

APPENDIX C – PRO-FORMA REQUEST FOR COSTING AN ELECTION COMMITMENT¹

Name of policy	Restoring Fairness and Transparency to Australian Workplaces
Person requesting costing (Prime Minister/Leader of the Opposition/Leader of a minority party):	Prime Minister
Date of public release of policy:	17/06/2016
Date of request to cost the policy:	17/6/2016
Summary of policy (please attach copies of relevant policy documents):	This policy will establish an independent, stand-alone Registered Organisations Commission (ROC) to regulate unions and employer associations. The policy also establishes the temporary police taskforce and regulator working group progressing the criminal and civil referrals from the Royal Commission into Trade Union Corruption and Governance.
Intention of policy:	To provide for improved governance and accountability for unions and employer associations, leading to more transparent workplaces.
Certification that this, or a substantially similar costing request, has not been submitted to the Parliamentary Budget Office	This policy has not been submitted to the PBO.
Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)	
What are the key assumptions that have been made in the policy including:	
Is the policy part of a package? If yes, list and outline components and interactions with proposed or existing policies.	No.
Where relevant, is funding for the policy to be demand driven or a capped amount?	Capped.
Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?	No.

¹ An electronic version of this pro-forma can be found at www.electioncostings.gov.au/templates.

<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>Yes. \$15.3 million in departmental expenses would be redirected from the Fair Work Commission.</p>
<p>Description of policy (please note that, where the request to cost a proposal differs from the announced policy, the costing will be on the basis of information provided in the costing request)</p> <p>What are the key assumptions that have been made in the policy including: (continued)</p>	
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>No.</p>
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the programme? Will funding/cost require indexation? If yes, list factors used.</p>	<p>N/A</p>
<p>What are the estimated costs each year? Are these provided on a cash or fiscal basis?</p>	<p>This is expected to have a total cost of \$54.4 million over the forward estimates.</p>
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>	<p>See attachment.</p>
<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No.</p>
<p>What is the expected community impact of the policy? How many people will be affected by the policy? What is the likely take up? What is the basis for these impact assessments/assumptions?</p>	<p>The policy will restore fairness and transparency to Australian workplaces by increasing the accountability standards for registered organisations and establishing the Registered Organisations Commission to enforce the new governance laws.</p>
<p>NOTE: it will be up to the professional judgment of the relevant Secretary as to whether these assumptions are adopted in a Treasury or Finance costing of the policy.</p>	

Administration of policy	
Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?	The Department of Employment
Should departmental expenses associated with this policy be included in this costing? If no, will the Department be expected to absorb expenses associated with this policy? If yes, please specify the key assumptions, including whether departmental costs are expected with respect to programme management (by policy agencies) and additional transactions/processing (by service delivery agencies).	All expenses are departmental.
Intended date of implementation.	As soon as practicable in 2016-17.
Intended duration of policy.	The ROC is ongoing.
Are there transitional arrangements associated with policy implementation?	No.
List major data sources utilised to develop policy (for example, ABS cat. no. 3201.0).	N/A.
Are there any other assumptions that need to be considered?	No.

Costing assumptions:

The costing assumes the establishment of the ROC will have an impact on the cash and fiscal balance of \$48.7 million over the forward estimates, partially offset by a reduction in expenses for the Fair Work Commission of \$15.3 million. The establishment of the Joint Police Taskforce is expected to cost \$21 million over the forward estimates.

The costing provides for the ASL below:

Year	2016-17	2017-18	2018-19	2019-20
ASL	23.1	69.2	67.2	65.2

This would be partially offset by the transfer of 8.3 ASL from the Fair Work Commission in 2016-17 and 25 ASL in subsequent years.

The proposal also provides for other costs relating to the establishment of the ROC: travel and accommodation, legal costs, a communication and education campaign, investigation fees, additional new entity establishment costs and capital costs.

ASL for the Joint Police Taskforce would be met within existing resources of the AFP.