



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2021-2022 Supplementary Questions

Portfolio Committee No. 1 – Premier and Finance

FINANCE AND SMALL BUSINESS

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Answers due by: 26 November 2021

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FINANCE AND SMALL BUSINESS

Questions from the Hon Mark Buttigieg MLC *(on behalf of the Opposition)*

Small Business Fees and Charges Rebate

1. When the Small Business Fees and Charges Rebate was announced in November 2020, how many businesses were expected to use the rebate?

Answer: *The Small Business Fees and Charges Rebate is a demand driven scheme, as such estimates of uptake are uncertain.*

2. How many businesses have applied for the Small Business Fees and Charges Rebate since applications opened in April 2021?

Answer: *134,947 businesses have applied for the rebate since April 2021.*

- a. How many businesses were deemed eligible?

Answer: *As at 18 November 2021, 127,894 businesses are approved for the rebate.*

- b. How many businesses were deemed ineligible?

Answer: *As at 18 November 2021, 3,082 businesses have been deemed ineligible for the rebate.*

- i. What were the three most common reasons for businesses being deemed ineligible?

Answer: *Customers did not respond to calls or emails from Service NSW requesting further information, customers did not supply the correct documentation to prove their eligibility and customers declared they wished to withdraw their applications.*

3. What is the total value of Small Business Fees and Charges Rebates issued since April 2021?

Answer: *As at 18 November, \$82,074,239 has been paid out to small businesses since April 2021.*

4. What is the average time taken for applications for the Small Business Fees and Charges Rebate to be assessed?

Answer: *On average, applications for the Rebate are approved within three days.*

5. Of the Small Business Fees and Charges Rebates issued since April 2021, what is the average amount drawn down or claimed by businesses against the original \$1500 rebate amount?

Answer: *As at 18 November 2021, the average amount paid per business is \$1,197.*

6. Given the announcement on 12 October 2021 that the rebate would increase from \$1500 to \$2000:
- Of the businesses that have already received the \$1500 rebate, how many have had the rebate automatically increased to \$2000?

Answer: *The program expansion is scheduled to go-live on 30 November 2021. All businesses already registered with the Scheme will receive an automatic top up to their rebate value when the program expansion goes live.*

- When will all approved rebates be raised to \$2000?

Answer: *Businesses already registered for the scheme will receive an automatic top up to their rebate value when the program expansion goes live, scheduled for 30 November 2021.*

7. The original Budget allocation for the Small Business Fees and Charges Rebate was \$472 million. What extra funding has been allocated to the scheme following the announcement the rebate would increase from \$1500 to \$2000?

Answer: *No further budget has been allocated to the Small Business Fees and Charges Rebate.*

8. Following the changes to the Small Business Fees and Charges Rebate, how many extra businesses are expected to use the rebate, compared to when the rebate was first announced?

Answer: *The NSW Government is encouraging all eligible businesses to access this support program and it is anticipated that additional business will do so.*

9. Given the announcement on 12 October 2021 that road tolls would become an eligible Government fee or charge under the Small Business Fees and Charges Rebate, can businesses claim the costs of invoices from 1 March 2021?

Answer: *Yes. Businesses can claim for all eligible State and local government fees and charges, including road tolls, for which a payment has been made on or after 1 March 2021.*

- If not, what is the date from when businesses can claim invoices for road tolls?

Answer: *Not applicable*

- If not, why have road tolls been treated differently to the other fees and charges that can be claimed against the Small Business Fees and Charges Rebate?

Answer: *Not applicable*

10. As at 1 November 2021, if a business successfully applied for the Small Business Fees and Charges Rebate via the Service NSW website, would a rebate of \$1500 or \$2000 be granted?

Answer: *\$1,500 would be granted to a small business, with a further \$500 top up when the expanded program goes live, scheduled for 30 November 2021.*

- a. If the answer is \$1500, what is the reason for the delay in updating the system to grant the \$2000 rebate after the Government's 12 October 2021 announcement of changes to the scheme?

Answer: *The Government announced that the expanded scheme would be available to customers in November and the program is on track to be delivered within this time frame.*

- i. When will the system be updated to automatically grant the \$2000 rebate for when applications are assessed?

Answer: *The program expansion is scheduled to go live at 30 November 2021.*

11. Are there any plans to extend the Small Business Fees and Charges Rebate beyond 30 June 2022?
 - a. If not, why not?

Answer: *The NSW Government is always looking at ways to support small businesses. Whether it's payroll tax cuts, direct grants, business advisory support and much more, the NSW Government has demonstrated a firm commitment to supporting small businesses. As with all programs, the Government will monitor uptake and review as necessary.*

Infringement notices for breaching COVID-19 public health orders

12. In relation to infringement notices for breaching COVID-19 public health orders issued between 25 June 2021 and 17 October 2021:

- (a) How many relating to the non-wearing face masks were issued to people living in LGAs of concern?
- (b) How many relating to the non-wearing face masks were issued to people living outside of LGAs of concern?
- (c) What fine relief is being considered for residents in LGAs of concern who were disproportionately affected by harsher restrictions?
- (d) Given the significant financial impact of the harsher restrictions in LGAs of concern, will payment periods for infringement notices for COVID-19 public health order breaches be extended for people who live in LGAs on concern?
- (e) How many requests for review have been received from people who live in LGAs of concern?

- i. How many reviews have resulted in infringement notices being waived or replaced with a caution?
- (f) How many requests for review have been received from people who live outside of LGAs of concern?
 - i. How many reviews have resulted in infringement notices being waived or replaced with a caution?

Answer:

During the Budget Estimates hearing on 29 October 2021, data was provided for the period 25 June 2021 to 17 October 2021.

The data below has been updated for the period 25 June 2021 to 31 October 2021.

- (a) 7,474
- (b) 8,751
- (c) *Sanctions and further recovery actions were put on hold in 2020 as a way to assist the community through COVID-19. There were few exceptions to that relief, one being Public Health Order fines which continued to have some sanctions implemented. In the June 2021 lockdown, Revenue NSW commenced working with NSW Police, Department of Customer Service, Aboriginal Affairs NSW, Aboriginal Legal Service (NSW/ACT), Legal Aid NSW, Service NSW, Transport for NSW, NSW Aboriginal Land Council, Department of Communities and Justice, Department of Education, Ministry of Health, Murdi Paaki Regional Assembly, National Indigenous Australians Agency, Regional NSW, Community Legal Centres NSW and Cooperative Legal Service Delivery on strategies to assist the legal sector and non-government organisations to be able to have time to assist customers who were disproportionately impacted by Public Health Order fines.*
- (d) *Customers who are not able to pay a fine in full before the due date are able to establish a payment plan to pay the fine over time, and at a rate that is affordable for their circumstances. If a customer contacts Revenue NSW to set up a payment plan before the Reminder Notice due date, and maintain their payment schedule, no extra fees or charges are incurred. Eligible customers can also participate in the Work & Development Order program to resolve their fines. Revenue NSW continues to assist all customers on a case-by-case basis.*

(e) 3,474 Request for Review (R4R) were received for 2,947 fines issued to people living within LGAs of concern.

i. Of these 2,947 fines: 146 - Cautioned or No Actioned; 1,035 - R4R is yet to be processed.

(f) 5,251 R4Rs were received for 4,314 fines issued to people living outside of the LGAs of concern.

i. Of these 4,314 fines: 222 - Cautioned or No Actioned; 1,738 - R4R is yet to be processed.

Dine and Discover vouchers

13. In relation to Dine NSW vouchers,

(a) How many have been issued in Greater Sydney since the program started?

Answer: 5,694,222

i. What is the total value of vouchers issued?

Answer: \$142,355,550

(b) How many have been issued in Regional NSW since the program started?

Answer: 3,954,882

i. What is the total value of vouchers issued?

Answer: \$98,872,050

c) How many vouchers are yet to be redeemed in Greater Sydney?

Answer: 1,470,761

i. What is the total value of vouchers yet to be redeemed?

Answer: \$36,769,025

(d) How many vouchers are yet to be redeemed in Regional NSW?

Answer: 993,378

i. What is the total value of vouchers yet to be redeemed?

Answer: \$24,834,450

Note: All data for answers to Question 13 is at 17 November 2021.

14. In relation to Discover NSW vouchers:

(a) How many have been issued in Greater Sydney since the program started?

Answer: 5,694,222

i. What is the total value of vouchers issued?

Answer: \$142,355,550

(b) How many have been issued in Regional NSW since the program started?

Answer: 3,954,882

i. What is the total value of vouchers issued?

Answer: \$98,872,050

(c) How many vouchers are yet to be redeemed in Greater Sydney?

Answer: 3,783,074

i. What is the total value of vouchers yet to be redeemed?

Answer: \$94,576,850

(d) How many vouchers are yet to be redeemed in Regional NSW?

Answer: 2,557,173

i. What is the total value of vouchers yet to be redeemed?

Answer: \$63,929,325

Note: All data for answers to Question 14 is at 17 November 2021

15. What has been the cost of advertising the Dine and Discover NSW program for:

(a) Television media

(b) Print media

(c) Digital media

(d) Social media

Answer: this question is better directed to the Minister for Customer Service, the Hon Victor Dominello

16. What has been the cost of IT development and support for the Dine and Discover NSW program?

Answer: this question is better directed to the Minister for Customer Service, the Hon Victor Dominello

Government procurement

17. How many Government contracts worth less than \$1 million were awarded during the 2020/21 financial year?

(a) How many of those contracts were awarded to SMEs?

i. How many of those SMEs are located in Western Sydney and South-West Sydney?

18. How many Government contracts worth between \$1 million and \$5 million were awarded during the 2020/21 financial year?

(a) How many of those contracts were awarded to SMEs?

i. How many of those SMEs are located in Western Sydney and South-West Sydney?

19. How many Government contracts worth more than \$5 million were awarded during the 2020/21 financial year?
- (a) How many of those contracts were awarded to SMEs?
- i. How many of those SMEs are located in Western Sydney and South-West Sydney?
20. What is the total value of Government procurement contracts awarded to NSW SMEs in the 2020/21 financial year?

Answer (for Q17-Q20): *The NSW Government is committed to making it easier for small and medium sized businesses to contract with Government. Since 2019 the NSW Government has:*

- *Created a single platform buy.nsw – a gateway to NSW Government procurement resources and services for buyers and suppliers.*
- *Created the NSW Supplier Hub, integrated to buy.nsw, which makes it easier for businesses to register to sell to the NSW Government and easier for buyers to find suppliers.*
- *Committed to creating SimpleQuote to be integrated to buy.nsw for low-risk, low-value procurement.*
- *Updated the NSW Government’s Faster Payment Terms Policy so that all registered small businesses must be paid within 5 business days for goods and services worth up to \$1 million, through a correctly rendered invoice.*
- *Introduced the Small Business Shorter Payment Terms Policy that requires large businesses who contract with NSW Government agencies for goods and services contracts valued at or above \$7.5 million to pay small business subcontractors within 20 business days.*
- *Committed to the NSW Small Business Commission Tendering Support Program to provide small businesses with information, guidance and training to assist them with successfully finding and tendering for opportunities to sell to NSW Government.*
- *Extended the Business Connect program, a dedicated and personalised service that provides practical advice and training to support NSW small businesses to start, run, adapt or grow.*
- *Continued the Industry Capability Network NSW (ICN NSW) to deliver free-of-charge procurement advice and business matching to NSW project owners and suppliers on major projects.*
- *Continued SME targeted procurement support by providing focused advice via the NSW Procurement Service Centre.*
- *Created the Business Concierge Service, which provides a suite of assistance for starting or expanding a small business in NSW.*
- *Implemented e-invoicing to reduce errors and speed up the payment process for businesses.*

In addition, the refreshed SME Regional Procurement Policy provides more opportunities for government buyers to look at SME’s and regional businesses, with initiatives that include:

- *NSW Government agencies may negotiate directly with and engage an SME or regional supplier, for goods and services up to \$150,000, including where there is a whole-of-government arrangement in place.*
- *NSW Government agencies must first consider purchasing from an SME, for procurements up to \$3 million, where the agency is permitted to directly purchase goods and/or services from a supplier, including from prequalification schemes and panels.*
- *For goods and services contracts valued at \$3 million or more, a NSW Government agency must include in the non-price evaluation criteria as a minimum:*

- 10% allocated to SME participation, and
- 10% allocated to support for the NSW Government's economic, ethical, environmental and social priorities.

Where no weightings are used, SME participation and support for the NSW Government's economic, ethical, environmental and social priorities should be given appropriate qualitative consideration.

NSW Government operates under a devolved model of procurement, with agencies responsible for its own procurement activity in line with the NSW Government Procurement Policy Framework. While NSW Treasury collects data on procurement spend as provided by responsible agencies, this data is subject to change on an ongoing basis due to data quality improvement. In addition, only contracts valued at \$150,000 or higher are required to be published on the e-tender website, with contracts under this amount not required to be published. Supplier location is based on available postcode information, which may be that a registered business address which is different from the location or locations where the business is conducted.

Payroll Tax

21. How many businesses entered into a Tax Debt Instalment Plan for payroll tax during the 2019/20 financial year?
- How many of those businesses are classified as small and medium enterprises (SMEs)?
 - What was the average payroll tax debt for SMEs in the 2019/20 financial year?
 - How many businesses with a Tax Debt Instalment Plan are located in Western and South-Western Sydney?

Answer:

1,291 businesses entered into a Tax Debt Instalment Plan for payroll tax during 2019/20.

- Revenue NSW does not classify businesses as small and medium enterprises.*

Businesses are only liable for payroll tax if their annual wages exceed the payroll tax threshold which was increased from \$850,000 to \$900,000 for 2019/20 and was further increased to \$1.2 million for 2020/21 onwards.

- N/A.*
- 197 of these businesses were located in Western Sydney and 75 businesses were located in South Western Sydney.*

22. How many businesses entered into a Tax Debt Instalment Plan for payroll tax during the 2020/21 financial year?
- (a) How many of those businesses are classified as small and medium enterprises (SMEs)?
- i. What was the average payroll tax for SMEs in the 2020/21 financial year?

Answer:

883 businesses entered into a Tax Debt Instalment Plan for payroll tax during 2020/21.

(a) See the answer to 21 (a)