

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 SUPPLEMENTARY BUDGET SENATE ESTIMATES HEARING
2ND NOVEMBER 2006**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

INDIGENOUS BUSINESS AUSTRALIA

**Outcome 1: Stimulating the economic advancement of Aboriginal and Torres
Strait Island peoples**

Output 1.3: Business Development and Assistance

Question Number: W533-07

Question:

Senator Crossin asked in writing: On what has any funding been spent to day? On new stores, supplies, transport or what? Is there a breakdown? Is there a breakdown for the proposed use of the \$48 million over the 4 years?

Answer:

To date funds have been spent on the establishment of the company, development of information strategies, presentations to communities and interest groups, costs associated with preparation of contractual documentation, costs associated with taking over management of the first store, recruitment and Board meetings. Year to date set-up costs are \$300 000 in total, with a specific breakdown of major items being consultants (\$107 000), insurance (\$24 000), legal (\$40 000), recruitment (\$76 000) and travel associated with community visits and Board meetings (\$44 000).

A preliminary forward budget has been developed anticipating a progressive roll out of the company in the first three years. \$40 million will be advanced to the Outback Stores company and used for capital loans to stores. As these loans are repaid, the proceeds will be available to re-lend to other stores. The majority of the balance of the remaining funds will be paid to the company to meet running costs for the first three years as it is anticipated that the company will be cost neutral in year four. A portion of those funds will also be retained by IBA to meet the establishment costs of the company and to meet IBA costs associated with managing its oversight and reporting responsibilities.