC through Facebook. "I was just browsing and saw SBDC was looking for someone who was available to represent a small business in the health industry. So I connected and we had a photo shoot."

Vanessa then started to learn more about various aspects of her business through a series of SBDC workshops.

"The first online workshop I attended was about how to set up a new business. We were and still are in the process of expanding, so I felt that I needed to know more about how to start a business from scratch. With the inventory workshop... we've used

the templates from that workshop and implemented these in the business. These workshops were all online – they were very helpful."

Since buying her business, Vanessa has won business awards and been featured on podcasts, local radio and other media. She has enjoyed these opportunities to connect with other entrepreneurs locally and globally.

"My favourite part of running the business is doing what I do best and what I love and am passionate about," says Vanessa. "My top tip for women in business is to have a growth mindset. Never stop learning and take a different perspective on the challenges and obstacles you encounter in your daily life and business."

"Use every tool available, such as SBDC services, to support you and to grow your business."



Agency Performance

Activity Reports

Strategy, Marketing and Communications

New strategic oversight

As part of the SBDC's revised operating model, responsibility for Corporate Strategy was added to the Marketing and Communications team's remit to oversee the strategic and operational planning needs of the agency. Integrating Strategy, Marketing and Communications functions will help the SBDC better understand our audience and brand. It also helps us keep both front of mind as we continuously evolve how we communicate to our customers.

Our Strategy team researches the current state of the business environment and analyses industry best practices, trends, data, and financials to develop robust recommendations and deliverables, and identify new ways to engage with stakeholders.

Industry segments and marketing personas

Work continued in 2022-23 to refine our target market strategy in preparation for supporting the Corporation's 2023-26 Strategic Plan. Using the outputs from the market research undertaken in 2022, the team has developed marketing personas to guide our communications campaigns with

a focus on the industry sectors of Construction; Professional, Scientific and Technical Services; Accommodation and Food Services; Retail; Health Care and Social Assistance; and new starters in all industries.

Inputs into this work have included the latest Australian Bureau of Statistics data on the small business sector as well as a whole of government review of priority industries to support the ongoing diversification of the Western Australian economy and creation of jobs.

Business starter email journey

Strategy, Marketing and Communications has worked closely with our Business Skills Development team this year to map and develop an email series introducing the SBDC's resources and services to new business owners.

An exciting development was the commencement of a weekly welcome email to all people who have signed up for a new Australian Business Number (ABN) in WA via the Australian Business Register (ABR). Approximately 1,500 people register an ABN each week in WA. The goal of the email is to invite users to a landing page on the SBDC website where they are introduced to the SBDC's free and low-cost services, offered a

free Starting a Business workshop registration and encouraged to sign up to receive enews updates. The landing page can be viewed at smallbusiness.wa.gov.au/start-smart. Those who register for a Starting A Business workshop, proceed through the New Business Starter email journey mentioned above.

The ABN emails commenced regularly on Tuesday 27 September. By the end of the financial year approximately 64,000 people had been contracted, with lead conversions from click throughs to the landing page at 36 per cent. Learnings and insights from the initial new starter customer journey will be used to guide our ongoing work targeting new starters.

New year, new business digital campaign

A "New year, new business" digital campaign commenced on 26 December 2022, promoting a Business Essentials workshop package. The basis for this trial was to test some of the insights derived from target market research done in 2022 for new business owners and to maximise interest in starting a business at the start of the calendar year.

The workshop package, a weekly series on concurrent Tuesday evenings, included the following workshops: Starting a Business,

Agency Performance

Activity Reports



How to Write a Business Plan, Digital Marketing Essentials, Understanding Business Financials and Digital Tools to Boost Productivity.

There were 80 places available for the series at a total cost of \$80 per person. The campaign was promoted across Facebook and Instagram and sold out more than three weeks ahead of schedule.

Interestingly, the SBDC's workshop schedule was the most visited page on the website for five consecutive months after the campaign finished, despite there being no paid ads directing people to this page. This is indicative of a "halo" effect from the paid campaign.

Website

The SBDC's website smallbusiness.wa.gov.au continues to be an important source of information and resources for the Western Australian small business community. The website allows the agency to respond quickly in publishing online information tailored to the needs of small business owners, such as financial support for small businesses impacted by TC Seroja. Website usage has trended back to usual levels following a surge in visitors during the COVID-19 pandemic.

The Strategy, Marketing and Communications Team continues to drive visitation by creating searchable, optimised blog content on small business topics. While the blog is driven by the Strategy, Marketing and Communications team, the articles produced are a team effort with many areas of the Corporation providing their expertise and input to ensure the SBDC is delivering high quality information to business owners.

In 2023, the SBDC blog was rated as the fourth best business development blog globally by the FeedSpot website.



CASE STUDY

My Little Bookshop



Kerry Ridley began her business, My Little Bookshop, as a mobile bookshop. She discovered SBDC services as she was preparing to open her first 'bricks and mortar' bookstore on the Rockingham foreshore.

"When the idea for the business was in my head, I saw an advert in a local newspaper and the SBDC was doing a trade fair," she said. "I thought I'd go along to that for 30 minutes maybe... pick up some brochures then go. I was there the whole day! I spoke to someone in the business advisory service and she ended up being my mentor for 12 months."

Now, Kerry runs three mobile vans and a store which hosts a range of events including book launches, teacher afternoons and community workshops.

"Through the business advisory service, my mentor gave me so much great advice – she was a wealth of knowledge. Opening up a bookshop in a physical space was like starting a whole new business for me. I was utilising things that I hadn't

had to before – commercial leases being one of them. The SBDC came to the party and helped very much with that."

As Kerry's business has grown, she has enjoyed some unexpected benefits along the way. "My favourite thing about running my business is the fact I get to meet so many wonderful people and it really is a great sense of community with independent bookshops."

"I would recommend that other businesses use the SBDC. I've been using the services from the beginning and they're always there as a great reference point for me for anything I need to do with my business. Don't be afraid to ask questions or put your hand up for help. We all need it."

Agency Performance

Activity Reports

Investigations and Inquiry Unit

The SBDC's Investigations and Inquiry Unit (IIU) investigates and acts upon conduct which has an adverse impact upon small businesses in WA, under the direction of the Small Business Commissioner.

The IIU examines poor practices experienced by small businesses in relation to larger organisations or government entities. Since its establishment in 2019, a key focus of the unit has been the construction industry, particularly in supporting small business subcontractors by reducing payment disputes and improving conduct in the supply chain.

Construction sector

In the 2022-23 financial year, the agency identified several trends impacting small businesses in the construction sector, including:

- The increased costs of materials and labour shortages causing a strain and delays on projects.
- Increased costs impacting small business profitability (even when fully engaged in work projects), which may become unsustainable for many small businesses.

- Minimal interest for some public sector tenders, as construction firms are reluctant to commit in the volatile market.
- A bias towards short-term tenders in the WA market, with many larger projects unable to be resourced locally. These projects are often awarded to Tier One construction firms, but ultimately require local engagement at an increased price.

Reporting pathways

During 2022-23, the SBDC enhanced reporting pathways in support of the COVID-19 grant fraud mitigation strategy. The IIU team continues to partner with Crime Stoppers WA, allowing individuals to lodge reports relating to grant fraud beyond the COVID-19 period. IIU received three actionable reports through Crime Stoppers WA.

The IIU also worked with Crime Stoppers WA to establish Safe2Say anonymous reporting pathways for all matters within the scope of the SBDC. Safe2Say is an online portal that allows individuals to make anonymous reports while allowing two-way communication between investigators and the reporter. IIU received nine actionable reports through Safe2Say.

Complaints

In the 2022-23 financial year:

- A total of 65 direct complaints were received, compared to 66 the previous year.
- 60 per cent of all complaints related to the construction industry.
- The SBDC initiated two preliminary inquiries into systemic issues during the year.
- There was a slight increase in disputes over non-payment, although many were related to contract variations disputes which then required further action or adjudication.
- Non-payment was the most common complaint topic received.

Agency Performance

Activity Reports

Corporate Resources

The Corporate Resources team assists the SBDC to reach its objectives and goals through financial management including budgeting and accounting services; human resource management; ICT management; records and information management; general administration and facilities management including assets, fleet, accommodation and procurement.

In 2022-23 Corporate Resources focused on:

Cyber Security

- Continued to implement greater Cyber Security capability aligned to the Western Australian Government's Cyber Security Policy. This included an ongoing migration of on-premise hosting to Cloud-based systems and applications.

Corporate Governance, Procurement and Risk

- Completed a comprehensive review and update of the SBDC Risk Policies, Frameworks and registers.
- Created a Risk Appetite Statement for Board endorsement.

- Updated and renewed SBDC Procurement systems and process to be current with State Government Procurement reform and directions.
- Developed a new Delegations Framework for Board review and approval.

Our People

- Continued to support staff and their ongoing Learning and Development.
- Supported the agency through a restructuring of the leadership team.
- Undertook a whole-of-organisation awareness initiative in Work Health and Safety and established a WHS Committee.

Administrative support

- Decommissioned a satellite office following the wind down of the Grants Administration Team. This included removing all equipment, networking and security and relocating the remaining team members at the SBDC's main office location.
- Supported the processing of more than 40,000 grant applications with a total value approaching \$300 million.



Photo: AVL Electrical

Corporate Governance

Our people

Staffing summary – as at 30 June 2023

Employee profile	2022-23
Permanent full-time	42
Permanent part-time	19
Fixed term contract	4
Total	65

Diversity and Inclusion Committee

February 2023 marked the 12-month anniversary of the establishment of the SBDC Diversity and Inclusion Committee. The committee is made up of seven representatives from across the SBDC, including one member of the senior leadership team, and aims to create a culture where all employees and clients of the SBDC feel respected and included.

In its first year, the committee led efforts to acknowledge and celebrate Lunar New Year, Pride Month and International Women's Day, while continuing to acknowledge and celebrate events which have long been part of our annual calendar including NAIDOC Week, Reconciliation Week and International Day of People with Disability. The goal of the committee is to drive more initiatives to recognise, celebrate, educate and raise awareness in the coming year.

WA Multicultural Policy Framework

The SBDC Multicultural Plan 2021-2024 was developed with the support of the Office of Multicultural Interests. The Plan aims to ensure that the SBDC takes a planned approach to identifying and creating opportunities for continuous improvement across all our services to ensure inclusivity of all people.

The plan identifies a number of actions to achieve the following policy priorities by 2024:

- harmonious and inclusive communities
- culturally responsive policies, programs and services
- economic, social, cultural, civic and political participation.

Building Leadership Impact

In February 2023, the Public Sector Commissioner released Building Leadership Impact, an initiative to provide practical leadership support across the public sector. This marks the first comprehensive, sector-wide approach to enhancing the impact of leadership in the WA public sector. It applies to all public sector staff regardless of their level, qualifications, age, role or experience.

The SBDC's commitment to this program has been shared with staff and has been sponsored by the Executive Director. The Human Resources team is leading the development and rollout of the program within the agency.



Corporate Governance

Our people

	Actual results		Results against target	
	2021-22	2022-23	Target	Comment on result
Number of fatalities	0	0	0	No injured workers
Lost time injury/disease (LTI/D)	0	0	0 or 10% reduction on previous year	No injured workers
Lost time injury/disease severity rate	0	0	0 or 10% reduction on previous year	No injured workers
Percentage of injured workers returned to work:				
(i) within 13 weeks	No injured workers	No injured workers	100%	Target met
(ii) within 26 weeks	No injured workers	No injured workers	100%	Target met
Percentage of managers trained in occupational safety, health and injury management responsibilities	100%	100%	Greater than or equal to 80%	Target exceeded

Workplace health, safety and injury management

The SBDC is committed to ensuring operational activities are carried out with full regard for the health, safety and welfare of employees, contractors and the public. The agency's management team supports this through training programs, communicating Work Health and Safety (WHS) matters through the intranet and at team meetings, and making WHS a standard agenda item at executive, divisional and all-of-agency meetings with staff encouraged to raise any issues.

To support our commitment to WHS even further, the SBDC WHS Committee was established during the 2022/23 financial year. This committee is made up of representatives from across the corporation including a senior leadership team and Human Resources representative.

WA Public Sector Census

In March 2023, all 166,000 public sector staff were invited and encouraged to take part in the 2023 WA Public Sector Census. Questions related to their employment, including questions about integrity, diversity, capability, leadership and culture.

The SBDC recorded an outstanding 90 per cent completion rate amongst staff, one of the highest across the WA public Sector. When SBDC's results, along with a comparison to the broader sector results, become available, our team will review these and apply insights gained to shape our future direction, strengthen our workforce and support our staff now and into the future.

Corporate Governance

Governance disclosure

Enabling legislation

The SBDC Act makes provision for the establishment of the SBDC and Small Business Commissioner to encourage, promote, facilitate and assist the establishment, development and carrying on of small business in the state and provide dispute resolution services, and for incidental and other purposes.

Functions of the Board

As the SBDC's governing body, the Board has responsibility for performing the functions set out in the SBDC Act. The SBDC Board has four strategic roles:

- setting the direction of the agency
- determination of standards
- coordination of planning, policies, and decision-making framework
- 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
- delegation of operational decision making to officers within the SBDC.

SBDC Board



Grant Cucel - Chair

Grant Cucel is self-employed and Pilbara born and raised. He initially joined the Board in October 2017 and was appointed Chair in May 2022.

Mr Cucel has an extensive business background having run his own recruitment business for 10 years and was the 2012 inductee into the Western Australian Regional Small Business Hall of Fame and recognised as the 2013 City of Karratha Citizen of the Year.

For nine years, Mr Cucel held the role of chair of the Small Business Centre West Pilbara and strongly advocated for small and medium enterprises in regional Western Australia. He is a former Deputy Mayor for the City of Karratha where he promoted economic development and diversification.

Having sold his recruitment business to a publicly listed company, Mr Cucel now has a strong focus on assisting a cross section of organisations in a voluntary capacity, including as Chair of the Waja Guma Aboriginal Early Learning Program Working Group.

Mr Cucel has a Bachelor of Business Degree (First Class Honours) from Curtin University.



Eliza Carbines

Eliza Carbines was appointed to the Board in October 2021. Ms Carbines is Karratha-based and is the founder and CEO of Tender Relief which offers tailored support, training and consulting services to businesses, primarily in regional Western Australia. Prior to commencing her own business, Ms Carbines worked in various roles across both the State Government and private sectors. She is a strong advocate for entrepreneurship and economic diversity throughout regional Western Australia and has served on a number of not for profit boards.

Ms Carbines holds Association of Proposal Management Professionals (APMP) Foundation and Practitioner Certification and is the current Chair of the APMP ANZ Committee.

Corporate Governance

Governance disclosure



Danelle Cross

Danelle Cross was appointed to the Board in July 2019. Ms Cross is co-owner/director of a small business, Gourmet and More, a food wholesaler and distributor.

An experienced and respected leader in the areas of innovation, entrepreneurship and learning and development, Ms Cross is currently the Director of Entrepreneurship at Curtin University, where she leads programs, pathways and community for local and global entrepreneurs. Prior to this, Ms Cross was the Director of Discovery at St Hilda's Anglican School, leading a whole-of-school approach to in-curriculum entrepreneurship.

Ms Cross holds a Bachelor of Commerce, double major in marketing and PR from Curtin University. She is a mentor and connector for a number of WA business founders.



Cindy Hurst

Cindy Hurst was appointed to the Board in September 2020. Ms Hurst has owned and operated her own small business, Goldfields Chiropractic and Healing Centre in Kalgoorlie since early 2009. She was the recipient of the Kalgoorlie Boulder Chamber of Commerce and Industry Young Achiever Award in 2009 and a finalist in the WA Regional Small Business Awards, community engagement category in 2017. Ms Hurst has held positions on a number of not for profit boards in the Goldfields region and maintains strong affiliations with multiple community and sporting organisations.

Ms Hurst holds a Bachelor of Science (Chiropractic) and Bachelor of Chiropractic from Murdoch University, along with Certificates III and IV in Fitness and a post graduate certification in International Sports Chiropractic.



Gillian Nathan

Gillian Nathan was appointed to the Board in October 2021. Ms Nathan is the founder and owner of a tax and accounting practice, Simple Solutions Accounting Services. Ms Nathan has extensive experience in taxation, financial and management reporting and works daily with small business owners. Prior to starting her own business, she gained experience in the public and private sector working across a range of accounting and tax practices. She is a member of the Audit and Risk Committee for Your Toolkit/ Financial Toolbox, a not for profit organisation which aims to build the financial knowledge and skills of Western Australian women exposed to domestic violence and financial abuse.

Ms Nathan is a Fellow Chartered Accountant, with a Masters in Taxation and International Tax. She is a Tax Agent, a South African tax practitioner and a qualified secondary school teacher, registered to teach in Western Australia.

Corporate Governance

Governance disclosure



Michael Schaper

Michael Schaper was appointed to the Board in June 2022. Dr Schaper served as the inaugural Deputy Chair (small business) of the Australian Competition and Consumer Commission, where he also founded the national Small Business Commissioners Forum, and was the Small Business Commissioner for the ACT. He was also the foundation Professor of Small Business and Entrepreneurship at the University of Newcastle NSW, and responsible for the small business program at Curtin University.

He is Chair of the Gaming and Wagering Commission of WA, Chair of the Energy and Water Ombudsman WA, Chair of the ATO's shadow economy advisory forum, and member of the national board of the Australian Institute of Company Directors. His current and recent work includes advising international bodies such as the UN and Asian Development Bank on SME policy issues.

Dr Schaper holds a Doctor of Philosophy in small business management and a Master of Commerce degree from Curtin University, as well as a Bachelor of Arts from the University of Western Australia.



David Eaton (ex officio)

David Eaton was appointed WA's first Small Business Commissioner in December 2011. In his dual role as Chief Executive Officer of the SBDC, he is responsible for the day-to-day operations of the agency, including its dispute resolution service. The Commissioner also provides advice on policy and regulatory matters affecting the small business sector, to all tiers of government and in particular to the Minister for Small Business.

Mr Eaton has extensive business management experience, both as a small business owner and in senior executive positions in WA and Victoria. He holds a Master in Business Administration from The University of Western Australia, is a Graduate Member of the Australian Institute of Company Directors and a member of the Curtin Law School Advisory Board.

Mr Eaton was awarded a Public Service Medal in the 2023 Australia Day Honours list for outstanding service to small business development, particularly during the COVID-19 pandemic.

Corporate Governance

Governance disclosure

Members current as at 30 June 2023

Name	Initially appointed	Term expires	2022-23 meetings attended ¹
Mr Grant Cucel	02/10/2017	31/05/2025	10/10
Ms Eliza Carbines	01/10/2021	30/09/2023	10/10
Ms Danelle Cross	17/06/2019	30/06/2025	9/10
Ms Cindy Hurst	31/08/2020	31/08/2023	9/10
Ms Gillian Nathan	01/10/2021	30/09/2023	10/10
Dr Michael Schaper	01/06/2022	31/05/2025	10/10
Vacant ²			
Mr David Eaton (ex officio)			9/10

¹A total of 10 meetings were held during the reporting period

²Vacant from 21 June 2023



Corporate Governance

Governance disclosure

Board remuneration 2021-22

Position	Name	Type of remuneration	Period of membership	Gross actual remuneration (\$)
Chair	Mr Grant Cucel	Annual	Full year	22,712.25
Member	Ms Eliza Carbines	Annual	Full year	9,432.97
Member	Ms Danelle Cross	Annual	Full year	9,105.72
Member	Ms Gillian Nathan	Annual	Full year	9,105.72
Member	Mr Anthony Masi	Annual	Part year ³	9,035.68
Member	Ms Cindy Hurst	Annual	Full year	10,243.08
Member	Dr Michael Schaper	Annual	Full year	9,105.72

³ Term completed 20 June 2023

Corporate Governance

Other financial disclosures

Internal audit

Internal audits are designed to focus on the effectiveness of the key processes and controls to meet the compliance requirements of the *Financial Management Act 2006* and applicable Treasurer's Instructions. The audit provides assurance to the SBDC Board and management in relation to the quality, reliability, adequacy and integrity of the systems of internal control, compliance and reporting. The SBDC outsources this internal audit function.

Pricing policies

The SBDC collects the following fees and charges:

- \$125 per party per session for Dispute Resolution Service (DRS) mediation fees. With the total cost of each session around \$1,000, this fee represents a partial cost recovery with the SBDC subsidising the difference.
- \$750 application fee for Business Migration State Nominations for both provisional and permanent business visas. The fees represent partial cost recovery for the processing of applications under the Business Innovation and Investment visa program.
- \$20 per participant for business workshops, with the exception of the free 'Starting a Business' workshop.

The SBDC's fees and charges are reviewed annually as part of the budget process.



Photo: Leaf Bean Machine

Disclosures and legal compliance

Independent auditor's report 2023

Small Business Development Corporation

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Small Business Development Corporation (Corporation) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Small Business Development Corporation for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting

Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Disclosures and legal compliance

Independent auditor's report 2023

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Small Business Development Corporation. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and

disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Small Business Development Corporation are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall

control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Disclosures and legal compliance

Independent auditor's report 2023

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Small Business Development Corporation for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Small Business Development Corporation are relevant and

appropriate to assist users to assess the Corporation's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate

to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

Disclosures and legal compliance

Independent auditor's report 2023

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other

information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Small

Business Development Corporation for the year ended 30 June 2023 included in the annual report on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General
for Western Australia
Perth, Western Australia
24 August 2023



Key Performance Indicators

“Helpful, courteous, timely, quite frankly the best online customer experience bar none. The rest of Government need to try to achieve your standard - Well done!”

Anthony
Grants applicant



Photo: Leaf Bean Machine



Photo: Suppa Club

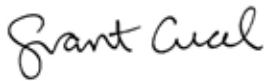


Photo: Greenbunch

Key Performance Indicators

Certification of key performance indicators

We hereby certify that the key 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 24 August 2023.



Grant Cucel

Chair



David Eaton

Small Business Commissioner

24 August 2023



Key Performance Indicators

The Small Business Development Corporation (Corporation) operates under the broad high level government strategic goal “WA Jobs Plan: Diversifying the WA economy, creating local jobs for the future”.

To meet this goal, the Corporation’s mission is “to facilitate relevant, practical support to small businesses and advocate on their behalf”.

The desired outcome and services that link with this government goal are shown in the table below:

Government goal	Desired outcome	Services
WA Jobs Plan: Diversifying the WA economy, creating local jobs for the future.	A strong and enterprising small business sector that contributes to the State’s economy through job creation and business investment.	<ol style="list-style-type: none"> 1. Information, Guidance, Referral and Business Development Services. 2. Access to Justice for Small Business.

In 2022-23, the Corporation achieved the desired outcome through the provision of specialised information, referral and business facilitation services for the effective development of enterprises in Western Australia (WA). This included access to justice for small businesses through the Dispute Resolution (DR) service and the Investigations and Inquiry Unit.

Effectiveness indicators

Key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes.

The effectiveness of the Corporation in meeting its desired outcome is measured by:

- Client surveys of the following key stakeholder groups:
 - small business owners - those already operating their own business; and
 - small business starters - those planning or contemplating operating a business in the future.
- Business Migration Program - the value of net assets into the State and the number of jobs created.

Key Performance Indicators

Client opinions of the services provided by the Corporation.

The Corporation provides a range of small business services to those in business as well as those planning on starting or buying a business. The Corporation also provides core business facilitation services across the State through the provision of funding for the Business Local Service (BLS). The effectiveness of small business services is measured by surveys of those clients who have contacted the Corporation and the BLS during 2022-23.

The effectiveness indicators used to measure the Corporation’s performance are subject to regular review and, where necessary, are refined to reflect the services delivered to key client groups.

The measures, “the extent to which the information or guidance provided was useful”, and “the extent to which the information or guidance provided contributed to a decision to start or buy a business” reported below are based on two surveys conducted during 2022-23 of random samples of Corporation and BLS clients. The surveys have been carried out by an independent market research company to ensure maximum objectivity.¹

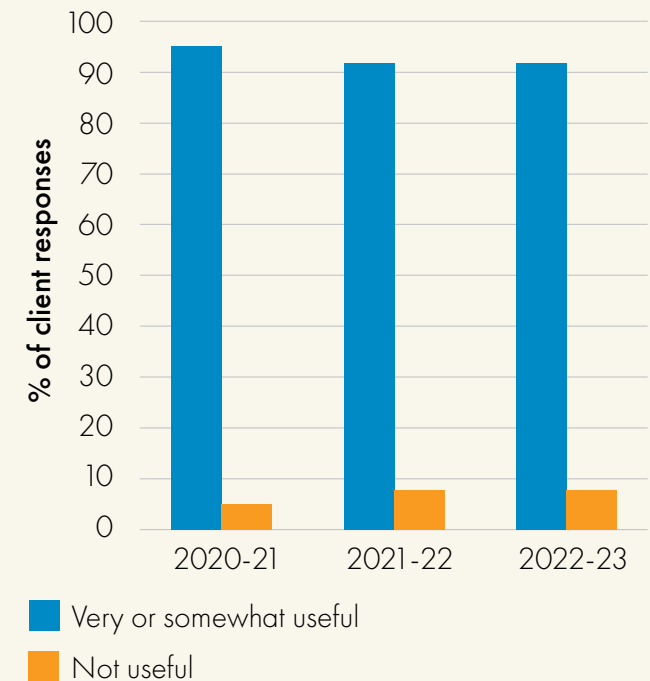
High customer satisfaction with services has been maintained over several years with the effectiveness indicators measured in 2022-23 showing no statistically significant shifts at the 95% confidence level in comparison with the previous two years.

The extent to which the information or guidance provided was useful.¹

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

92% of survey participants rated the information/ guidance provided as useful in 2022-23 including 64% that indicated it was very useful and 28% rating it as somewhat useful. The target for 2022-23 was 95% useful rating.

Usefulness of the information/ guidance provided



Key Performance Indicators

The extent to which the information or guidance provided contributed to a decision to start or buy a business.¹

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 Corporation/BLS directly contributed to you making an informed decision about starting or buying a business?”

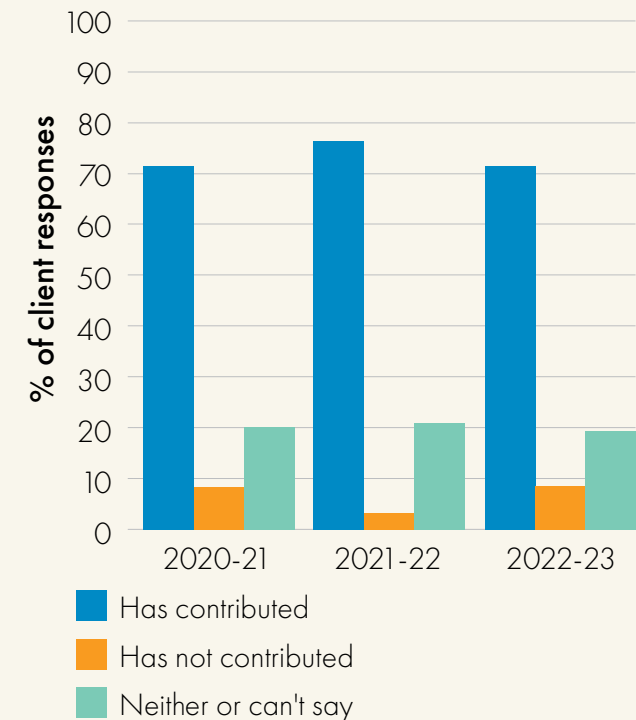
73% of the total respondents believed the services of the Corporation/BLS had directly contributed to their decision on whether or not to start or buy a business. The target for 2022-23 was 82%. While business activity may be returning to pre-Covid levels, labour shortages, supply chain shortages, high inflation and rising interest rates has likely reduced general confidence of individuals on the making of decisions to start or buy a business.

¹The performance evaluation for 2022-23 was by client survey, where clients were contacted by telephone by Advantage Communications and Marketing. Surveys were undertaken with random selections of clients who had directly sought information and guidance during 2022-23. 735 client surveys were completed in two survey waves and to give a maximum standard error ratio of + / - 3.45% at the 95% confidence level.

The valid sample for each service area was as follows:

	Business owners			Business starters			Total sample		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Clients - Direct advice									
Small Business Services	237	230	257	37	40	46	274	270	303
Business Information & Programs	77	124	78	129	80	93	206	204	171
Business Local Service	169	148	177	96	111	84	265	259	261
Total	483	502	512	262	231	233	745	733	735

Information or guidance received contributed to decision to buy or start a business



Key Performance Indicators

Western Australian Business Migration Program

The Corporation is responsible for managing the WA Business Migration program on behalf of the State Government. This program is a key investment attraction initiative for WA, as business migrants make a significant contribution to the state's economy through investment, establishing businesses and generating export income and employment.

Confirmed and finalised economic contribution and job creation to WA by existing business migrants for 2022-23 and the previous 2 years is as follows:

Business Migration Program ²	2022-23 Target ³	2022-23 Actual ³	2021-22 Actual	2020-21 Actual
Total value of net assets to the State from the Business Migration program	\$306M	\$191.8M	\$231.6M	\$230.7M
Number of jobs created through the Business Migration program	160	81	130	99

²The reported total value of net assets to the State and number of jobs created is sourced from the final investment declared by the applicant in meeting the economic terms of their State nomination agreement.

³The 2022-23 target for both total value of net assets and number of jobs created is the forecast investment into the State under the program based on results from previous periods. There is a timing difference of up to 4 years between when the business migrant nominates their proposed level of investment and when that investment is finalised. The actual results in 2022-23 for both total value of net assets and number of jobs created were lower than the 2022-23 targets when the investments were finalised. This is largely due to the continued economic impacts of the COVID-19 pandemic on world economies, and the lingering effects of the controlled international border during the pandemic that reduced the movement of business migrants to WA.

Key Performance Indicators

Efficiency indicators

Key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Service 1 - Information, guidance, referral and business development services.

The Corporation provides specialised information, referral and business facilitation services for the effective development of enterprises in WA. Three efficiency indicators are measured. The results for each indicator together with the target for 2022-23 and comparatives from the previous two years are set out below:

Efficiency indicators	2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual
Cost per client serviced directly by the Corporation ⁴	\$26.46	\$46.43	\$21.25	\$22.85
Cost per client serviced through third party delivery ⁵	\$157.57	\$190.48	\$208.36	\$144.14
Cost of policy development, advice and reform projects as a percentage of the total cost of service ⁶	14.54%	11.95%	15.00%	15.59%

⁴Clients serviced directly include those that have contacted the Corporation for information or guidance either by a personal visit, by telephone, have attended a Corporation workshop, have visited Corporation websites for two minutes or more, have had a direct engagement through the Corporation social media (Facebook page or group, Instagram and LinkedIn), or have submitted a grant application under an approved grants scheme administered by the Corporation. The 2022-23 result exceeded the 2022-23 target due to a 31% decrease on the anticipated number of client engagements in part combined with a once off increase in expenditures for grant administration for the year. In 2021-22, the SBDC received 43,029 grant applications and 213 applications in 2022-23. Most of the 2021-22 grant applications were processed in 2022-23 at an additional cost of \$1.4 million. The number of direct client services in 2022-23 aligns with pre-Covid levels.

⁵Clients serviced through third party delivery comprise Business Local Service regional clients and metropolitan workshop clients. A client contact is the equivalent of a one hour engagement either through one-to-one service delivery or through a workshop (one-to-many). In 2022-23, there were 21,353 client services and 18,350 in 2021-22, resulting in the lower cost per client compared to prior year. The 2022-23 actual cost per client exceeded the 2022-23 target, which was based on an anticipated 28,862 client sessions.

⁶Policy development, advice and reform projects include policy and regulatory submissions, industry liaison, advocacy, investigative research, ministerial correspondence, together with small business sector reform projects. The 2022-23 actual is lower than the 2022-23 target and prior year mainly due to higher total cost of services this year as a result of additional costs for the administration of grant programs during the year.

Key Performance Indicators

Service 2 - Access to justice for small business

The Corporation provides access to justice through the dispute resolution service and support for subcontractors. Two efficiency indicators are measured. The results for each indicator together with the target for 2022-23 and comparatives from the previous two years are set out below:

Efficiency indicators	2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual
Cost per client serviced directly in the provision of dispute resolution ⁷	\$1,030.30	\$1,394.86	\$1,453.72	\$1,117.71
Cost of subcontractor support services as a percentage of the Total Cost of Service ⁸	46.90%	41.55%	40.85%	33.68%

⁷The Dispute Resolution Service offers low cost and practical assistance to small businesses in dispute with another business or Government agency. The increased cost in 2022-23 actual compared to the 2022-23 target is largely due to a lower volume of cases than estimated for 2022-23.

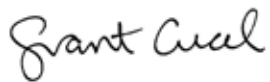
⁸Subcontractor support services investigate complaints of non-payment and provide direct support to subcontractors with security of payment issues. The Investigations and Inquiry Unit undertakes inquiries and investigation of matters that impact upon small businesses. The 2022-23 actual is lower than the 2022-23 target mainly due to the higher total cost of services this year as a result of additional costs for the administration of grant programs during the year.

Financial statements

Certification of financial statements for the reporting period ended 30 June 2023

The accompanying financial statements of the Small Business Development Corporation have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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



Grant Cucel
Chair



David Eaton PSM
Small Business Commissioner



Alexander Watt CA FCPA
Chief Finance Officer

24 August 2023

Financial Statements

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cost of services			
Expenses			
Employee benefits expenses	2.1(a)	9,207,871	7,753,189
Supplies and services	2.2	8,389,767	8,647,284
Depreciation and amortisation expenses	4.1,4.2,4.3	90,252	138,208
Finance costs	6.2	2,074	1,742
Communications expenses		76,590	87,723
Maintenance expenses		24,131	9,299
Other expenses	2.2	128,195	89,949
Total cost of services		17,918,880	16,727,394
Income			
User charges and fees	3.2	135,612	192,045
Interest revenue		95,745	22,474
Other income	3.3	11,340	12,703
Total income		242,697	227,222
Net cost of services		17,676,183	16,500,172
Income from State Government			
Service appropriation	3.1	15,521,000	17,559,000
Income from other public sector entities	3.1	24,000	19,800
Resources received	3.1	116,567	126,848
Total income from State Government		15,661,567	17,705,648
Surplus/(deficit) for the period		(2,014,616)	1,205,476
Total comprehensive income for the period		(2,014,616)	1,205,476

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

Financial Statements

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	6.3	4,187,855	6,231,308
Receivables	5.1	343,951	348,789
Amounts receivable for services	5.2	60,000	60,000
Other current assets	5.3	551,577	443,049
Total Current Assets		5,143,383	7,083,146
Non-Current Assets			
Amounts receivable for services	5.2	1,153,000	1,045,000
Furniture, plant and equipment	4.1	144,316	209,211
Intangible assets	4.2	47,768	7,118
Right-of-use assets	4.3	46,045	29,876
Total Non-Current Assets		1,391,129	1,291,205
Total Assets		6,534,512	8,374,351
Liabilities			
Current Liabilities			
Payables	5.4	572,337	641,013
Contract liabilities	5.5	1,500	21,750
Lease liabilities	6.1	14,941	9,613
Employee related provisions	2.1(b)	1,857,555	1,600,081
Total Current Liabilities		2,446,333	2,272,457
Non-Current Liabilities			
Lease liabilities	6.1	33,201	21,860
Employee related provisions	2.1(b)	188,908	272,348
Total Non-Current Liabilities		222,109	294,208
Total Liabilities		2,668,442	2,566,665
Net Assets		3,866,070	5,807,686
Equity			
Contributed equity		1,769,885	1,696,885
Accumulated surplus		2,096,185	4,110,801
Total Equity		3,866,070	5,807,686

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

Financial Statements

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Contributed equity \$	Accumulated surplus \$	Total equity \$
Balance at 1 July 2021		1,624,885	2,905,325	4,530,210
Surplus		0	1,205,476	1,205,476
Total comprehensive income for the period		0	1,205,476	1,205,476
Transactions with owners in their capacity as owners:				
Capital appropriation		72,000	0	72,000
Balance at 30 June 2022		1,696,885	4,110,801	5,807,686
Balance at 1 July 2022		1,696,885	4,110,801	5,807,686
Deficit		0	(2,014,616)	(2,014,616)
Total comprehensive income for the period		0	(2,014,616)	(2,014,616)
Transactions with owners in their capacity as owners:				
Capital appropriation		73,000	0	73,000
Balance at 30 June 2023		1,769,885	2,096,185	3,866,070

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

Financial Statements

Statement of Cash Flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from State Government			
Service appropriation		15,353,000	17,391,000
Capital appropriation		73,000	72,000
Funds from other public sector entities		0	20,400
Holding account drawdown		60,000	60,000
Net cash provided by State Government		15,486,000	17,543,400
Utilised as follows:			
Cash flows from operating activities			
Payments			
Employee benefits		(9,041,408)	(7,684,351)
Supplies and services		(8,450,054)	(8,431,423)
Finance costs		(2,074)	(1,742)
Communication expenses		(74,693)	(90,132)
Maintenance expenses		(23,722)	(9,889)
GST payments on purchases		(854,313)	(846,132)
Other payments		(102,251)	(107,224)
Receipts			
User charges and fees		115,362	210,045
Interest received		71,884	13,623
GST receipts on sales		8,189	9,043
GST receipts from taxation authority		878,260	792,054
Other receipts		11,340	26,681
Net cash used in operating activities		(17,463,480)	(16,119,447)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(49,013)	(24,096)
Net cash used in investing activities		(49,013)	(24,096)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(16,960)	(15,038)
Net cash used in financing activities		(16,960)	(15,038)
Net increase in cash and cash equivalents		(2,043,453)	1,384,819
Cash and cash equivalents at the beginning of the period		6,231,308	4,846,489
Cash and cash equivalents at the end of the period	6.3	4,187,855	6,231,308

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

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

1. Basis of preparation

The Small Business Development Corporation (Corporation) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Corporation is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the accountable authority of the Corporation on 24 August 2023.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

1. the Financial Management Act 2006 (FMA)
2. the Treasurer's instructions (TIs)
3. Australian Accounting Standards - Simplified Disclosures
4. where appropriate, those Australian Accounting Standards paragraphs applicable for not-for-profit entities have been applied.

The FMA and TIs take precedence over Australian Accounting Standards. Several Australian Accounting Standards are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the Corporation as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

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

Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

2. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Corporation's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Corporation in achieving its objectives and the relevant notes are:

	2023	2022	Notes
	\$	\$	
Employee benefits expenses			2.1(a)
Employee related provisions			2.1(b)
Other expenditure			2.2
	2023	2022	
	\$	\$	
2.1(a) Employee benefits expenses			
Employee benefits	8,311,985	7,019,032	
Superannuation - defined contribution plans	895,886	734,157	
Employee benefits expenses	9,207,871	7,753,189	
Add: AASB 16 Non-monetary benefits (not included in employee benefits expense)	19,535	17,393	
Less: Employee contributions (per note 3.3 Other income)	(8,784)	(10,359)	
Total employee benefits provided	9,218,622	7,760,223	

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as cars) for employees.

Superannuation is the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

AASB 16 non-monetary benefits are non-monetary employee benefits, predominantly relating to the provision of vehicle benefits that is recognised under AASB 16 and is excluded from the employee benefits expense.

Employee contributions are contributions made to the Corporation by employees towards employee benefits that have been provided by the Corporation. This includes both AASB 16 and non-AASB 16 employee contributions.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

2.1 (b) Employee related provisions

Current

Employee benefits provisions

	2023 \$	2022 \$
Annual leave	799,930	750,022
Long service leave	1,044,827	838,231
Purchased leave	2,584	3,103
	<u>1,847,341</u>	<u>1,591,356</u>

Other provisions

Employment on-costs	10,214	8,725
Total current employee related provisions	<u>1,857,555</u>	<u>1,600,081</u>

Non-current

Employee benefits provisions

Long service leave	187,855	270,878
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Other provisions

Employment on-costs	1,053	1,470
Total non-current employee related provisions	<u>188,908</u>	<u>272,348</u>

Total employee related provisions

	<u>2,046,463</u>	<u>1,872,429</u>
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Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

Annual leave liabilities are classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

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

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Corporation has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated using the short-hand method (2022: present value) as the Corporation does not expect to wholly settle the amounts within 12 months. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Securities Limited Actuaries at 30 June 2022 determined that the liability measured using the short-hand measurement technique was not materially different from the liability determined using the present value of expected future payments. This calculation is consistent with the Corporation's experience of employee retention and leave taken for the 2022-23 financial year.

Purchased leave provision relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Employment on-costs involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, note 2.2' and are not included as part of the Corporation's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

2023
\$

Employment on-cost provision

Carrying amount at start of period

10,195

Additional/(reversals of) provisions recognised

1,072

Carrying amount at end of period

11,267

Key sources of estimation uncertainty – annual leave and long service leave

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

Several estimates and assumptions are used in calculating the Corporation's annual leave and long service leave provisions. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the annual leave and long service leave provisions. Any gain or loss following revaluation of the present value of annual leave and long service leave liabilities is recognised as employee benefits expense.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

2.2 Other expenditure

Supplies and services

	2023 \$	2022 \$
Premises - accommodation expenses	1,431,473	1,298,563
Media, advertising and promotions	117,932	281,526
Travel and accommodation	50,092	43,488
Professional services	5,998,651	6,111,458
Sponsorships	22,623	29,745
Other services	616,390	524,114
Consumable supplies	152,606	334,395
Royalties for Region Fund payments	0	23,995
Total supplies and services expenses	8,389,767	8,647,284

Other expenses

Employment on-costs	1,072	(35)
Other employee related expenses	78,656	36,437
Audit fees	48,000	53,547
Loss on disposal of non-current assets	467	0
Total other expenses	128,195	89,949
Total other expenditure	8,517,962	8,737,233

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred.

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the Corporation and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

Employment on-costs includes workers' compensation insurance. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 2.1 (b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Other employee related expenses include staff recruitment, staff training and staff amenities.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

3. Our funding sources

How we obtain our funding

This section provides additional information about how the Corporation obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Corporation and the relevant notes are:

	2023	2022
	\$	\$
Income from State Government		Notes 3.1
User charges and fees		3.2
Other income		3.3

3.1 Income from State Government

Appropriation received during the period:

- Service appropriation	15,521,000	17,559,000
Total service appropriation	15,521,000	17,559,000

Income received from other public sector entities during the period:

- Workshop presentation	0	1,800
- Intensive case management service	24,000	18,000
Total income from other public sector entities	24,000	19,800

Resources received from other public sector entities during the period:

- Department of Justice - legal services	0	1,412
- State Solicitor's Office - legal services	8,306	7,347
- Department of Finance - Building Management and Works	108,261	118,089
Total resources received	116,567	126,848
Total income from State Government	15,661,567	17,705,648

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Corporation gains control of the appropriated funds. The Corporation gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

Income from other public sector entities are recognised as income when the Corporation has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Corporation receives the funds.

Resources received from other public sector entities is recognised as income equivalent to the fair value of the assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

Summary of consolidated account appropriations For the year ended 30 June 2023

	2023 Budget	2023 Supple- mentary funding	2023 Revised budget	2023 Actual	2023 Variance
	\$	\$	\$	\$	\$
<u>Delivery of Services</u>					
Item 50 Net amount appropriated to deliver services	15,259,000	0	15,364,000	15,259,000	105,000
Amount authorised by other statutes - Salaries and Allowances Act 1975	262,000	0	283,000	262,000	21,000
Total appropriations provided to deliver services	15,521,000	0	15,647,000	15,521,000	126,000
<u>Capital</u>					
Item 126 Capital appropriations	73,000	0	76,000	73,000	3,000
Total consolidated account appropriations	15,594,000	0	15,723,000	15,594,000	3,000

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

3.2 User charges and fees

	2023 \$	2022 \$
Workshop income	58,566	34,363
Business migration visa application fees	75,000	154,500
Fees for mediation services	2,046	3,182
Total user charges and fees	135,612	192,045

Revenue from workshop and mediation fees is recognised once the service has been delivered. For business migration visa application fees, revenue is recognised when the application process is finalised.

3.3 Other income

Employee contributions	8,784	10,359
Miscellaneous	2,556	2,344
Total other income	11,340	12,703

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

4. Key assets

This section includes information regarding the key assets the Corporation utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes
Furniture, plant and equipment	4.1
Intangible assets	4.2
Right-of-use assets	4.3

4.1 Furniture, plant and equipment

Year ended 30 June 2023	Computing equipment \$	Furniture, fittings and equipment \$	Total \$
1 July 2022			
Gross carrying amount	377,029	268,564	645,593
Accumulated depreciation	(344,728)	(91,654)	(436,382)
Carrying amount at start of period	32,301	176,910	209,211
Additions	4,013	0	4,013
Disposals	(467)	0	(467)
Depreciation	(14,728)	(53,713)	(68,441)
Carrying amount at end of period	21,119	123,197	144,316
Gross carrying amount	359,458	268,564	628,022
Accumulated depreciation	(338,339)	(145,367)	(483,706)

Initial recognition

Items of furniture, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of furniture, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

Subsequent measurement

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

Useful lives

All furniture, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives for the different asset classes for current and prior years are:

Computing equipment 3 to 4 years

Furniture, fittings and equipment 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Impairment

Non-financial assets, including items of furniture, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit and loss.

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

4.2 Intangible assets

Year ended 30 June 2023

1 July 2022

	Computer software \$	Website development \$	Total \$
Gross carrying amount	702,292	6,750	709,042
Accumulated amortisation	(696,845)	(5,079)	(701,924)
Carrying amount at start of period	5,447	1,671	7,118
Addition	45,000	0	45,000
Amortisation expense	(3,000)	(1,350)	(4,350)
Carrying amount at end of period	47,447	321	47,768
Gross carrying amount	747,292	6,750	754,042
Accumulated amortisation	(699,845)	(6,429)	(706,274)

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquired intangible assets costing \$5,000 or more that comply with the recognition criteria of AASB 138 Intangible Assets (as noted above) are capitalised. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Useful lives

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Corporation have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Computer software - 3 to 4 years

Website development costs - 5 years

Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2023

Computer Software

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

Website development costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2023 there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 4.1.

4.3 Right-of-use assets

Year ended 30 June 2023

	Vehicles
	\$
Carrying amount at start of period	29,876
Additions	33,630
Depreciation	(17,461)
Net carrying amount as at end of period	<u>46,045</u>

The Corporation has leases for vehicles and office accommodation.

The Corporation has also entered into a Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

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for the year ended 30 June 2023

Initial recognition

At the commencement date of the lease, the Corporation recognises right-of-use assets and a corresponding lease liability. The right of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

The Corporation has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.

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for the year ended 30 June 2023

5. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Corporation's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	2023	2022
	\$	\$
Receivables		Notes 5.1
Amounts receivable for services		5.2
Other current assets		5.3
Payables		5.4
Contract liabilities		5.5

5.1 Receivables

Trade and other debtors	43,150	33,703
Net GST recoverable	263,484	301,630
Accrued interest	37,317	13,456
Total receivables at end of period	343,951	348,789

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

5.2 Amounts receivable for services (Holding Account)

Current	60,000	60,000
Non-current	1,153,000	1,045,000
Total amounts receivable for services at end of period	1,213,000	1,105,000

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost, and are not considered not impaired (i.e. there is no expected credit loss of the holding accounts).

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for the year ended 30 June 2023

5.3 Other current assets

Prepayments

Total other current assets at end of period

	2023 \$	2022 \$
Prepayments	551,577	443,049
Total other current assets at end of period	551,577	443,049

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

5.4 Payables

Trade payables

Accrued expenses

Accrued salaries

Total payables at end of period

Trade payables	458	2,692
Accrued expenses	404,735	440,747
Accrued salaries	167,144	197,574
Total payables at end of period	572,337	641,013

Payables are recognised at the amounts payable when the Corporation becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement for the Corporation is generally within 20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Corporation considers the carrying amount of accrued salaries to be equivalent to its fair value.

5.5 Contract liabilities

Current

Business migration visa application fees

Total contract liabilities at end of period

Business migration visa application fees	1,500	21,750
Total contract liabilities at end of period	1,500	21,750

The Corporation's contract liabilities relate to business migration visa application fees received where applications have not been finalised at the end of the reporting period. Typically, the Corporation will receive consideration in advance of satisfying the performance obligation.

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Notes to the Financial Statements

for the year ended 30 June 2023

6. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Corporation.

	2023	2022
	\$	\$
Lease liabilities		6.1
Finance costs		6.2
Cash and cash equivalents		6.3
Capital commitments		6.4
	2023	2022
	\$	\$
6.1 Lease liabilities		
Not later than one year	14,941	9,613
Later than one year and not later than five years	33,201	21,860
	48,142	31,473
Current	14,941	9,613
Non-current	33,201	21,860
	48,142	31,473

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Corporation uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Fixed lease payments are included by the Corporation as part of the present value calculation of lease liability.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with note 4.3.

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Notes to the Financial Statements

for the year ended 30 June 2023

Lease expenses recognised in the Statement of Comprehensive Income

	2023 \$	2022 \$
Lease interest expense	2,074	1,742
Total lease expense	2,074	1,742

6.2 Finance costs

Interest expense on lease liabilities	2,074	1,742
Total finance costs expensed	2,074	1,742

Finance cost includes the interest component of lease liability repayments.

6.3 Cash and cash equivalents

Cash and cash equivalents		
- Bank account	3,687,605	5,731,058
- Cash investments - investment with Department of Treasury	500,000	500,000
- Cash on hand	250	250
Balance at end of period	4,187,855	6,231,308

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

6.4 Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	0	4,414
	0	4,414

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Notes to the Financial Statements

for the year ended 30 June 2023

7. Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the Corporation.

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2023	2022
	\$	\$
<u>Financial assets</u>		
Cash and cash equivalents	4,187,855	6,231,308
Financial assets at amortised cost (a)	1,293,467	1,152,159
Total financial assets	<u>5,481,322</u>	<u>7,383,467</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	572,337	641,013
Total financial liability	<u>572,337</u>	<u>641,013</u>

(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate.

No contingent assets and contingent liabilities exist as at 30 June 2023.

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for the year ended 30 June 2023

8. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Key management personnel	8.1
Related party transactions	8.2
Remuneration of auditors	8.3

8.1 Key management personnel

The Corporation has determined key management personnel to include cabinet ministers, members of the accountable authority and senior officers of the Corporation. The Corporation does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the accountable authority and senior officers of the Corporation for the reporting period are presented within the following bands:

Compensation of members of the accountable authority

Compensation Band (\$)	2023	2022
20,001 - 30,000	1	1
10,001 - 20,000	5	4
0 - 10,000	1	4

Compensation of other senior officers

Compensation Band (\$)	2023	2022
300,001 - 350,000	1	0
250,001 - 300,000	0	1
200,001 - 250,000	1	0
150,001 - 200,000	4	4
100,001 - 150,000	2	1
50,001 - 100,000	2	1

	\$	\$
Total compensation of key management personnel	1,765,633	1,262,635

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Notes to the Financial Statements

for the year ended 30 June 2023

8.2 Related party transactions

The Corporation is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Corporation include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Material transactions with related parties

Outside of normal citizen type transactions with the Corporation, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.3 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023 \$	2022 \$
- Auditing the accounts, financial statements, controls and key performance indicators	24,750	28,000

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Notes to the Financial Statements

for the year ended 30 June 2023

9. Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Corporation undertaking transactions under its own control, as represented by the primary financial statements

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

1. Estimate and actual results for the current year
 - Total Cost of Services of the estimate for the Statement of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$16,054,000), and
 - Total Assets of the estimate for the Statement of Financial Position (i.e. 1% of \$6,597,000).
2. Actual results for the current year and the prior year actual:
 - Total Cost of Services for the previous year for the Statements of Comprehensive Income and Statement of Cash Flows (i.e. 1% of \$16,727,394); and
 - Total Assets for the previous year for the Statement of Financial Position (i.e. 1% of \$8,374,351).

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for the year ended 30 June 2023

9.1 Statement of Comprehensive Income variances

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Cost of services						
Expenses						
Employee benefits expense	1,A	7,649,000	9,207,871	7,753,189	1,558,871	1,454,682
Supplies and services		7,934,000	8,389,767	8,647,284	455,767	(257,517)
Depreciation and amortisation expense		153,000	90,252	138,208	(62,748)	(47,956)
Finance costs		2,000	2,074	1,742	74	332
Communications expense		110,000	76,590	87,723	(33,410)	(11,133)
Maintenance expense		56,000	24,131	9,299	(31,869)	14,832
Other expenses		150,000	128,195	89,949	(21,805)	38,246
Total cost of services		16,054,000	17,918,880	16,727,394	1,864,880	1,191,486
Income						
User charges and fees		292,000	135,612	192,045	(156,388)	(56,433)
Interest revenue		30,000	95,745	22,474	65,745	73,271
Other revenue		0	11,340	12,703	11,340	(1,363)
Total income		322,000	242,697	227,222	(79,303)	15,475
Net cost of services		15,732,000	17,676,183	16,500,172	1,944,183	1,176,011

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for the year ended 30 June 2023

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Income from State Government						
Service appropriation	B	15,521,000	15,521,000	17,559,000	0	(2,038,000)
Income from other public sector entities		0	24,000	19,800	24,000	4,200
Resources received		190,000	116,567	126,848	(73,433)	(10,281)
Total income from State Government		15,711,000	15,661,567	17,705,648	(49,433)	(2,044,081)
Surplus/(deficit) for the period		(21,000)	(2,014,616)	1,205,476	(1,993,616)	(3,220,092)
Total comprehensive income for the period		(21,000)	(2,014,616)	1,205,476	(1,993,616)	(3,220,092)

Major Estimate and Actual (2023) Variance Narratives

1) Employee benefits expense exceeded estimates by \$1.56 million (20.4%) due mainly to employee costs associated with the administration and processing of multiple grant programs during 2022/23, and salary increases due to the public sector wages policy.

Major Actual (2023) and Comparative (2022) Variance Narratives

A) Employee benefits expense increased by \$1.45 million (18.8%) due mainly to employee costs associated with the administration and processing of multiple grant programs during 2022/23, and salary increases due to the public sector wages policy.

B) Service appropriation decreased by \$2.04 million (11.6%) mainly due to the one-off additional funding provided in 2021/22 for the administration of a number of COVID-19 related business assistance grant programs.

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Notes to the Financial Statements

for the year ended 30 June 2023

9.2 Statement of Financial Position variances

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Assets						
Current Assets						
Cash and cash equivalents		4,245,000	4,187,855	6,231,308	(57,145)	(2,043,453)
Restricted cash and cash equivalents		24,000	0	0	(24,000)	0
Receivables		271,000	343,951	348,789	72,951	(4,838)
Amounts receivable for services		60,000	60,000	60,000	0	0
Other current assets	C	516,000	551,577	443,049	35,577	108,528
Total Current Assets		5,116,000	5,143,383	7,083,146	27,383	(1,939,763)
Non-Current Assets						
Amounts receivable for services	D	1,153,000	1,153,000	1,045,000	0	108,000
Furniture, plant and equipment	2	268,000	144,316	209,211	(123,684)	(64,895)
Intangible assets		27,000	47,768	7,118	20,768	40,650
Right-of-use assets		33,000	46,045	29,876	13,045	16,169
Total Non-Current Assets		1,481,000	1,391,129	1,291,205	(89,871)	99,924
Total Assets		6,597,000	6,534,512	8,374,351	(62,488)	(1,839,839)
Liabilities						
Current Liabilities						
Payables		583,000	572,337	641,013	(10,663)	(68,676)
Contract liabilities		4,000	1,500	21,750	(2,500)	(20,250)
Lease liabilities		5,000	14,941	9,613	9,941	5,328
Employee related provisions	3,E	1,565,000	1,857,555	1,600,081	292,555	257,474
Total Current Liabilities		2,157,000	2,446,333	2,272,457	289,333	173,876

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for the year ended 30 June 2023

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Non-Current Liabilities						
Lease liabilities		30,000	33,201	21,860	3,201	11,341
Employee related provisions	4	302,000	188,908	272,348	(113,092)	(83,440)
Total Non-Current Liabilities		332,000	222,109	294,208	(109,891)	(72,099)
Total Liabilities		2,489,000	2,668,442	2,566,665	179,442	101,777
Net Assets		4,108,000	3,866,070	5,807,686	(241,930)	(1,941,616)
Equity						
Contributed equity		1,770,000	1,769,885	1,696,885	(115)	73,000
Accumulated surplus		2,338,000	2,096,185	4,110,801	(241,815)	(2,014,616)
Total Equity		4,108,000	3,866,070	5,807,686	(241,930)	(1,941,616)

Major Estimate and Actual (2023) Variance Narratives

- 2) Furniture, plant and equipment fell short of estimates by \$0.12 million (46.2%) with no major additions during the year.
- 3) Current employee related provisions exceeded estimates by \$0.29 million (18.7%) due to salary increases, less employees taking leave during the year, and increased nominal value of long service leave entitlements as the leave becomes unconditional at reporting date.
- 4) Non-current employee related provisions fell short of estimates by \$0.11 million (37.4%) mainly due to staff exits, and the long service leave of current staff becoming unconditional at reporting date after completing the requisite years of service.

Major Actual (2023) and Comparative (2022) Variance Narratives

- C) Other current assets increased by \$0.11 million (24.5%) with increased prepayments during the year.
- D) Amounts receivable for services increased by \$0.11 million (10.3%) to reflect the non-cash component of appropriations for asset replacement.
- E) Current employee related provisions increased by \$0.26 million (16.1%) due to salary increases, less employees taking leave during the year, and increased nominal value of long service leave entitlements as the leave becomes unconditional at reporting date.

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for the year ended 30 June 2023

9.3 Statement of Cash Flows variances

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Cash flows from State Government						
Service appropriation	F	15,353,000	15,353,000	17,391,000	0	(2,038,000)
Capital appropriation		73,000	73,000	72,000	0	1,000
Funds from other public sector entities		0	0	20,400	0	(20,400)
Holding account drawdown		60,000	60,000	60,000	0	0
Net cash provided by State Government		15,486,000	15,486,000	17,543,400	0	(2,057,400)
Cash flows from operating activities						
Payments						
Employee benefits	5,G	(7,598,000)	(9,041,408)	(7,684,351)	(1,443,408)	(1,357,057)
Supplies and services		(7,775,000)	(8,450,054)	(8,431,423)	(675,054)	(18,631)
Finance costs		(2,000)	(2,074)	(1,742)	(74)	(332)
Communication expense		(110,000)	(74,693)	(90,132)	35,307	15,439
Maintenance expense		(56,000)	(23,722)	(9,889)	32,278	(13,833)
GST payments on purchases	6	(680,000)	(854,313)	(846,132)	(174,313)	(8,181)
Other payments		(150,000)	(102,251)	(107,224)	47,749	4,973
Receipts						
User charges and fees	7	292,000	115,362	210,045	(176,638)	(94,683)
Interest received		30,000	71,884	13,623	41,884	58,261
GST receipts on sales		10,000	8,189	9,043	(1,811)	(854)
GST receipts from taxation authority	8	670,000	878,260	792,054	208,260	86,206
Other receipts		0	11,340	26,681	11,340	(15,341)
Net cash used in operating activities		(15,369,000)	(17,463,480)	(16,119,447)	(2,094,480)	(1,344,033)

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for the year ended 30 June 2023

	Variance note	Estimate 2023 \$	Actual 2023 \$	Actual 2022 \$	Variance between actual and estimate \$	Variance between actual results for 2023 and 2022 \$
Cash flows from investing activities						
Payments						
Purchase of non-current assets		(120,000)	(49,013)	(24,096)	70,987	(24,917)
Net cash used in investing activities		(120,000)	(49,013)	(24,096)	70,987	(24,917)
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(13,000)	(16,960)	(15,038)	(3,960)	(1,922)
Net cash used in financing activities		(13,000)	(16,960)	(15,038)	(3,960)	(1,922)
Net decrease in cash and cash equivalents		(16,000)	(2,043,453)	1,384,819	(2,027,453)	(3,428,272)
Cash and cash equivalents at the beginning of period		4,285,000	6,231,308	4,846,489	1,946,308	1,384,819
Cash and cash equivalents at the end of the period		4,269,000	4,187,855	6,231,308	(81,145)	(2,043,453)

Major Estimate and Actual (2023) Variance Narratives

- 5) Employee benefits exceeded estimates by \$1.44 million (19.0%) due mainly to employee costs associated with the administration and processing of multiple grant programs during 2022/23, and salary increases due to the public sector wages policy.
- 6) GST payments on purchases exceeded estimates by \$0.17 million (25.6%) with greater spend on supplies and services.
- 7) User charges and fees fell short of estimates by \$0.18 million (60.5%) as a result of decreased Business Migration application fees received.
- 8) GST receipts from taxation authority exceeded estimates by \$0.21 million (31.1%) due to greater spend on supplies and services.

Major Actual (2023) and Comparative (2022) Variance Narratives

- F) Service appropriation decreased by \$2.04 million (11.7%) mainly due to one-off funding provided in 2021/22 for the administration of a number of COVID-19 related business assistance grant programs.
- G) Employee benefits increased by \$1.36 million (17.7%) due mainly to employee costs associated with the administration and processing of multiple grant programs during 2022/23, and salary increases due to the public sector wages policy.



“The SDBC offer practical advice and workshops for small businesses who cannot really afford spending big dollars on training and coaching ”

Tanya
Workshop attendee



Other legal requirements

Disability Access and Inclusion Plan (DAIP) outcomes

The SBDC is committed to creating a community that is accessible and inclusive to help minimise the impacts of disability. The agency's endorsed DAIP includes initiatives focused on seven outcome areas, such that people with disability:

1. Have the same opportunities as other people to access the services of, and any events organised by, the SBDC.
2. Have the same opportunities as other people to access the SBDC's buildings and other facilities.
3. Receive information from the SBDC in a format that will enable them to access it as readily as other people.
4. Receive the same level and quality of service from the staff of the SBDC as other people.
5. Have the same opportunities as others to make complaints to the SBDC.
6. Have the same opportunities as others to participate in any public consultation by the SBDC.

7. Have the same opportunities as other people to obtain and maintain employment within the SBDC.

Equal employment opportunity (EEO)

The SBDC has met its obligations under Section 145 (preparation and implementation of management plans) of the *Equal Opportunity Act 1984* by progressing EEO initiatives outlined in the agency's EEO Management Plan.

The three high-level outcomes relating to EEO are:

The SBDC values EEO and diversity and the work environment is free from harassment.

The workplace is free from employment practices that are biased or discriminate unlawfully against employees or potential employees.

Employment programs and practices recognise and include strategies to achieve workforce diversity.

Compliance with public sector standards and ethical codes

The SBDC has complied with Section 31 of the *Public Sector Management Act 1994* in the administration of the agency's human resource management practices relating to public sector standards and codes of ethics and conduct.

During 2022-23, the SBDC received no claims against the public sector standards and no reports of non-compliance with the WA Code of Ethics or the agency's own code of conduct.

The SBDC maintains this standard of compliance through the following measurements and initiatives:

Quality feedback is provided to applicants as part of all recruitment processes.

Information about Public Sector Standards is included on the SBDC intranet and covered at inductions.

Corruption prevention

The SBDC is committed to the highest level of integrity, ethics and equity. Corruption prevention forms part of the agency's overall risk management strategy as an important element of internal control.

Other legal requirements

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

Recordkeeping plan

The SBDC's recordkeeping plan was approved by the State Records Office in December 2019. The Corporation continues to monitor its recordkeeping systems to ensure they are effective and efficient in the overall management of the information resources.

The SBDC has maintained an effective training program, with all new staff and contractors receiving comprehensive induction training detailing policies and procedures, and their recordkeeping responsibilities. Additional training materials are available from the SBDC's intranet for staff and tailored training to meet specific needs is available on request. The effectiveness of training is regularly monitored and reviewed to ensure it meets the needs of the SBDC and State Records Office.

Unauthorised use of credit cards

There was no unauthorised use of credit cards in 2022-23.

Other legal requirements

In accordance with Section 175ZE of the *Electoral Act 1907*, set out below are details of expenditure incurred during 2022-23 in relation to:

Advertising agencies:		\$101,896
Bang Digital	\$27,225	
Wunderman Thompson	\$3,900	
Google	\$53,963	
Facebook	\$16,687	
Telstra	\$121	
Media advertising organisations:		\$6,210
Initiative Media	\$4,260	
Mentor Marketing Group	\$1,950	
Market research organisations:		\$111,473
Advantage Communications and Marketing	\$8,694	
Painted Dog Research	\$102,779	
Polling organisations		Nil
Direct mail organisations		Nil
Total expenditure for 2022-23:		\$219,579

Publications

The SBDC produces a wide range of free publications, including:

- Annual reports: Each financial year, the annual report highlights the agency's business and financial activities. Electronic (PDF) copies of previous reports are available from the SBDC website.
- Promotional publications: Outlining the SBDC's services.
- Templates, tools and guides: Designed to assist business operators to create essential business documents and build their knowledge. They can be downloaded from the SBDC website.
- Enews: The SBDC produces a range of regular newsletters for different subscribers, to provide relevant and timely business updates and news.

Other legal requirements

Legislation impacting on activity

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

A New Tax System (Goods and Services Tax) Act 1999 (Cth)

Auditor General Act 2006

Building and Construction Industry (Security of Payment) Act 2021

Business Names Act 1962

Business Names (Commonwealth Powers) Act 2012

Business Names Registration Act 2011 (Cth)

Copyright Act 1968 (Cth)

Commercial Tenancy (Retail Shops) Agreements Act 1985

Corporations (Western Australia) Act 1990

Corruption and Crime Commission Act 2003

Criminal Code Act Compilation Act 1913

Disability Services Act 1993

Electoral Act 1907

Electronic Transaction Act 2011

Equal Opportunity Act 1984

Evidence Act 1906

Evidence Act 1995 (Cth)

Financial Management Act 2006

Freedom of Information Act 1992

Fringe Benefits Tax Act 1986 (Cth)

Income Tax Assessment Act 1936 ((Cth)

Income Tax Assessment Act 1997 (Cth)

Industrial Relations Act 1979

Legal Deposit Act 2012

Minimum Conditions of Employment Act 1993

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 Development Corporation Amendment Act 2020

Spam Act 2003 (Cth)

State Records Act 2000

State Superannuation Act 2000

State Supply Commission Act 1991

State Trading Concerns Act 1916

Superannuation Guarantee (Administration) Act 1992 ((Cth)

Taxation Administration Act 2003

Treasurer's Instructions 804 and 805

Work Health and Safety Act 2020

Workers' Compensation and Injury Management Act 1981

Cth = Commonwealth Acts



Photo: Prana

Western Australian small business
share their experiences using the
SBDC's support services.



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