



**Application for Funding**

**Small Business Regional Development  
& Sustainability Project**

**City of Joondalup**

**For**

**Three Years Commencing 1/07/2004**



# **Joondalup Business Association (Inc) Business Enterprise Centre Project**

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## **Business Enterprise Centre Project**

### **1.0 Business Enterprise Centres in Western Australia An Overview**

The Small Business Development Corporation (SBDC) supports a network of 37 independent Business Enterprise Centres (BEC's). Each centre has a management committee with representatives from business and public sector organisations and local government that support the BEC Manager. The Centres provide guidance on marketing, business planning, finance, market research, trade information, regulations, licensing and a range of other business improvement services.

The SBDC, through the BEC support Unit, coordinates the core funding program for the BEC's as well as providing a broad range of support services aimed at assisting and improving the service levels within the network.

The 2002 / 2003 year saw a continuing increase in the client contacts made through the BEC's with a total of 115,140 business enquiries. This activity has facilitated the development of 2,183 businesses, the creation of 3,526 full time jobs and 2,002 casual or part time jobs throughout the state.

The economic impact of the activities of the BEC Network cannot be underestimated. Conservative estimates indicate that an additional \$596 million in business turnover has been added to the State's economy as a direct result of the work of BEC's. This figure does not include the impact on the economy of the additional employment created through these business starts.

#### **Support Centres**

In addition to operational grants amounting to \$2,428,000 provided by the State Government, the BEC Network also attracted broad based community support with Local Government contributing \$420,357 during the year. The network was also provided with in-kind support from Local Government through subsidised rent, office accommodation, motor vehicles and subsidised vehicle running costs.

## Business Enterprise Centre Project

### 2.0 Organisational Structure – Sponsoring Body

#### 2.1 The Organisation

The Joondalup Business Association Inc is a non-government, not for profit community based organisation that works within the Perth North West Metropolitan Region to create jobs, assist business development, and foster economic growth.

#### 2.2 Incorporation Status

The Joondalup Business Association is an incorporated body under the Associations Incorporation Act 1987.

**Registration Number:** A1006411U **Date of Incorporation:** 22<sup>nd</sup> August 1997

#### 2.3 Office Bearers

NAME	BUSINESS NAME	SUBURB	PHONE
David Curry <b>President</b>	David Curry & Associates	JOONDALUP	9301 2274
Russell Poliwka <b>Vice President</b>	First Western Realty	JOONDALUP	9300 1222
Colin Beavis <b>Hon Treasurer</b>	Insight Business Partners	BALCATT	9240 1599
Mervyn Rothstein <b>Hon Secretary</b>	M. Rothstein & Co.	EAST PERTH	9220 2005
Ray Foster <b>Committee</b>	Statewide Office Supplies	JOONDALUP	9300 1717
Bob Chambers <b>Committee</b>	Caters for Taste Joondalup	JOONDALUP	9300 0894
Pandora Court <b>Committee</b>	Lakeside Shopping Centre	JOONDALUP	93003878
June Thom-Allan <b>Committee</b>	Reader's World	JOONDALUP	9300 8247
Angela Anderson <b>Vice President</b>	White Oak Home Care Services	JOONDALUP	9301 0299
Russell Crook <b>Committee</b>	Mortgage Choice Joondalup	JOONDALUP	9300 1222
Brent Wilson <b>Committee</b>	Wilson Car Craft Panel & Paint	JOONDALUP	9301 1440

#### 2.4 Membership

**Current membership:** 240 Members

**Location:** All member businesses are situated within or

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operate business activities within the Perth North West Metropolitan Region.

## Business Enterprise Centre Project

### 3.0 Operational Plan

#### 3.1 Management Structure

The Business Enterprise Centre is directed by a Committee of Management and employs a full time Manager and a full time Administrative Officer who provide facilitation services and office support services respectively. The committee meet at least monthly to develop policy and provide accountability to the community, ensure the smooth operation of the Centre, provide local business knowledge and assist with developing networks within the community. Committee Members also provide a valuable mentoring resource for Business Enterprise Centre clients.

#### BEC Facilitator

Mr Denis Godley manages the Business Enterprise Centre. His role is providing facilitation resources and guidance for prospective new business proprietors in marketing, business planning, finance, market research, trade information, regulations, licensing and a full range of other business improvement services. He also works closely with officers from the City of Joondalup's Strategic Planning, Sustainable Development and Marketing departments on projects that promote economic development within the region.

#### 3.2 Statistical History of Centre

Statistics are maintained which measure the level of activity in the centre. These statistics provide details of total contacts and the number of new business start-ups with the resulting estimation of new jobs generated.

#### **Detailed Statistics for the North West Metro Business Enterprise Centre.**

<b>Date</b>	<b>Total Contacts</b>	<b>New Business Starters</b>	<b>Full Time Jobs</b>
1997/98	960	48	76
1998/99	1056	56	110
1999/00	1368	62	115
2000/01	4875	148	122
2001/02	4452	121	62
2002/03	3566	182	312

(**Note:** Business start-ups during 2002/2003 were adversely impacted upon by the resignation of two managers and one administrative assistant.)

### 3.3 Economic Impact of the Business Enterprise Centre

#### **Economic Impact Generated through the Development of New Business**

Number of new businesses assisted to start.

<b>Date</b>	<b>New Business Starters</b>	<b>Est. Average Turnover</b>	<b>Approximate economic value to region</b>
1997/98	48	\$245,230	\$11,771,040
1998/99	56	\$245,230	\$13,732,880
1999/00	62	\$245,230	\$15,204,260
2000/01	148	\$249,938	\$36,990,000
2001/02	121	\$249,938	\$30,242,498
2002/02	182	\$273,198	\$49,722,036

(See Annexure A for the method of calculating the average turnover for business in the example)

#### **Economic activity generated by New Jobs created as a result of new businesses started**

The accepted economic analysis of employment and Gross State product in WA indicates the value of one job to the state is estimated at \$53,000 per year

#### **Total New Jobs**

<b>Date</b>	<b>Total new jobs</b>	<b>Total Economic activity generated full time jobs</b>
1997/98	48	\$2,544,000
1998/99	56	\$2,968,000
1999/00	85	\$4,505,000
2000/01	122	\$6,466,000
2001/02	62	\$3,286,000
2002/03	312	\$16,536,000

### 3.4 Objectives of the Project

The Business Enterprise Centre project seeks to facilitate the creation, expansion, retention and development of sustainable business enterprises within the Perth North West Metropolitan Region.

#### **The objectives of the project are:**

1. To maximise the creation of employment opportunities by facilitating the establishment of new business start ups within the North West Metropolitan Region.
2. To encourage and facilitate the development and broadening of the economic base within the North West Metropolitan Region.

### **3.5 Strategies**

1. Provide facilitation resources and guidance for prospective new business proprietors in, marketing, business planning, finance, market research, trade information, regulations, licensing and a full range of other business improvement services.
2. Support new business starters with a range of practical resources and facilities including seminars, library facilities, computer facilities, provision of Small Business Smart Business Training Vouchers and referral to appropriate professional service providers.
3. To facilitate and coordinate the conduct of training and development courses, seminars and workshops for small businesses in the region.
4. To facilitate and administer the Small Business Mentoring Scheme in the region.

### **3.6 Outcomes**

Increased economic activity generated through the development of new business and the creation of new jobs as a result of both new businesses and expanding businesses.

### **3.7 Key Performance Indicators**

1. Number of new business starts and the increased economic activity thus generated.
2. Number of new jobs created and the increased economic activity thus generated.
3. Number of Training Vouchers requested and issued (*subject to continued funding of scheme*).
4. Number of seminars and workshops facilitated together with attendance statistics.

### **3.8 Completion Date of Current Funding Proposal:**

30<sup>th</sup> June 2006

### **3.9 Estimated Annual Cost:**

\$55,000 CPI Indexed



### 3.10 Proposed Budget

	<b>SBDC</b>	<b>JBA</b>	<b>COJ</b>	<b>Generated Revenue</b>	<b>TOTAL</b>
Facilitator and Administrative Officer costs for direct assistance to approximately 3,000 contacts (Estimate for 2003/2004)	<b>\$54,600</b>		<b>\$45,000</b>		<b>\$99,600</b>
Direct Operating Expenses	<b>\$5,000</b>		<b>\$5,000</b>	<b>\$8,600</b>	<b>\$18,600</b>
Occupancy Costs	<b>\$4,400</b>	<b>\$13,000</b>	<b>\$3,000</b>	<b>\$16,000</b>	<b>\$36,400</b>
Vehicle Costs			<b>\$2,000</b>	<b>\$3,600</b>	<b>\$5,600</b>
<b>Total:</b>	<b>\$64,000</b>	<b>\$13,000</b>	<b>\$55,000</b>	<b>\$28,200</b>	<b>\$160,200</b>

Note: SBDC funding principles may be modified pending outcome of BEC operational review.

### 3.11 Local Government Sponsorship

With the Small Business Development Corporation and Local Government commitment of funds and support, there can be a high quality level of service to businesses. With the increased interaction between the BEC and the City of Joondalup, (for example, the Supa Shop Workshop series) the use of funds and value added service given to businesses will be great. There will be a closer relationship between the Office of Economic Development and the manager of the BEC with respect to the reporting procedures, and strategic positioning of the service.

Joondalup, as a rapidly developing area, has a high throughput of local client support service provision. The region will continue to benefit from continued local government support.

## 4.0 Reporting Requirements

### 4.1 Income and Expenditure

An annual report on Income and Expenditure with Audited Accounts detailing the acquittal of council funds will be supplied within thirty days of the end of each financial year for the duration of the project.

### 4.2 Review of Performance Objectives and Key Performance Indicators

In line with our requirements to provide detailed statistical and outcome reports to the Small Business Development Corporation we propose a quarterly reporting regime to council on the key performance indicators, outlined in this proposal.

### 4.3 Report of Contact Details

<b>NUMBER OF CONTACTS</b>	<b>CITY OF JOONDALUP</b>	<b>OTHER</b>
New Business proposal interviews.		
Subsequent Business Assists.		
Training Voucher Applications		
Training Voucher Approvals		
Miscellaneous Enquiries		
<b>TOTAL</b>		
<b>BUSINESS MENTORING SCHEME</b>		
Applicant Interviews		
Agreements Established		
<b>WORKSHOPS &amp; SEMINARS FACILITATED</b>		
Number held.		
Number of participants		
<b>ESTIMATED BUSINESS STARTS</b>		
<b>ESTIMATED JOBS CREATED:</b>		
Full Time		
Part Time & Casual		

### Annexure A

Method used to estimate the average turn over of a section of businesses for the purpose of calculating the economic impact of the Business Enterprise Centres within the State

All figures used are very conservative and have been taken on lower estimates of turnover.  
 Figures are taken from the Financial Management Research Centre (FMRC Benchmarks).

<b>All Firms Average</b>		<b>Lower Average Selection</b>	
Bricklayers Contractors	105,272	Caravan Parks	91,870
Motor Mechanics & Auto Electricians	333,662	Fish and Chips	226,364
Restaurants	578,382	Florist	93,064
Corner stores / mixed business	572,068	Hairdresser	62,023
Childcare Centres	363,271	Fruit & Vegetable Retailer	232,268
Plastering Contractors	263,761	Furniture Retailer	377,919
Couriers & Taxi Trucks	140,952	Butchers	257,881
Fabric & sewing supplies	373,129	Computer & phone sales	373,442
Pest Control Contractors	139,102	Public Hotels	442,199
Coffee Lounges	<u>332,935</u>	Chiropractor	<u>104,414</u>
	\$3,202,534.50		\$ 2,261,414
<b>Average annual turnover</b>	<b>\$273,198.93</b>		