

Question taken on Notice
Small Business, Science and Medical Research Estimates Committee Hearing

QUESTION

CHAIR: Does your department monitor how many businesses pull up stumps and move interstate?

Mr TONY STEWART: I am not in a position to answer that directly but the Director General might be able to assist.

Mr BUFFIER: Yes, we do analyse in rigorous details statistics from the Australian Bureau of Statistics. We have comprehensive data about business formation in New South Wales and migration to other areas, and entrants into New South Wales.

CHAIR: What is the latest analysis on migration of businesses from New South Wales to, say, Queensland and Victoria?

Mr BUFFIER: Unfortunately I do not know those figures off the top of my head. I will take the question on notice.

The Hon. HENRY TSANG: Maybe the Director General has figures on new business starting in New South Wales.

CHAIR: You can ask your question later. It would be appreciated if Mr Buffier provides that information on notice.

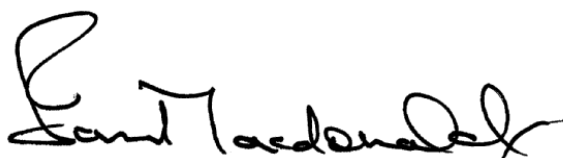
Mr BUFFIER: We will.

ANSWER

Information on the number of businesses that start in NSW and on any that move to other States is tracked through Australian Bureau of Statistics (ABS) data on new company registrations, business counts (including entries and exits) and employment for each State.

Data for the latest available financial year shows that:

- the number of new company registrations in NSW in 2007-08 was 44,874, representing 30 per cent of all Australian company registrations. NSW continues to have the largest share of companies in Australia, with 548,670 companies or 33.3 per cent.
- The total number of businesses in NSW at June 2007 was 679,950, representing 33.8 per cent of all Australian businesses.



IAN MACDONALD MLC

Minister for Primary Industries
A/g Minister for Small Business

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CHAIR: KPMG has reported that regional businesses in New South Wales are paying up to 51 per cent more for electricity than their counterparts in metropolitan areas. Will you advise what the Government is doing to reduce the disparity in electricity charges for businesses in regional New South Wales compared to those in metropolitan areas?

Mr TONY STEWART: I am happy to take that question on notice and provide the substance that that answer requires. I understand the KPMG report demonstrated that prices for electricity were substantially higher in most other States.

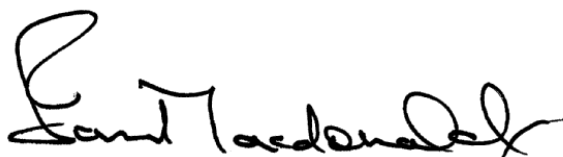
ANSWER

The NSW Government has taken action to increase competition amongst electricity retailers to improve service and reduce price for all NSW small retail customers including regional businesses.

Retail prices for small retail customers not supplied under negotiated contracts are regulated by the Independent Pricing and Regulator Tribunal of NSW (IPART). Protection for small retail customers in cases of dispute is provided by the Energy and Water Ombudsman NSW.

Since 1 January 2002, all electricity customers in NSW have had the option of choosing their retail electricity supplier through negotiating retail supply contracts, or remaining with their standard retailer on a regulated tariff. According to IPART, as at 1 July 2007 approximately 30 per cent of customers had taken up this option, supplied by 14 companies. A 2004 report to IPART by PriceWaterhouseCoopers found that the discounts embodied in negotiated offers, relative to regulated tariffs, appeared to be in the order of 2–5 per cent for electricity-only offers; and 4–10 per cent for electricity/gas offers.

The 51 per cent referred to in the KPMG report refers to annual network charges for three high voltage business customers. KPMG noted in the report that the sample size was not sufficient to allow for statistical correlation of network prices with location.



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Dr JOHN KAYE: How many employees in the Department of State and Regional Development specifically work on small business issues, that is, their sole focus is small business issues?

Mr TONY STEWART: I will ask the department to answer that because they would certainly have the facts you require.

Ms SCOTT: We have 53 people who work in the small business division but there are other divisions that have people dealing with small business in the regions as well. In total in any given year you would be looking at up to 70 people.

Dr JOHN KAYE: How many of those are involved in the Retail Tenancy Unit's mediation process?

Mr BUFFIER: I will need to consult my notes. I think it is five or six people. I do not have the exact numbers at hand.

Dr JOHN KAYE: It is a relatively small number.

Mr BUFFIER: It is a small number, yes.

Dr JOHN KAYE: And in the red tape reviews? In fact, can you get back to us with a breakdown of the activities that those 53-odd people and the 70-odd people are involved in across issues such as the red tape review and the Retail Tenancy Unit and so on?

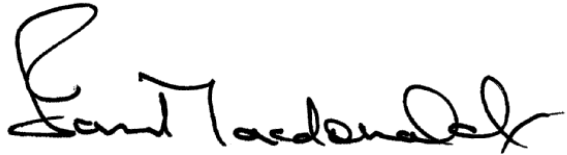
Mr BUFFIER: I can certainly do that. The figures that I have here indicate that at the end of August there were 8.6 FTEs in the Retail Tenancy Unit. We will give you further details.

ANSWER

Small Business Development Division consists of 53 staff dealing with small business issues and managing initiatives and programs that assist small businesses at start-up, growth and export stages. The small business focused work of the Small Business Development Division is supported by the work of the Department's Regional Development Division. This part of the Department employs Regional Officers located in 19 outreach locations. The role of Regional Officers is to assist in economic regional development in which small businesses play a vital role.

Two of the 53 Small Business Development Division staff are responsible for the red tape review work by performing secretariat functions to the Small Business Regulation Review Taskforce. The Secretariat, Regulation Review Unit, consults individual businesses and industry associations to uncover the red tape that is

costing time and money to small businesses. The issues raised are extensively researched, and negotiated with relevant agencies in order to explore possible measures to cut the red tape identified. The Unit also represents New South Wales government at the national level in regard to the Council of Australian Governments' (COAG) regulatory reform agenda.

A handwritten signature in black ink, appearing to read 'Ian Macdonald', with a stylized flourish at the end.

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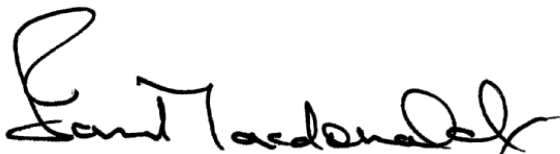
Dr JOHN KAYE: How many people are involved in policy formation around small business?

Mr BUFFIER: I do not have that figure. We do not split it up on that basis. We do policy development in various parts of the department. The small business area is more about business development than policy development, but there are aspects of policy that influence small business. Some policy is done in small business and some small business policy is done in other areas. We can come up with an approximate number of FTEs.

ANSWER

The Small Business Development Division is the dedicated part of the Department that focuses on small business issues. The Division includes the Small Business Policy, Research and Liaison Unit that is primarily responsible for advice to the government on small business issues and policy. The Unit consist of three full time staff.

The Department's Policy, Research and Development Division (PRD) mainly handles policy issues that extend beyond the small business sector. However, when and where small business interests may be affected by other overall policy matters, the PRD handles those issues in collaboration with its Small Business Development counterpart. The approximate number of PRD staff that do on occasion become involved in small business policy related work is 12 (not simultaneously).



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