



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 25/10/2018

Proposal No: A058  
Date Published: 18/03/2019

Proposal Title: Ten Days Paid Domestic Violence leave for all NSW employees

Cluster: Whole of Government

## General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-2022 \$'000	4 year total \$'000
Expenses (ex. depreciation)	-	5,500	5,638	5,778	16,916
Depreciation	-	-	-	-	-
Less: Offsets	-	5,500	5,638	5,778	16,916
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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## Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
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## Notes and costing assumptions

- This policy provides for the introduction across all of NSW of 10 working days leave per annum for domestic and family violence (DFV) reasons.
- Currently, the NSW public sector employs 293,310 Full Time Equivalent (FTE) staff (excluding casual staff, who do not receive leave entitlements). Of these, 97.3 per cent work within the general government sector, and as such are included in this costing.
- The rate of domestic violence reported by the Australian Bureau of Statistics (4906.0 - Personal Safety, Australia, 2012) is 0.6 per cent for men and 1.5 per cent of women. This equates to 1.17 per cent of the total general government sector workforce in NSW, taking account of current ratios of male to female staff in this workforce. We assume this ratio is unlikely to change significantly over the forward estimates years.
- If all employees who experience domestic violence access the full leave entitlement, the direct cost would be around \$11 million per year. This is an 'outer limit' of the costs likely to be incurred, and extremely unlikely. The number of days of leave taken is likely to be only a portion of the entitlement; the number of cases employees are likely to disclose to their employer is a small proportion of the total.
- There is no reliable evidence on which to calculate the likely usage of the proposed paid leave. In its decision of July 2017 on Family and Domestic Violence Leave the Fair Work Commission ([2017] FWCFB 3494) noted "there is little evidence about the amount of leave that has been taken by employees in reliance on such provisions" and later "we are unable to assess the impact of the clause on employment costs. It is unfortunate that none of the studies to date have uncovered the extent to which employers informally or formally provide such leave or the extent to which employees access existing entitlements".

**Notes and costing assumptions continued:**

- The Commission noted the ACTU submission had identified a cost range between \$2.96 and \$29.6 million – indicative of the large element of uncertainty around the figures. The PBO has conducted an online search including from Canadian provinces with domestic violence leave and not found reliable evidence to determine likely costs. The ACTU submission to the Fair Work Commission case cited a University of NSW study showing the rate of staff applying for such leave was very low; however, it is not possible to extrapolate from this study to estimate NSW costs.
- Given the data limitations, the PBO has taken a conservative estimate that the likely cost impact of this proposed policy could be up to half (\$5.5m in the first year) of the figure calculated as the outer limit of total costs. In light of the evidence considered by the Fair Work Commission, this estimate is more likely to be on the high than the low side.
- These costs have been escalated by 2.5 per cent each year in line with the *NSW Public Sector Wages Policy 2011*.
- The proposed policy specifies that these additional costs would be met within existing agency resources. As such, an expense offset for the same amount is included, bringing the net operating impact to zero. The PBO considers this a reasonable assumption. We also note that the possible cost will be offset by any future productivity gains from introduction of the leave provision.