

ESTIMATES 2008-2009

Question on Notice

Minister for Business and Economic Development

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Facilitating Business Investment initiative

DR FOSKEY : To ask the Minister for Business and Economic Development –

1. With regard to the *Facilitating Business Investment* initiative, could the Minister please advise which industries or businesses will be targeted?
2. Regarding the *Canberra Business Development Fund*, what is the return to the ACT Government from the investment in accelerating ACT based businesses?
 - a. Is this a revolving Fund? With loans or grants?
 - b. Are there any expectations of the businesses to provide particular services to the ACT?

Ms Gallagher: I am advised that the answer to the Member's question is as follows:–

1. The initiative does not limit itself to specific targeted industries but, rather, has the aim of:
 - a. strengthening existing industries;
 - b. diversifying our private sector base; and
 - c. increasing our capacity to maximise global trade and economic interaction.
2. Returns generated by accelerating ACT-based businesses are to the Territory rather than to the ACT Government, and are achieved through revenue generation, economic & employment growth, and establishing Canberra as a reputable environment for investment.
 - a. CBDF does not provide loans or grants but rather makes investments into ACT companies. Proceeds generated from the realisation of investments are returned to the Fund for reinvestment.
 - b. CBDF investments are provided on the basis of potential economic benefit to the Territory.

Supporting business innovation in the ACT

Zed Seselja: To ask the Minister for Business and Economic Development

In relation to : **Supporting Business Innovation in the ACT (page 63, BP3)**

1. Why does funding reduce to zero in 2011-12? Will the advisory service and the grants scheme cease to operate that year?
2. What amounts of funding are allocated to the grants component of this budget measure for 2008-09, 2009-10 and 2010-11?
3. Will the grants be administered under a new grants program, or through an existing grants scheme and what will be the main eligibility rules for grants?
4. How many staff will be funded in the advisory service?
5. What agency will the advisory staff work from and what is the timeframe for recruitment of the staff?
6. What amounts of funding are allocated to the advisory service component of this budget measure for 2008-09, 2009-10 and 2010-11?
7. What types of advice will be available through the advisory service and what standard of advice will be delivered?
8. Separate to the funding provided under this budget measure, what existing advisory services for business operate in the ACT Government and what is the annual funding for each of these services for each of the years 2008-09, 2009-10, 2010-11 and 2011-12?
9. Separate to the funding provided under this budget measure, what existing business grants programs operate in the ACT Government and what is the annual funding for each service for each of the years 2008-09, 2009-10, 2010-11 and 2011-12?
10. Is this measure augmented by any existing funding or offsets and if so, what is the additional funding beyond what is provided through the 2008 budget for each of 2008-09, 2009-10, 2010-11 and 2011-12?

Ms Gallagher: I am advised that the answer to the Member's question is as follows:–

1. The initiative is funded for an initial period of three (financial) years. I anticipate a formal review of the program at the end of year two and a decision of future funding arrangements being made at that time.
2. I anticipate the grants component will comprise approximately \$500,000 per annum for each of the three years. This is subject to the completion of a program design process currently underway in the Department.
3. It will be a new grants program.
4. This has not been determined at this stage.
5. It is not envisaged that any advisory staff will be employed by any ACT Government agency under this initiative. The Chief Minister's Department (Business and Projects Division) will have carriage for the implementation of this initiative. The delivery of the service is likely to be undertaken by an outside organisation.
6. It is envisaged that the advisory service component of this initiative will be allocated approximately \$500,000 per annum for each of the three years. This is subject to the completion of a program design process currently underway in the Department.
7. It is envisaged that the advisory services will be tailored around the business development requirements of technology based, high growth potential small firms. The program is also aiming to engage small and innovative creative sector businesses. Specific services will be identified by the program design process currently underway.
8. The 2006/2007 Budget allocated \$4m over four years for the provision of business information, mentoring and advisory services for small firms. That initiative led to the establishment of *Canberra BusinessPoint*, a program offering a range of advisory, mentoring and training programs for ACT small business. *Canberra BusinessPoint*, which is delivered by Deloitte Growth Solutions, currently receives funding of around \$630,000 per annum. The balance of funding under this appropriation has been allocated to support the delivery of the on-line Business License Information System (BLIS) and web-hosting and content maintenance for the Business and Industry website, which also provides information to the business sector.
9. There are no existing business grant programs provided by the ACT Government.
10. This measure is not augmented by any existing funding or offsets.

Facilitating business investment

Mr Mulcahy: To ask the Chief Minister

In relation to : the expenditure initiative for '**Facilitating Business Investment**' (BP 3, Page 64)

What kind of targeted marketing activities will the Government undertake to promote the ACT's investment and business profile?

Ms Gallagher: I am advised that the answer to the Member's question is as follows:—

The Government will undertake investment attraction / opportunity promotion events within Canberra and in conjunction with the trade mission program. While the actual form has not yet been decided, they are likely to take up aspects of the *Focus on Business* biennial event and the inaugural Major Projects Symposium run in 2007. The funding will also cover costs associated with the production of an investment prospectus and its distribution.

Supporting business development

Mr Mulcahy: To ask the Chief Minister

In relation to : the expenditure initiative for **‘Supporting Business Development’ (BP 3, page 63)**

1. What kind of specialist advice will the government be providing and in what field? (i.e., will it be legal advice, technological advice, etc?)
2. Which specific businesses will the advisory services be working with?
3. Has the government determined any specific projects that it will fund with the grants component? If so, what are these projects?

Ms Gallagher: I am advised that the answer to the Member's question is as follows:–

11. It is envisaged that the advisory services will be tailored around the business development requirements of technology based, high growth potential small firms. The program is also aiming to engage small and innovative creative sector businesses. The specifics of the service offered will be identified by a program design process currently underway. However, the Government anticipates it will be in areas such as entrepreneur skills development, proof of technology, technical validation of concept, intellectual property management and strategies, business creation and governance modelling, marketing plan development, venture capital financing, and so on.
12. See answer to question 1.
13. No. The grants program is likely to be an open access, competitive entry model.