



Australian Government

Department of Finance and Deregulation
Office of Best Practice Regulation

Business Cost Calculator Online help

March 2009



Table of contents

About this document.....	6
HELP STARTS HERE.....	7
About help	7
About the Business Cost Calculator.....	7
The benefits	7
Who can use it?	8
How can I use it?	8
About access.....	8
Using the Business Cost Calculator.....	8
A step-by-step.....	8
About cost categories	9
About cost constraints	10
Setting up constraints You would need to set up your constraints based on the following assumptions:	11
Constraint combinations X 4	11
Choosing the right size of business This choice is made at the proposal level.	11
Compliance cost reports.....	12
Navigation tabs.....	12
Home	12
Calculate costs	13
See reports	13
Start a new file	13
Open an existing file	13
Right file format	13
Converting old BCC files	13
Save the file.....	14
Saving from an existing file	14
Problems opening a file.....	15
Export a report	15
What's the format?	15
What can I do with it?	15
Save a file	15
Name your file	15
Where to put it	16
Print.....	16
Close the Business Cost Calculator	16
Screen tools.....	16
Show & hide link.....	17
Show all help link.....	17
Save to your computer button	17
Cancel button	17
Add this ... button.....	18
Delete button	18
Copy link.....	18
Show costings for years	18
Action links	19
Checkboxes.....	19
Radio buttons	19
Print icon.....	20
Messages	20
Warnings	20

Major actions	20
Delete an option, task or activity costing	21
Copy an option, task or activity costing	21
Show costings for years	21
Reorder options, tasks or activity costings	22
See details of options, tasks or activity costings	22
Show / hide tasks	23
Show / hide activities	23
Home screen [how to use the Business Cost Calculator]	24
Start a new file	24
Open an existing file	24
Home screen [guidance notes].....	24
When do I need to use the Business Cost Calculator?	24
What are compliance costs?	25
Calculate costs screen [how to use the Business Cost Calculator]	25
Add an overview	25
Set up compliance cost constraints	25
Calculate costs	26
Calculate costs screen [guidance notes].....	26
Add an overview form [how to use the Business Cost Calculator].....	27
About this form.....	27
What to include	27
Department / Agency.....	27
Proposal name	27
Problem being addressed	28
What regulation is already in place?	28
What are the objectives?	28
Why is government action needed?	28
Feedback / comments from consultation	28
Reference number.....	28
What next?.....	28
Set up compliance cost constraints.....	29
Calculate costs	29
Add an overview form [guidance notes]	29
What to include	29
Problem being addressed	29
What are the objectives?	29
Why is government action needed?	30
Feedback/comments from consultation	30
Set up compliance costs form [how to use the Business Cost Calculator]	30
Set up compliance costs form [guidance notes].....	30
Constraint combinations X 4	31
Choosing by size of business.....	31
Calculate costs – no options	32
About this section	32
Create an option	32
Calculate costs – 1 option	32
About this section	32
Create a task	33
See an option.....	33
Delete an option.....	33
Copy an option.....	33
Calculate costs – options added	33
About this section	33
Create a task	33
See an option.....	33
Reorder an option	33
Delete an option.....	34
Copy an option.....	34

Calculate costs – tasks added.....	34
About this section	34
Create an activity costing	34
See an option or a task.....	34
Reorder an option	34
Reorder a task	34
Delete an option or task.....	35
Copy an option or task.....	35
Show / hide tasks.....	35
Calculate costs – activities added	35
About this section	35
See an option, task or activity costing	36
Reorder an option	36
Reorder a task	36
Reorder an activity costing	36
Delete an option, task or activity costing	36
Copy an option, task or activity costing	37
Show costings for years.....	37
Show / hide tasks.....	37
Show / hide activities in list.....	37
Form 1 - create an option [how to use the Business Cost Calculator]	38
About this form	38
What to include.....	38
What next?	39
Any problems?.....	39
Form 1 - create an option [guidance notes].....	39
What to include.....	39
Form 2 - create a task [how to use the Business Cost Calculator]	40
About this form	40
What to include.....	40
What next?	40
Any problems?.....	40
Form 2 - create a task [guidance notes].....	40
What to include.....	40
Form 3 - create activity costing [how to use the Business Cost Calculator].....	41
About this form	41
What to include.....	41
What next?	43
Any problems?.....	44
Form 3 - create activity costing [guidance notes]	44
What to include.....	44
See cost summary	46
See calculation formula	47
Wage calculator [how to use the Business Cost Calculator].....	47
What to include.....	47
What next?	48
Wage calculator [guidance notes]	48
What to include.....	48
See report(s).....	48
About this section	48
Report type	48
Business Cost Calculator report	49
Options	49
Explanatory information.....	49
Report info	50

Business Cost Calculator present value report	50
Discounted rate	50
Timeframe (in years)	50
Options	51
Explanatory information.....	51
Report info	51
Detailed report	51
Options	51
Explanatory information.....	51
Report info	51
Cost category report	52
Options	52
Explanatory information.....	52
Report info	52
Supporting evidence report	52
Options	52
Explanatory information.....	53
Report info	53
Frequently asked questions	54
What is the Business Cost Calculator?	54
What are compliance costs?	54
When do I need to use the Business Cost Calculator?	54
What is a Regulation Impact Statement (RIS)?.....	54
Where do I get information on compliance costs?	55
What supporting evidence should I use?.....	55
What if I'm not sure about certain information?	55
Glossary	55
Regulatory impact analysis.....	55
Regulation Impact Statement (RIS).....	55
Compliance costs	56
Helpful websites	56
Tutorial.....	57
Background & prep	57
Options	57
Summary of the information	58
Get started	58
Enter the Calculate costs tab.....	59
Proposal info - overview	59
Start building your proposal.....	59
Step 1: Create an option	59
Step 2: Create your tasks	60
Step 3: Cost activities	60
Keep going	62
See a report	62
Your feedback	63
What's a regulation?.....	67
Compliance costs	67
What's a Business Cost Calculator report?.....	67
What's a Regulation Impact Statement (RIS)?	67

About this document

This document contains the help text for the Office of Best Practice Regulation's (OBPR) Business Cost Calculator application. The help text will also sit inside the online Help section of the Business Cost Calculator.

The help text includes info on how to use the Business Cost Calculator from a technical perspective – how to fill in the form fields, choose radio buttons and so on, and how to use the Business Cost Calculator from a business perspective – applying the right guidance notes when recording the relevant info.

HELP STARTS HERE

About help

Help gives instructions on the section you're using. So, if you're in the Calculate costs tab, you'll see the help relating to this section.

Looking for more information?

- Try searching using two or more key search terms. Check your spelling.
- Browse through the list of help items on the left. Help is organised in two ways: 1. an overview of how the application works and what it's for, 2. a screen by screen account of the help system.
- If there's a support number or email at the top of this screen, contact someone who can help.

Handy links

[Using the Business Cost Calculator](#)

[What is the Business Cost Calculator?](#)

About the Business Cost Calculator

The BCC has been developed by the Australian Government so you can calculate the compliance costs of regulatory proposals.

You can use the Business Cost Calculator to estimate the cost impact a regulation or policy might have on the business community.

With the Business Cost Calculator, you would need to:

- > identify an issue in the business community - a problem that needs a solution
- > suggest a range of solutions that could solve the problem you've identified
- > calculate the costs of each solution.

It's your **business compliance costing tool**.



Important! The BCC is designed to provide an estimate of the size of the compliance costs. It is not intended to provide exact business costs, and while this may be possible, the costs will always be impacted by the assumptions you make when creating your solutions.

The benefits

The Business Cost Calculator:

- > gives you an easy-to-use costing template - you won't have to start from scratch to create your proposal and cost various solutions.
- > helps you logically think through the likely impact of a regulation or policy.
- > lets you get various reports you can use to analyse various costs.

Handy links

[Compliance costs explained](#)

[Using the Business Cost Calculator](#)

Who can use it?

The Business Cost Calculator has been designed for anyone who wants to calculate the costs of current or proposed policies or regulations. This includes:

- > policy makers in an organisation / government department
- > businesses
- > individuals
- > international organisations
- > state, local and other governments.

Its target customers are policy-making organisations who create content used in such things as Regulation Impact Statements (RIS) or Cabinet Submissions.

How can I use it?

The BCC has been developed by the Australian Government so you can calculate the compliance costs of regulatory proposals.

The compliance cost you estimated using the Business Cost Calculator can be used in a number of ways, including:

- as part of a Regulation Impact Statement (RIS) or Cabinet Submissions - some of the info matches sections in an RIS (for example, the Cost Impact Analysis)
- as part of a cost-benefit analyses, helping you identify estimated compliance costs
- in a Statement of Small Business Impact
- to compare one cost to another and show how a new cost might reduce the financial impact on business
- to compare costs on small, medium and large businesses.

About access

We've designed the Business Cost Calculator to be accessible to as many people as possible.

The guidelines below will help make your experience the best it can be.

The Business Cost Calculator:

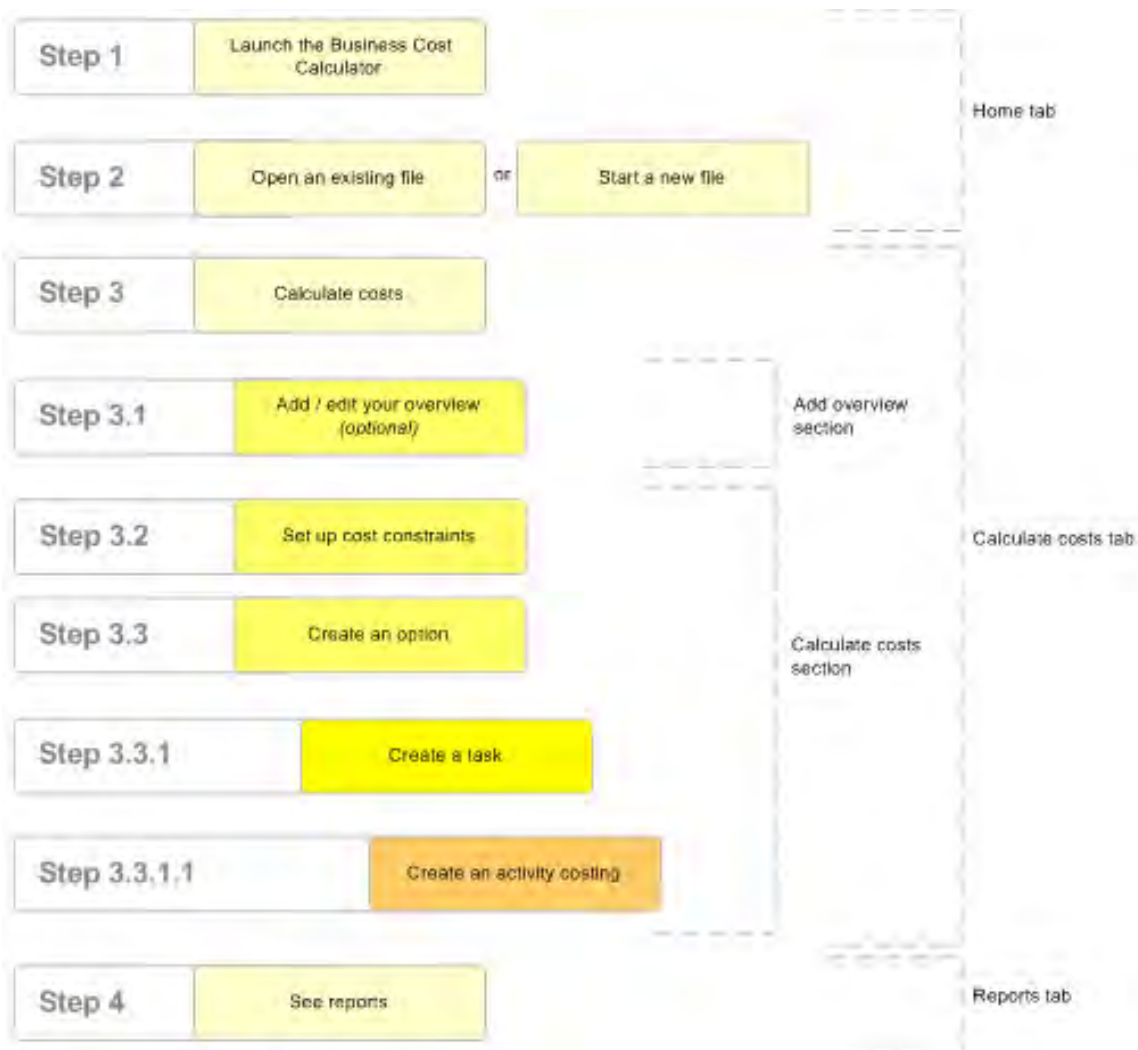
- > is best viewed at a resolution of 1024 x 768 or higher and can be viewed using a screen resolution of 800 x 600.
- > can be used in:
 - > IE 6 and 7 (on PC)
 - > Firefox version 2 (on PC)
 - > Safari 2 and 3 (Mac).

We recommend you have JavaScript turned on, but it's not essential.

Using the Business Cost Calculator

A step-by-step

Here, you can see the steps to using the Business Cost Calculator, from launching a file right through to getting a report on your costings.



About cost categories

A summary of compliance cost categories.

When using the Business Cost Calculator, identify the compliance tasks and associated activities businesses need to do to comply with a regulation. There are 9 cost categories. One, some or all of these might relate to the activities you create. The cost categories are the costs businesses face for a certain activity under a task to be completed.

Compliance cost categories	Examples
Notification: businesses face costs when they have to report certain events to a regulatory authority, either before or after the event has taken place.	A business needs to notify a public authority before they are permitted to sell food.
Education: businesses face costs when keeping up to date with regulatory requirements.	A business needs to get the details of new legislation and communicate the new requirements to staff.
Permission: businesses face costs when applying for and maintaining permission to conduct an activity.	A business needs to do a police check before employing staff legally.
Purchasing: businesses face costs when having to purchase a service (advice) or a product (materials or equipment) to comply with a regulation.	A business needs to get legal advice (service) or have a fire extinguisher onsite (product).
Record keeping: businesses face costs to keep statutory documents up to date.	A business needs to keep records of accidents that happen at their workplace.
Enforcement: businesses face costs when cooperating with audits, inspections and regulatory enforcement activities.	A business needs to supervise a government inspector when the inspector checks whether a business meets non-smoking laws.
Publication & documentation: businesses face costs when having to produce documents for third parties.	A business needs to display warning signs around dangerous equipment, or a sign at the entrance to home-based business premises.
Procedural: businesses face non-administrative costs imposed by some regulations.	A business needs to conduct a fire safety drill several times a year.
Other: any other compliance cost faced by business that doesn't fit into one of the above categories.	

With the exception of 'purchase cost', the cost categories are labour activity-based costs. They are also internal business costs. The costs could either be start-up or ongoing costs. The costs are then further broken down into internal or outsourced costs.

'Purchase cost' includes only outsourced costs and is related to the purchase of a service or a product.

'Other' is any other labour activity-based costing.

Handy links

[Tutorial](#)

About cost constraints

Before using the BCC to calculate compliance costs, you would first need to set up the compliance cost constraints at the proposal level. The compliance cost constraints are the basis or assumptions of calculating the compliance costs of your proposal.

Setting up constraints

You would need to set up your constraints based on the following assumptions:

- Whether your ongoing costs per year are constant (never change) or variable (change per year).
- Whether you're costing by size of the businesses affected or not. There are 3 choices - small, medium and/or large

Constraint combinations X 4

There are four possible combinations for the constraints on offer:

1. constant ongoing cost + not by size of business
2. constant ongoing cost + by size of business
3. variable ongoing cost + not by size of business
4. variable ongoing cost + by size of business

You choose 1 of the 4 possible combinations before you start to calculate your compliance costs.

Note: Compliance costs for most regulatory proposals are constant per year, but some proposals would have variable ongoing costs per year.

Choosing the right size of business

This choice is made at the proposal level.

Business by size according to the Australian Bureau of Statistics is defined as:

- **Small business:** if employing less than 20 workers.
- **Medium business:** if employing 20 or more workers, less than 200 workers.
- **Large business:** if employing 200 or more workers.

Note: Some compliance costs depend on the size of the business. For example, the 'licence fee' may change depending on whether the business is small, medium or large.

However you should note that the total number of small, medium or large businesses affected by a particular activity must be less than or equal to the corresponding total number of businesses affected at the option level.

Calculating the total number of businesses affected at the option level

If you've chosen to cost your proposal by size of business, then each option total will be the sum of costs faced by small and / or medium and / or large businesses affected by the option you've created.

The total number of businesses affected at the activity level

The total number of small, medium and/or large businesses affected at the activity level under an option must always be smaller or equal to the number of corresponding size of businesses at the option level.

Information from:

- (8141.0 - Small and Medium Enterprises, Business Growth and Performance Survey, Australia, 1997-98, ABS).
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8141.0Main+Features11997-98?OpenDocument>
- Recent data on counts of businesses are reported in ABS report (8165.0 - Counts of Australian Businesses, including Entries and Exits, Jun 2003 to Jun 2007)
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8165.0Main%20Features2Jun%202003%20to%20Jun%202007?opendocument&tabname=Summary&prodno=8165.0&issue=Jun%202003%20to%20Jun%202007&num=&view=>



Important! The constraints you choose will affect how you calculate your compliance costs. You cannot change the constraints at either the option or activity costing level. Instead, you need to return to the actual section containing this information and make your changes.

Compliance cost reports

The choices you make will not only affect how you calculate your compliance costs, they will also affect what reports you can see.

The options and their related reports are as follows:

1. **constant ongoing cost + not by size of business**
 - Business Cost Calculator report
 - Business Cost Calculator present value report
 - Business Cost Calculator detailed report
 - Business Cost Calculator cost category report
 - Business Cost Calculator supporting evidence report
2. **constant ongoing cost + by size of business**
 - Business Cost Calculator report
 - Business Cost Calculator report by size of business
 - Business Cost Calculator present value report
 - Business Cost Calculator present value report by size of business
 - Business Cost Calculator detailed report
 - Business Cost Calculator cost category report
 - Business Cost Calculator supporting evidence report
3. **variable ongoing cost + not by size of business**
 - Business Cost Calculator report (variable ongoing cost)
 - Business Cost Calculator present value report
4. **variable ongoing cost + by size of business**
 - Business Cost Calculator report (variable ongoing cost)
 - Business Cost Calculator report (variable ongoing cost by size of business)
 - Business Cost Calculator present value report
 - Business Cost Calculator present value report by size of business

Navigation tabs

Home

This is the first page you see when you launch the Business Cost Calculator.

Here, you can:

-
- start a new costing
 - open an existing costing
 - give your feedback on the Business Cost Calculator.

Calculate costs

This is where it all happens - where you create your policy and, most importantly, calculate the costs involved.

Here, you can:

- add your policy overview
- set up cost constraints
- create options, tasks and activity costings
- calculate the costs of each option you're creating.

See reports

This is where you get the reports based on the info you added in Calculate costs.

Here, you can:

- see various reports - summary reports or highly detailed reports
- export reports and open them in Excel to make minor edits.

Start a new file

To start a new Business Cost Calculator file:

1. Go to the Business Cost Calculator homepage.
2. Click the Start new BCC costing file button.

Now, start creating your proposal and build your costs.

Open an existing file

To open a Business Cost Calculator file that already exists:

1. Go to the Business Cost Calculator homepage.
2. Click the Browse button.
3. In the Open pop-up that appears, find the file (it should have a .bcc extension)
4. Click the Open button.
5. Click the Open existing BCC costing file button.



Important! To open a Business Cost Calculator file, it must have a **.bcc** extension.

Right file format

Files you open in the Business Cost Calculator must have a .bcc extension. File with any other kind of extension (for example, .doc or .xls won't open).

Converting old BCC files

You can import an old BCC data file to the new Business Cost Calculator application.

What gets imported?

- **Old and new fields:** As much data as possible will be imported; however, some will be lost. Any fields from the old format that are not included in the new format will be ignored. Any fields in the new format that are not included in the old format will remain empty.

-
- **Different cost categories:** Your old BCC file may use a cost category and cost type combination that's not represented in the new format. For example, the old file might say 'Publication & documentation' is a 'Product (Outsourced)' cost. However, in the new format, 'Publication & documentation' is a 'Labour (internal)' cost.

If the combinations conflict, then the activities in the old file will be ignored.

A quick fix!

If there's a conflict with an outsourced cost, simply change the cost category to 'purchase cost'. If 'purchase cost' doesn't exist, ignore this.

Note: 'Product' will need 'outsourced' + 'purchase cost' mapped to it, while 'Service' will need all the other cost categories (8 in total) + 'outsourced' mapped to it.

Save the file

To save the file you're working on, click the Save to you computer button. You will find this at the top right of the screen.

When you click this, you'll see the Save dialogue box. Click the Save button in the dialogue box to save the info you've created in the file.

Having problems saving your file?

Are you using Firefox as your browser? If so, you might have a problem saving your file to where you want (that is, it might save automatically to your desktop).

To fix this:

1. Go into Tools > Options.
2. Click the 'Main' tab.
3. Click the 'Always ask me where to save files' radio button.
4. Click the OK button.



Important! Are you making changes to an existing file? It's best you don't save over the top of the original file - you'll lose info previously added. Instead, save a new version of the file. To do this, before you click the Save button in the dialogue box, go to 'File name' and change the name of the file (everything before .bcc).



Handy hint! If there's a date on the file name, you might need to only change this to the date you're working on the file. For example, if it's the suchandsuchfile_20080523.bcc, change the date part of the file only (the date: 20080523).

Saving from an existing file

It's best you don't save over the top of the original file. In other words, you should save a new version.

When you click the Save to your computer button, you'll see the Save dialogue box. Before you click the Save button in the dialogue box, go to 'File name' and change the name of the file (everything before .bcc).

Having problems saving your file?

Are you using Firefox as your browser? If so, you might have a problem saving your file to where you want (that is, it might save automatically to your desktop).

To fix this:

1. Go into Tools > Options.
2. Click the 'Main' tab.
3. Click the 'Always ask me where to save files' radio button.
4. Click the OK button.



Handy hint! If there's a date on the file name, you might need to only change this to the date you're working on the file. For example, if it's the suchandsuchfile_20080523.bcc, change the date part of the file only (the date: 20080523).

Problems opening a file

Did you see an error message when trying to open an existing file?

There are 2 reasons why your file didn't open.

1. You're trying to open a file that doesn't have a .bcc extension. Files with any other type of extension apart from .bcc, for example, .doc, .xls and .pdf won't open. They're not the right files.
2. The file you're trying to open has corrupted. If you're not sure, get help - call or email the person at the top of the screen.

Export a report

Export the info you've created in Calculate costs in the See reports tab.

To export a report:

1. Go to the See reports tab and choose your report.
2. Click the Show report button.
3. Click the Export to Excel button.
4. Save the report in a folder on your computer or on your network.

What's the format?

The file will be exported as an .xls. This means, you can open it up in Microsoft Excel.

What can I do with it?

You can make minor changes to the content. This means you can apply simple Excel formatting.

You can print out the info and use it as part of a Cabinet Submission or as part of a Regulation Impact Statement (RIS).

Save a file

You need to save your proposal regularly when using the Business Cost Calculator. You do this by clicking the Save to your computer button.

This will always bring up the save pop-up, where you find a place to store your file and name it.

Name your file

Always choose a clear and easy to understand file name. This makes it easy to identify later.

It's best to add the date you created the file to the file name. It's also good practice to add a version number.

A good file name might be: Proposal1_20080528v1.

The name tells you what it is, the date tells you when you created it, and the version tells you how many times it's been changed.

Note: This is a guideline only. Your department / agency will have its own file name convention for you to follow.

Where to put it

Your department / agency will have guidelines on where to save your files.

Having problems saving your file?

Are you using Firefox as your browser? If so, you might have a problem saving your file to where you want (that is, it might save automatically to your desktop).

To fix this:

1. Go into Tools > Options.
2. Click the 'Main' tab.
3. Click the 'Always ask me where to save files' radio button.
4. Click the OK button.

Print

To print a Business Cost Calculator screen:

1. Go to the screen you want to print.
2. Click the Printer icon in the top right of the screen.
3. Choose your printer and its options.
4. Click the Print button.

You will see a print-friendly version of the screen.

Close the Business Cost Calculator

To close the Business Cost Calculator:

1. If using tabs in your browser, go to the Business Cost Calculator tab and click the X in the right-hand corner of the tab.
2. Or, close the entire browser application by clicking the X in the very top right-hand corner of the screen.

Note: There is no close button in the application and no need to logout.

Screen tools

The Business Cost Calculator has a range of tools to make it really easy to use.

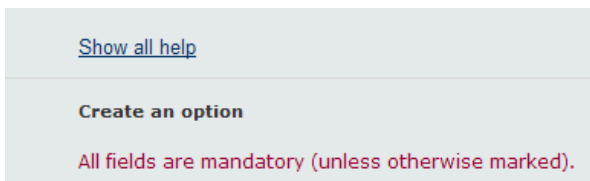
Show & hide link



This lets you expand a section to see it and hide it when you're done. The main ones are next to the Overview and Calculate costs sections in the Calculate costs tab.

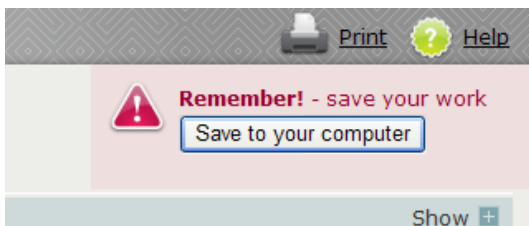
But they're all over the place. When you see one, try it. You'll see more info that might help you.

Show all help link



This acts in the same way as the basic Show & hide link. But clicking on this will reveal hidden help info on the screen ... just in case you need more info on a form.

Save to your computer button

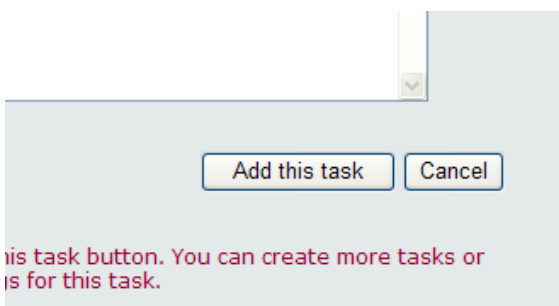


This is the MOST IMPORTANT button in the Business Cost Calculator. It lets you save the work you've done. It also updates a page, so you see the changes you've made.

You need to click this button many times - like when you're working in Word and don't want to lose work you've done.

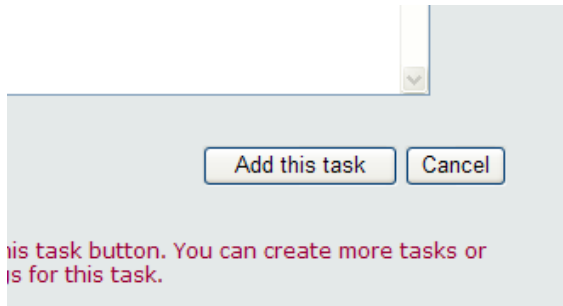
If you don't, you'll lose stuff.

Cancel button



This takes you out of the form you're in. If you click this, none of the work you've done will be saved.

Add this ... button



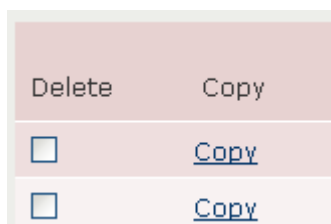
A number of forms have an Add this ... button, for example, Add this option. Click this to add the info you're creating to your policy. You'll see when you start calculating costs.

Delete button



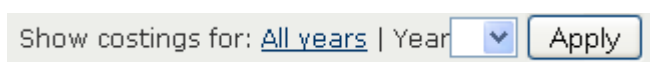
This deletes stuff you've created. For example, you can delete an option you've created in Calculate costs.

Copy link



This copies an option, task or activity costing you've already created. You can choose where you want the copy to appear in your proposal, including keeping it in the same area as the original.

Show costings for years

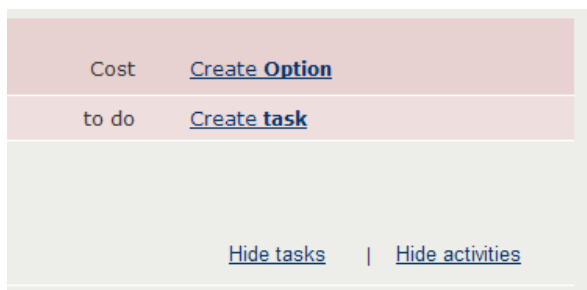


If you're costing for several years, not just 1, you can choose to see the costings for a specific year. You can also make the option only show the total costings of the specific year you've chosen.

For example, you have an option containing costings for the 1st, 2nd and 3rd years. There are (3) 1st year costings, (1) 2nd year costing and (2) 3rd year costings. You choose to see only the 1st year costings. The Business Cost Calculator will add up all the 1st year costings for the option and provide a total of 1st year costings at the option level.

Note: This is only available if you chose 'variable' (costs change from year to year) when setting up your constraints.

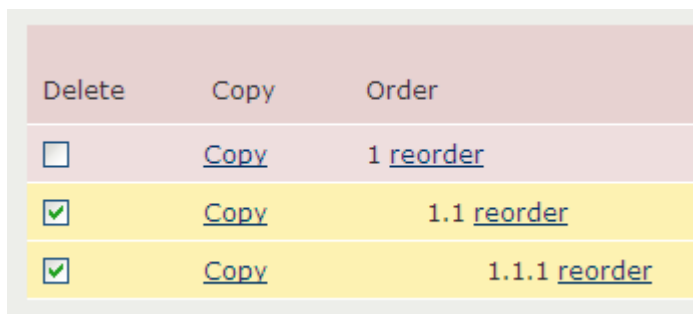
Action links



The screenshot shows a user interface with two rows of action links. The first row has the label 'Cost' and a link 'Create Option'. The second row has the label 'to do' and a link 'Create task'. Below these rows are two more links: 'Hide tasks' and 'Hide activities'.

Action links are like buttons, but look more like links. Click these to perform the action. For example, Create / choose wage.

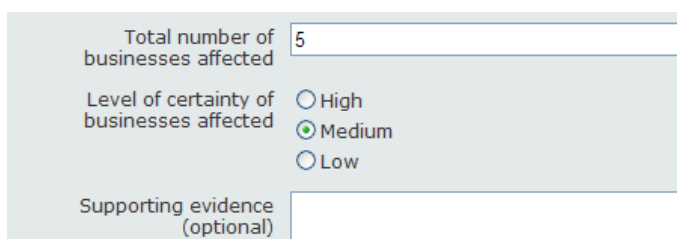
Checkboxes



The screenshot shows a table with three columns: 'Delete', 'Copy', and 'Order'. The first row has an unchecked checkbox, a 'Copy' link, and '1 reorder' link. The second row has a checked checkbox, a 'Copy' link, and '1.1 reorder' link. The third row has a checked checkbox, a 'Copy' link, and '1.1.1 reorder' link.

Checkboxes let you choose more than one option. You simply click on them to make your choice. A tick will appear to show you've chosen an item.

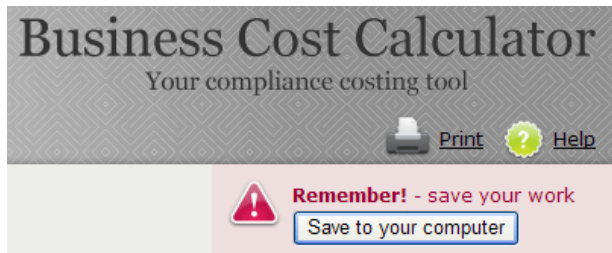
Radio buttons



The screenshot shows a form with three sections. The first section is 'Total number of businesses affected' with a text input field containing the number '5'. The second section is 'Level of certainty of businesses affected' with three radio buttons: 'High', 'Medium' (which is selected), and 'Low'. The third section is 'Supporting evidence (optional)' with a text input field.

Radio buttons let you choose only one option. You simply click on them to make your choice.

Print icon



You can print the page you're working on.

To do this, hit the print icon in the top right, choose your printer and print. It's that easy.

Messages

A screenshot of a form with two input fields. The first field is labeled "Task name" and has a red error message below it: "You must enter a task name." The second field is labeled "Task description" and has a red error message below it: "You must enter a task description." The error messages are in red text.

When using the Business Cost Calculator, a number of messages will appear onscreen. Read these, they're important.

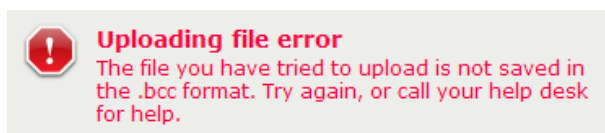


Some will be error messages. These will appear next to an error icon.



Some will be reminder messages. These will appear next to an alert icon.

Warnings



Sometimes, you'll see a warning message about a problem. This could happen if you try to open the wrong file or try to close something without saving it.

The messages will appear in the top left corner of the screen.


Major actions

The actions contained below have to do with options, tasks and activity costings.

Delete an option, task or activity costing

Delete	Copy	Order
<input type="checkbox"/>	Copy	1 reorder
<input checked="" type="checkbox"/>	Copy	1.1 reorder
<input checked="" type="checkbox"/>	Copy	1.1.1 reorder

To delete an option, task or activity costing, click on one or a number of checkboxes on the left of your list of item - whatever you want to delete. Click the Delete item(s) button.

 **Important!** If you choose to delete an option, then all related tasks and activities will be deleted. If you choose to delete a task, then all related activities will be deleted.

Copy an option, task or activity costing

Delete	Copy
<input type="checkbox"/>	Copy
<input type="checkbox"/>	Copy

To copy an option, task or activity costing, click on the 'Copy' link next to the item. Find where you want to move the item (if a task, find the option, if an activity costing, find the task).

Don't want to move it? Click the 'Copy, but don't move' checkbox. Click the Apply button.

Show costings for years

Show costings for: [All years](#) | Year

To see costings for a specific year, choose the year from the Year drop-down. Then click Apply.

To see all costings, click the All years link.

Note: This is only available if you chose 'variable' (costs change from year to year) when setting up your constraints.

Reorder options, tasks or activity costings

Delete	Copy	Order
<input type="checkbox"/>	Copy	1 reorder
<input type="checkbox"/>	Copy	1. <input type="text" value="1"/> <input type="button" value="Apply"/>
<input type="checkbox"/>	Copy	1.1.1 reorder

So you want to move around certain items in the list?


First, click the 'Reorder' link next to the item number.

Next, change the number in the box that appears. For example, change it to 1.

Then, hit the Go link.

Option 2 will now be Option 1 and Option 1 will now be Option 2.

You can do this for all your options, tasks and activity costings.

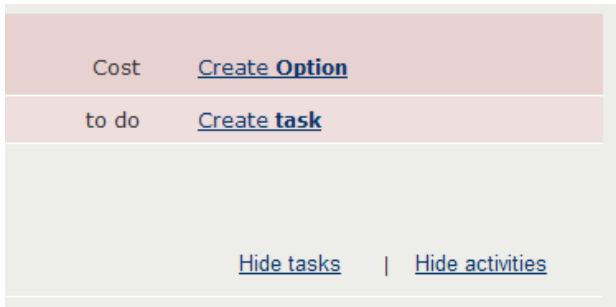
 **Important!** You cannot move tasks from one option to another. You cannot move activities from one task to another.

See details of options, tasks or activity costings

Delete	Copy	Order	
<input type="checkbox"/>	Copy	1 reorder	▼ Regulation
<input type="checkbox"/>	Copy	1.1 reorder	▼ Develop Safety Plan
<input type="checkbox"/>	Copy	1.1.1 reorder	► Establishing <small>Your activity has been updated.</small>

To see the details of any of the options, tasks or activities you've created, click on their name. This will open the right form. You can then change any of the info you've entered and save the changes (by adding the item). (This will save the changes made, not add the same item again.)

Show / hide tasks

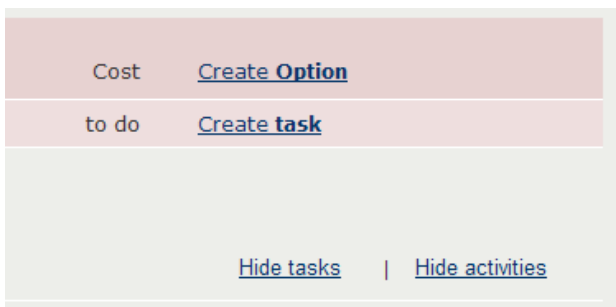


Hide tasks (and just see options), by clicking the 'Hide task' link at the bottom right of the list. To see them again, click the 'Show tasks' link.



Handy hint! If you have both tasks and activities showing, you can hide them both by clicking the Hide tasks link.

Show / hide activities



Hide activities (and just see options and tasks), by clicking the 'Hide activities' link at the bottom right of the list. To see them again, click the 'Show activities' link.

Home screen [[how to use the Business Cost Calculator](#)]

On the Home screen, you can:

- start a new Business Cost Calculator costing file
- open an existing Business Cost Calculator costing file.
- edit the Business Cost Calculator file that you currently working on.

After you've done either of these options, you'll see the Calculate costs screen. Here's where you build your proposal and calculate all the costs of your proposal.

Note: Some help screens, such as the Home screen, have a link to 'Guidance notes' at the top of the help screen. These notes provide you with background information describing the reasons behind the calculation of compliance costs.

Start a new file

To start a new Business Cost Calculator file:

1. Go to the Business Cost Calculator homepage.
2. Click the Start new BCC costing file button.

Now, start creating your proposal and build your costs.

Open an existing file

To open a Business Cost Calculator file that already exists:

1. Go to the Business Cost Calculator homepage.
2. Click the Browse button.
3. In the Open pop-up that appears, find the file (it should have a .bcc extension)
4. Click the Open button.
5. Click the Open existing BCC costing file button.



Important! To open a Business Cost Calculator file, it must have a **.bcc** extension.

Handy links

[Right file format](#)

[Save the file](#)

[Saving from an existing file](#)

[Problems opening a file](#)

[Calculate costs](#)

[Converting old BCC files](#)

Home screen [[guidance notes](#)]

When do I need to use the Business Cost Calculator?

You need to use the Business Cost Calculator when a regulatory proposal may result in medium-level compliance costs.

This is a 'must do' under the Australian Government's best practice regulation requirements.

You don't have to use the Business Cost Calculator. You could use some other method / tool that the Office of Best Practice has approved.

For proposals that might have a significant impact on business, individuals and / or the economy (whether in compliance costs or other impacts), you must undertake a more detailed analysis and record it in a Regulation Impact Statement (RIS). If the impacts include medium or significant compliance costs, you need to include the compliance cost estimates in the RIS.

If you're using the Business Cost Calculator to prepare an RIS or you need help with the Business Cost Calculator, contact the OBPR at bcc@obpr.gov.au.

What are compliance costs?

Compliance costs are the direct additional costs businesses face to meet government regulations. They include administrative and other compliance costs, for example equipment purchases and the development of new information technology and reporting systems.

Calculate costs screen [how to use the Business Cost Calculator]

Essential, before you start, find out [about cost categories](#). They're a part of calculating your costs.

On the Calculate costs screen, you can:

- add the overview of your proposal - a summary of the issues and how they can be resolved
- set up your cost constraints, that is, whether you're costing for business size and so on
- create various options for your proposal and add related tasks to each option
- cost your options - showing how much each option will likely cost and the effects each option may have on businesses.

Handy links

[About cost constraints](#)

Add an overview

To open the Overview section:

1. Click the 'Add overview' link (with the arrow next to it) or the Show link.
2. Start filling out the fields.

If you've already added an overview, then you'll only see the Show link.




Handy hint! If you just want to calculate costs, you don't have to add an overview. Just start creating your options, tasks and activity costings.

Set up compliance cost constraints

To open the cost constraints section:

1. Click the 'Set up compliance cost constraints' link (with the arrow next to it).

-
2. Choose your options from the fields:
 - whether your costs will or won't change from year to year
 - the number of years you're costing
 - whether you're costing by business size - costing by small, medium or large business or costing by all businesses (size is not an issue).
 3. Click the Save constraints button.

 **Important!** What you choose here will affect what you see when you start to calculate your costs.

Handy links

[About cost constraints](#)

Calculate costs

Essential, before you start, find out [about cost categories](#). They're a part of calculating your costs.

To open the Calculate costs section:

1. Click the 'Create options, tasks & activity costings' link (with the arrow next to it) or the Show link.
2. To start, click the 'Create option' link.
3. You'll see info called 'Using the Business Cost Calculator'. This takes you through the cost categories. You need to consider these before you start calculating costs. Why? Because you'll be asked to choose cost categories relevant to your proposal.
4. Click the Calculate costs button to close this window and start calculating.

If you've already added info in the Calculate costs section, then you'll only see the Show link.

Handy links

[Add an overview form](#)

[Calculate costs section](#)

Calculate costs screen [\[guidance notes\]](#)

Your checklist!

Collect this information to calculate your costs successfully.

Proposal info

Do you have:

- existing legislation
- exposure drafts
- election commitments
- ministerials
- discussion papers, research reports, feedback from businesses and so on
- all the paper work a business is required to complete.

Business info

Do you know:

- What is / are the target group/s? For example, location, industry and size.
- The number of businesses in each target group?

-
- The characteristics of businesses in each target group?
 - The size of the businesses you're costing (info from the Australian Bureau of Statistics):
 - **Small business:** if employing less than 20 workers.
 - **Medium business:** if employing 20 or more workers, less than 200 workers.
 - **Large business:** if employing 200 or more workers.

Business task info

Do you have / know:

- For each option, a list of tasks a business will need to perform. The cost categories will help you think about the tasks a business may need to perform. (Tasks can be split into ongoing and start-up.)
- Who will perform each task? That is, a manager, an employee, and / or an outsourced entity.
- The number of businesses affected by activity.
- The number of staff per business performing an activity.
- The number of times the activity is performed per year.
- The average time each staff needs to do the activity (in hours).
- The labour cost (wage + non-wage labour costs) to perform each activity.
- If the business needs to purchase a product (equipment) or service (legal advice), then the amount it will cost.

Add an overview form [\[how to use the Business Cost Calculator\]](#)

About this form

On the Add overview form, you add general info about your proposal - the issues the proposal aims to address, its objectives and why action is needed.

If presenting your proposal, for example for cabinet submission, fill in these fields. It's info people making decisions on your costings need.

You don't have to fill in this form if you're just calculating costs.



Handy hint! There are a number of fields in the overview section you can cut and paste content into from another document.

What to include

Department / Agency

This is your department or agency name. Include your full department / agency name. Do not use abbreviations.

✘ Wrong: DBCDE

✔ Right: Department of Broadband, Communications and the Digital Economy

Proposal name

This is the name you give to your proposal. Make it as clear as possible. This means, if you've created a number of different proposals, you can tell the difference between one and another by the names.

Problem being addressed

This is the problem you want to solve with the proposal you're creating.

You can cut and paste the info from another document, for example, a Microsoft Word document.

Note: When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

What regulation is already in place?

This is any regulation or policy the government has already put in place or has talked about publicly - they've announced an initiative related to the problem you're trying to solve.

What are the objectives?

These are the objectives of your proposal. It must focus on solving the problem you've already provided.

You can cut and paste the info from another document, for example, a Microsoft Word document.

Note: When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Why is government action needed?

Why do you think the government needs to take action to solve the problem? Enter this into the field.

You can cut and paste the info from another document, for example, a Microsoft Word document.

Note: When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Feedback / comments from consultation

This is where you enter info that backs up your proposal. It could be from feedback you've received about the issue, or comments made.

You can cut and paste the info from another document, for example, a Microsoft Word document.

Note: When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Reference number

This is the reference number for the proposal.

What next?

After filling out the Add overview form, click the Add overview button. This will keep the info in the form.

If you want to start again (delete all the info in the form), click the Cancel button.

Set up compliance cost constraints

Now you need to set up your cost constraints. These will dictate how you calculate your costs.

To open the cost constraints section:

1. Click the 'Set up compliance cost constraints' link (with the arrow next to it).
2. Choose your options, then click the Save setting button.

Handy links

[Set up compliance costs form](#)

Calculate costs

To open the Calculate costs section:

1. Click the 'Create options, tasks & activity costings' link (with the arrow next to it) or the Show link.
2. To start, click the 'Create option' link.
3. You'll see info called 'Using the Business Cost Calculator'. This takes you through the cost categories. You need to consider these before you start calculating costs. Why? Because you'll be asked to choose cost categories relevant to your proposal.
4. Click the Calculate costs button to close this window and start calculating.

If you've already added info in the Calculate costs section, then you'll only see the Show link.

Handy links

[Calculate costs section](#)

Add an overview form [\[guidance notes\]](#)

What to include

Only fields where the guidance notes add more background info appear here.

Problem being addressed

Identify the problem that needs the government to consider taking action. Provide info on the nature and size of the problem.

You need to identify the problem in terms of the loss, harm or other adverse affects experienced, or likely to be experienced, by groups within the community if government doesn't take action.

What are the objectives?

Identify the objectives or outcomes of the proposal in relation to the identified problem.

Consider this ...

The objective of a government health regulation might be 'to reduce the number of deaths from smoking cigarettes'. One way to achieve this objective could be to 'ban smoking in certain venues'. This means, the objective you enter would be 'to reduce the number of deaths etc.'. Don't enter the way to achieve the objective.

Make sure your objective doesn't pre-justify a solution you prefer. It needs to be broad enough so all possible solutions can be considered.

However, your objective should not be so broad or vague that there are too many solutions to consider. This is also important to make easier measuring whether the objective has even been met.

Why is government action needed?

Identify why government needs to take action to address the problem.

You should consider the following questions:

1. Can the problem be addressed by market forces, or is there evidence of a market failure? Market failure can arise in a number of ways. For example, there may be a lack of adequate information or impact on third parties (externalities), which are not reflected in market prices and are unlikely to be corrected by market forces.
2. If the problem involves risk to members of the community, is the risk great enough to warrant intervention, or is the level of risk acceptable if weighed against the costs of correcting it?

Feedback/comments from consultation

Enter any feedback from relevant stakeholders on the nature of the problem and the need for government action.

Set up compliance cost constraints form [\[how to use the Business Cost Calculator\]](#)

In the 'Set up compliance cost constraints section', you set the parameters or assumptions of your costings. This means, you decide on whether your ongoing costs will always be the same from year to year or change each year and whether you want to cost by size of business (small, medium, large).

What you choose here affects the rest of your proposal - how you calculate your compliance cost.

To set up your constraints, follow these steps:

1. Click the Set up compliance cost constraints link.
2. Choose whether your costs will stay the same (be constant), or whether they will change from year to year (be variable).
3. If you've chosen 'Variable', then choose the number of years you're costing. If you've chosen 'constant', the number of years you're costing will default to "1".
4. Choose whether you'll be costing by business size (small, medium or large) or not.
5. Click the Save constraints button.

Now, move onto calculating your costs.

Set up compliance cost constraints form [\[guidance notes\]](#)

Before using the BCC to calculate compliance costs, you would first need to set up the compliance cost constraints at the proposal level.

The compliance cost constraints are the basis or assumptions of calculating the compliance costs of your proposal.

You would need to set up your constraints based on the following assumptions:

- Whether your ongoing costs per year are constant (never change) or variable (change per year).
- Whether you're costing by size of the businesses affected or not. There are 3 choices - small, medium and/or large.

Constraint combinations X 4

There are four possible combinations for the constraints on offer:

1. constant ongoing cost + not by size of business
2. constant ongoing cost + by size of business
3. variable ongoing cost + not by size of business
4. variable ongoing cost + by size of business

You choose 1 of the 4 possible combinations before you start to calculate your compliance costs.

Note: Compliance costs for most regulatory proposals are constant per year, but some proposals would have variable ongoing costs per year.

Choosing by size of business

This choice is made at the proposal level.

Business by size according to the Australian Bureau of Statistics is defined as:

- **Small business:** if employing less than 20 workers.
- **Medium business:** if employing 20 or more workers, less than 200 workers.
- **Large business:** if employing 200 or more workers.

Note: Some compliance costs depend on the size of the business. For example, the 'licence fee' may change depending on whether the business is small, medium or large.

Calculating the total number of businesses affected at the option level

If you've chosen to cost your proposal by size of business, then each option total will be the sum of the number of small, medium, large businesses affected by the option you've created.


The total number of businesses affected at the activity level

The total number of small, medium and/or large businesses affected at the activity level under an option must always be smaller or equal to the number of corresponding size of businesses at the option level.

Information from:

- (8141.0 - Small and Medium Enterprises, Business Growth and Performance Survey, Australia, 1997-98, ABS).
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/8141.0Main+Features11997-98?OpenDocument>

-
- Recent data on counts of businesses are reported in ABS report (8165.0 - Counts of Australian Businesses, including Entries and Exits, Jun 2003 to Jun 2007)
<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/8165.0Main%20Feature%20Jun%202003%20to%20Jun%202007?opendocument&tabname=Summary&prodno=8165.0&issue=Jun%202003%20to%20Jun%202007&num=&view=>

 **Important!** The constraints you choose will affect how you calculate your compliance costs. You cannot change the constraints at either the option or activity costing level. Instead, you need to return to the actual section containing this information and make your changes.


Calculate costs – no options

About this section

In the Calculate costs section, you create one or more proposal options, create tasks for your options and then cost your tasks.

To build your list, follow these steps:

1. Create an option
2. Create a task or tasks for the option
3. Calculate costs for each task you've created.

 **Handy hint!** You can create all your options first, then go back and create all your tasks and activity costings.

You can also create all your options and stop. You might do this if you want to create your options first for someone to review before you go ahead and do the rest.

 **Important!** You can't create a task without creating an option first.

Handy links
[About cost categories](#)

Create an option


To start creating an option, click the 'Create option' link on the right of the screen.

Handy links
[Create an option form](#)

Calculate costs – 1 option

About this section

You've added one option. Create a task or tasks for this option.

 **Handy hint!** You can create all your tasks for the option and stop. You might do this if you want to create your tasks first for someone to review before you go ahead and do the rest.

Create a task

To start creating a task, click the 'Create task' link on the right of the screen.

Handy links

[Create a task form](#)

See an option

To see info in an existing option, click on the option name in the table.

Handy links

[Create an option form](#)

Delete an option

To delete an option, click the checkbox in the Delete column on the left-hand side of the table and click the Delete button.

Copy an option

To copy an option, click on the 'Copy' link next to the option.

Your copy will appear just underneath your original option, with the word 'Copy' in front of the title.

Calculate costs – options added

About this section

You've added options. Create a task or tasks for each option.



Handy hint! You can create all your tasks and stop. You might do this if you want to create your tasks first for someone to review before you go ahead and create activity costings.

Create a task

To start creating a task for an option, click the 'Create task' link next to the relevant option on the right of the screen.

Handy links

[Create a task form](#)

See an option

To see info in an existing option, click on the option name in the table.

Handy links

[Create an option form](#)

Reorder an option

To reorder one or more of your options, click on the 'Reorder' link in the row of the option you want to move.

Enter the order number - this will determine where it appears. For example, to move it to the top, enter 1.

Click 'Apply' to make it happen.

Delete an option

To delete an option, click the checkbox in the Delete column on the left-hand side of the table and click the Delete button.

Copy an option

To copy an option, click on the 'Copy' link next to the option.

Your copy will appear just underneath your original option, with the word 'Copy' in front of the title.

Calculate costs – tasks added

About this section

You've added one or more tasks. Create an activity costing or a number of activity costings for each task option.

Create an activity costing

To start creating an activity costing, click the 'Create activity costing' link on the right of the screen.

Handy links

[Create an activity costing form](#)

See an option or a task

To see info in an existing option or task, click on the option or task name in the table.

Handy links

[Create an option form](#)

[Create a task form](#)

Reorder an option

To reorder one or more of your options, click on the 'Reorder' link in the row of the option you want to move.

Enter the order number - this will determine where in the list it will appear. For example, if you want to move it to the top of the list, enter 1.

Click 'Apply' to make it happen.

Reorder a task

To reorder a task, click on the 'Reorder' link in the row of the task you want to move.



Important! You can only move tasks within an option, not to another option.

Enter the order number - this will determine where in the list it will appear. For example, if you want to make it the second task in the list, enter 2. For example, 1.1, will become 1.2.

Click 'Apply' to make it happen.

Delete an option or task

To delete an option and / or task, click the relevant checkbox(es) in the Delete column on the left-hand side of the table and click the Delete item(s) button.



Handy hint! You can delete more than one option and / or task at the same time.



Important! If you delete an option, all the tasks related to the option will also be deleted.

Copy an option or task

(Here you can also move the task without copying)

To copy an option or task, click on the 'Copy' link next to the item you want to copy.

In an option, the copy of your option will appear just underneath your original option, with the word 'Copy' in front of the title.

If you're copying a task, from the pop-up that appears, choose the option you want to copy the task to. Click the Apply button.

The copy of your task will appear where you've moved it to, with the word 'Copy' in front of the title.

If you want to only move the task without copying it, from the pop-up that appears, choose the option you want to move the task to and check the box ("Don't copy, just move"). Click the Apply button.

The moved task will appear where you've moved it to. The task name will remain the same.

Show / hide tasks

Hide tasks (and just see options), by clicking the 'Hide task' link at the bottom right of the list. To see them again, click the 'Show tasks' link.

Calculate costs – activities added

About this section

You've added one or more activity costings.



Important!

- If you've added costs, they'll appear in the Cost column.
- If you haven't added costs, you'll see 'To do' in the Cost column.
- The costs for options and tasks will only appear when you've entered your costs for all the activity costings you've created. Otherwise, they'll appear as 'To do'.

See an option, task or activity costing

To see info in an existing option, task or activity costing, click on the option, task or activity name in the table.

Handy links

[Create an option form](#)

[Create a task form](#)

[Create an activity costing form](#)

Reorder an option

To reorder one or more of your options, click on the 'Reorder' link in the row of the option you want to move.

Enter the order number - this will determine where in the list it will appear. For example, if you want to move it to the top of the list, enter 1.

Click 'Apply' to make it happen.

Reorder a task

To reorder a task, click on the 'Reorder' link in the row of the task you want to move.



Important! You can only move tasks within an option, not to another option.

Enter the order number - this will determine where in the list it will appear. For example, if you want to make it the second task in the list, enter 2. For example, 1.1, will become 1.2.

Click 'Apply' to make it happen.

Reorder an activity costing

To reorder an activity costing, click on the 'Reorder' link in the row of the activity you want to move.



Important! You can only move activities within a task, not to another task.

Enter the order number - this will determine where in the list it will appear. For example, if you want to make it the second activity in the list, enter 2. For example, 1.1.1, will become 1.1.2.

Click 'Apply' to make it happen.

Delete an option, task or activity costing

To delete an option and / or task and / or activity costing, click the relevant checkbox(es) in the Delete column on the left-hand side of the table and click the Delete button.



Handy hint! You can delete more than one option or task at the same time.



Important! If you delete an option, all the tasks related to the option will also be deleted.

Copy an option, task or activity costing

(Here you can also move the task or activity without copying)

To copy an option, task or activity costing, click on the 'Copy' link next to the item you want to copy.

If an option, the copy of your option will appear just underneath your original option, with the word 'Copy' in front of the title.

If you're moving a task, from the pop-up that appears, choose the option you want to move the task to. Click the Apply button.

The copy of your task will appear where you've moved it to, with the word 'Copy' in front of the title.

If you're moving an activity costing, from the pop-up that appears, choose the option you want to move the task to. Click the Apply button.

The copy of your activity costing will appear where you've moved it to, with the word 'Copy' in front of the title.

If you want to only move the activity without copying it, from the pop-up that appears, choose the option you want to move the activity to and check the box ("Don't copy, just move"). Click the Apply button.

The moved activity will appear where you've moved it to. The activity name will remain the same.

Show costings for years

To see costings for a specific year, choose the year from the Year drop-down. Then click Apply.

To see all costings, click the All years link.

Note: This is only available if you chose 'variable' (costs change from year to year) when setting up your constraints.

Show / hide tasks

Hide tasks (and just see options), by clicking the 'Hide task' link at the bottom right of the list. To see them again, click the 'Show tasks' link.



Handy hint! If you have both tasks and activities showing, you can hide them both by clicking the Hide tasks link.

Show / hide activities in list

Hide activities (and just see options and tasks), by clicking the 'Hide activities' link at the bottom right of the list. To see them again, click the 'Show activities' link.

Form 1 - create an option [how to use the Business Cost Calculator]

About this form

Here, you name your option and add related info, such as the total number of businesses affected by the option.



Important! You need to create an option before you can create tasks or activity costings.



Handy hint! You can create all your options first and then go back and create tasks and activity costings.

What to include

You don't have to fill in the Supporting evidence field. All other fields must be filled in.

Option name

This is a short description of the option - the title of the option. Make it as clear and descriptive as possible, but keep it short (no more than 8 words).

The name helps you tell the difference between one option and another.

Option description

This is the long description of the option. It must cover more info than the short description.

You can cut and paste the info from another document, for example, a Microsoft Word document.



Important! When pasting text into the Business Cost Calculator, you'll lose any formatting, such as bold or bullet points.

Total number of businesses affected

This is the actual number of businesses affected by the option. You can round the number up or down or provide exact numbers.

If you chose to calculate costs by size of business, you'll see checkboxes for small, medium and large businesses. Click the relevant checkbox(es) (for example, click the 'Small' checkbox if you're calculating costs for small businesses), then enter the total number of those businesses affected.

Level of certainty of the number of businesses affected

Choose the radio button showing how certain you are that the info you've entered is correct. How accurate is the number of businesses you think will be affected?


Supporting evidence

This is any evidence that supports the info you've entered into the form. This includes info you entered in the description field or the total number of businesses affected by the option.

You don't have to fill in this field, but it will help you make your case.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

 **Important!** When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

What next?

When you've filled in the form, click the Add this option button. You'll see the option appear in the list.

Click the Cancel button to exit the form. This will not save anything you've entered.

Any problems?

Error messages

You might see an error message if you don't fill in a mandatory field.

You can't add the option until you follow the message that appears.

Form 1 - create an option [guidance notes]

What to include

Only fields where the guidance notes add more background info appear here.

Option description

Describe the regulatory or non-regulatory option and explain how the option, if implemented, will achieve the proposal's objectives. Consider how well it will meet the objectives. (How effective will it be? How appropriate is it?).

Also identify the target groups that'll be affected - small, medium or large businesses. Think about the geographic location, industry sector and so on it will affect. Also identify the possible effects on areas the option was not supposed to affect and any feedback or comments from consultations.

Total number of businesses affected

If you chose to calculate costs by size of business, you'll see checkboxes for small, medium and large businesses. Here's how you determine what's a small, medium or large business (info from the Australian Bureau of Statistics):

- **Small business:** if employing less than 20 workers.
- **Medium business:** if employing 20 or more workers, less than 200 workers.
- **Large business:** if employing 200 or more workers.

Level of certainty of the number of businesses affected

The level of certainty shows how accurate, reliable and relevant the info entered and /or supporting evidence used is. In this case, the level of certainty is the total number of business affected.

- **High:** the information is accurate and readily available.
- **Low:** the information may not be accurate or readily available.
- **Medium:** falls somewhere in between high and low.

Supporting evidence

You can include information from surveys, discussion papers, research reports and so on. You should also reference where you got the information from and make clear any assumptions that have been made either by you or by the sourced information.

Form 2 - create a task [how to use the Business Cost Calculator]

About this form

Here, you name your task and describe it. The task is what needs to be done for the option to work. You can create one or more tasks for an option.



Handy hint! You can create all your tasks first and then go back and create activity costings.



Important! You need to create a task before you can create activity costings.

What to include

All fields on this form must be filled in.

Task name

This is a short description of the task - the title of the task. Make it as clear and descriptive as possible, but keep it short (no more than 8 words).

This helps you tell the difference between one task and another.

Task description

This is the long description of the task. It must cover more info than the short description.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

What next?

When you've filled in the form, click the Add this task button. You'll see the task appear in the list.

Click the Cancel button to exit the form. This will not save anything you've entered.

Any problems?

Error messages

You might see an error message if you don't fill in a field.

You can't add the task until you follow the message that appears.

Form 2 - create a task [guidance notes]

What to include

Only fields where the guidance notes add more background info appear here.

Task name

This is the task that needs to be done to meet the minimum regulatory obligation. For example, one of the tasks may be to register a home-based business with council. There may be one or more activities under the task. You can cost each activity separately using the Business Cost Calculator.

Below is a checklist of information you should collect in order to complete the activity costing form.

Proposal info

Do you have:

- existing legislation
- exposure drafts
- election commitments
- ministerials
- discussion papers, research reports, feedback from businesses and so on
- all the paper work a business is required to complete.

Business info

Do you know:

- What is / are the target group/s? For example, location, industry and size.
- The number of businesses in each target group?
- The characteristics of businesses in each target group?

Business task info

Do you have / know:

- For each option, a list of tasks a business will need to perform. The cost categories will help you think about the tasks a business may need to perform. (Tasks can be split into ongoing and start-up.)
- Who will perform each task? That is, a manager, an employee, and / or an outsourced entity.
- The number of businesses affected by activity.
- The number of staff per business performing an activity.
- The number of times the activity is performed per year.
- The average time each staff needs to do the activity (in hours).
- The labour cost (wage + non-wage labour costs) to perform each activity.
- If the business needs to purchase a product (equipment) or service (legal advice), then the amount it will cost.

Form 3 - create activity costing [how to use the Business Cost Calculator]

About this form

Here, you name your activity, choose the cost category it belongs to, then cost the activity. You can create one or more activities for a task.

This form is a step-by-step. You make a choice, then click the Apply button to make the next choice. The Apply buttons change the form to suit the choices you've made. Note: If you have Javascript turned on, you won't see the Apply buttons.

Handy links

[Cost categories explained](#)

What to include



Handy hint! You can fill in the activity name now, save your work and return later to calculate your costs.

Activity name

This is a short description of the activity costing - the title of the activity. Make it as clear and descriptive as possible, but keep it short (no more than 8 words).

It helps you tell the difference between one activity and another.

Cost category

Pick the cost category that's relevant to your activity costing. Click the Apply button (if you don't have JavaScript turned on).

The next set of choices will be available.



Important! What you choose here will affect your next set of choices.

Cost type

Choose the radio button that fits the type of cost you're trying to calculate. Is it an outsourced cost or an internal cost? And, if an outsourced cost, is it a product or service you're purchasing?

Start-up or ongoing

Choose the radio button that shows whether the cost is a one-off cost or a cost that will happen several times over a certain period. Click the Apply button (if you don't have JavaScript turned on).



Important! Not all the options below will be available. It depends on what radio buttons you clicked on.

Ongoing year

This is the year your activity costing relates to - the year the activity will be done.

This only appears if your costs will change from year to year (that is, your costs are variable). You choose this when you set up your constraints.

Size of businesses affected by activity

The businesses you chose at the option level will appear here. Click the relevant radio button (for example, click the 'Small' radio button if you're calculating costs for small businesses).

Number of businesses affected by activity

This is the actual number of businesses affected by the activity.

You can round the number up or down or provide exact numbers.



Important! The number you enter must be less than or equal to the corresponding number you entered at the option level.

Number of times service purchased per year

This shows how often you'll purchase the service over a year. Enter 1 if you'll only purchase the service once a year, 2 if you'll purchase it twice a year and so on.

Number of times product purchased per year

This shows how often you'll purchase the product over a year. Enter 1 if you'll only purchase the product once a year, 2 if you'll purchase it twice a year and so on.

You can also enter a fraction. If a licence is renewed once every three years then the fraction to enter would be $1/3=0.3333$.

Purchase cost per activity

This is the cost of materials, equipment and so on you need to purchase.

Service cost per activity (\$)

This is the cost of the services performed by the external organisation.

Number of staff per business performing activity

This is the number of your staff per business who'll be doing the activity.

Number of times activity performed per year

This is the number of times you'll do the activity over a year. Enter 1 if you'll only do the activity once a year, 2 if you'll do it twice in a year and so on.

You can also enter a fraction. If a licence is renewed once every three years then the fraction to enter would be $1/3=0.3333$.

Avg. time of each staff to do activity (in hours)

Add all the times your staff will take to do the activity and give the average time - 2 for 2 hours, 160 for 160 hours and so on.

Labour cost (\$/hr) (wage + non-wage labour costs)

This is the cost of the labour of your staff, for example, their salaries added together.

Here, you must also include any taxes or other non-wage labour costs, such as superannuation costs.



Handy hint! Click the 'Create / choose wage' link to open the wage calculator, where you can calculate these types of costs before adding them in this field.

Level of certainty of ALL costing info

Choose the radio button showing how certain you are the info you've entered is correct. The level of certainty relates to ALL the info you've entered.

Supporting evidence

This is any evidence that supports the info you've entered into the form. This includes info you entered in the number of businesses affected, labour cost field and so on.

You don't have to fill in this field, but it will help make your case.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.



Important! Note: When pasting text into the Business Cost Calculator, you'll lose any formatting, such as bold or bullet points.

What next?

When you've filled in the form, click the Add this activity / cost button. You'll see the activity costing appear in the list.

Click the Cancel button to exit the form. This will not save anything you've entered.

Handy links

[Wage calculator](#)

Any problems?

Error messages

You might see an error message if you don't fill in a field.

You can't save the activity costing until you follow the message that appears.

You'll also see an error message if the number of businesses is greater than the number of businesses you entered for the option.

Form 3 - create activity costing [\[guidance notes\]](#)

The create an activity costing screen calculates how much it will cost business to meet certain activities.

It does not calculate economic impacts, such as:

- benefits to business or other stakeholders
- costs to non-business stakeholders
- how regulations affect competition
- other indirect costs.

What to include

Only fields where the guidance notes add more background info appear here.

Cost category

There are 9 compliance cost categories. They are:

1. education
2. enforcement
3. notification
4. permission
5. procedural
6. publication & documentation
7. purchase cost
8. record keeping
9. other*.

The categories are based on labour (except 'purchase cost'). Purchase cost = purchasing a service or a product.

* 'Other' = any other labour-based activity costing that does not fit in one of the previous categories.

Cost type

The cost categories are grouped into 3 compliance cost types:

1. Labour (internal cost)
2. Product (outsourced cost)
3. Service (outsourced cost).

-
- Labour costs are always internal costs
 - Product and service costs are always outsourced costs.

There are some activities that may have internal and outsourced costs. For example, businesses may prepare their accounting records, but get their accountant to prepare and lodge their income tax return. In this case, the two activities of preparing accounting records and preparing the income tax return can be costed separately. Preparing the records will be an internal cost. Lodging by the accountant will be an outsourced cost.

The same activity may be undertaken by some businesses internally and other businesses externally. For example, some businesses may choose to prepare their Business Activity Statement (BAS) themselves, while other businesses may get their accountant to complete their BAS.

Start-up or ongoing

Compliance costs must be categorised as either start-up or on-going.

- Start-up costs are once-only costs businesses face to meet a new or amended regulation.
- On-going costs are recurring costs businesses face.

Number of businesses affected by activity

This is the average number of businesses needed to perform an activity. The number of businesses affected by a particular activity must be less than or equal to the number of businesses affected by the regulatory option, as not all businesses will necessarily have to perform every activity.

For example, businesses in rural and regional areas may have to purchase food safety templates to conduct food safety audits. While businesses in metro areas would not incur this cost because another organisation audits their business.

Show how you got the information on the number of businesses and show where the estimated figures came from in the 'Supporting evidence' field.

Number of times activity performed per year

This is the number of times per year an activity has to be done.

Examples:

1. Some small businesses may need to prepare and submit their business activity statements four times a year. This means the number entered for the number of times per year is 4.
2. A licence may only have to be renewed once every three years. In this case, 0.3333 should be entered to show the average number of times the activity is performed in a given year.

Avg. time of each staff to do activity (in hours)

The amount of time, in hours, for the business staff member to conduct the activity. For example, maintaining and updating statutory records may take an average of 6.50 hours per activity.

Labour cost (\$/hr)

This = wage + non-wage labour costs.

Add up wage costs per hour and any non-wage labour cost, such as superannuation contribution, workers' compensation, payroll tax and FBT.

Labour cost per hour can be manually calculated using this formula:

- Labour cost per hour (\$/hr) = (\$ wage cost per hour) * (1 + total non-wage cost rate).

Alternatively, the labour cost can be calculated using the wage calculator.

Level of certainty of ALL costing information

The level of certainty shows how accurate, reliable and relevant the info entered and /or supporting evidence used is.

- **High:** the information is accurate and available.
- **Low:** the information may not be accurate or available.
- **Medium:** falls somewhere in between high and low.

Sometimes, you'll need to enter average figures into those fields where numbers might vary a lot between businesses. For example:

- outsourcing GST may be a small cost for businesses that make only taxable supplies, but might be much higher for businesses that make GST-free supplies, or
- businesses in larger premises would have to purchase more equipment (such as fire extinguishers) than businesses in smaller areas.

You need to judge the quality of information you enter - make sure it's the best information you have access to. For the information you provide, consider:

- relevance
- accuracy
- timeliness.

You should make clear any assumptions you've made to estimate your costs as well as show your level of certainty.

This means, in the GST example outlined above, consider:

1. estimating compliance costs for small businesses that make taxable supplies only
2. separately estimate compliance costs on small businesses that make tax-free supplies.

In this case, you would have to cost the same task twice and it would give you a range for the compliance cost on small businesses. However, if the data is not available for both categories, then it's okay to calculate costs using the average. It is important to state your assumption in the supporting evidence box and choose the level of certainty.

Supporting evidence

You can include information from surveys, discussion papers, research reports and so on. You should also reference where you got the information from and make clear any assumptions that have been made either by you or by the sourced information.

See cost summary

The cost summary sits on the right of the form. It shows:

- a summary of the costs you've entered
- complete option costs
- other costs of other options.



Handy hint! To update the info in this area, click the Update this button at the top of the cost summary box.

At the end of costing the activity, you still need to click the update this activity/cost.

To see other option costs, click the 'Show' link. They'll appear underneath.

Note: If you've chosen to cost for a number of years (you've chosen 'variable' when setting up your constraints), the table will reflect this, showing the cost summary for the specific year you're costing.

See calculation formula

There's a formula used to calculate your costs. It appears underneath the cost summary box on the right.

To see the formula, click the 'Show formula' link.

Wage calculator [how to use the Business Cost Calculator]

Enter the labour cost if you know it. Use the wage calculator to get the final labour cost amount.

What to include

Choose a wage

Choose an already existing wage from the drop-down. Click the Apply button.

Other wages only exist if you've created them while building this proposal. If there are no wages to choose, create a new wage.

New wage - position name

The name of the position in your organisation. For example, policy officer. You can add it, edit it or view it.

Wage cost (\$/hr)

This is the position's hourly rate (only), not including any on costs, such as taxes. You can add it, edit it or view it.



Handy hint! You can add in up to 10 numbers after the decimal point.

Total non-wage labour cost rate (%)

This should include any ongoing costs associated with the wage, such as payroll tax + superannuation.

You must add these costs offline and enter the % total in the field.

Total labour cost (\$/hr)

This is the sum total of hourly rate + non-wage labour cost. Click the Calculate button to see the total.

What next?

When you've calculated amounts, click the Apply this wage button.

If you want to use an existing wage, choose it from the wage drop down and click Apply.

If you want to edit an existing wage, choose it from the wage drop down and click View. Then make adjustments as required and click Calculate to confirm your changes. When the changes are correct click Apply this wage. The updated wage will appear in the Labour cost field.

Click the Cancel button to delete any of the info you entered and close the form.

Wage calculator [guidance notes]

The wage calculator screen helps you calculate the total labour cost per hour, including non-wage labour costs.

What to include

Only fields where the guidance notes add more background info appear here.

Labour cost (\$/hr)

This = wage + non-wage labour costs.

Add up wage costs per hour and any non-wage labour cost, such as superannuation contribution, workers' compensation, payroll tax and FBT.

Labour cost per hour can be manually calculated using this formula:

- Labour cost per hour (\$/hr) = (\$ wage cost per hour) * (1 + total non-wage cost rate).

Alternatively, the labour cost can be calculated using the wage calculator.

Wage cost per hour (\$/hr)

This is the estimated wage labour costs to the business. Labour costs are based on the standard wages and salaries within an industry.

In some cases, there may be more than one person undertaking the activity and there may be more than one salary rate. In these cases, the tasks should be broken down and each labour cost accounted for in a new activity costing.

See report(s)

About this section

The Reports section lets you see various reports based on the choices you made when setting up your compliance cost constraints, that is:

- whether the ongoing costs per year are constant or variable
- whether the calculation is / is not by size of business (small, medium or large).


Report type

Choose the report you want to see from the drop down. Click the Apply button.

The types of reports are:

- Business Cost Calculator report: breakdown of options, including costs and number of businesses affected.

- Business Cost Calculator present value report: The total value now of all future costs over the timeframe specified.
- Business Cost Calculator detailed report: details of option and task info and costs, then activity info.
- Business Cost Calculator cost category report: breakdown of option costs and associated cost category costs.
- Business Cost Calculator supporting evidence report: breakdown of option, task and activity supporting evidence info.

 **Important!** The cost constraints you chose will dictate what reports you can see. Below are the constraint combinations and the reports you can see for each combination:

5. constant ongoing cost + not by size of business

- Business Cost Calculator report
- Business Cost Calculator present value report
- Business Cost Calculator detailed report
- Business Cost Calculator cost category report
- Business Cost Calculator supporting evidence report

6. constant ongoing cost + by size of business

- Business Cost Calculator report
- Business Cost Calculator report by size of business
- Business Cost Calculator present value report
- Business Cost Calculator present value report by size of business
- Business Cost Calculator detailed report
- Business Cost Calculator cost category report
- Business Cost Calculator supporting evidence report

7. variable ongoing cost + not by size of business

- Business Cost Calculator report (variable ongoing cost)
- Business Cost Calculator present value report

8. variable ongoing cost + by size of business

- Business Cost Calculator report (variable ongoing cost)
- Business Cost Calculator report (variable ongoing cost by size of business)
- Business Cost Calculator present value report
- Business Cost Calculator present value report by size of business

Business Cost Calculator report

Here, you get information on the problem and objective of your proposal and information on each option, including costs per entity and total costs. It also contains explanatory information.

Options

Do you only want to report on one option? Choose the option from the drop-down. Click the Show report button, or fill in the explanatory info, then click the Show report button.

Explanatory information

Here, you can add more info to your report, explaining its content or providing some background. You can also include feedback from consultation and any benefits that arise from the option.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

You don't have to fill this in to see the report.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Report info

Here, you can see all the report details after you have clicked the Show report button. This info is from the Calculate costs tab.

Click the Export to Excel button. This will let you save the report.

It will be saved as an .xls file. What does this mean? You can then open the report in MS Excel.

Business Cost Calculator present value report

Here, you get option information, including its description and the businesses affected, total present value of costs per business and total present value of costs for all businesses. You'll also see ongoing costs. These are affected by the timeframe and discount rate you've chosen and applied. This means, you can see the costs businesses face now and into the future.

It's assumed the ongoing costs are recognised on 1 January of every year.

You can't add current and future costs without including a timeframe and discount rate. Businesses often prefer to defer their costs. (This reflects the fact that money not spent now can be invested to return the original funds, plus interest, at some time in the future.)

To add costs over time, you need to 'discount' them, that is, calculate the present value. The discount rate reflects the interest that could be earned on the money over the timeframe you've given. The default discount rate is 7 per cent, but you can enter your own discount rate.

The present value formula used is:

- Present value for Year n ongoing cost = Year n ongoing cost / (1 + discount rate)⁽ⁿ⁻¹⁾, where n =1 to n years and the cost is recognised on January 1 of year n.

Discounted rate

This is the percentage costs that'll likely increase per year if the costs are ongoing.

7% appears automatically. You can change this by entering a new number in the field.

Timeframe (in years)

This is the number of years the option will likely be active. For example, it might be active for 2 years or 10 years.

The number you enter will affect what you see in the report.

Options

Do you only want to report on one option? Choose the option from the drop-down. Click the Show report button, or fill in the explanatory info, then click the Show button.

Explanatory information

Here, you can add more info to your report, explaining its content or providing some background. You can also include feedback from consultation and any benefits that arise from the option. Click the Show report button.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

You don't have to fill this in to see the report.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Report info

Here, you can see all the report details after you have clicked the Show report button. This info is from the Calculate costs tab.

Click the Export to Excel button. This will let you save the report.

It will be saved as an .xls file. What does this mean? You can then open the report in MS Excel.

Detailed report

Here, you get detailed information on options, tasks and activity costings. You'll also see information on outsourced, internal, start-up and ongoing costs.

Options

Do you only want to report on one option? Choose the option from the drop-down. Click the Show report button, or fill in the explanatory info, then click the Show button.

Explanatory information

Here, you can add more info to your report, explaining its content or providing some background. You can also include feedback from consultation and any benefits that arise from the option. Click the Show report button.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

You don't have to fill this in to see the report.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Report info

Here, you can see all the report details after you have clicked the Show report button. This info is from the Calculate costs tab.

Click the Export to Excel button. This will let you save the report.

It will be saved as an .xls file. What does this mean? You can then open the report in MS Excel.

Cost category report

Here, you get information on all 9 cost categories as well as outsourced, internal, start-up and ongoing costs for each option.

Options

Do you only want to report on one option? Choose the option from the drop-down. Click the Show report button, or fill in the explanatory info, then click the Show button.

Explanatory information

Here, you can add more info to your report, explaining its content or providing some background. You can also include feedback from consultation and any benefits that arise from the option. Click the Show report button.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

You don't have to fill this in to see the report.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Report info

Here, you can see all the report details after you have clicked the Show report button. This info is from the Calculate costs tab.

Click the Export to Excel button. This will let you save the report.

It will be saved as an .xls file. What does this mean? You can then open the report in MS Excel.

Supporting evidence report

Here, you get supporting evidence information for options and activity costings. You'll also see the average level of certainty info for your options and task costings.

The average level of certainty shows the most frequent level of certainty for the options. For example, out of 10 activities in an option, high has been chosen 5 times, medium has been chosen 3 times and low has been chosen 2 times. As high has been chosen the greatest number of times, the average level of certainty would be high.

Options

Do you only want to report on one option? Choose the option from the drop-down. Click the Show report button, or fill in the explanatory info, then click the Show button.

Explanatory information

Here, you can add more info to your report, explaining its content or providing some background. You can also include feedback from consultation and any benefits that arise from the option. Click the Show report button.



Handy hint! You can cut and paste the info from another document, for example, a Microsoft Word document.

You don't have to fill this in to see the report.



Important! When pasting text into the Business Cost Calculator, you will lose any formatting, such as bold or bullet points.

Report info

Here, you can see all the report details after you have clicked the Show report button. This info is from the Calculate costs tab.

Click the Export to Excel button. This will let you save the report.

It will be saved as an .xls file. What does this mean? You can then open the report in MS Excel.

Frequently asked questions

What is the Business Cost Calculator?

The Business Cost Calculator is an IT-based tool developed by the Australian Government to calculate the business compliance costs of regulatory proposals. It calculates costs faced by business, using an activity-based costing model.

What are compliance costs?

Compliance costs are the direct additional costs businesses face to comply with government regulations. They include administrative and other compliance costs, for example equipment purchases and the development of new information technology and reporting systems.

When do I need to use the Business Cost Calculator?

You need to use the Business Cost Calculator when a regulatory proposal may result in medium-level compliance costs.

This is a 'must do' under the Australian Government's best practice regulation requirements.

You don't have to use the Business Cost Calculator. You could use some other method / tool that the Office of Best Practice has approved.

For proposals that might have a significant impact on business, individuals and / or the economy (whether in compliance costs or other impacts), you must undertake a more detailed analysis and document it in a Regulation Impact Statement (RIS). If the impacts include medium or significant compliance costs, you need to include the compliance cost estimates in the RIS.

If you are using the BCC as part of preparing RIS or require assistance on the BCC, you can contact the OBPR at bcc@obpr.gov.au.

What is a Regulation Impact Statement (RIS)?

A Regulation Impact Statement (RIS) is a document detailing:

- the regulatory impact assessment process, including the problem requiring government intervention
- the proposed regulation and alternative regulations
- the effects of the different options
- consultation with stakeholders.

It is usually prepared by the department, agency, statutory authority or board responsible for a regulatory proposal, following consultation with affected parties.

You must create an RIS for:

- all reviews of existing regulations
- regulatory proposals or amendments
- proposed treaties involving a regulation that directly affects business, significantly affects business indirectly or restricts competition.

When undertaking an RIS, you should include sections that assess the impact of each option on business compliance costs and the paperwork burden.

If you're from a government department or agency, see more RIS information on www.obpr.gov.au and / or contact the Office of Best Practice Regulation for help with the process.

Where do I get information on compliance costs?

You can find out information from industry associations, government bodies (for example, the Australian Bureau of Statistics), and specialist sources such as the [Workplace Authority](#).

Talk with the various stakeholders to check on assessment costs and find out information that's not available anywhere else.



Important! You need to record where you found the information and the assumptions made. This information will be looked at when your proposal is being assessed.

Enter this information into the 'Supporting evidence' field in the Option form of the Business Cost Calculator.

What supporting evidence should I use?

The Business Cost Calculator lets you add evidence that supports your compliance cost estimates. Supporting evidence may include surveys, discussion papers, research reports and so on.

By including this information, you make sure your compliance cost estimates are transparent and reliable.



Important!! Always reference your sources and make clear any assumptions that have been made either by you or by the sourced information.

What if I'm not sure about certain information?

The Business Cost Calculator lets you choose different levels of certainty for compliance cost information you provide. The level of certainty shows how accurate, reliable and relevant your supporting evidence is and / or the assumptions you made.

Choosing 'High' shows the supporting evidence you provide is comprehensive and relevant to the information you've added. 'Low' shows the supporting evidence may not be accurate or available.

Glossary

Regulatory impact analysis

Looking at the likely impacts of a proposed regulation and alternative policy options. It helps develop policies.

Regulation Impact Statement (RIS)

A document containing regulatory impact assessment details. Likely to include:

- the problem needing government intervention
- the proposed regulation and its alternatives
- the impacts of the different options
- consultation with stakeholders.

Compliance costs

The direct additional costs faced by businesses when having to meet government regulation.

Helpful websites

This section contains links to other helpful websites that'll help you gather the information you need for filling out sections of the Business Cost Calculator.

[Australian Bureau of Statistics earnings & hours](#)

Find information on employee earnings and hours from the Australian Bureau of Statistics.

[Australian Bureau of Statistics counts of businesses](#)

Find information on counts of businesses included in the Australian Bureau of Statistics Business Register (ABSBR).

[Australian Taxation Office](#)

Find information on compliance costs and more from the Australian Taxation Office, especially information on 'Response to Regulation Impact Statements (RISs) and Compliance Costs'.

[Business Licence Information System](#)

Find compliance information on a variety of licences, registrations and codes of practice. Get details on a variety of issues from registration of a business name to permits for keeping beehives.

The Business Licence Information System also gives you online access to the Office of Fair Trading's databases for NSW and Commonwealth business licences.

[The Workplace Authority](#)

Find out about wages and employment conditions in Australia. Get details on federal awards and agreements.

[Business.gov.au](#)

Find out payroll tax requirements for each State / Territory. Payroll tax information is also available from the relevant State / Territory government revenue office website.



Important!!

These links are external to the Business Cost Calculator. They'll help you find the information you need to include.

We don't take any responsibility for updating the links. We don't have direct control over the content these websites provide or any changes to information they make.

It's your responsibility to check the accuracy, currency, reliability and correctness of information they provide.

Just because we link to a website, doesn't mean we endorse it, the material it provides or any third-party products or services it contains. You also need to be aware of the organisation hosting the website you visit.

Tutorial

Background & prep

Let's assume that the 'Department of Biotechnics Australia (DOBA)' is an Australian Government Department that regulates the use of biomechanics in Australia.

Now, let's also assume the Australian cattle industry currently uses the e-Robot 3000 model to help with routine duties. The e-Robot 3000 can be programmed to give feed and water to livestock, drench and vaccinate livestock and record information on the needs of each animal.

According to DOBA, a local terrorist cell has gained access to a program that can hack into the e-Robot 3000. The program can rewire the artificial intelligence chip. There are security issues with the e-Robot 3000, making it possible for terrorist cells to access and use it for a terrorist operative.

DOBA has looked at a number of options to protect the e-Robot 3000. It has decided to use the Business Cost Calculator to estimate the compliance costs business owners might face depending on the option chosen.

Options

DOBA has decided to look at the following options:

- Option 1: continuing with the 'status quo' that allows unrestricted access to the e-Robot 3000
- Option 2: introducing a regulation that ensures only people registered and who follow outlined procedures can access the e-Robot 3000
- Option 3: introducing a voluntary code of conduct reliant on people using the e-Robot 3000 storing the product safely and keeping records of all purchases and use.

Before DOBA can start using the Business Cost Calculator, it needs to do some research.

DOBA will need to assess the problem and objectives of the new proposal and consider what tasks are needed. DOBA has already done some research. To help you understand the process, here's a summary of the information. It'll help you understand how to use the Business Cost Calculator.

Summary of the information

Summary of information		
Number of cattle industry businesses impacted		63,400
Problem		
<p>The Australian cattle industry currently uses the e-Robot 3000 model to assist with routine duties. The e-Robot can be programmed to convey feed and water to livestock, undertake drenching and vaccination of livestock and record data on each individual animals requirements. The Department of Biotechnics Australia has identified that the e-Robot 3000 is a potential terrorist threat due to hackers creating a program to rewire the artificial intelligence chip. There are deficiencies in the protection of the e-Robot 3000 which could lead to terrorist cells accessing the robots for use as a potential terrorist operative.</p>		
Objective		
<ol style="list-style-type: none"> 1. A nationally consistent, effective and integrated approach to control access to the e-Robot 3000 to those with a legitimate need. 2. To ensure accountability at all stages of the e-Robot 3000 supply chain in order to address security and safety concerns. 3. To establish a framework for control which may be applicable to further production of robotic assistance. 		
Option 1	Task	Cost category
Status Quo: - Continue to allow unrestricted access and use of the e-Robot 3000	No change in compliance tasks required	
Option 2	Task	Cost category
Regulation: - Ban access to the e-Robot 3000 for other than specifically authorised and registered users through the introduction of a new regulation	Develop Safety Plan	Publication and Documentation
	Obtain police and politically motivated violence checks	Permission
		Purchase cost
	Register access to the e-Robot 3000	Record Keeping
	Train staff in safety procedures	Education
	Secure Storage	Purchase Cost
Option 3	Task	Cost category
Voluntary Code of Conduct: - Restrict access to the e-Robot 3000 for other than specifically authorised registered users through a voluntary code of conduct. Users of the e-Robot 3000 are required to store the product safely and keep records of all purchases and use.	Register access to the e-Robot 3000e	Record Keeping
	Secure Storage	Purchase Cost

Get started

OK, so you've launched the Business Cost Calculator and can probably see the homepage.

Here, you can:

1. Start a new proposal – click the Start new BCC costing file button.

-
2. Open an existing proposal – click Browse, find the file, click Open, then click Open existing BCC costing file.

To start your proposal:

1. Click the Start new BCC costing file button.
2. In the dialogue box, find a place to save your file.
3. Name your file – e-Robot costing 20080627v1. (The date and version number makes creating new versions of the same file easier.)
4. Click the Save button.

Enter the Calculate costs tab

Start building your proposal – click the Calculate costs tab.

Proposal info - overview

You need an overview for this proposal.

Click on Add overview (or the Show link). Here, you can enter the name of your proposal, the problem you want to fix and your objectives.



Handy hint! At other times, if you just want to calculate costs, you don't need to fill in this section.

For this tutorial, enter the problem that needs to be fixed and the objectives.

Start building your proposal

Now it's time to start building the body of your proposal – its options, tasks and activity costings. The tasks are what businesses will have to do for each option to work.

Click on Calculate costs (or the Create options, tasks & activity costings link, or the Show link).

DOBA has three options:

- Option 1: Status quo.
- Option 2: Regulation.
- Option 3: Voluntary code of conduct.

Step 1: Create an option

Let's start with Option 2 - 'Regulation'. (Later on, you can easily go back and create Option 1 - 'Status quo' and change where it sits in the list.)

1. Click the 'Create options' link on the right-hand side of the page.
2. Enter the name of the option (no more than 8 words) and a brief description of the option in the form that appears.
3. Enter 63,400 into the Total number of businesses affected field. This is the total number of beef cattle farmers who'll be affected. DOBA did some research to come up with this estimate.
4. Choose the Medium radio button. DOBA thinks the figure might be a bit over the actual figure, because of competing research findings from the Australian Bureau of Statistics (ABS) and the Australian Bureau of Agriculture Research Economics (ABARE) – ABARE believes it should be 53,400 – 10,000 less than the ABS.
5. Leave the Supporting evidence box – it's not mandatory. However, DOBA should enter the research findings from both the ABS and ABARE.

-
6. Click the Add this option button. Your option will appear in the list.

Step 2: Create your tasks

OK, so now you've created an option, it's time to start creating some tasks to go with the option. These are the tasks businesses will need to do to make the option a reality.

To create a task:

1. Click the Create task link in the same row of the option 'Regulation'.
2. DOBA has identified one of the tasks. It's called 'Develop safety plan'. Enter Develop safety plan into the Task name field.
3. Enter a brief description of the task into Task description.
4. Click the Add this task button.

Once you've done this, you can now start calculating the costs of the task.

Step 3: Cost activities

You can create one, two or many activity costings for each task – depending on your needs. When you create an activity, it shows how much a task will likely cost businesses to do. If you create more than one task, all the costs are added up to give you a final cost for each option.

To create an activity costing:

1. Click the Create activity costing link.
2. Name your activity costing. Enter Develop documents into the Activity name field.



Handy hint! You can name your activity and add it to your list before you start adding in costs. You can go back to the form at another time to add in the costs.

1. Choose a cost category

To create a safety plan, a business needs to develop documents on various safety practices. So, you need to choose the best cost option from the cost category area.



Handy hint! This help section has information on cost categories – look on the left to find the section.

To choose a cost type:

1. Go to the Cost category drop-down and click on the arrow.
2. Choose 'Publication & documentation' from the list. It's the best option.
3. Click the Apply button to see the next set of choices.



Important! What you choose here will determine what choices you see next.

2. Choose the cost type and more

The next lot of options let you determine what type of cost businesses face and whether it's a one-off cost or an ongoing cost.

DOBA has decided a safety plan will be developed by the actual business affected – it's an internal cost. The supporting evidence also suggests a safety plan would only need to be developed once.

To choose the right cost options:

1. Click the Labour (internal) radio button next to Cost type.

-
2. Click the Start-up cost radio button next to Start-up or ongoing?
 3. Click the Apply button (the second one on the page) to see the next set of choices.



Important! What you choose here will determine what choices you see next.

3. Fill out the rest of the details

- **Number of businesses:** The total number of businesses affected by the 'Regulation' option is 63,400. Industry sources suggest 75 per cent of businesses will develop the plan internally (25 per cent will outsource). 75 per cent of 63,400 is 47,550. Enter this into the number of businesses affected field.
- **Number of staff per business performing the activity:** How many staff members will create the plan? The industry has told DOBA that 1 staff member would do it. Enter 1 in the Number of staff per business performing activity field.
- **Number of times activity performed per year:** Industry has told DOBA a staff member would create the plan once a year. Enter 1 in the Number of times activity performed per year field.
- **Avg. time each staff to do activity (in hours):** Industry has told DOBA it would take a staff member an average of 2 hours to do the activity. Enter 2 in the Avg. time each staff to do activity (in hours) field.
- **Labour cost:** How much will labour cost? You can either enter a value for hourly labour costs (including all non-labour costs such as superannuation, workers' compensation, payroll tax and so on), or use the wage calculator to calculate a value.

In this example, let's create a NEW wage for a position called 'Farm manager', where the wage rate is \$13.08 per hour and a total non-wage labour rate of 16%.

To create and calculate the wage:

1. Click on the 'Create/choose wage' link. You'll see the wage calculator.
2. Enter Farm manager in the Position name field.
3. Enter 13.08 in the Wage cost field.
4. Enter 16 in the non-wage labour cost % field. Why?

Supporting evidence suggests that on-costs (workers compensation rate, payroll tax rate, superannuation contribution rate, FBT) is around 16% per cent of the base wage cost.

5. Click the Calculate button. You should see \$15.17 in the Total labour cost field. This is the hourly labour cost for a Farm manager.
6. Click the Apply this wage button. Your new wage will be saved. You can use it again for this policy.

Given that the wage rate is based on median weekly earnings for employees in agriculture and not precisely on the cattle industry wage rates, enter the level of certainty as "Medium".

- **Level of certainty of ALL costing info:** Because the wage rate is based on median weekly earnings for employees in agriculture and not on cattle industry wage rates, choose the Medium radio button.
- **Supporting evidence:** To back up your costings, enter any evidence into the Supporting evidence field. You can cut and paste the content from another document, but you can't paste the formatting.

4. Add the details

Click the Add the activity / cost button to add your activity to the Calculate costs section.

Keep going ...

Need more practice? Then keep going (see Table 2).

1. Finish costing the 'Develop safety plan' task under the '**Regulation' option 2**. Remember, we found 25 per cent of businesses would outsource this activity. You've just created an activity for 75 per cent of businesses, now it's time to cost the remaining 25 per cent of businesses.
2. Cost the rest of the tasks under the 'Regulation' option 2. Some of these tasks may have more than one activity costing. For example, getting police and politically motivated violence checks would involve two activities to ensure compliance.
3. Also cost the **Voluntary Code** option 3.
4. The **Status Quo option 1** is not costed and is set to \$0. The reason for this is the costing of option 2 and option 3 are based on direct incremental costing method.

See a report

Once you've added all the information into the Calculate costs section – options, tasks and activity costings – you can see a summary of the information in the See reports tab. Here, there are reports giving you a summary of all your options and their costs.

To see a report:

1. Click on the See reports tab.
 2. Choose Business Cost Calculator from the Report type drop-down.
 3. Click the Apply button. You'll see the next lot of options.
 4. Choose All options from the Option drop-down. This means you can compare the costs of all your options for your proposal.
 5. If you need to, fill in the Explanatory information field – information on the options.
 6. Click the Show report button.
- The report will show that the total compliance cost of the 'Regulation' option is

	Cost per business	Total cost for all businesses
Start up cost	\$2,342.76	\$148,530,667.00
Ongoing compliance cost per year	\$385.00	\$24,408,809.80

If you practiced any other options, then you'll see information on these as well.

Option 2 - Regulation	
Task	Develop Safety Plan
Task description	Prepare Safety Plan for access to the e-Robot 3000
Activity name	Developing a plan
Cost category	Publication and Documentation
Selections	Internal Cost Start-up cost Businesses Affected – 47,550 Number of staff per business performing activity -1 Times performed – 1 Time to complete – 2 hours Hours Cost of Labour - \$15.17
Supporting evidence	Industry advises that 75% of the 63,400 affected businesses will be able to develop a safety plan in-house and takes about 2 hours per business to complete a safety plan. Labour cost for employees in agriculture based on median weekly earnings (not precisely on the cattle industry) is estimated to be \$15.17 per hour (including non-labour costs such as workers compensation, payroll tax, superannuation, and FBT) . For details refer online help text on wage calculator.
Level of certainty	Medium
Task	Develop Safety Plan
Task description	Prepare safety plan for access to the e-Robot 3000
Activity name	Purchasing a service
Cost category	Purchase cost
Selections	Outsourced Start-up Cost Businesses affected – 15,850 Times performed – 1 Purchase cost - \$300
Supporting evidence	Industry advises that 25% of the 63,400 affected businesses will outsource the development of the safely plan at a cost of \$300 per business.
Level of certainty	High
Task	Obtain police and politically motivated violence checks
Task description	Need to get PMV checks on all employees who will have access to the e-Robot 3000
Activity name	Checking
Cost category	Permission

Selections	Internal Cost Ongoing Cost Businesses Affected – 63,400 Number of staff per business performing activity - 5 Times performed per year – 1 Time to complete – 0.50 hours Hours Cost of Labour - \$15.17
Supporting evidence	Industry advises that an average of 5 workers per business would need to undertake checks.
Level of certainty	High
Task	Obtain police and politically motivated violence checks
Task description	Need to get PMV checks on all employees who will have access to the e-Robot 3000
Activity name	Purchasing a service
Cost category	Purchase Cost
Selections	Outsourced Start-up Cost Businesses Affected – 63,400 Times performed – 1 Purchase cost - \$245
Supporting evidence	Industry advises it would cost \$245 per business to undertake these checks.
Level of certainty	High
Task	Register access to the e-Robot 3000
Task description	Create a register of purchasers of e-Robot 3000 and record details of requirements and potential uses of the e-Robot 3000. This register will also include a list of employees who have contact with the e-Robot 3000. This register will need to be updated quarterly to ensure details of the employees are still correct and the intent of use for the e-Robot 3000 has not changed.
Activity name	Registering
Cost category	Record Keeping
Selections	Internal Cost Ongoing Cost Businesses Affected – 63,400 Number of staff per business performing activity -1 Times performed per year – 4 Time to complete – 0.50 hours Hours Cost of Labour - \$15.17
Supporting evidence	Industry advises that register updates would need to be undertaken 4 times per year but will be subject to individual use patterns. It is estimated the register update will take 30 minutes to complete.

Level of certainty	Medium
Task	Train staff in safety procedures
Task description	All staff who have access to the e-Robot 3000 will need to undertake specific training in security procedures.
Activity name	Training
Cost category	Education
Selections	Internal Cost Ongoing Cost Businesses Affected – 63,400 Number of staff per business performing activity - 5 Times performed per year – 1 Time to complete – 4 Hours Cost of Labour - \$15.17
Supporting evidence	It is estimated at least 5 staff per business will need to receive training at the external Government run course. The course is at no charge but has duration of 4 hours.
Level of certainty	Medium
Task	Secure Storage
Task description	e-Robot 3000 needs to be stored in a secure container when not in use.
Activity name	Purchasing a product
Cost category	Purchase Cost
Selections	Outsourced Start-up Cost Businesses Affected – 63,400 Times Performed – 1 Purchase cost - \$2,000
Supporting evidence	The secure storage container for the e-Robot 3000 is purchased through the manufacturer for \$2,000
Level of certainty	High
Task	Obtain Licence
Task description	Business owner requires a licence to purchase and use e-Robot 3000
Activity name	Purchasing a service (getting a licence)
Cost category	Purchase Cost
Selections	Outsourced On-going Cost Businesses Affected – 63,400 Times performed per year – 0.3333 Purchase cost - \$40

Supporting evidence	Licence costs \$40 and needs to be renewed every 3 years
Level of certainty	High
Option 3 - Voluntary Code of Conduct	
Task	Record access to the e-Robot 3000
Task description	The owner/manager is to record details of requirements and potential uses of the e-Robot 3000. This register will also include a list of employees who have contact with the e-Robot 3000. This register will need to be updated quarterly to ensure details of the employees are still correct and the intent of use for the e-Robot 3000 has not changed.
Activity name	Recording
Cost category	Record Keeping
Selections	Internal Cost Ongoing Cost Businesses Affected – 63,400 Number of staff per business performing activity -1 Times performed per year – 4 Time to complete – 0.50 hours Cost of Labour - \$15.17
Supporting evidence	Industry advises that register updates would need to be undertaken 4 times per year but will be subject to individual use patterns. It is estimated the register update will take 30 minutes to complete.
Level of certainty	Medium
Task	Secure Storage
Task description	e-Robot 3000 needs to be stored in a secure container when not in use.
Activity name	Purchasing a product
Cost category	Purchase Cost
Selections	Outsourced Start-up Cost Businesses Affected – 63,400 Times Performed – 1 Purchase cost - \$2,000
Supporting evidence	The secure storage container for the e-Robot 3000 is purchased through the manufacturer for \$2,000
Level of certainty	High

Your feedback

How did you find the Business Cost Calculator?

We'd like to know what you think, so we can fine-tune the application to suit the needs of the people who use it.

[Give us your feedback now](#)

What's a regulation?

A regulation is any rule endorsed by government where there is an exception of compliance. It includes primary legislation (Acts) and subordinate legislation (legislative and non-legislative instruments).

Compliance costs

Compliance costs are the direct additional costs businesses face when trying to meet government regulation.

What's a Business Cost Calculator report?

The BCC report is a summary estimate of compliance costs for businesses, and forms part of a Regulation Impact Statement (RIS) for regulatory proposals with medium or significant impact compliance costs.

What's a Regulation Impact Statement (RIS)?

A Regulation Important Statement (RIS) is a document prepared by government bodies.

It includes information on the regulatory impact assessment process, including:

- the problem requiring government intervention
- the proposed regulation and its alternatives
- the impacts of the different options
- consultation with stakeholders.