

## Election Costing Request Form

Details of request	
Party:	Liberals and Nationals Government
Name of Policy:	Small Business Package
Date of request:	2 March 2023

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	<p>The Small Business Package provides for a range of measures to support small businesses in NSW, including:</p> <ul style="list-style-type: none"><li>• Committing to a target of 1 million small businesses by 2030.</li><li>• The appointment of a NSW Red Tape Commissioner, delivering \$1 billion of reductions of red tape.</li><li>• Increasing the proportion of SME procurement contracts to a total of \$10 billion by the end of the next term of government.</li><li>• \$1000 for 10,000 micro and small businesses to engage an expert to provide professional advice to help grow and expand their business.</li><li>• A rebate of up to \$500 for government fees and charges for small businesses.</li></ul>
Has the policy been publicly released yet?	Yes

Your estimated costing of the policy <sup>1</sup>						
	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 \$'000	Total \$'000
Impact on General Government Sector (GGS) net operating result <sup>2</sup>	-	25,000	25,000	-	-	50,000
Impact on GGS capital expenditure <sup>3</sup>						
If different from above, impact on total State Sector net financial liabilities <sup>4</sup>						

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	Not applicable
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>The costing makes the following assumptions:</p> <ul style="list-style-type: none"> <li>Regulatory and policy changes, including procurement and removing regulation, will have no cost as this will be undertaken through existing agency resources across the sector.</li> <li>The NSW Red Tape Commissioner will be a dual appointment with an existing Commissioner and will therefore have no cost.</li> <li>The target of having 1 million small businesses by 2030 is based off existing policy settings, and therefore has no cost.</li> <li>The SME procurement target will be applied to existing budgeted procurement spend and is inclusive of the \$1bn increase</li> </ul>

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

<sup>2</sup> Negative for a saving that reduces expenditure

<sup>3</sup> Negative for a reduction in capital expenditure.

<sup>4</sup> Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

	<p>for small businesses as announced in the Small Business Strategy.</p> <ul style="list-style-type: none"> <li>• The \$1,000 grants for micro and small businesses to engage professional advice on growing their business will be capped at 10,000 over two years. Therefore up to 5,000 businesses will be able to access the advice each year.</li> <li>• The \$500 government fees and charges rebate will allow all employing small businesses to claim NSW Government fees and charges annually capped at \$500 per business and a \$20m pool, for two years.</li> <li>• The costs associated with implementing the \$1,000 professional advice grants and the \$500 fees and charges rebate will be met from within the existing Service NSW budget, noting that similar programs have been provided in the past.</li> </ul>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	Not applicable
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	Not applicable
Are there significant costs or savings <b>outside</b> the forward estimates period which should be considered in costing this policy? <sup>5</sup>	Not applicable

<b>Administration of policy</b>	
Intended date of implementation:	1 July 2023
Intended duration of policy:	Two years
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Service NSW
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	Not applicable
Are there transitional arrangements associated with policy implementation?	Not applicable

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<sup>5</sup> Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	Funding for the \$500 fees and charges rebate and the \$1,000 professional advice grants will be capped.
Eligibility criteria or thresholds:	Businesses must demonstrate that they are a micro or small business to access the professional advice grant, or a small business for the fees and charges rebate.

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	Not applicable
Thresholds and/or exemptions:	Not applicable
Collection method:	Not applicable
Additional expenditure associated with collection:	Not applicable
<b>If the policy is mainly a capital costs<sup>7</sup> commitment</b>	
<b>Nature of Capital Spending</b>	
Type of work, size and capacity:	Not applicable
Proposed start and completion date of work:	Not applicable
Intended construction schedule/cashflow:	Not applicable
Associated asset sell off (if any):	Not applicable
<b>Recurrent Impacts</b>	
Offsetting expenditure savings:	Not applicable
On-going maintenance, depreciation and operational expenses:	Not applicable
Third party funding involvement:	Not applicable
Delivery model <sup>8</sup>	Not applicable

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

<sup>7</sup> Capital costs differ from expenditure in that only depreciation will be included in the impact on operating balance.

<sup>8</sup> There is a range of possible delivery models, e.g. built, owned and operated by a NSW government agency; built and transferred to a private operator; privately built for public operation; privately built and operated with government assuming risk or providing a guarantee in relation to future income (often applicable to public/private partnership arrangements), and so on. The policy should provide assumptions about the proposed delivery model.