



Australian Government

Department of Finance

The Treasury

## PUBLIC RELEASE OF 2016 ELECTION COMMITMENT COSTING

<b>Name of proposal costed: Restoring Fairness and Transparency to Australian Workplaces</b>	
<b>Costing Identifier:</b>	COA 028
<b>Summary of costing:</b>	<p>The commitment is to provide \$48.7 million over the forward estimates to establish an independent, stand-alone Registered Organisations Commission (ROC) to regulate unions and employer associations. This cost will be partially offset by reduced expenses for the Fair Work Commission (FWC) of \$15.3 million over the same period.</p> <p>The commitment also provides \$21.0 million over the forward estimates to establish the temporary police taskforce and regulator working group progressing criminal and civil referrals from the Royal Commission into Trade Union Corruption and Governance.</p>
<b>Person making the request:</b>	Prime Minister
<b>Date costing request received:</b>	17/06/2016
<b>Date of public release of policy:</b>	17/06/2016
<b>Date costing completed:</b>	24/06/2016
<b>Additional information requested (including date):</b>	Not applicable.
<b>Additional information received (including date):</b>	Not applicable.

### Financial implications (outturn prices)<sup>(a)(b)</sup>

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-7.2	-16.5	-15.6	-15.1
Fiscal Balance (\$m)	-7.2	-16.5	-15.6	-15.1

(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.

(b) The cost of the proposal is \$54.4 million which is partially offset from reduced expenses for the FWC.



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

The commitment has been costed as a specified amount of \$54.4 million over the forward estimates.

**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 that implementation of the proposal would be as soon as practicable in 2016-17. Consistent with the staffing profile provided in the costing request, funding for the ROC is assumed to be provided from 1 March 2017. An implementation date of 1 January 2017 is assumed for the joint police taskforce and regulator working group, as there are existing arrangements in place until 31 December 2016.

**Where relevant, explain effects of departmental expenses.**

The costing request provides for departmental funding for the ROC and the Australian Federal Police (AFP), and reduces funding to the FWC, over the forward estimates.

**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.**

Not applicable.

**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:

#### Establishment of the ROC

Consistent with the staffing profile provided in the costing request, and providing for additional costs relating to the establishment of the ROC (including upfront establishment and capital costs, a communication and education campaign, and legal costs), the departmental costs associated with the proposal would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-5.7	-15.0	-14.2	-13.7

The costing request also specifies a reduction to the FWC's Average Staffing Levels (ASL), which would result in the following savings:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	+1.5	+4.6	+4.6	+4.6

#### Establishment of the police taskforce and regulator working group

The costing request specifies that the establishment of the police taskforce is expected to cost \$21.0 million over the forward estimates. The departmental costs associated with the police taskforce, assuming a start date of 1 January 2017, would be:

Impact on	2016-17	2017-18	2018-19	2019-20
Underlying Cash Balance (\$m)	-3.0	-6.0	-6.0	-6.0

### Behavioural assumptions used (as appropriate).

Not applicable.

