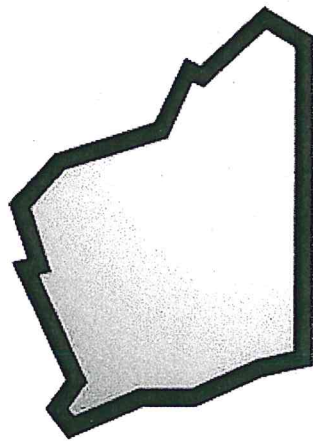


Small Business Centre (Northwest Metropolitan) Inc.

# ANNUAL REPORT



**SMALL  
BUSINESS  
CENTRE**  
North West Metro

**Reporting Period:** 1 July 2011 to 30 June 2012

# SBC Midyear Activity Report Template 2011/12

DUE TO THE SBDC 13 JULY 2012

Small Business Centre: NorthWest Metro

Manager: Mark Diggins

## Checklist:

Attachments	Included?
30 min+ Client Contact List including: <ul style="list-style-type: none"> <li>• Full Name</li> <li>• Business Name</li> <li>• New or Existing client session?</li> <li>• Address</li> <li>• Telephone number</li> <li>• Email address</li> </ul>	Yes
New Business Start Up contact details (as above)	Yes
Financial information for July – December 2011 <ul style="list-style-type: none"> <li>• Profit and Loss</li> <li>• Balance Sheet</li> <li>• Actuals to budget expenditure</li> </ul>	Yes
Signed Report	Yes

## Statistical summary

	Statistic Type	Annual Forecast 2011/12	Jan to July 2012 non-ATSI	Jan to July 2012 ATSI	YEAR TO DATE TOTAL
1	New Business Client Sessions (30min+)	381	245	14	402
2	Existing Business Client Session (30min+)	217	137	0	223
3	Short Duration Client Session (<30min) <i>includes both new &amp; existing clients</i>	1368	718	3	1374
4	New Business Start-ups <i>Full details to be attached</i>	122	141	0	165
5	Jobs Created (FTE)	244	207	0	328
6	Number of Workshops Participants	195	115	0	203

## Provide an explanation for any variance +/-10%

Start ups for the second half year appear artificially high due to the fact that we did not follow up effectively in the first half of the year; the process of capturing these figures has been addressed and will be conducted regularly in the 2012-13 financial year.

The follow up process in the second half of the year has probably been more thorough than in previous years which may account for a more accurate representation of the 'Start Up' and 'Jobs Created' statistics. I do not necessarily believe we have over-achieved in these areas this year, we have perhaps merely captured those statistics better and more accurately than in previous years.

## End of year activities

<p><b>Status of undertakings highlighted in the Service Delivery Plan</b></p>	<p>In relation to Partnership Projects we have engaged stakeholders in relation to the following items:</p> <ul style="list-style-type: none"> <li>• Small Business Smart Business (SBSB) – we will continue to run the scheme again this year and promote it heavily</li> <li>• We have agreed to work jointly with the EDO's of both Joondalup and Wanneroo to deliver services to Small Business in the coming financial year. We started at the end of the financial year with a successful joint venture with ECU and JCC to deliver a workshop on responding to tenders.</li> <li>• We will continue to partner with the ATO to deliver Small Business sessions in conjunction with ATO seminars</li> <li>• We have agreed a series of workshops/events working with the Yanchep Beach Joint Venture to deliver services to the north Wanneroo region building on the 'Women in Business' workshops earlier in the year</li> <li>• We assisted the ABU in their recent Aboriginal Tourism initiative</li> <li>• We set up regular meetings with all key stakeholders involved directly in the provision of Services to our LGAs to ensure that the Services we deliver to the Small Business Community are both collaborative and effectively targeted. further benefits will come from the increased exposure to the public – being able to utilise more channels of communication and the ability to share each entities market research to ensure the proposed services are the required services.</li> </ul> <p>Due to time constraints, lack of support and staffing changes we did not pursue the initiative to team with local schools to develop business skills in year 10 students, instead opting to deliver seminars to WCIT students on setting up a Small Business and record keeping. This initiative will continue in 2012-13</p> <p>We deferred the option to put together a program with ECU to develop a 'business partnership program' to match students with businesses. We will reassess that decision this year as part of the partnership with JCC and WCC</p> <p>We assisted WCC in providing research to support their application for an incubator in the LGA. The results of that application are not yet known.</p> <p>We re-established relationship with the ECU Business and Innovation Centre to offer services to businesses within the newly branded incubator – and we begin weekly visits in April and have already co-hosted a number of successful workshops at the Centre</p> <p>Sadly the late arrival of funding this year contributed to the fact that some of the longer term projects were deferred, or scaled back in scope.</p> <p>In relation to Practical hands-on Business Training we have now redeveloped the following workshops to offer more variety and a great 'hands-on' component to the training:</p> <ul style="list-style-type: none"> <li>• Build your own website in a day</li> <li>• Practical book-keeping with Excel</li> </ul> <p>This coming reporting year we will launch a number of initiatives in conjunction with our local LGAs themed around the 'Digital Revolution'</p>
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	<p>or 'Digital Economy' with the aim of getting more local businesses to understand and appreciate the best options for their business. We plan a number of workshops hosted both by the SBC and external training providers. In the 2011-12 year we researched a number of courses and proposals that we will put in place this year.</p> <p>Reaching out to existing businesses remained the area that has suffered most due to the timing of the receipt of funding as it is an advertising dependent set of initiatives. The program started to show dividends in the later part of the 2011-12 financial year and we will continue to aggressively market to this sector in 2012-13.</p>
<p><b>Number of visitations to towns outside of the primary business address of the Small Business Centre</b></p>	<p>The Centre made a small number of visits to other LGAs the only significant foray being to assist initiatives by the ABU where clients were located outside our LGA but were unable to be serviced by the local SBC.</p> <p>We also visited a small number of existing clients whose business premises fell outside of the LGAs we service but either their primary business locations or homes fell within our service area.</p>
<p><b>Brief summary of significant events between December 2011 and June 2012.</b></p> <ul style="list-style-type: none"> <li>• Please list only activities undertaken; and</li> <li>• Please do not provide a list of meetings with stakeholders.</li> </ul>	<p>This half year the SBCNWM has been actively involved in seeking out new opportunities to offer to the Small Business community and developing relationships with stakeholders. These activities included the following highlights:</p> <ul style="list-style-type: none"> <li>• Hosting our first 'SBC Awareness Event' with guest speaker David Eaton: this is the first in a planned series of events designed to promote the services of the centre and also the range of wider services offered to the Small Business Community. The event received good publicity locally.</li> <li>• Ran the first of a planned series of Small Business practical assistance workshops with ECU and JCC on the topic of 'Successfully responding to Tenders'. The take up for the event was good and more events are planned this year.</li> <li>• Attended various stakeholder meetings to feed back changes and training materials to the Centre's staff, including: the ACCC; Aus Industry; Department of Commerce and Office of State Revenue</li> <li>• All staff attended increased numbers of WBA and JBA functions in the latter half of the year primarily for Networking and Marketing purposes</li> <li>• Visited the Fremantle, Rockingham and Stirling SBCs to look at the possibility of co-hosting events in the coming year and also to see which workshops are receiving good attendances this year. We will feed this research into our workshop program for 2012-13</li> <li>• Met again with the Manager of the ECU Innovation Centre to discuss further details of how we might work together in the coming year which led to the provision of SBC workshops at the centre during the second half of the year</li> <li>• Facilitated JBA strategy meeting</li> <li>• Met with Regional Manager Business Banking at Westpac regarding the possibility of sponsorship 'in kind' to underwrite and sponsor workshops. We meet again in July to confirm the details.</li> <li>• Teamed up with the Dept of Commerce to introduce a labour relations workshop co hosted with the SBC</li> <li>• Teamed up with Dave Murray and the ECU Business and innovation Centre to run a number of SEO workshops</li> <li>• Continue to Run the workshops alongside Insight foundation</li> <li>• Engaged in the Aboriginal Needs Analysis program for the SBDC visit clients at their location (Jim Marr) and 2 others which came to the SBC, this generates little revenue for the SBC</li> </ul>



- Met with Geoff Puttick to implement a legal Plan to run with the SBC: the scheme is now up and running in both NWM and East metro areas and being closely monitored
- Continue to create relationships with the local Tourism Network at their general Meeting
- Finalised issues with the SBSB system and commenced next instalment
- Met with Charlie Domville-Lewis from Dept Commerce regarding the series of workshops we have planned to deliver with them in the coming financial year
- Assisted Wanneroo with research and letter of support for the Australian Government Suburban Jobs Program Funding - City of Wanneroo Business Incubator, Neerabup Industrial Estate, Western Australia
- Teamed up with the ACCC to develop and implement a series of consumer workshops
- Ran further SEO workshops at the ECU Business and innovation Centre
- Continued the series of Insight foundation 'Business Skills' workshops
- Attended the 1.5 day Professional development day facilitated by the SBCWA
- Attempted to reconnect the various Residents associations targeted in last year's SDP little activity is proposed or undertaken currently by these associations and we have decided not to pursue partnerships until they develop a voice and an audience
- Attended and contributed to The Department of Commerce and the ACCC 'Exploring Government Communication with Small Business' focus group
- Attended various SBDC, ACCC, Department of Commerce and Fairwork Australia sponsored training events and networking functions

As far as workshops for the half year were concerned our focus was threefold- to deliver well attended training, to seek feedback on the types of new training attendees would like to see and to foster partnerships with stakeholders and external parties in order to deliver future training. For example:

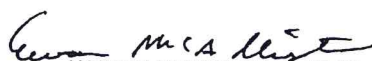
- We implemented a workshop co-hosted by the SBC, Fair Work Australia which had high attendance
- Ran the SEO workshops which were booked out in the first day so we ran 2 both fully being booked out.
- Further advanced SEO workshops planned
- In conjunction with the Department of Commerce we ran a series of Labour Relations Employment workshops.
- Set up meeting with e-learning provider 'Learning seat' to explore workshop opportunities for the next financial year.
- Continued to facilitate series of Small Business Centre and 'Starting a Small Business' sessions at West Coast College of TAFE (Joondalup) for Cert I and II students.
- Ran revamped and rewritten 'Build your own website in a day' with good numbers and excellent feedback.
- Started the development of new series of workshops for SBCNWM regarding emerging social media and as a result have started to develop – 'What Social Media For Your Business?'
- Engaged the Insight Foundation to deliver a series of short practical Business Skills workshops commencing 2012

	<p>We also spent an amount of time refining internal processes and systems so that we can more effectively apply ourselves to our core functions and KPIs in the coming year including:</p> <ul style="list-style-type: none"> <li>• Bringing up to date the Manager's Manual and the OHS Manual.</li> <li>• Conducted a review of the filing at Wanneroo and restructured and restocked to centre</li> <li>• On a purely operational level we set up a new system back-up procedure to take information offsite each weekend and switch hard-drives containing crucial data regularly.</li> <li>• Started an audit of the first quarters ACT! data in light of discrepancies and omissions between physical Client Information forms and the database. Verification will be an ongoing procedure.</li> <li>• After late arrival of all funding this year completed a mini-budget review to ensure that spending is on track.</li> </ul>
<p><b>Financial information – please provide an explanation here of any variances between Actual vs Budget.</b></p>	<p>Many of the variances in the budget fall under two broad categories:</p> <p>Underspends in certain areas where due to the late arrival of funding. The lateness of funding meant that the first half of the year budget was pared back, accounting for underspends over the full year (the budget being on track in the second half of the year).</p> <p>Overspends in various areas due to the additional funding from the SBDC not confirmed at the time of the original draft of the budget. This additional funding allowed the centre to overspend on technology: a medium to long-term benefit, and areas such as marketing in the second half of the year (to offset the underspend in the first half).</p> <p>Other variances are more specific for example:</p> <p>Staffing expenses were lower than expected due to staff changes and lower initial rates for replacement staff.</p> <p>The Centre also managed to renegotiate telephone plans and providers – resulting in significant savings. In fact many of our existing contracts were renewed this year and the Centre Manager managed to renegotiate savings in each area. The savings in certain of those areas exceeded expectations.</p> <p>The Centre also negotiated a lower rental at the Joondalup Office.</p>

### Authority to Sign

We certify that the information and statistical data contained in this Mid Year Activity Report Form is true and accurate to the best of our knowledge.

Signed for and on behalf of Small Business Centre .....

  
Chairman

  
Manager

Date .....1/7/2012.....





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1st Floor, 32 Prindiville Drive Wangara  
Postal: PO Box 1263 Wangara WA 6947

ABN 93 130 452 265

6 September 2012

Mark Diggins  
Small Business Centre  
4/189 Lakeside Drive  
JOONDALUP WA 6027

Dear Mark

**SMALL BUSINESS CENTRE – NORTH WEST METRO INC**

Please find enclosed the Financial Statements and Audit Report for Small Business Centre – North West Metro Inc for the financial year ended 30 June 2012, together with an engagement letter for signing.

Our account for costs is attached and we would appreciate receiving your payment when posting back the engagement letter. A reply within 14 days would be greatly appreciated.

Your records are available for collection from our office at your earliest convenience.

Yours faithfully

A handwritten signature in dark ink, appearing to read "E Shakeshaft".

Eleanor Shakeshaft FCCA  
Encl.

## AUDITORS REPORT

To the Members

### SMALL BUSINESS CENTRE – NORTH WEST METRO INC

#### Scope

I have audited the attached receipts & payments statement of **Small Business Centre – North West Metro Inc** as set out for the year ended 30 June 2012 from the invoices, bank statements and ledger books supplied. The Committee is responsible for the preparation and presentation of the financial report and the information contained therein, and it has determined that the basis of accounting used is appropriate to the needs of the committee. I have conducted an independent audit of the income & expenditure statement together with the records supplied, in order to express an opinion on them to the management committee. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the committee.

The income & expenditure statement has been prepared for distribution to the committee for the purpose of fulfilling the Committee's accountability requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates, to any person other than the committee or of any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the receipts & payments statement, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the profit & loss statement is presented fairly in accordance with the accrual basis of accounting.

The audit opinion expressed in this report had been formed on the above basis.

#### Audit Opinion

In our opinion the financial statements of **Small Business Centre – North West Metro Inc** presents a true and fair record and is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements as at 30 June 2012.



Eleanor Shakeshaft FCCA  
On behalf of **BAIN & ASSOCIATES**  
WANGARA WA  
September 6, 2012



## **Small Business Centre**

North West Metro Inc

ABN 16 360 070 676

Financial Statements  
For the year ended 30 June 2012

**BAIN & ASSOCIATES**

1st Floor, 32 Prindiville Drive

WANGARA WA 6065

Phone: (08) 9409 1920 Fax: (08) 9309 2127

**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**

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Detailed Profit and Loss Statement

Detailed Balance Sheet

Notes to the Financial Statements

Directors' Declaration

Compilation Report

Independent Auditor's Report



**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2012**

	2012 \$	2011 \$
<b>Income</b>		
Small Business Development Corp Funding	145,133.17	132,653.73
City of Joondalup Funding	60,000.00	59,799.94
City of Wanneroo Funding	60,000.00	59,799.94
Interest received	3,661.93	
Other income	8,796.54	13,814.69
Total income	<u>277,591.64</u>	<u>266,068.30</u>
<b>Expenses</b>		
Employee costs		197,575.87
Occupancy costs		15,952.86
Advertising	6,819.97	
Audit fees	1,000.00	
Bookkeeping	6,243.73	
Bank Fees And Charges	463.00	
Computer Expenses	2,976.00	
Other expenses		48,263.85
General expenses	96.27	
Insurance	2,580.17	
Postage	129.09	
Printing & stationery	2,070.93	
Publications	2,051.77	
Rent on land & buildings	15,462.97	
Replacements (tools, etc)	126.36	
Staff amenities	65.00	
Staff training	2,195.64	
Subscriptions	649.09	
Superannuation	14,022.99	
Telephone	5,849.39	
Travel, accom & conference	2,432.86	
Wages	155,593.71	
Workshops & Room Hire	6,529.05	
Total expenses	<u>227,357.99</u>	<u>261,792.58</u>

The accompanying notes form part of these financial statements.

**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2012**

	2012 \$	2011 \$
<b>Profit from Ordinary Activities before income tax</b>	<u>50,233.65</u>	<u>4,275.72</u>

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The accompanying notes form part of these financial statements.

**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Detailed Balance Sheet As At 30 June 2012**

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
<b>Cash Assets</b>			
Suncorp transaction account		72,205.12	163,008.26
Suncorp high interest account		1,097.46	1,048.08
Suncorp Term Deposit 975		35,000.00	
Suncorp Term Deposit 734		90,000.00	
Petty cash			124.00
		<u>198,302.58</u>	<u>164,180.34</u>
<b>Receivables</b>			
Trade Debtors		<u>221.47</u>	<u>371.47</u>
		<u>221.47</u>	<u>371.47</u>
<b>Current Tax Assets</b>			
GST clearing		<u>1,936.00</u>	<u>(11,633.64)</u>
		<u>1,936.00</u>	<u>(11,633.64)</u>
<b>Total Current Assets</b>		<u><b>200,460.05</b></u>	<u><b>152,918.17</b></u>
<b>Non-Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Office equipment		25,137.27	23,013.55
Less: Accumulated amortisation		<u>(9,335.00)</u>	<u>(9,335.00)</u>
		<u>15,802.27</u>	<u>13,678.55</u>
<b>Total Non-Current Assets</b>		<u><b>15,802.27</b></u>	<u><b>13,678.55</b></u>
<b>Total Assets</b>		<u><b>216,262.32</b></u>	<u><b>166,596.72</b></u>

The accompanying notes form part of these financial statements.

**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Detailed Balance Sheet As At 30 June 2012**

	Note	2012 \$	2011 \$
<hr/>			
<b>Current Liabilities</b>			
<b>Payables</b>			
<b>Unsecured:</b>			
Trade Creditors & Accruals		18,477.62	20,981.67
		<u>18,477.62</u>	<u>20,981.67</u>
<b>Current Tax Liabilities</b>			
Amounts withheld from salary and wages		1,936.00	
		<u>1,936.00</u>	
<b>Total Current Liabilities</b>		<u>20,413.62</u>	<u>20,981.67</u>
<b>Total Liabilities</b>		<u>20,413.62</u>	<u>20,981.67</u>
<b>Net Assets</b>		<u>195,848.70</u>	<u>145,615.05</u>
<b>Equity</b>			
Retained profits / (accumulated losses)		195,848.70	145,615.05
<b>Total Equity</b>		<u>195,848.70</u>	<u>145,615.05</u>

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The accompanying notes form part of these financial statements.



**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2012**

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## **Note 1: Summary of Significant Accounting Policies**

The director has prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Property, Plant and Equipment (PPE)**

Property, plant and equipment are carried at cost, independent or director's valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the assets charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

The carrying amount of plant and equipment is reviewed annually by the director to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(c) Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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**Small Business Centre**  
**North West Metro Inc**  
**ABN 16 360 070 676**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2012**

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Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

**(d) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**(e) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

**(f) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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## Small Business Centre

North West Metro Inc

ABN 16 360 070 676

### Compilation Report to Small Business Centre

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We have compiled the accompanying special purpose financial statements of Small Business Centre, which comprise the balance sheet as at 30 June 2012, the profit and loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

#### *The Responsibility of the Director of Small Business Centre*

The director of Small Business Centre is solely responsible for the information contained in the special purpose financial statements and has determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet the director's needs and for the purpose that the financial statements were prepared.

#### *Our Responsibility*

On the basis of the information provided by the director of Small Business Centre, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the director of Small Business Centre. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

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BAIN & ASSOCIATES

1st Floor, 32 Prindiville Drive

WANGARA WA

6 September, 2012



SERVICE DELIVERY  
PLAN

SMALL BUSINESS CENTRE NORTHWEST METRO  
2012/2013 Financial Year



## Executive Summary

The Service Delivery Plan provides a concise overview of key issues relating to the delivery area. This includes a S.T.A.R (Situation, Task, Action and Result) approach in setting our strategies, and financial planning to be undertaken. The report includes the description of products and services that Small Business Centre, Northwest Metro (SBCNWM) provides, statistical and financial targets and a detailed strategy on where the SBCNWM is heading in the next financial year.

Currently, the SBCNWM delivers its services to the City of Joondalup and the City of Wanneroo.

In the coming year the Centre will continue to implement small business development initiatives to fulfill the needs of the region's small businesses. This Report provides data on many economic issues that are evident in the service delivery area however the Centre will not be expected to be fully involved or single-handedly resolve these issues.

Despite the vast opportunities for both individual and organisational success, key issues continue to exist, potentially affecting business development and management in the Service Delivery Area. Key issues can be categorized into several categories including: Economic Infrastructure, Retaining Skilled Staff, Inability to Embrace Technology, Dealing with the Economic Downturn and Commercial Leasing Affordability. Examples of key issues in these categories include but are not limited to, the following:

Categories	Key Issues
<b>Economic Infrastructure</b>	<p>A lot of manufacturers in the LGAs are finding the competition from overseas particularly hard; this coupled with the high dollar is making cheap imported goods more attractive to buyers.</p> <p>The rapid growth in the Northern Corridor of the Wanneroo Council area continues with pace bringing with it opportunities within those areas for new business and existing business growth.</p> <p>A lack of cohesive public transport within newer areas of the region is inhibiting the ability of employees to access full or part time employment.</p>
<b>Retaining Skilled Staff</b>	<p>A program needs to be instigated to attract and retain skilled - professional workers for the area as currently a large number are drawn away by the mining industry, or commute to the City.</p>
<b>Inability to Embrace Technology</b>	<p>There are still a relatively low number of businesses in the area that seem to have embraced the basics of modern technology. Our database shows that whilst growing numbers of businesses are using e-mail there are still a large number of businesses that have little or no web-presence and around 35% of our database has no website or significant online presence.</p> <p>We need to understand the obstacles to businesses in embracing this technology and also understand what they will need to make a move towards digital presence a successful and sustainable one.</p> <p>This year we will be working together with the local councils more closely than ever on the theme of the 'Digital economy' and setting strategies to ensure that we deliver services in that sphere to the local Small Business community.</p>
<b>Dealing with the Economic Downturn</b>	<p>Currently, many small businesses are lacking confidence in doing business as a result of poor sales figures and need assistance with changing their business model to cope with economic downturn.</p>

	<p>The issue is particularly pertinent for some of our long-standing businesses who have run successfully with little change to their model over the years and are now facing a number of challenges.</p> <p>We need to reach these businesses and show them how embracing technology, using tools such as benchmarking and opening their eyes to diversification and new opportunities can get them back on track.</p>
<b>Dispute Resolution</b>	<p>We have noticed over the previous financial year an increase in the number of businesses experiencing difficulties or disputes with a variety of other small businesses. Whilst this has led to a large number of referrals the establishment of the SBDC Commissioner Role and the newly proposed 'Free In-House Legal service' we are looking at this year offers new avenues to such clients.</p>
<b>Commercial Leasing Affordability</b>	<p>As a result of the decline in sales revenue combined with the increasingly harsh terms imposed by landlords, local small businesses find it difficult to sustain and maintain a physical shop front. The centre needs to ensure those businesses affected are assisted in looking at alternative avenues to sell and market their products and or services.</p>

#### STAKEHOLDER ALLIANCES

The SBCNWM will participate in alliances, forums and discussions with stakeholders (including but not limited to the City of Wanneroo, City of Joondalup, Wanneroo Business Association and Joondalup Business Association) and assist where possible without putting at risk its core services.

- State and Federal Government Departments including Small Business Development Corporation (SBDC), DOCEP, ATO, Workcover, Tourism WA
- LGA's- City of Joondalup and City of Wanneroo
- State and Federal Members of Parliament
- Local Business Associations - Joondalup Business Association (JBA) and Wanneroo Business Association (WBA) and other local networking organisations
- ECU Business and Innovation Centre (incubator)
- Sunset Coast and Yanchep Tourism Associations
- Developers including, Capricorn Beach Joint Venture/Creating Communities, Yanchep Beach Joint Venture and Landcorp.
- Yanchep-Two Rocks Employment Forum
- SMERC (Small Medium Enterprise Research Centre), Edith Cowan University
- West Coast TAFE
- Community Newspaper Group
- Local Banks (ANZ, Westpac, Bendigo Bank, NAB, Commonwealth Bank, Bank West etc)
- Accountants, Solicitors, Insurance Brokers, Financial Brokers and other small business service providers
- Trainers and private training organisations

#### Current Activities Run by SBCNWM

The major ongoing activities and projects the Organisation is currently executing in assisting small business include;

- Consultations – One on One pro bono business consultations (Both internal and external of Centre)



- Small business training seminars/workshops – information sessions held in our Centre's conference room on a variety of small business topics

In addition, it is proposed that the SBCNWM look into other government schemes and initiatives in the coming year that would be of assistance to the local area.

### **Additional Small Business Projects**

It is projected that SBCNWM will carry out the following projects for the forthcoming financial year; 2012 - 2013. The reasons for the proposed execution of these projects are three-fold: 1) this will allow the SBCNWM to better cater the needs of small business around the region: 2) this will allow the SBCNWM to reach out to businesses that may not have been yet reached and, 3) this will allow the better promotion of SBCNWM as an organisation.

- Small Business Smart Business - Training Vouchers in order to up-skill business owners
- Create a cohesive NW Metro plan for Small Business in collaboration with Joondalup and Wanneroo Councils, meeting regularly and pooling resources to deliver new services to the Small Business Community (Regular meetings commence in July 2012)
- The SBC will be looking to partner Community Initiatives especially in the expanding North West corridor
- Industry specific business benchmarking for local small business - To educate businesses on how to improve their profitability and performance
- Educating Small Business to embrace technology in order to grow their business
- Small Business Partnering Program – To encourage businesses to partner together to grow and market local businesses
- Small Business Promotion Project – To encourage local small businesses to consider new marketing opportunities in order to grow their businesses

### **COMMUNITY AWARENESS OF SBCNWM**

Community awareness of the SBCNWM will remain an issue in a region with such high migration rates and our marketing to increase awareness has been the subject of recent internal debate.

Whilst there is still an issue with awareness, there has been a noticeable increase in enquires to the Centre since we recommenced targeted advertising to established businesses.

In 2012 the Centre embarked on the first of a number of planned SBC awareness events, involving all key stakeholders and gaining the attention of the local media

### **2012-13 strategies for community awareness:**

- Continue to send monthly e-newsletters in new interactive format.
- Put together a cohesive program of events with the EDO's of both Joondalup and Wanneroo Councils to deliver joined-up services to local Small Business
- Improve the quality of the client database.
- Continue to co-host events with the Australian Taxation Office.
- Continue to attend regular networking events held by local business associations and other local business/professional organisations.
- Strengthen outreach services at Clarkson and Yanchep/Two Rocks and other areas, especially in the rapidly growing Northern Corridor.
- Continue to develop the relationship with ECU and the WCIT



## KPI Projections for 2012/2013

Based on the figures achieved during the 2011/2012 financial year (to date) and taking into account both the current economic conditions together with the small business projects/programs planned for the Centre for the coming financial year, the key performances indicators are:

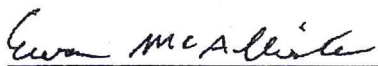
Targets	New Business Client Session 30mins+	Existing Business Client Session 30mins+	Short Duration Client Sessions	New Business Start-ups	Jobs	Workshop Participants
11/12	385	220	1370	144	294	200
12/13	385	220	1370	144	294	200

We noticed that in the 2011-12 calendar year that New Start Up Client Sessions were down on previous years; though our marketing to existing Business (and perhaps the demise of the BGC) led to an increase in Sessions with Existing businesses.

Generally confidence for Start Ups appears to have fallen and whilst enquiries remain high, the numbers of actual start ups appear to be declining. Whilst we anticipate that we should be able to meet our existing KPIs in relation to New Business in the coming year we understand that we will need to ensure or promotional activities and offerings are aligned with the needs of this sector.

### Concluding Remarks

We trust the above information is clear and concise should you require any clarification please do not hesitate to contact us.

  
Ewan McAllister  
CHAIR

  
Mark Diggins  
Manager

DATED: 6/7 2012

**Ball Business Centre North West Metro**  
**Budget and Cashflow Forecast 2012-2013**

Budget for Yr	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
th D/F	140,000	116,099	98,844	68,274	194,754	237,551	263,602	242,032	224,850	198,108	180,095	161,614
Income												
DC	144,678			144,678	59,800							
IV	59,800				59,800							
JB	59,800					59,800						
SB Voucher Scheme	2,500											
Minor	2,400	200	200	200	200	200	200	200	200	200	200	200
Mail Sales	250	20	20	20	20	50	20	20	20	20	20	20
nk Interest	6,628	438	309	213	609	727	824	756	703	619	563	505
al Income	276,056	638	529	145,111	60,629	60,777	1,044	976	973	839	783	725
Expenditure												
T Upgrade	550	550										
T Maintenance	600	100		200			100			200		
Annual SBC Function	10,000					5,000						5,000
dit Fees	1,000		1,000									
strolia Post PO Box	140							140				
nk Fees	468	39	39	39	39	39	39	39	39	39	39	39
C sub - assoc. membership	750										750	
okkeeping	7,800	600	750	600	600	750	600	600	750	600	600	750
ones and Internet Wanneroo	1,800	150	150	150	150	150	150	150	150	150	150	150
ones and Internet Joondalup	5,400	450	450	450	450	450	450	450	450	450	450	450
minitree Meetings	120	30		30			30			30		
puter Repairs/Maintenance	2,400	200	200	200	200	200	200	200	200	200	200	200
puter Services	6,080	2,000	130	260	130	260	2,000	260	130	260	130	260
ls	200		50			50			50			50
S World sub	400	400										
urance	1,800	3,000										
A Directory	350					350						
ary/Manuals	700	300	100			100			100			100
arketing Campaign	5,000		2,500				2,500					
ileage	2,400	200	200	200	200	200	200	200	200	200	200	200
YOB Subs	459				459							
orking - Facilitator	500	40	40	40	40	40	40	40	40	40	40	40
orking - Manager	1,200	100	100	100	100	100	100	100	100	100	100	100
ysletters (Wooocom)	2,295	222	143	378	221	125	125	126	131	92	465	
wsapper Advertising	5,000	400	400	400	400	600	400	400	400	400	400	400
ice Equipment	600	50	50	50	50	50	50	50	50	50	50	50
rking	298	18	44	27	35	17	24	13	5	94	14	8
ersonal Development Manager	1,100					1,100						
ersonal Development (Staff)	550	550										
stage	300		100			100			100			
ible Relations	2,000		500			500			500			500
nt (U)	11,345	945	945	945	945	945	945	946	946	946	946	946
nt (W)	2,708		677			677			677			677
DC state conference	200											
DC/BEC national conference	1,000					1,000						
onsorship	300											150
alf Amenities	240	20	20	20	20	20	20	20	20	20	20	20
alf Recruitment	1,500					1,500						
alf Superannuation	15,070	1,161	1,739	1,159	1,159	1,159	1,159	1,159	1,739	1,159	1,159	1,159
alf Wages Inc taxes	167,440	12,880	19,320	12,880	12,880	12,880	12,880	12,880	19,320	12,880	12,880	12,880
ationary	3,419	180	298	215	197	276	286	71	233	588	547	210
ationary Printing (Bus Cards)	660	330	330	330	330	330	330	330	330	330	330	330
ationary Printing (Brochures)	1,200	100	100	100	100	100	100	100	100	100	100	100
bscriptions - MY Business	544	189									178	
avel/Accommodation	450		28		65	134			194		6	
ebbsite Development	4,000				4,000							
ebbsite Maintenance/Hosting	440					440						
ireless laptop - 3G	480	40	40	40	40	40	40	40	40	40	40	40
orkshops - Costs of	1,000		500						500			
orkshops - room hire	2,100	175	175	175	175	175	175	175	175	175	175	175
al Expenditure	276,356	24,538	17,838	18,631	22,832	29,726	22,613	18,159	27,665	18,852	19,264	25,119
et Profit/Loss	300	23,901	17,255	30,570	126,480	37,797	31,051	21,570	26,742	18,012	18,482	24,394



# Small Business Centre Northwest Metro

PO Box 3519  
Joondalup WA 6027

## Profit & Loss Statement

July 2011 through June 2012

5/07/2012  
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<b>Income</b>		
SBDC Funding		\$145,133.17
COJ Funding (Stakeholder Fund)		\$60,000.00
COW Funding (Stakeholder Fund)		\$60,000.00
SBSB Voucher Reimbursement Sch		\$2,272.72
Seminar		\$2,572.76
Retail Sales		\$122.73
BizFit Pulsecheck		\$256.59
Interest Earned		\$3,661.93
Other		\$1,500.00
Mentoring Administration		\$2,500.00
Total Income		<u>\$278,019.90</u>
<b>Cost Of Sales</b>		
		<u>\$278,019.90</u>
<b>Gross Profit</b>		
		<u>\$278,019.90</u>
<b>EXPENSES</b>		
<b>MARKETING</b>		
Advertising		
Newspaper Advertising	\$2,246.44	
JBA Directory	\$909.10	
Newsletters	\$1,288.97	
Total Advertising		<u>\$4,444.51</u>
Printing		
Business Cards	\$131.82	
Stationery Printing	\$350.00	
Brochures Printing	\$309.09	
Total Printing		<u>\$790.91</u>
Public Relations		
PR Events	\$899.09	
Total Public Relations		<u>\$899.09</u>
Website		
Website Development & Design	\$450.00	
Website Maintenance / Hosting	\$150.00	
Website Hosting	\$30.91	
Total Website		<u>\$630.91</u>
Publications		
Books	\$154.36	
Subscriptions	\$79.23	
BEC Sub Membership	\$1,500.00	
IBIS World Sub	\$318.18	
Total Publications		<u>\$2,051.77</u>
Workshops		
Workshops/Costs of	\$5,759.96	
Room Hire	\$769.09	
Total Workshops		<u>\$6,529.05</u>
Networking Events		
Networking - Facilitator	\$50.00	
Networking - Manager	\$795.46	
Total MARKETING		<u>\$16,191.70</u>
<b>SYSTEMS</b>		
Computers		
Computer Services	\$2,725.00	
Total Computers		<u>\$2,725.00</u>
ACT Today		
ACT Maintenance	\$200.00	
ACT Services	\$51.00	
Total ACT Today		<u>\$251.00</u>
MYOB		
MYOB Subscription Services	\$649.09	



# Small Business Centre Northwest Metro

## Profit & Loss Statement

July 2011 through June 2012

5/07/2012

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Total MYOB	\$649.09	
Total SYSTEMS		\$3,625.09
TELEPHONES		
Land Lines		
Telephones - Joondalup	\$4,608.72	
Telephones - Wanneroo	\$1,240.67	
Total Land Lines	\$5,849.39	
Total TELEPHONES		\$5,849.39
STAFF		
Superannuation		
Superannuation	\$14,022.99	
Total Superannuation	\$14,022.99	
Wages & Salaries		
Wages & Salaries	\$155,593.71	
Total Wages & Salaries	\$155,593.71	
Personal Development		
Personal Development	\$363.64	
Facilitator Personal Developme	\$1,100.00	
Reception Personal Development	\$732.00	
Total Personal Development	\$2,195.64	
Employment Expenses		
Staff Amentities	\$65.00	
Total Employment Expenses	\$65.00	
Total STAFF		\$171,877.34
Travel		
Mileage Allowance	\$2,342.71	
Travel/Accomadation	\$90.15	
Total Travel	\$2,432.86	
PROFESSIONAL SERVICES		
Bookkeeping Contract	\$6,243.73	
Audit Fees	\$1,000.00	
Bank Fees	\$463.00	
Total PROFESSIONAL SERVICES	\$7,706.73	
INSURANCE		
Public Liability & Business	\$1,763.07	
Worker's Compensation	\$817.10	
Total INSURANCE	\$2,580.17	
OFFICE ACCOMMODATION		
Rent		
Office Lease - Joondalup	\$12,363.65	
Office Lease - Wanneroo	\$3,099.32	
Total Rent	\$15,462.97	
Office Equipment	\$90.91	
Total OFFICE ACCOMMODATION	\$15,553.88	
OFFICE GENERAL		
Small Items of Equipment	\$35.45	
Stationery	\$1,280.02	
Gifts	\$37.27	
Total OFFICE GENERAL	\$1,352.74	
POSTAGE		
Aust Post PO Box	\$129.09	
Total POSTAGE	\$129.09	
Total EXPENSES		\$227,298.99
Operating Profit		\$50,720.91
Other Income		
Other Expenses		
Amount under petty cash float	\$9.00	
Total Other Expenses		\$9.00
Net Profit / (Loss)		\$50,711.91

# Small Business Centre Northwest Metro

PO Box 3519  
Joondalup WA 6027

## Profit & Loss [Budget Analysis]

July 2011 through June 2012

5/07/2012  
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	Selected Period	Budgeted	\$ Difference	% Difference
Income				
SBDC Funding	\$145,133.17	\$140,381.00	\$4,752.17	3.4%
COJ Funding (Stakeholder Fund)	\$60,000.00	\$59,800.00	\$200.00	0.3%
COW Funding (Stakeholder Fund)	\$60,000.00	\$59,800.00	\$200.00	0.3%
SBSB Voucher Reimbursement Sch	\$2,272.72	\$2,500.00	-\$227.28	(9.1%)
Seminar	\$2,572.76	\$5,400.00	-\$2,827.24	(52.4%)
Retail Sales	\$122.73	\$140.00	-\$17.27	(12.3%)
BizFit Pulsecheck	\$256.59	\$3,000.00	-\$2,743.41	(91.4%)
Interest Earned	\$3,661.93	\$3,600.00	\$61.93	1.7%
Other	\$1,500.00	\$30,000.00	-\$28,500.00	(95.0%)
Mentoring Administration	\$2,500.00	\$0.00	\$2,500.00	NA
Sponsorship	\$0.00	\$1,500.00	-\$1,500.00	(100.0%)
Total Income	\$278,019.90	\$306,121.00	-\$28,101.10	(9.2%)
Cost Of Sales				
Gross Profit	\$278,019.90	\$306,121.00	-\$28,101.10	(9.2%)
EXPENSES				
MARKETING				
Advertising				
Newspaper Advertising	\$2,246.44	\$3,000.00	-\$753.56	(25.1%)
JBA Directory	\$909.10	\$0.00	\$909.10	NA
Newsletters	\$1,288.97	\$0.00	\$1,288.97	NA
Total Advertising	\$4,444.51	\$3,000.00	\$1,444.51	48.2%
Printing				
Business Cards	\$131.82	\$375.00	-\$243.18	(64.8%)
Stationery Printing	\$350.00	\$0.00	\$350.00	NA
Brochures Printing	\$309.09	\$0.00	\$309.09	NA
Total Printing	\$790.91	\$375.00	\$415.91	110.9%
Public Relations				
PR Events	\$899.09	\$0.00	\$899.09	NA
Total Public Relations	\$899.09	\$0.00	\$899.09	NA
Website				
Website Development & Design	\$450.00	\$500.00	-\$50.00	(10.0%)
Website Maintenance / Hosting	\$150.00	\$0.00	\$150.00	NA
Website Hosting	\$30.91	\$0.00	\$30.91	NA
Total Website	\$630.91	\$500.00	\$130.91	26.2%
Publications				
Books	\$154.36	\$0.00	\$154.36	NA
Subscriptions	\$79.23	\$0.00	\$79.23	NA
BEC Sub Membership	\$1,500.00	\$0.00	\$1,500.00	NA
IBIS World Sub	\$318.18	\$0.00	\$318.18	NA
Total Publications	\$2,051.77	\$0.00	\$2,051.77	NA
Workshops				
Workshops/Costs of	\$5,759.96	\$1,500.00	\$4,259.96	284.0%
Room Hire	\$769.09	\$0.00	\$769.09	NA
Total Workshops	\$6,529.05	\$1,500.00	\$5,029.05	335.3%
Networking Events				
Networking - Facilitator	\$50.00	\$0.00	\$50.00	NA
Networking - Manager	\$795.46	\$500.00	\$295.46	59.1%
Total MARKETING	\$16,191.70	\$5,875.00	\$10,316.70	175.6%
SYSTEMS				
Computers				
Computer Repairs & Maintenance	\$0.00	\$700.00	-\$700.00	(100.0%)
Computer Upgrades	\$0.00	\$500.00	-\$500.00	(100.0%)
Computer Services	\$2,725.00	\$0.00	\$2,725.00	NA
Total Computers	\$2,725.00	\$1,200.00	\$1,525.00	127.1%
ACT Today				
ACT Maintenance	\$200.00	\$750.00	-\$550.00	(73.3%)
ACT Services	\$51.00	\$0.00	\$51.00	NA



# Small Business Centre Northwest Metro

## Profit & Loss [Budget Analysis]

July 2011 through June 2012

5/07/2012  
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	Selected Period	Budgeted	\$ Difference	% Difference
Total ACT Today	\$251.00	\$750.00	-\$499.00	(66.5%)
MYOB				
MYOB Subscription Services	\$649.09	\$450.00	\$199.09	44.2%
Total MYOB	\$649.09	\$450.00	\$199.09	44.2%
Total SYSTEMS	\$3,625.09	\$2,400.00	\$1,225.09	51.0%
TELEPHONES				
Land Lines				
Telephones - Joondalup	\$4,608.72	\$4,500.00	\$108.72	2.4%
Telephones - Wanneroo	\$1,240.67	\$1,500.00	-\$259.33	(17.3%)
Total Land Lines	\$5,849.39	\$6,000.00	-\$150.61	(2.5%)
Mobile				
Mobile - Joondalup	\$0.00	\$2,000.00	-\$2,000.00	(100.0%)
Total Mobile	\$0.00	\$2,000.00	-\$2,000.00	(100.0%)
Computers				
ADSL - Joondalup	\$0.00	\$300.00	-\$300.00	(100.0%)
ADSL - Wanneroo	\$0.00	\$100.00	-\$100.00	(100.0%)
Total Computers	\$0.00	\$400.00	-\$400.00	(100.0%)
Total TELEPHONES	\$5,849.39	\$8,400.00	-\$2,550.61	(30.4%)
STAFF				
Superannuation				
Superannuation	\$14,022.99	\$14,436.00	-\$413.01	(2.9%)
Total Superannuation	\$14,022.99	\$14,436.00	-\$413.01	(2.9%)
Wages & Salaries				
Wages & Salaries	\$155,593.71	\$160,400.00	-\$4,806.29	(3.0%)
Total Wages & Salaries	\$155,593.71	\$160,400.00	-\$4,806.29	(3.0%)
Personal Development				
Personal Development	\$363.64	\$1,000.00	-\$636.36	(63.6%)
Facilitator Personal Developme	\$1,100.00	\$0.00	\$1,100.00	NA
Reception Personal Development	\$732.00	\$700.00	\$32.00	4.6%
Total Personal Development	\$2,195.64	\$1,700.00	\$495.64	29.2%
Recruitment				
Staff Recruitment	\$0.00	\$1,500.00	-\$1,500.00	(100.0%)
Total Recruitment	\$0.00	\$1,500.00	-\$1,500.00	(100.0%)
Employment Expenses				
Staff Amentities	\$65.00	\$200.00	-\$135.00	(67.5%)
Staff Bonus 10% of Wages	\$0.00	\$16,040.00	-\$16,040.00	(100.0%)
Total Employment Expenses	\$65.00	\$16,240.00	-\$16,175.00	(99.6%)
Total STAFF	\$171,877.34	\$194,276.00	-\$22,398.66	(11.5%)
Travel				
Mileage Allowance	\$2,342.71	\$2,000.00	\$342.71	17.1%
Travel/Accomadation	\$90.15	\$0.00	\$90.15	NA
Total Travel	\$2,432.86	\$2,000.00	\$432.86	21.6%
PROFESSIONAL SERVICES				
Bookkeeping Contract	\$6,243.73	\$6,300.00	-\$56.27	(0.9%)
Audit Fees	\$1,000.00	\$1,000.00	\$0.00	0.0%
Bank Fees	\$463.00	\$385.00	\$78.00	20.3%
Total PROFESSIONAL SERVICES	\$7,706.73	\$7,685.00	\$21.73	0.3%
INSURANCE				
Public Liability & Business	\$1,763.07	\$0.00	\$1,763.07	NA
Worker's Compensation	\$817.10	\$0.00	\$817.10	NA
Total INSURANCE	\$2,580.17	\$0.00	\$2,580.17	NA
OFFICE ACCOMMODATION				
Rent				
Office Lease - Joondalup	\$12,363.65	\$15,600.00	-\$3,236.35	(20.7%)
Office Lease - Wanneroo	\$3,099.32	\$2,000.00	\$1,099.32	55.0%
Total Rent	\$15,462.97	\$17,600.00	-\$2,137.03	(12.1%)
Office Equipment	\$90.91	\$0.00	\$90.91	NA
Total OFFICE ACCOMMODATION	\$15,553.88	\$17,600.00	-\$2,046.12	(11.6%)
OFFICE GENERAL				
Small Items of Equipment	\$35.45	\$0.00	\$35.45	NA
Comitee Meetings	\$0.00	\$150.00	-\$150.00	(100.0%)
Stationery	\$1,280.02	\$1,300.00	-\$19.98	(1.5%)
Gifts	\$37.27	\$50.00	-\$12.73	(25.5%)
Total OFFICE GENERAL	\$1,352.74	\$1,500.00	-\$147.26	(9.8%)



# Small Business Centre Northwest Metro

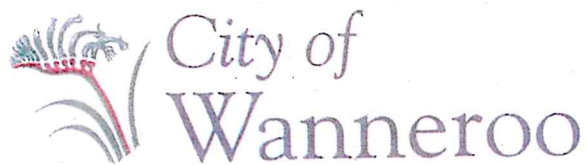
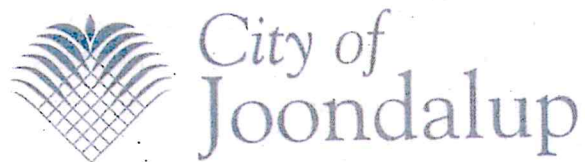
## Profit & Loss [Budget Analysis]

July 2011 through June 2012

5/07/2012  
11:38:08 AM

	Selected Period	Budgeted	\$ Difference	% Difference
POSTAGE				
Postage	\$0.00	\$80.00	-\$80.00	(100.0%)
Aust Post PO Box	\$129.09	\$130.00	-\$0.91	(0.7%)
Total POSTAGE	\$129.09	\$210.00	-\$80.91	(38.5%)
Total EXPENSES	<u>\$227,298.99</u>	<u>\$239,946.00</u>	<u>-\$12,647.01</u>	<u>(5.3%)</u>
Operating Profit	<u>\$50,720.91</u>	<u>\$66,175.00</u>	<u>-\$15,454.09</u>	<u>(23.4%)</u>
Other Income				
Other Expenses				
Amount under petty cash float	\$9.00	\$0.00	\$9.00	NA
Total Other Expenses	<u>\$9.00</u>	<u>\$0.00</u>	<u>\$9.00</u>	<u>NA</u>
Net Profit / (Loss)	<u>\$50,711.91</u>	<u>\$66,175.00</u>	<u>-\$15,463.09</u>	<u>(23.4%)</u>

## Economic Analysis of relocating to the ECU Business and Innovation Centre (BIC): Update March 2012



## Introduction

Since submitting the original 'Economic Analysis of relocating to the ECU Business and Innovation Centre (BIC) from 1 July 2011' report to the Cities of Joondalup and Wanneroo in March 2011 there have been a number of changes to the Operations of the Small Business Centre Northwest Metro (SBC) and the ECU Business and Innovation Centre (BIC).

This report, rather than simply reproduce the analysis of the earlier report, will focus on a summary of the key changes since 2011. As was the previous, this report is limited in scope to the request made in point 5 of item: CJ218-12/10 Small Business Centre NWM request for funding 2010/11 from that meeting.

## Summary of Changes to SBC and BIC since 2011

### Rental

Since July 2011 the SBC has maintained its presence in both Wanneroo and Joondalup at the same locations. This year saw a rent review by the City of Wanneroo that increased our yearly rental at that office.

At the Joondalup location a decision was made in February 2012 to vary our lease at the premises owned by the Joondalup Business Association (JBA). The rental decreased from \$1,182.00 per month (excluding GST) to a new figure of \$900.09 per month (excluding GST) when we downsized from two offices and reception to one office and reception. The decision was made after conducting analysis that showed the smaller office was used less than once per month, and under the terms of the renegotiation, the JBA offered the use of their boardroom 'free of charge' on those occasions.

### Changes to Rental since 2011

SBC 2011	SBC 2012	BIC 2011	BIC 2012
\$14,184 pa (ex GST)	\$10,909 pa (ex GST)	\$15,240 pa (ex GST)	\$16,000 pa (ex GST)

At present the rental cost at the BIC are set until 1/1/2013 when they will increase by 5%. The manager of the BIC has confirmed that it is likely that rental costs will increase by an additional 5% each January.



## Other Costs

2012 has seen an increase in wages at the SBC and various other costs such as utilities have increased largely in line with expectations. Increases in wages are of course neutral as far as this report is concerned. Utility costs are included at both locations and so have been ignored. There is potentially a small saving in relation to telephones and internet costs as an internet connection is included at the BIC. However there is no additional IT support so those costs would remain constant.

## Setup and Ongoing Costs

Please find attached below an updated version of table 2 from the 2011 report which details setup and ongoing costs. Items have changed are highlighted in yellow.

The major difference between the 2011 and 2012 figures is the increase in rental costs at the BIC and the decrease in rental costs at the JBA. In 2011 the increase in ongoing cost amounted to \$3806 this is now increased to \$7995 which accounts for a 47% increase in annual rent were the SBC to relocate to the BIC. It should also be noted that the rent at the BIC will increase by a further 5% each year, whereas the JBA lease is fixed for 3 years.

TABLE 2 – COST MATRIX

Cost Matrix		
Removalist	<i>Estimate of 5 hours – two people, including packing removal and relocation but not unpacking</i>	\$1200 ***
IT relocation costs*	<i>Estimate of 15 hours at \$130 per hour (Secure IT)</i>	\$1950
Phone service reconnection and reconfiguration*	<i>Estimate of 4 hours at \$150 per hour (engineer - no cost for redirection, no provider locked in yet)</i>	\$600
Research and collation of listings in external directories	<i>Unknown as no listings exist for the centre. Estimate of 1 day by centre staff</i>	\$500
Updating of official records (SBDC, ATO, Insurance etc)	<i>Staff wages at one day</i>	\$500
Stationery reorder	<i>Estimate until a relocation date is known to rundown stock (based on one year's supply)</i>	\$560
Advice of move costs	<i>Staff at ½ day</i>	\$250
Marketing advice of move	<i>Additional advertising and newsletters to promote new site (budget)</i>	\$2000

Outgoings	After initial relocation costs outgoings are likely to remain constant	\$0
Signage	The existing sign at present location is too large for relocation at the proposed new site	\$1000
Removal of signage	Removal of existing sign and cleaning of location	\$200
<b>SUBTOTAL (set up costs only)</b>		<b>\$8,760</b>
Photocopying	6 board meetings per year, 48 workshops, and general office copying etc No cost at present location. We average 2200 copies per month.	\$1848 per year @ 6.6c per copy** \$2800 per year (minimum if leased)***
Additional costs of workshops and board meetings	In 2011-2012 the number of FREE workshops and meetings held in the boardroom at our current location is 24. These would incur costs at the new premises (average 2 hours)	\$1056 per year (24 x 2 x \$22/hour)
Increased leasing costs		\$ 5091
<b>SUBTOTAL 2 (ongoing costs only)</b>		<b>\$ 7995</b>
<b>ESTIMATED MINIMUM RELOCATION/ONGOING COST</b>	<b>\$12,566 (or \$10,824 plus photocopier option selected)</b>	

\*some items such as IT relocation and costs associated with moving phones cannot be confirmed at this stage – figures are estimates only

\*\*cost of copies from the machine housed at the BIC has increased slightly since 2011.

\*\*\*based on the cheapest quote by Laser Exchange for a high volume black and white printer and usage

### Budget Impact

Table 3 – Budget impact in the original 2011 report shows and estimated overspend in the 2012 – 2013 budget of \$12,566. This over spend would increase by \$4189 to \$16,755.

This new figure takes into account the slight increase in workshop cost and photocopying as well as the rental increase.

Please note that table 5 ongoing costs in the original report would also change to reflect these increases, the new total being \$7995.

### Summary

The most significant changes to the report since 2011 are the differences in rent. The original commentary on relocation costs remains and costs are unlikely to have increased beyond CPI.



We have not revisited these costs for the purpose of this report because they are only likely to have increased marginally.

## Other Considerations

The BIC is currently fully tenanted and has a waiting list. Although it is estimated that there may be vacancies within the next two months, it is worth noting that it may be more difficult to find two rooms adjacent to each other. As described in the original report the increase in traffic at the BIC and number of interruptions means that the BIC reception is not conducive to admin work.

Current waiting time at the BIC is estimated at two months.

## Recommendation

It is the opinion of the SBC that, given the cost of relocation (a factor with significant budgetary impact, as identified in the original report), coupled with the significant differential in rent (in addition to the proposed ongoing increases) that a relocation to the BIC at this point in time would not be appropriate.

  
Mark Diggins

Manager

SBC Northwest Metro

Accepted by:

  
Russell Poliwka

Vice Chairman

SBC Northwest Metro



## **APPENDIX**

### **APPENDIX 1 – Copy of July 2011 Relocation Report**

### **APPENDIX 2 – Copy of New Commercial Property Lease for existing Joondalup Office dated 15 February 2012**

## **APPENDIX 1**

### **Economic Analysis of relocating to the ECU Business and Innovation Centre (BIC) from 1 July 2011**

Please find below the entire document submitted in July 2011

#### **Introduction**

This report looks at the key factors requested by the City of Joondalup as laid out in Council minutes of the meeting dated 14 December 2011, as well as other pertinent factors involved with that particular proposed relocation.

It should be noted that whilst it is relatively easy to establish initial costs in relation to the relocation and also to compare ongoing costs at each premises, it is the potential benefits of the proposed location that are only possible to assess subjectively. The potential benefits of the proposed new location may well be clearer after the BIC is handed over to ECU, but at this stage ECU stress only 'business as usual' after the handover. These potential benefits should not be underestimated, but cannot be confirmed at this point in time and it may be beneficial to re-assess them at a more appropriate juncture.

The overall comparison between the two sites is therefore difficult to assess completely objectively, and any commentary around this topic is based largely on conjecture. For example the creation of a 'Small Business Hub' may well be better suited to the proposed location, but the potential benefits to the Small Business Community of any such initiative at this stage remain hard to quantify.

#### **Scope**

This report is limited in scope to the request made in point 5 of item: CJ218-12/10 Small Business Centre NWM request for funding 2010/11 from that meeting. Any other commentary contained within this document will be of a general nature unless otherwise indicated.

Point 5 is detailed below:

*5 REQUESTS the Small Business Centre (North West Metro) Inc. undertake an economic analysis of relocating to the ECU Business and Innovation Centre from 1 July 2011, and submits a report to the City of Joondalup on its findings by 31 March 2011, incorporating, but not be limited to:*

*5.1 A financial analysis of the options, including an assessment of rental costs and outgoings; projected revenues; human resource requirements, and the like;*

*5.2 A cost-effectiveness analysis of the options;*

*5.3 An assessment of risk and sensitivities of the options;*

*5.4 An assessment of the social and environmental impact of the options.*

## A financial analysis of the options of the proposed relocation

There are inherent costs associated with any business relocation which should be balanced against the demonstrated and potential benefits of the move. The relative benefits of each location (current and proposed) will be identified later as will specific and potential costs but general business relocation costs would include impacts in the following areas:

TABLE 1 – AREA OF COST

Area of cost/impact	Item
Wages/Hours of work	Staff costs associated with the relocation (and downtime away from core activities)
KPIs	Limited downtime at each location prior to, during and after physical relocation
	Loss of available business hours during the move
Marketing	Advertising of relocation and of the new location. Creation of new materials.
Professional services	Removalists; Specialist IT Removalists; telecom connections; signage etc
Relocation advice / Stationery costs	Costs associated with the reprinting of internal and external stationery and marketing materials



Printing and photocopying	Costs associated with either the purchase/leasing or use of a photocopier (free at present site)
Client Impact	Loss of continuity for existing clients and referred clients

It is important not just to look at the financially definable costs but also to look at the less tangible impacts of relocation. These would include the impact upon clients, especially existing clients who use the services of the centre regularly and potential clients newly exposed to the range of services the SBC can offer.

Due to the relatively busy location of SBC, for example, there are a large number of enquiries and 'walk-ins' which allows the SBC the opportunity to promote its services. 'Walk-in' traffic at the BIC is greater than that at the SBC and is therefore likely that the numbers of potential clients and exposure may increase: however this needs to be off-set against the fact that much of the traffic at the BIC is specifically for residents of the Incubator.

Over the last month, the number of 'unnannounced' callers to the SBC has averaged 6.5 per day, the number of 'unannounced' callers to the centre (on non-SBC business) is between 16 and 32 and many of these visitors are converted into clients. Figures are not available for the BIC, though general traffic is approximately double that amount.

There are other potential benefits of the relocation too, but these are included in later sections.

### **Checklist of costs associated solely with initial relocation**

Logistically any office relocation will require a number of pre-booked and pre-planned events to occur over the same weekend. Removalists, IT and Telecommunications providers will need to be booked well in advance and we will need to liaise with them to ensure that the new infrastructure is compatible with our existing hardware and software. This will need to be factored into the removal costs.

Removal and Relocation costs would include:

#### **Physical Relocation of assets**

- Signage
- Physical office furniture relocation
- Specialist IT equipment relocation
- IT setup at destination
- Phone set up at location
- Down time at both locations

#### **Potential infrastructure costs**

- Possible Phone hardware costs
- Potential purchase/Lease/use of photocopier



- Cabling expenses at new location

#### Relocation advice

- Relocation advice to suppliers
- Relocation advertising
- Relocation stationery
- Diversion of mail
- Advice and coordination of external materials containing SBC details
- Redirection of mail to street address

#### Additional (ongoing) costs

- Additional Joondalup Workshop costs (currently boardroom at the JBA is free)
- Additional board meeting costs associated with room rental
- Photocopying fees or hire of copier
- Removal of signage at existing site and new signage at new site

### Financial Impact – set up and ongoing costs

The set up and ongoing costs have been separated and applied to the budget for 2011-2012. All quotes received so far are estimates, or are valid for one month only.

It is important that the set-up costs are considered separately to ongoing costs, as any relocation will involve such costs, irrespective of the benefits of any such move. Whilst any move would have a budgetary impact on the Centre's operational capacity (and therefore its ability to meet its yearly KPIs); it may be an option for the City to fund these expenses, effectively allowing the centre to perform its mandate unburdened by these additional expenses.

It is also important to note that whilst the quotes below are not firm quotes they are very much based on a 'worst case scenario' and may well reduce. The IT relocations cost for example, are based on our current hardware and phone set-up and there may be the possibility of reconfiguring this to further reduce the expenditure.

TABLE 2 – COST MATRIX

Cost Matrix		
Removalist	<i>Estimate of 5 hours – two people, including packing removal and relocation but not unpacking</i>	\$1200 ***
IT relocation costs*	<i>Estimate of 15 hours at \$130 per hour (Secure IT)</i>	\$1950
Phone service reconnection and	<i>Estimate of 4 hours at \$150 per hour (engineer - no</i>	\$600

reconfiguration*	cost for redirection, no provider locked in yet)	
Research and collation of listings in external directories	Unknown as no listings exist for the centre. Estimate of 1 day by centre staff	\$500
Updating of official records (SBDC, ATO, Insurance etc)	Staff wages at one day	\$500
Stationery reorder	Estimate until a relocation date is known to rundown stock (based on one year's supply)	\$560
Advice of move costs	Staff at ½ day	\$250
Marketing advice of move	Additional advertising and newsletters to promote new site (budget)	\$2000
Outgoings	After initial relocation costs outgoings are likely to remain constant	\$0
Signage	The existing sign at present location is too large for relocation at the proposed new site	\$1000
Removal of signage	Removal of existing sign and cleaning of location	\$200
<b>SUBTOTAL (set up costs only)</b>		<b>\$8,760</b>
Photocopying	6 board meetings per year, 48 workshops, and general office copying etc No cost at present location. We average 2200 copies per month.	\$1742 per year @ 6.6c per copy** \$3840 per year (minimum if leased)
Additional costs of workshops and board meetings	In 2011-2012 the number of FREE workshops and meetings held in the boardroom at our current location is 24. These would incur costs at the new premises (average 2 hours)	\$1008 per year (24 x 2 x \$21/hour)
Increased leasing costs		\$1056
<b>SUBTOTAL 2 (ongoing costs only)</b>		<b>\$3,806</b>
<b>ESTIMATED MINIMUM RELOCATION/ONGOING COST</b>	<b>\$12,566 (or \$10,824 plus photocopier option selected)</b>	

\*some items such as IT relocation and costs associated with moving phones cannot be confirmed at this stage – figures are estimates only

\*\*there are many options in relation to photocopying including leasing and purchasing. Both bring into consideration space restrictions. Leasing may be an option but only 3 or 5 year terms are generally offered. A minimum cost of leasing a machine based on our existing volumes is \$320 per month or \$3840 per year (Datacom). Purchase of a new copier is prohibitive, and whilst leasing is a longer term option 'reconditioned' copiers start at \$4000 (these options have maintenance considerations and other associated ongoing costs).

\*\*\*based on the cheapest quote by Adlam (a local Joondalup office removal company).



## Budget impact 2011-2012

The table below shows the existing 2011-2012 agreed budget for the centre. The costs associated with the move have been applied to that budget for the next financial year (expenditure in relation to relocation and ongoing costs has been added to existing 2011-2012 figures as the 2011-2012 budget is not yet available).

It is important to note that were relocation costs to be funded from another source the impact to the budget would be limited to ongoing costs which may or may not be outweighed by the benefits associated with the new location.

TABLE 3 – BUDGET IMPACT

ITEM	2011-2012 Budget		2012-2013 Budget	
<b>Income (total)</b> <small>Includes funding from SBDC, Joondalup, Wanneroo, seminars and sponsorship</small>	\$286,167		\$286,167	
<b>Expenditure (total)</b>		\$287,792		\$300,258*
<b>Marketing</b>		\$20,718		\$20,718
• 'Relocation' marketing				\$2000
<b>Systems</b>		\$5,674		\$5,674
• Additional IT costs (inc phone)				\$2550
<b>Telephones</b>		\$11,169		\$11,169
<b>Staff</b>		\$211,806		\$211,806
• Additional staff costs				\$1250
<b>Professional Services</b>		\$10,597		\$10,597
• Signage costs				\$1200



• Removalists				\$1200
• Additional workshop costs				\$1008
Insurance		\$4,913		\$4,913
• Office accommodation		\$18,256		\$18,256
• Increased rent				\$1056
Office general		\$4,161		\$4,161
• Additional copier costs				\$1742
• Additional stationery				\$560
Postage		\$498		\$498
Estimated overspend 2011/2012				\$12,566

\* See table 2 – cost matrix (this figure includes photocopier costs (option 1))

## Rental/Leasing Comparison

1. JBA Site: 20m<sup>2</sup> + 10m<sup>2</sup> (plus use of shared 8m<sup>2</sup> area at no cost)

Leasing cost: \$1,182.00pcm

Details: the premises comprises of two offices plus a shared reception area, all utilities are included and as are miscellaneous items such as use of the photocopier owned by the JBA and free use of the boardroom when not pre-booked.

2. BIC site

Leasing Cost: \$635.00pcm for each 15m<sup>2</sup> office (i.e. \$1,270.00) PLUS OUTGOINGS

Details: the premises comprises of individual offices each 15m<sup>2</sup>. Whilst one office would be sufficient for SBC purposes the majority of the time the need to see clients privately and the fact that the Joondalup office will often be preferred to the Wanneroo office allows us to be flexible in bookings. Having just one office would not give any flexibility in this regard. There is the option to place our receptionist with the

BICs receptionist. This would halve costs; however this busy area does not appear conducive to productive work.

### 3. Comparable alternate locations

Leasing Costs: generally between \$350 and \$450pcm (between \$875 and \$1125 for 30m2)

Details: Offices of this size are not generally available. They would not generally include outgoings and would only be available co-located within other premises. Finding a suitable business to locate with may prove difficult. Most would require the signing of a 3 year lease.

TABLE 4 - RENT

SITE	JBA site	BIC
Cost per month	\$1,182	\$1,270
Cost per year	\$14,184	\$15,240

*\$1056 additional rent per year (this amount could be reduced based on possible relocation of the reception/admin officer though at present this does not appear to be practical)*

### Projected revenues at each site

As an initial starting point we have assumed that potential revenues at each location would remain largely constant but that due to the additional costs associated with running workshops (one of the SBC's main sources of income outside of funding) that revenue would actually decrease. This position is purely based on conjecture.

Revenue from workshops held at locations outside the centre would remain unchanged.

It is important to consider the impact of the relocation:

There is the potential for more 'existing business' workshop clients due to the BIC co-location.

There is the potential to build ties and work more closely with the BIC and ECU.

However as the majority of workshops are free or low cost it is particularly unlikely that even substantial increases in workshop attendees would facilitate greater income for the centre.

Revenues would decrease by \$1008 per year based on additional costs to hire rooms.



As the board does not support 'fee for service' activities the potential to increase revenue irrespective of location is curtailed. Any increase in revenue for the centre will be likely unaffected by location.

## Human resource requirements at each site

HR requirements are likely to be unchanged subject to current staffing levels. However the Shire of Wannon has sought a commitment from the SBC to increase presence at the Wannon office which may affect operational requirements across the board.

## A cost-effectiveness analysis of the options

This section looks at the ongoing costs and savings in relation to the BIC site as opposed to the existing JBA location. It does not consider set-up costs. Please refer to Tables 2 and 3 for additional information regarding set-up costs.

It is worth noting that the new location would offer additional benefits to clients and support staff in that it has free car parking – which at the current JBA location would cost clients \$1.00 per hour and support Staff \$3.00 per day

To increase revenue or merely cover costs in organizing events at the new location there is the potential to charge 'administration fees' for workshops hosted, as the facilities will no longer be under our control (though this will depend on the board's position on this proposal).

It is worth noting that there is potential for the BIC site to attract greater volumes of clients from new sources, but that these potential gains need to be balanced against increased costs which may or may not be offset against greater income.

It is important to note that shortly the BIC will be handed over to ECU; this may well vary the pricing and conditions currently used for cost-effectiveness analysis in this report. It may also open the door for negotiations.

TABLE 5 – ONGOING COSTS

Ongoing costs		
Photocopying	Based on 6 board meetings per year, 48 workshops, and general office copying etc at the JBC location. We average 2200 copies per month (Feb 2011). The small costs we pay at the JBC (half paper) have been taken into	\$1742 per year (@ 6.6c per copy)**



	consideration in this calculation	
Additional costs of workshops and board meetings	In 2011-2012 the number of 'free' workshops and meetings held in the boardroom at our current location is 24. These would incur costs at the new premises (average 2 hours) (24 x 2 x \$21/hour)	\$1008 per year
Rent	The BIC rental costs are higher than at the present location	\$1056 per year
Utilities	Unlikely to vary – all are included at each location	\$0
Phones	Ongoing requirements are the same at each location	\$0
Staff	unchanged	\$0
<b>Total additional ongoing coats at new site</b>		<b>\$5904 per year</b>

TABLE 6 – ONGOING COST EFFECTIVENESS OF OPTIONS

<b>JBA Site</b>
JBA refers existing clients to the SBC and advertises services for free (potential income and cost savings)
Reasonably visible location with a number of 'walk-in' clients (potential income)
Free use of Boardroom when not booked for consultations and unpaid workshops (reduced costs)
Paid Workshop room hire is free when available (reduced costs)
Free use of photocopier (reduced costs)
Paid parking for clients (increases client costs which may impact on centre)
Two offices allowing two sessions consultations concurrently if required (reduced costs)
Outgoings included in lease (reduced costs)
Rent less for existing area occupied (reduced costs)

<b>BIC Site</b>
After the handover of the BIC site to ECU it may be possible to renegotiate the current lease based on the value of the relocation to the BIC
JBA will still refer existing clients to the SBC and advertises services for free (potential income and cost savings)
Potentially more referrals and promotion of services from the BIC (potential income)
Potential for more referrals from ECU (potential income)
Potential to 'team up' with ECU Business students for joint activities/workshops (potential income)

Potential 'captive' clients for existing business focused workshops (potential income/exposure)
Free parking for clients (reduced client costs)
Less visible site, but more potential for walk-in clients ( potential income)
Paid additional facilities (revenue)
Paid Workshop room hire at a cost and less likely to be available (revenue)
Paid copies at 6.6c per copy (revenue)
Potential to supply limited in-house mentoring to existing businesses ( revenue)
Rent higher for comparable space

### Assessment of risk and sensitivities of the options (including location analysis)

This section looks at each location and the inherent risks related to both the relocation itself and with the new location. At this stage the matrix below merely catalogues and rates the risks. A full risk analysis can be provided if required but would involve gathering additional statistics to quantify some of the items detailed.

In relation to the location of the SBC offices within the BIC it is vital that the SBC obtains a prime location near the entrance of the facility. None of these offices are vacant at present and the first of these offices is not available until January 2012 at the earliest. There is a greater risk of reduced exposure to the Small Business Community if the SBC offices are located away from the reception area.

TABLE 7 – RISKS & SENSITIVITIES

Risks	Likelihood	Impact
JBA refers existing clients directly to the SBC these numbers will decrease	L	L
Availability of office space at the BIC is low and no offices are free at present until 2012	M	M
BIC location is 'less visible' to clients	L	L
Available offices within BIC site will not be in prime location	M	M
SBC offices need to be located in a prime location within the BIC to maximize exposure to potential clients these offices may not be available	M	H
If prime location offices are not available SBC's effectiveness will be reduced	L	H
Number of 'walk-in' clients likely to fall	L	M
General relocation risks – potential short-term loss of clients,	H	L



General relocation risks – inconvenience to clients	H	L
Financial cost of the physical relocation curtailing other activities in the financial year	Yes	M
Increased ongoing costs at new location without increase in budget will mean that budgetary pressures increase	Yes	M
At the moment the location at JBA allows us an additional workstation. The reception location at the BIC lacks space	H	H
Greater non SBC Traffic through the BIC reception location will lead to interruptions and would reduce the effectiveness of that position	H	M
Poorer communication between staff due to office layout (two offices as opposed to a connected area)	M	L
<b>Sensitivities</b>		
Existing relationships with the JBA and current co-location brings benefits to both parties	M	L
Building a 'Business Hub' at the BIC site can create additional benefits	M	M

KEY	
Yes	will happen
H	Highly likely / High impact
M	Medium likelihood / Medium impact
L	Low likelihood / Low impact

## Assessment of the social and environmental impact of the options

Due to the proximity of sites and similarity of structures, impact in these areas will be neutral.

The BIC is closer in proximity to the train station but on a route with less foot traffic.