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# How High is the Step?

## Regulatory Thresholds and the Growth and Efficiency of Small Agribusiness Firms in Australia

by

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### Abstract

Many government regulations and programs operate on the basis of tiering, that is, the regulatory conditions change at certain points. Typically, regulatory thresholds are designed to restrict benefits or to provide an exemption to a particular class of recipients. It is hypothesised, however, that regulatory thresholds may impede certain scales of business activity, constrain structural adjustment and productivity improvement and, hence, influence output.

The total number of tiered regulatory systems that impact on small agribusiness firms is unknown. Several such systems are, however, readily identifiable and some of these are detailed in this paper. While the marginal costs of crossing some thresholds appear substantial the extent of their influence on the behaviour of small agribusinesses will likely be constrained by the objectives, skills and strategies of individual managers. This paper comprises a preliminary exploration of the extent and influence of regulatory tiering in the agribusiness sector in Australia.

**Keywords:** regulatory tiering, production costs, firm size.

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\* The opinions and views expressed in this paper are those of the authors and may not reflect the policy of NSW Agriculture or the NSW Government.

## 1. Introduction

The Rural Industries Research and Development Corporation has funded an 18-month study by AGCOST, NSW Agriculture, to evaluate the potential for regulatory thresholds to impede the growth and efficiency of small agribusiness firms (both farm and non-farm) in Australia. The hypothesis to be investigated is that the individual or combined impacts of different regulatory thresholds significantly affect firm growth and impede certain scales of business activity. This hypothesis must be tested with regard to the personal objectives, skills and strategies of individual managers which are likely to have a dominant role on the size and structure of small businesses, and on the rate of adjustment.

If this hypothesis is correct, and effective alternative regulatory systems exist, then the efficiency and productivity of the Australian agribusiness sector may be being unnecessarily impeded and regulatory reform could yield substantial benefits to that sector and to the general economy. Even if less distortionary alternatives are not available, having more information on the real impacts of existing regulatory conditions may lead to improved management decisions. The overriding objective of the project is to seek to improve the efficiency and productivity of small agribusiness firms by improving the regulatory environment in which they operate.

Many government regulations and programs operate on the basis of thresholds or shading-in provisions, that is, the regulatory conditions change at certain points. Typically, regulatory thresholds are designed to restrict benefits to a particular class of recipient, or to provide an exemption for small business. Regulatory thresholds may also act as a revenue raising activity and not necessarily be efficiency or equity based (J. Purcell, Commissioner of Stamp Duties, Office of State Revenue, pers. comm., December 1994).

The number of tiered regulatory systems that impact on agribusiness firms, and the actual extent of their influence on management decisions, is unknown. Anecdotal evidence suggests that while the real costs or benefits of crossing many regulatory thresholds are unknown, in some cases they are at least *perceived* as being very high. For example, it is frequently suggested that for small firms in New South Wales, the change in the criteria for the calculation of workers' compensation insurance premiums that occurs when premiums exceed \$2 000, is a serious consideration in the decision whether or not to employ additional staff.

Investigations to date have shown that the marginal costs or benefits of crossing some

thresholds are significant in dollar terms. It is thus possible that the marginal costs of crossing the threshold may impede the growth of firms and, hence, industry adjustment. Furthermore, the magnitude of the marginal costs or benefits of crossing regulatory thresholds could be expected to increase when a transaction is influenced by a combination of several regulatory systems.

## 2. Objectives of the Regulatory Tiering Project

The objectives of the research are to identify significant regulatory thresholds in Australia, to determine the potential interactions between them, and to assess their costs and benefits in terms of their impact on small agribusiness. Their influence relative to that of other factors such as company strategies and management systems in determining the size of the business enterprise will also be assessed.

The study is aimed at improving the efficiency and productivity of small agribusiness firms by:

- (i) providing managers with more information on the real financial impacts of the regulatory conditions under which they operate;
- (ii) providing industry with information on the relative influence of the regulatory environment and individual manager's skills/strategies/objectives on the size of the firm; and,
- (iii) providing regulatory authorities with information on, and alternatives to, current regulations which appear to unnecessarily impede firm growth.

The research is not specific to any particular industry. It aims to provide information that will enhance the management of agribusiness and farming operations and facilitate structural adjustment. It is anticipated that efficiency and productivity benefits will flow from better decisions based on more knowledge of the real financial impacts of the regulatory systems under which they operate. The project will also contribute to the on-going process of regulatory review and reform carried out by government authorities, and will hopefully lead, to the formulation and implementation of less distortionary systems of regulation. At a more pragmatic level, it is expected that this project will establish further co-operative links that will enhance the network of contacts between NSW Agriculture and State and Federal government authorities, research institutions, industry organisations and the agribusiness

community in general.

In this paper, a preliminary exploration of the issues is presented with the intent of encouraging discussion and feedback that will facilitate the progress of the research.

### 3. Methodology

It requires only a relative cursory examination of some common instances of regulations affecting businesses to notice that many, if not most, impact on input costs. Workers' compensation insurance premiums, the now suspended training guarantee levy and payroll tax, for example, influence the marginal costs of labour, and land tax contributes to the cost of that resource. It is a fundamental economic principle that a profit maximising entrepreneur will only employ an additional unit of a resource if the marginal benefit from doing so exceeds the marginal cost, and the economic theory describing the forward linkage from the production function through the variable cost function to the marginal cost (supply) curve for the firm is also well established (see, for example, Wilson 1981). It could thus be expected that regulations that impact on the costs of particular inputs would influence the demand for those inputs and also in some way change the supply curve for the firm. Furthermore, where regulations impose discontinuous changes in the marginal costs of an input, say due to the existence of a threshold, it could be expected that the demand curve for the input would evidence kinks or steps and that this would be reflected in kinks, steps or even discontinuities in the firm's supply curve. It is proposed to apply this theory in testing the hypothesis that regulatory thresholds significantly affect the growth and size of agribusiness firms.

Given the unique nature of the work, and time and other resource constraints, it is anticipated that this study will comprise only a preliminary exploration of the issues and that the results will be indicative rather than conclusive. The empirical aspects of the study will focus on the marginal costs (or benefits) of crossing selected thresholds, and assessments of the likely impact on input demand and output supply will be based on qualitative rather than quantitative analyses. The relative influence of regulatory conditions in decisions regarding business growth and the size of the firm, as compared to factors such as the objectives and skills of the entrepreneur, will also be assessed.

The direct financial costs of crossing various thresholds will be evaluated using simple economic models of case-study firms and on the basis of historic or intended responses specified by the co-operating entrepreneurs. That is, rather than constructing models with

built-in decision rules that determine from an objective function how entrepreneurs should respond to a particular regulatory setting, the analysis will focus on determining the outcomes of responses that industry co-operators indicate they have made or intend to make. The extension of the work to econometric estimation of input demand responses under various institutional settings and/or into a programming framework so as to enable the empirical estimation of likely output supply responses, would be very useful but is beyond the scope of this project. This study will, however, identify the critical elements in the decision making process that would be required to be incorporated in such behavioural research.

A comprehensive international literature search in the areas of government regulation, compliance costs, decision making in small business and the economics of small business is in progress. This search has not simply focused on literature databases. It has also involved contacting relevant government agencies, industry organisations and research bodies across Australia to find out about recent regulatory reviews and current investigations, and to identify instances of tiered regulations.

As alluded to above, it is planned to conduct an industry survey and a series of case studies of small agribusinesses as a means of identifying and evaluating the impacts of key regulatory thresholds. This will involve a population survey of small businesses and business support services, such as the Business Enterprise Centre and Regional Development Board, in the town of Casino in northern New South Wales. The survey data will be analysed, using, for example, cluster analysis, focusing around the thresholds of each government regulation.

The survey will be carried out in collaboration with Patricia Bakker of the Faculty of Business Studies and Computing at Southern Cross University. A group of case study firms will then be selected from the participants in this survey and other industry contacts across the nation.

#### **4. Findings to Date**

In order to illustrate the possible effects of regulatory thresholds on agribusiness firms, a number of tiered regulatory systems are described and discussed in the following sections. These include: workers' compensation, the training guarantee levy, payroll tax, provisional tax, and land tax. For each threshold, an explanation is given followed by observations, analysis and graphical representation. In addition to these, the responsibilities involved with

being a group employer as well as the transition from being self-employed to becoming a group employer are also examined.

### *Workers' Compensation Insurance*

Worker's compensation insurance is a national policy which aims to recognise the particular health risks associated with the work environment. WorkCover is the authority used to administer workers' compensation in New South Wales.

Every employer is required to undertake and maintain an up-to-date workers' compensation insurance policy covering all of their employees. Employers are classified according to the tariff classification which most accurately describes the employer's business or industry activity. There are over 100 industry classifications with each classification having an assigned premium rate. In some cases more than one classification may apply to the employees of a particular firm.

An employer's base premium is calculated as a percentage of the wages paid and is also dependant on the tariff classification. The history of claims from employees of the firm can also influence the premium payable.

In New South Wales, employers are divided into two categories on the basis of the magnitude of their basic premium. Category B employers are those whose basic tariff rate, applied to estimated wages for the forthcoming year of cover, results in a premium (ignoring any experience adjustment) of up to \$2 000. Category A employers are those whose basic tariff exceeds \$2 000.

All employers are classified into Category A or Category B to determine whether claim experience will be applied as an adjustment in the calculation of their premium. Category A employers have an adjustment made to their basic premium based on their claims experience. Category B employers do not. The rationale for the threshold in the premium regime is to reduce the variability in the annual premium for small businesses (J Marsh, Manager Insurance and Fund Management, NSW WorkCover Authority, pers comm, September 1993).

It has been suggested by industry contacts that for small firms in New South Wales the change in the calculation of workers' compensation insurance premiums that occurs when premiums exceed \$2,000, is a serious consideration in the decision whether or not to employ

additional staff.

Investigations show that the change in the premium associated with the transition from Category B to Category A is substantial, particularly where a claims history exists. In this paper, a farming enterprise is used to illustrate the marginal cost associated with crossing the threshold between a Category B and a Category A employer. The associated industry tariff for this particular example is 6.9 per cent.

Figure 1: MC of Workers' Compensation Insurance in New South Wales

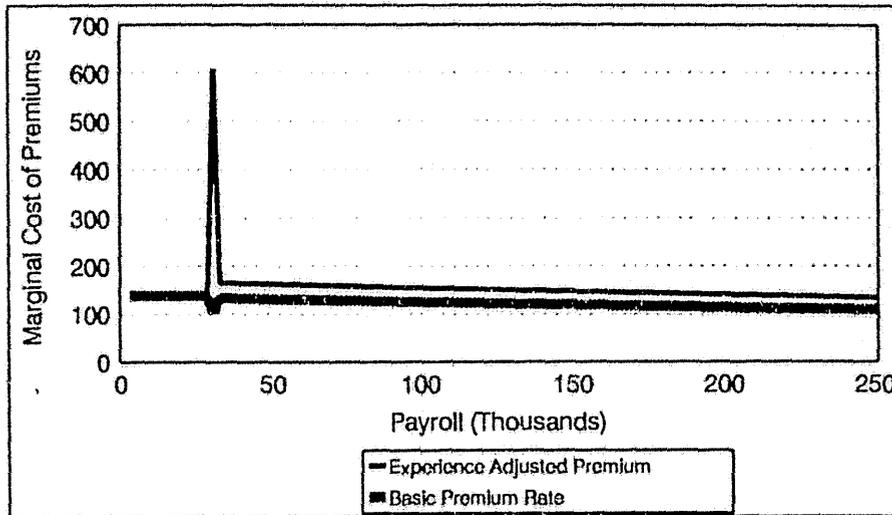


Figure 1 represents the marginal change in the workers' compensation premium as wages increase. The uppermost line represents the marginal cost of the premium where a \$20 000 claim experience is included in the calculation of the premium. It is notable that as the wages bill increases to the point where the categories threshold is crossed there is a three-fold increase in the marginal cost of the premium when past claims are included in the calculation. Without a claims history, (the lower line of Figure 1) the transition from a Category B employer to a Category A employer actually *decreases* the marginal cost of the premium. For a New South Wales firm that experiences claims regularly, the transition from Category B to Category A will substantially affect the amount of the workers' compensation premium paid.

The potential to face substantially higher workers' compensation insurance premiums could be expected to act as a deterrent to decisions that might cause the firm to cross the premium

threshold. That is, employers may restrict the size of the enterprise payroll, i.e., restrict their labour force, to avoid becoming a Category A employer, and thus avoid the higher marginal cost of an experience-adjusted premium.

A total payroll of \$29 000 entails a premium of \$2 000 and the current weekly earnings across Australia are \$541.50, or also approximately \$29 000 annually (ABS, pers comm, February 1995). Thus the decision to employ more than one person may be restricted due to marginally higher insurance premiums rates, especially if the firm has a claims history. There appears to be some potential for the premium threshold to pose an impediment to firm growth.

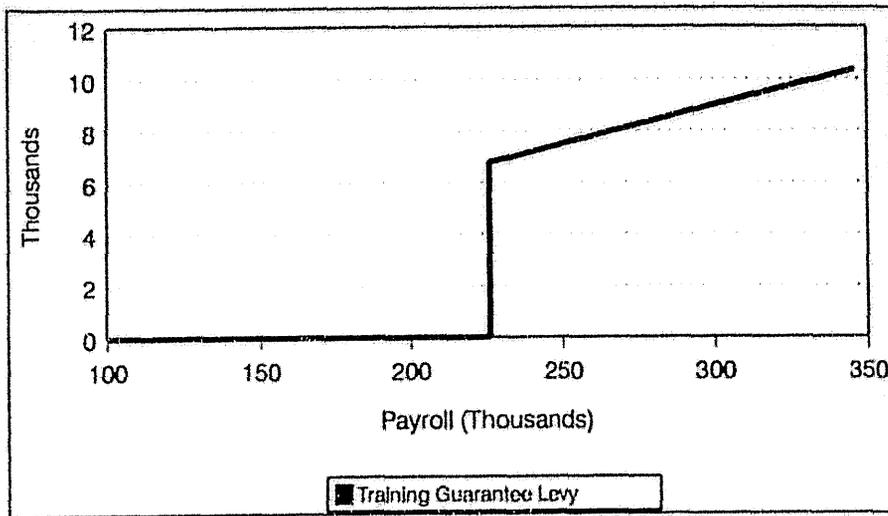
In 1986, the Advisory Committee of Prices and Income, suggested that employers may also attempt to reduce premium costs by underinsuring. Underinsurance occurs when employers understate the amount of wages paid to employees to remain in a category that attracts a lower premium rate (Advisory Committee of Prices and Income 1986).

### *Training Guarantee Levy*

The training guarantee levy is the minimum amount that employers are required to pay on structured training for their employees each financial year. The charge applies to all employers who have a national annual payroll equal to or exceeding a specified indexed threshold, which in 1993/94 was \$226 000. At this threshold, the minimum amount which must be expended on structured training is 1.5 per cent of the employer's total annual national payroll (not just the component in excess of the threshold). The annual national payroll is calculated as the aggregate of salaries and wages and excludes fringe benefits. The levy is illustrated in Figure 2.

The required amount of expenditure on eligible training must be made by the 30 June of that financial year. If training expenditure falls short of the minimum requirement, then the employer is liable to pay a training guarantee levy equivalent to the shortfall. Employers are required to self-assess their liability to pay the levy and must lodge a training guarantee statement with the Taxation Office by 30 September following the end of the financial year and pay the amount of the charge by that date.

Figure 2: Training Guarantee Levy



Eligible expenditure for the purposes of the scheme is "expenditure directly attributable to a structured training program designed to develop, maintain or improve the employment-related skills of employees or other persons" (C.C.H. 1994). Expenditure may include on-the-job training, seminars and conferences, programs, etc.

The responsibility for assessing whether a training program is eligible for training guarantee purposes rests with the employer, as does the maintenance of written records that must be kept in a form that enables the employer's liability under the scheme to be readily ascertained. These responsibilities comprise compliance costs which are in addition to the actual quantum of the levy.

A possible consequence of the training guarantee levy for small business is for wages and salaries to be restricted to an amount below the threshold. Restricting the number of employees or hours worked may also affect the growth of the business, in particular the growth of small businesses. For instance, if we assume that the average wage of employees is \$30 000, for a staff of up to seven people, the training levy would not be incurred. If an extra person was employed however, the employer would also be required to expend \$3 600 on training or the levy with the additional compliance costs of appropriate documentation. That is, the high marginal cost of crossing the threshold might provide a disincentive to employ the additional person and, hence, impede the growth of the firm.

The training guarantee levy has been suspended for the two-year period, from the 1 July 1994 to the 1 July 1996. At the end of the two years it is open to review, at which time the Commonwealth Government may choose to reinstate the charge, following an inquiry into the extent of employers' commitment to structured training.

### *Payroll Tax*

In New South Wales, payroll tax is charged on the payrolls of larger businesses. From 1 January 1995, it is calculated at a rate of 7 per cent of all wages above \$550 000 paid by a business or group during any financial year. In 1994, the payroll tax threshold was \$500 000 and from 1 January 1996, the threshold will increase to \$600 000. Due to the 1 January 1995 commencement date, the threshold entitlement of the financial year ending 30 June 1995 will be an average of \$525 000. According to the Office of State Revenue, the payroll tax threshold is "increasing progressively to encourage employment growth, especially in small businesses" (Office of State Revenue, 1995).

For 1995, payroll tax is liable to be paid if the individual:

- . owns a business that pays wages in New South Wales; or
- . belongs to a group of businesses, all or part of which pay wages in New South Wales; and
- . the payroll of the business or group exceeds \$550 000 a year (\$45 833 a month).

For the 1993/1994 year, if the payroll was between \$500 000 and \$536 000 a year, a single annual return was required to be lodged. If the payroll exceeded \$536 000 a year, a monthly return was to be lodged, together with the tax payment. For the 1994/95 year, no such divided system exists. If the annual payroll tax liability does not exceed \$2 500 the employer may be permitted to lodge an annual single return. It is up to the discretion of the Taxation Commissioner to decide if a business is permitted to pay payroll tax annually where the classification of monthly and annual taxpayers is determined at the time of registration and is reviewed annually. However, normally payroll tax is paid on a monthly basis. Monthly returns must be lodged within seven days of the close of each month.

Payroll tax in New South Wales is essentially self-assessed, requiring liable employers to calculate the total value of wages, apply the rate of tax and remit the tax applicable. The compliance costs to liable employers include: registering with the Office of State Revenue; calculating the tax and lodging returns; recording values declared for the Fringe Benefits

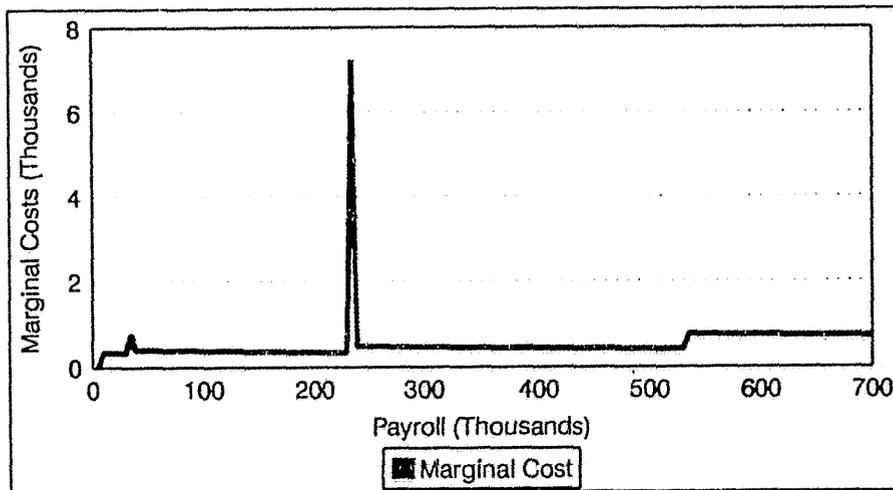
Tax Assessment; and keeping records of wage payments, superannuation and allowances.

As with the training guarantee levy, one of the possible implications of the payroll tax is for businesses to restrict the size of their payroll to remain below the threshold. That is, employers might restrict the number of employees and hence constrain the growth and size of the business. The other administrative costs associated with complying with the payroll tax regulations might also act as a deterrent to increasing the size of the payroll.

### *Combined Costs of Particular Payroll Charges*

Figure 3 illustrates the combined affects of the three government schemes detailed so far, all of which relate specifically to the size of the enterprise payroll. In this example, an experience-adjusted workers compensation premium (having a claims history of \$20 000), payroll tax and the training guarantee levy are examined. The combined affects of the direct costs of the regulations gives an indication of the synthesised cost structure to a firm of a specific size.

Figure 3: Combined MC of Selected Payroll Charges



The aggregate marginal cost of the three schemes evidences definite changes in costs at the various thresholds, which may affect enterprise decisions in relation to employment at these points.

The workers compensation threshold occurs at a payroll of approximately \$30 000. If we

assume that the average wage for an agribusiness employee is \$30 000, the decision to cross this threshold and pay the marginally higher premiums, may act as a deterrent for an enterprise to employ an additional person. Likewise, the training guarantee levy is initiated where the payroll reaches \$226 000. This levy and the additional compliance costs may act as a deterrent for businesses to employ more than seven people. Similarly, the payroll tax is enacted when the total payroll exceeds \$525 000. Still assuming the average employee wage is \$30 000, businesses that employ around 17 people may take deliberate action to remain within a certain size and avoid the payroll tax.

Whether business decisions are deliberately made so as to stay within various size limits to avoid some or all of the affects of such regulations is the central issue to be investigated in this study. If analysis of the survey data reveals clusters of businesses just below these thresholds then this would suggest that the observed thresholds are indeed impediments to firm growth.

### *Provisional Tax*

Provisional tax is payable on the estimated income of the business in the next taxation year. The tax is 'provisional' because it is later adjusted when the actual taxable income for the year is determined.

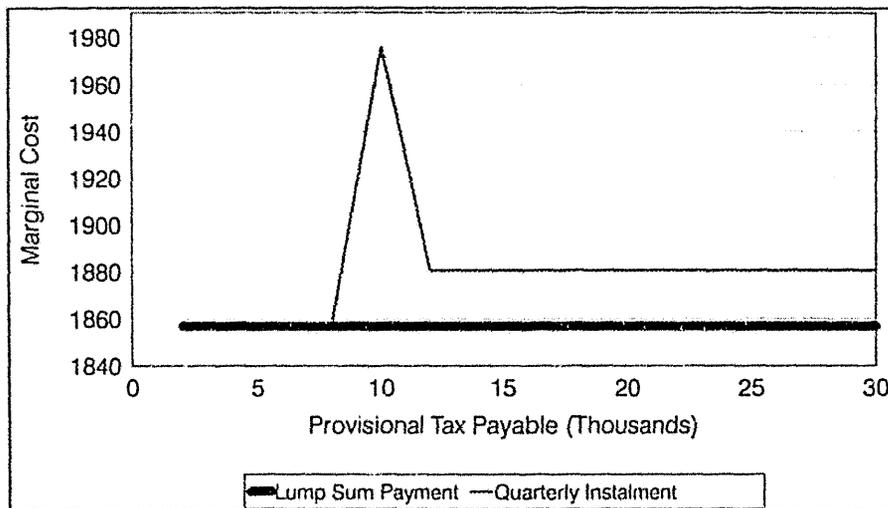
Provisional tax applies only to individual income. This individual may be in business, and be liable for provisional tax on his or her individual income. The tax applies to people who earn more than \$1 000 per year of non-salary or wage income. This income, which is not covered by the PAYE system, may be sourced from investments, business, primary production, or a distribution of a trust. For example, provisional tax is levied on a self-employed person's business income and on a wage earner's investment income. Provisional tax is also levied on wages income if insufficient PAYE tax has been deducted.

Provisional tax that is calculated as being less than \$8 000 is required to be paid annually and prior to the end of the tax year. For example, with July to June tax years, provisional tax would normally have to be paid by 31 March. If the provisional tax payable is more than \$8 000 then the tax must be paid in quarterly instalments no earlier than 1 September, 1 December, 1 March and 1 June, under the Quarterly Provisional Tax system. However, people in special occupations whose income is irregular or seasonal, such as primary producers, can pay their provisional tax in two instalments or as a single amount.

In Figure 4, the marginal costs associated with paying provisional tax in quarterly instalments, allowable if the provisional tax payable is greater than \$8 000; and the marginal costs of a single payment system, required for tax up to \$8 000 and allowable for many primary producers over that threshold, are shown. The tax payments have been converted into present values to take into account the time factor, using a 5 per cent discount rate.

Where quarterly instalments are used to repay the provisional tax, beyond the \$8,000 threshold, an initial rise of 3.3 per cent in marginal cost occurs in comparison to the payment owing under the single payment systems. After this rise, a constant rate of 0.67 per cent above the single payment arrangement is illustrated. The single payment system has a constant marginal cost.

Figure 4: Marginal Costs of Alternative Provisional Tax Payment Arrangements



It is evident that, from the graph, *ceteris paribus*, for a business that pays close to \$8 000 in provisional tax it would be advantageous to remain below the threshold and remain within the single payment system. By keeping within the threshold, the additional marginal costs incurred by the instalment scheme would be avoided. Restricting the provisional tax payable would, however, also involve restricting the size and/or profitability of the enterprise.

It could be argued, on the other hand, that paying in quarterly instalments rather than having to pay the whole provisional tax liability in a lump sum, could have cash flow benefits in the management of an enterprise.

## *Group Employer*

### (a) Employing more than one employee

It has been suggested to the research team by industry contacts that there are substantial compliance costs associated with the transition from employing a single person to becoming a group employer, that is, employing more than one person. This view is based on the perception that new and additional administrative burdens are placed on the employer when more than one employee is taken on. In reality, however, the same administrative and reporting requirements apply to a single employee as they do to multiple employees.

Being a group employer involves certain taxation responsibility which include deducting tax, paying tax instalments, issuing group certificates and sending a reconciliation statement to the Australian Taxation Office. If employing more than one person, these responsibilities are simply multiplied by the number of people employed. The perceived obstacles will need to be investigated and confirmed by subsequent research. This situation may be a case of misconstrued information, that may be remedied through the provision of information and simple guidelines.

As noted earlier, workers' compensation premiums may provide some disincentive to employ more than one person.

### (b) Transition from being self-employed to becoming a group employer

The transition from being self-employed (excluding primary producers) to becoming a group employer is a more complex matter. Taxation responsibilities under self-employment are less and administrative procedures are more simple, than for a group employer. For instance, self-employers usually pay tax in advance through the individual's tax file number. This procedure requires keeping records relating to income, deductions and rebates as received throughout the year, with a tax return form to be completed and returned to the Tax Office at the end of the year (McLure, 1993). Being a group employer involves extra taxation responsibilities such as deducting tax, paying tax instalments, issuing group certificates and sending a reconciliation statement to the Tax Office. Alternatively, group employers can use tax stamps, purchased through the Tax Office.

The hypothesis being tested in these cases is that self-employed agribusiness owners may prefer to avoid the transition from being self-employed to becoming an employer because of extra taxation responsibilities and compliance costs. That is, the costs to entrepreneurs associated with compliance with the provisions of the taxation system may be a significant

factor in the decision to take on employees and thus may impede firm growth.

### *Land Tax*

Land tax is a tax on the ownership of land or interests in land. In New south Wales, owners of land are assessed for land tax purposes on the basis of the taxable value of all lands and interests in land where the total value is \$160 000 or more. At \$160 000 the tax payable is a fixed payment of \$100. Over \$160 000 the land tax payable is a fixed payment of \$100 plus \$0.015c for each \$1 of the taxable value. For example, on land that is valued at \$500 000, the tax payable is \$1 450. If the land is valued at \$1 million, the land tax payable is \$12 700.

Joint owners and companies are assessed in the same way as a sole owner. A related company can be assessed separately or assessed jointly with another company or companies to which it is related, however each must comply with the \$160 000 threshold. A separate system applies for a trustee of a Special Trust. A trustee of a Special Trust is assessed on one or more parcels of non-exempt land where the total value is \$6 667 or more. Over the \$6 667 threshold, the land tax payable is \$0.015 for each \$1 of the taxable value. Trusts regarded as Special Trusts are:

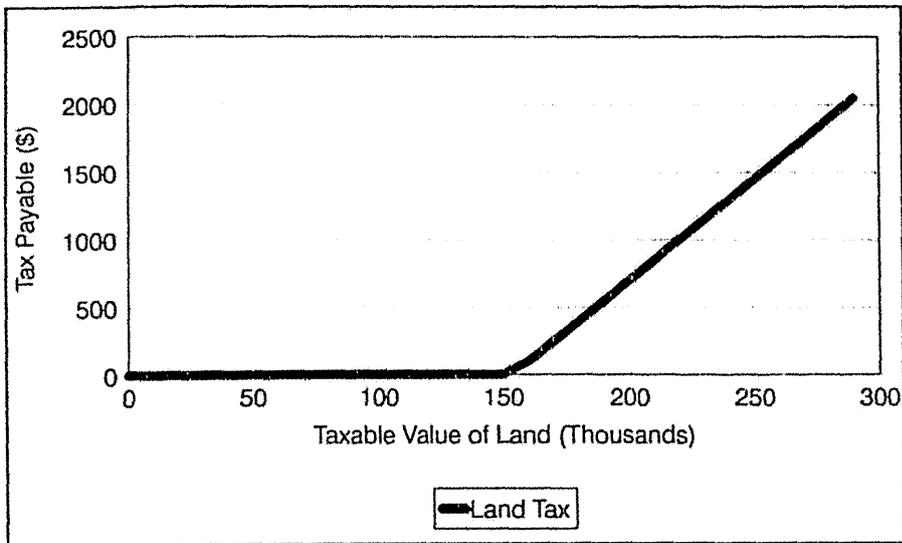
- . discretionary trusts;
- . some superannuation trusts;
- . some family trusts; and
- . some deceased estates (Office of State Revenue, 1994).

These land tax thresholds are illustrated in Figure 5.

Exemptions from land tax include an individuals principal place of residence, as long as the land is owned as an individual, not a company or trust, and land used for primary production.

An initial return for land tax is required if the owner has not lodged a return for the previous year. Owners who have lodged returns previously are not required to lodge a return for the next year unless requested to do so by the Taxation Commissioner. In the normal course of event, a tax assessment of the amount owing will be automatically forwarded to the landholder. Two options of payment are available to taxpayers, an interest-free instalment schedule or payment of the assessment in full.

Figure 5: Land Tax Payable in New South Wales



The extent to which agribusiness enterprises in Australia actually pay land tax and the degree to which such firms are structured as Special Trusts so as to avoid this tax, is being investigated.

## 5. Conclusion

The identity and nature and the costs and benefits of many of the regulatory thresholds in Australia and their impact on small agribusinesses, is at this stage very obscure. The preliminary analyses and industry contact to date, have indicated some thresholds may indeed act as constraints to the size and/or efficiency of agribusiness enterprises. It appears that non-financial compliance factors such as the clarity of the requirements and clearness of the objectives of the scheme and the extent to which the system is perceived or actually does slow down the normal practices of the business, may also act as obstacles for small businesses.

There are also some perceived thresholds that exist within industry, which may also restrict the size of the enterprise. For instance, the misconception that hiring more than one employee will result in additional employer responsibilities, when in fact the same procedures are required for a single employee.

Some other issues associated with regulatory thresholds that need to be investigated, are:

- (i) that large businesses may be encouraged to decrease in size, for example, by restricting the size of the business payroll;
- (ii) that due to the influence on cost structure that regulations pose on business, access to economies of scale may be restricted;
- (iii) that uncertainty can prevail with the introduction of thresholds, especially if thresholds are indexed (as with the training guarantee levy) and/or reviewed regularly, and
- (iv) that tiering may preserve inefficient small businesses.

Whether there is any conscious influence on the management objectives of small agribusinesses to avoid these costs, requires more detailed investigation and industry consultation.

The outcomes of this study will provide managers and industry with more information on the real financial impacts of the regulatory conditions under which they operate and the relative influence of the regulatory environment on the size of the firm. Regulatory authorities will also be provided with information on, and alternatives to, current regulations which appear to unnecessarily impede structural adjustment and growth.

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