



Australian Government

Department of Finance

The Treasury

PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

Name of proposal costed: The Coalition's Policy to Protect Vulnerable Workers	
Costing Identifier:	COA 003
Summary of costing:	<p>The commitment is to provide \$20.5 million over the Forward Estimates to the Fair Work Ombudsman (FWO) for 36 Average Staffing Level (ASL) to enable the FWO to have more direct engagement with ethnic communities, to expand its Overseas Workers Team and to undertake a digital minimum wage communications campaign.</p> <p>The commitment seeks to strengthen the <i>Fair Work Act 2009</i> to more effectively deal with employers who intentionally exploit workers and establish an enforcement regime.</p>
Person making the request:	Prime Minister
Date costing request received:	17/06/2016
Date of public release of policy:	19/06/2016
Date costing completed:	24/06/2016
Additional information requested (including date):	Not applicable.
Additional information received (including date):	Not applicable.

Financial implications (outturn prices)^(a)

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.7	-5.1	-5.1	-5.2
Fiscal Balance (\$m)	-4.7	-5.1	-5.1	-5.2

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

Where relevant, state that the proposal has been costed as a defined or specified amount.

The digital minimum wage communications campaign element of this proposal has been costed as a specified amount of \$500,000 per year.



For more information see www.electioncostings.gov.au/copyright-notice-2

Where relevant, include separate identification of revenue and expense components.

This is an expense measure with no revenue component.

Where appropriate, include a range for the costing or sensitivity analysis.

Not applicable.

Qualifications to the costing (including reasons for the costing not being comprehensive).

The costing request specifies further enforcement responsibilities for the FWO as a result of changes to the *Fair Work Act 2009*.

The costing request specifies that implementation of the proposal would be as soon as practicable in 2016-17. For the purposes of this costing, funding is assumed to be provided from 1 August 2016 to enable the entity to develop the capacity to implement the enhanced regime once legislation is passed.

Where relevant, explain effects of departmental expenses.

The costing request specifies additional departmental funding for the FWO.

Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.

The costing request provided for a full year impact in 2016-17. As an implementation date of 1 August 2016 has been assumed there is a \$0.4 million difference in 2016-17.

Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).

Not applicable.

Background information

Costing methodology used:

The costing request specifies the following profile for the 36 ASL based on the span of control as per the FWO's 2014-15 Annual Report (with rounding):

APS 3	6
APS 4	6
APS 5	11
APS 6	7
EL 1	5
EL 2	1
TOTAL	36



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The departmental costs associated with these 36 ASL, assuming a start date of 1 August 2016, would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-4.2	-4.6	-4.6	-4.7

The costing request specifies \$500,000 per year for a digital minimum wage communications campaign.

Behavioural assumptions used (as appropriate).

Not applicable.

