

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation, Science, Research and Tertiary Education Portfolio
Budget Estimates Hearing 2012-13
28 and 29 May 2012

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION

TOPIC: Small Business Advisory Services – Business Enterprise Centres

REFERENCE: Written Question – Senator Ryan

QUESTION No.: BI-100

1. The 2012-13 Budget allocates \$27 million over the forward estimates for Small Business Advisory Services. (DIISRTE PBS p. 27). Can you provide a breakdown of how this pool of funding (\$27 mil) will be spent? – ie:
 - a) How much will go to BECs?
 - b) Other services? – Please detail what these will include.
 - c) How will you select which BECs will no longer receive funding?
 - d) What kind of organisations will be able to receive BEC funding? Is it only not for profits? Can the existing BECs apply?
2. How will you select which BECs will no longer receive funding?
3. What kind of organisations will be able to receive BEC funding? Is it only not for profits? Can the existing BECs apply?
4. Can BEC's provide fee for service products/services?
5. Does the government regulate the quality of the services/fee structures that are used?
6. Have there been any complaints regarding the services offered under the BEC program?
7. Does the government allow organisations that have received BEC funding to also receive funding from the Small Business Incubator Program?
8. Can you confirm that a number of BECs have also received federal funding through the Small business Incubator program as well?
9. Are both of these programs administered through AusIndustry?
10. Are site visits conducted? Which sites have been audited?
11. Can you provide a list of organisations that have received funding under small business funding programs – a list of all the grants received?
12. When will the process begin for rewarding tenders for the next round of BEC funding?
13. Are BEC's limited in the amount of money they can get from other funding sources?
14. Does DIISRTE monitor how much funding other sources are providing to BECs that are receiving BEC funding?
15. Is this taken into account when determining how much federal government funding a BEC may be eligible for?

ANSWER

1. \$27.5 million has been allocated to the Small Business Advisory Services (SBAS) program over four years.
 - a) \$24.2 million is allocated to grant funding for eligible applicants.

- b) \$0.5 million is allocated to operating expenses such as marketing the program and holding an annual conference for advisory service providers. \$2.8 million is allocated to departmental funding for staff involved in the delivery of the program.
 - c) Funding for the SBAS program will be provided to eligible applicants through competitive, merit based funding rounds.
 - d) Eligible not-for-profit organisations that are able to demonstrate capacity to deliver business advisory services to small businesses may apply for funding under the SBAS program. These may include organisations such as Business Enterprise Centres (BECs) and Registered Business Organisations (RBOs) such as community organisations or Institutes of Technical and Further Education (TAFEs). BECs that have received past SBAS funding may apply.
2. Refer to response 1(c) and (d).
 3. Refer to response 1(d).
 4. Yes.
 5. No.
 6. Over the four years that funding has been provided, the department has not received any complaints regarding the services offered.
 7. Yes.
 8. Of the 36 BECs funded through the SBAS program, 16 had received small business incubator funding through the Building Entrepreneurship and Small Business (BESB) program.
 9. Yes.
 10. Site visits and audits to each of the 36 federally funded BECs have been conducted. All 36 BECs have been audited.
 11. All grants are reported as part of the Commonwealth Grant Guidelines reporting obligations. These can be found on the department's website at: <http://www.innovation.gov.au/AboutUs/LegalandLegislativeReporting/Grants/Pages/default.aspx>
 12. The process will commence at the Minister's discretion.
 13. No.
 14. As part of reporting obligations, the BECs are required to report other sources of funding during the term of the funding agreement.
 15. No.