

**Response to**

**Questions on Notice**

**10 May 2022**

**Prepared by the Treasury**

### **Preface – Caretaker Role**

As of 10 April 2022, the Government is operating in a caretaker role, and as such there is a longstanding convention that outlines the role of the public service through this period. With regard to the Annual Wage Review, the public service is unable to comment or express an opinion on matters of policy under the convention but may be able to assist by explaining any factual elements of the Government's submission which may be relevant to the Expert Panel's decision.

## **Question to the Australian Government**

**Section 5 of the Australian Government's initial submission presents evidence on the importance of small business to total employment. Has the Australian Government examined whether the significance of small business to employment over time has declined, and if so, what factors have been driving this trend?**

**Other parties are invited to comment on this.**

According to the Australian Bureau of Statistics' (ABS') Australian Industry release, small businesses (those with under 20 employees) accounted for 41.3 per cent of private sector employment in 2019-20.

Small businesses accounted for 53.0 per cent of private sector employment in 2006-07, which was when the ABS commenced this series.

Treasury has not conducted an analysis on the factors or trends around the significance of small business to employment over time.