

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Supplementary Budget Estimates 15-18 October 2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1.1 Domestic Policy

Topic: Definition of Small Business

Senator: Senator Ryan

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Question:

Senator RYAN: Does PM&C use a definition of small business? At my last count, there were a couple of dozen flying around different parts of the government-and there have been for many years. But do you have a definition of small business if you are asked in a policy sense to consider the impact for policy on small business?

Ms Taylor: Nothing immediately springs to mind in terms of a specific definition that we use, but I will certainly take that question on notice.

Answer:

There are many definitions of small business currently in use. The four main definitions of small business used by government are:

- a business with an annual turnover of less than \$2 million, as defined by the Australian Taxation Office;
- a business with fewer than 20 employees, as defined by the Australian Bureau of Statistics;
- a business with fewer than 15 employees, as defined by the *Fair Work Act 2009*, section 23; and
- a business with an annual turnover of less than \$3 million, as defined by the Commonwealth's *Privacy Act 1988*, section 6D.

When considering the impact of a policy on small business, the definition for a small business that is applied is the one that is most appropriate for that policy.