

## Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Labor Small Business Package
Date of request:	13 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>NSW Labor will:</p> <ul style="list-style-type: none"> <li>• establish the NSW Business Bureau to manage the comprehensive needs of small business and their engagement with the NSW Government;</li> <li>• introduce a local supplier element to tender weightings which gives priority to small businesses in the area nearby the projects they are tendering for;</li> <li>• clear the red tape to permanently make outdoor dining available to all councils across NSW.</li> </ul>
Has the policy been publicly released yet?	No.

Your estimated costing of the policy <sup>1</sup>						
	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000	2025/26 \$'000	2026/27 and later years <sup>2</sup> \$'000	Total \$'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						

<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 or will assist in public understanding of the policy.

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

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

total State Sector net financial liabilities <sup>5</sup>						
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**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p><u>NSW Business Bureau and Small Business Charter</u></p> <p>The NSW Business Bureau will assist businesses in navigating the NSW Government landscape to assist them in regulatory challenges, competing in government procurement and growing their businesses with the support of government programs, grants and initiatives.</p> <p>It will be comprised of 25-30 people. Costs and headcount to be met from existing resources.</p> <p>NSW Labor will also establish a Charter for Small Business which outlines the NSW Government's commitment to small business, and the framework for which the NSW Government will engage with and support small businesses.</p> <p>Costs and headcount to be met from existing resources.</p> <p><u>Reform to Small Business Procurement</u></p> <p>By the end of 2023, 90% of all NSW government procurement will only require small businesses to gain required insurances when awarded a contract, rather than to submit a tender (e.g. public liability and professional indemnity).</p> <p>These reforms should enable small businesses to pre-qualify as suppliers to the government through a single form, by mid-2023.</p>

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

	<p>Finally, simple contracts should be offered for all whole of government prequalification schemes by the end of 2023, with the roll out of new simple contracts for key goods and services programs by the end of 2024. The NSW Business Bureau operate in a similar manner to Service NSW but be tailored to the business community.</p> <p>Increase the threshold for direct procurement with small business (only requiring one quote), from \$150,000 to \$250,000, by mid-2023.</p> <p>Lift the proportion of government expenditure through procurement with small business from around 12% now, to 20% by 2026 and 30% by 2030.</p> <p><u>Outdoor dining</u></p> <p>This policy means that instead of a full Development Application which costs lots of money and time, and requires applying to the NSW Government, businesses can instead do a far shorter application to their local council, and councils can make the call for what works for their own suburbs.</p> <p>This policy would be rolled out across all NSW councils.</p> <p>In <a href="#">October 2020</a>, government announced an initial 12 month trial in the Rocks from October 2020 and all other councils from December 2020. This was done by an amendment to the <i>Codes SEPP (Exempt and Complying Development)</i>. This means that a full Development Application was not required. Permits are still required; however, Council is the approval authority for permits.</p> <p>This ‘trial’ expires on 31 December 2023. Labor would make these regulations permanent, roll it out across the state and save all the time and expense to small businesses.</p>
<p>Is there a range for the costing or any sensitivity analysis that you have undertaken?</p>	
<p>Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.</p>	<p>All of these policies should be met with existing resources.</p>

<b>Administration of policy</b>	
Intended date of implementation:	1 July 2023
Intended duration of policy:	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Local Government; Department of Customer Service.
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	n/a
Are there transitional arrangements associated with policy implementation?	n/a

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

<b>If the policy is mainly a revenue commitment</b>	
Transaction based or capped:	
Thresholds and/or exemptions:	
Collection method:	
Additional expenditure associated with collection:	

<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:	
Proposed start and completion date of work:	
Intended construction schedule/cashflow:	
Associated asset sell off (if any):	
<b>Recurrent Impacts</b>	
Offsetting expenditure savings:	
On-going maintenance, depreciation and operational expenses:	

<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. The capital cost of the asset to be acquired will however be included in the net financial liabilities statement.

Third party funding involvement:	
Delivery model <sup>8</sup>	

**Checklist for key assumptions** (please be comprehensive and include all relevant assumptions).

Assumptions could include, but are not limited to, questions such as:

- What is the expected community impact?
- How many people will be affected by the policy?
- What is the likely take up or other behavioural response you expect?
- Is there a cap on total spending proposed, a funding formula, resource agreement or other mechanism of this nature associated with the policy?
- Will third parties have a role in funding or delivering the policy (e.g. Commonwealth Government)?
- Will funding/program cost require indexation?
  - If yes, do you have any assumptions about the index that should be applied?
- What assumptions have you made about costs of administering the policy?
- Will additional staff be needed in the agency responsible for the policy?
  - How many and at what approximate levels?
- Are there other resources required?
- Are you assuming administrative costs will be absorbed within the agency?

**Please note that:**

- The costing will be on the basis of information provided in this costing request.
- The PBO is not bound to accept the assumptions provided by the requester. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requester in advance of the costing being completed.
- Where the details of the policy costing request differ from the announced policy, the costing will be on the basis of the information provided in the costing request.
- These guidelines are intended to facilitate requests for costing election policies. Persons preparing such requests who wish further assistance are invited to contact the staff of the Parliamentary Budget Office.

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<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.