



## PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

### Election Costing Request Form

| Details of request |  |
|--------------------|--|
| Party:             | Australian Labor Party (NSW)                             |
| Name of Policy:    | A comprehensive role for the Small Business Commissioner |
| Date of request:   | 24 February 2015   |

| Description of policy  |   |
|--|---|
| Summary of policy (please attach copies of relevant policy documents): | Establish a comprehensive role for the Small Business Commissioner. |
| What is the purpose or intention of the policy?                        | Support small businesses.   |
| Has the policy been publicly released yet?                             |   |

| Your estimated costing of the policy <sup>1</sup>  |                   |                   |                   |                   |                                    |                 |
|--|-------------------|-------------------|-------------------|-------------------|------------------------------------|-----------------|
|  | 2014/15<br>\$'000 | 2015/16<br>\$'000 | 2016/17<br>\$'000 | 2017/18<br>\$'000 | Other years <sup>2</sup><br>\$'000 | Total<br>\$'000 |
| Impact on General Government Sector (GGS) net operating result <sup>3</sup>                  |                   |                   |                   |                   |                                    |                 |
| Impact on GGS capital expenditure <sup>4</sup>   |                   |                   |                   |                   |                                    |                 |
| If different from above, impact on total State Sector net financial liabilities <sup>5</sup> |                   |                   |                   |                   |                                    |                 |

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

<sup>2</sup> Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

<sup>5</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

| <b>Key assumptions made in the policy</b>  |  |
|--|--|
| Does the policy relate to a previous announcement? If yes, which announcement?   | No.  |
| What assumptions have been made in deriving the financial impacts in your estimated costing?<br><i>(See checklist)</i> | <p>The policy is to provide the Small Business Commissioner with additional resourcing to implement Labor's <i>Small Business Commissioner and Small Business Protection Bill 2012</i> (see <a href="#">Attachment 1</a>).</p> <p>The Bill provides for a comprehensive role for the Small Business Commissioner to receive and investigate complaints, to resolve them if possible through mediation or advocacy, and to provide information to small businesses to assist them in making decisions about their commercial dealings with other businesses or government agencies.</p> <p>The Commissioner will monitor, investigate and advise the Minister on market practices that may adversely affect small business. The Commissioner will also be required to report to the Parliament each year on the sources and nature of regulatory burdens on small business and any recommendations for change.</p> <p>The Bill provides for the compulsory mediation of disputes between small and larger businesses that are notified to the Commissioner. Any bills owed to small businesses by government agencies that remain unpaid within 28 days will be referred to the Commissioner.</p> <p>The legislation also confers protections from unfair contracts on small businesses which they can enforce in the NSW Civil and Administrative Tribunal. The Commissioner will be able to bring proceedings on behalf of a small business or a class of small businesses.</p> <p>It is assumed that the policy can be delivered with additional recurrent resourcing capped at \$12 million from 2015-16 to 2017-18. This would represent an increase of more than 25 per cent on the Commission's existing funding of around</p> |

|  |  |
|--|--|
|  | <p>\$14 million annually. Additional capital may also be required to accommodate the extra staff. Please estimate this based on standard assumptions.</p> <p>Many aspects of the Commission's expanded role will be scalable to the capped funds available.</p>                  |
| Is there a range for the costing or any sensitivity analysis that you have undertaken? | Please advise of an appropriate yearly funding profile (incorporating indexation) to maintain approximately equal service in each year. Please also provide an estimate of the number of additional staff employed by the Small Business Commissioner as a result of the policy. |
| Are there associated savings, offsets or expenses? If yes, please provide details.     | No.  |

| <b>Administration of policy</b>   |                               |
|---|-------------------------------|
| Intended date of implementation:  | Upon formation of government. |
| Intended duration of policy:  | Over the forward estimates.   |
| Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?           | Small Business Commissioner.  |
| Are there any specific administrative arrangements for the policy that need to be taken into account? | No.                           |
| Are there transitional arrangements associated with policy implementation?                            | ..                            |

| <b>If the policy is mainly an expenditure<sup>6</sup> commitment</b> |         |
|--|---------|
| Demand driven or a capped amount:                                    | Capped. |
| Eligibility criteria or thresholds:                                  | N/a     |

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<sup>6</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.