



Parliament of Australia
Parliamentary Budget Office

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Parliamentary Budget Officer

Senator Christine Milne
Leader of the Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Milne

Please find attached a response to your costing request, *Industrial relations* (letter of 3 September 2013).

The response to this request will be released on the PBO website (<http://aph.gov.au/pbo>).

If you have any queries about this costing, please do not hesitate to contact Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

5 September 2013



COSTING – ELECTION CARETAKER PERIOD

Name of proposal to be costed:	Industrial relations
Summary of proposal:	<p>A package of reforms to workplace laws including to:</p> <ul style="list-style-type: none">• give people who have been in their job 12 months enforceable rights to request flexible working arrangements, including the number of hours they work, the scheduling of those hours and the location of work. Employers have the right to refuse on operational grounds but must provide reasons for the refusal• strengthen existing provisions for carers. If a carer requests flexible working arrangements, employers can only refuse where there are serious countervailing business reasons• provide a pathway for any casual or rolling contract employee who has been in a workplace for more than 12 months to request a move to secure, ongoing work and allow unions and employer organisations to make applications to the Fair Work Commission for ‘secure employment orders’ on a sector or industry-wide basis. Small business will be exempt from the legislation• establish a fund of \$120 million over three years, available on a competitive basis, to encourage the creation of 4,000 continuing academic career positions to permanently replace about 20,000 casual hourly paid academic jobs, and• require the Australian Public Service (APS) to double the representation of people with a disability and people from non-English speaking backgrounds within the public service by 2018. <p>The proposal would have effect from 1 July 2014.</p>
Person/party requesting costing:	Senator Christine Milne, Australian Greens
Date costing request received:	3 September 2013
Date costing completed:	5 September 2013
Date of public release of policy:	31 August 2013
Agencies from which information was obtained:	Not applicable

POLICY COSTING – ELECTION CARETAKER PERIOD

Costing overview

This proposal is expected to decrease both the underlying cash balance and fiscal balance by \$120 million over the 2013-14 Budget forward estimates period with this cost attributable to the establishment of the university fund. This is entirely due to an increase to expenses. The remaining elements of this proposal have an unquantifiable impact on both the underlying cash balance and fiscal balance over the same period. These elements would also have an ongoing unquantifiable impact that extends beyond the forward estimates period.

The costing of the university fund is considered to be of high reliability as it is based on a capped funding amount specified in the costing request.

Table 1: Financial implications (outturn prices)^(a)

Impact on	2013-14	2014-15	2015-16	2016-17
Underlying cash balance (\$m)	-	-40.0	-40.0	-40.0
Fiscal balance (\$m)	-	-40.0	-40.0	-40.0

(a) A negative number for the fiscal balance indicates an increase in expenses in accrual terms. A negative number for the underlying cash balance indicates an increase in expenses in cash terms.

Key assumptions

The costing only considers the impact of the proposal on the Commonwealth government. Impacts on other sections of the economy are not taken into account. The proposal would have regulatory impacts which would more appropriately be assessed in a Regulation Impact Statement, which is beyond the scope of this costing.