

## Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Criminalise wage theft
Date of request:	12 March 2019

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	Establish a new wage theft law to address failure of employers to deliver pay or other employment conditions, with criminal penalties against companies and the possibility of gaol for individuals (see <a href="#">Attachment 1</a> ).
Has the policy been publicly released yet?	

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	Total \$'000
Impact on GGS expenses					
Impact on GGS revenue					
Impact on General Government Sector (GGS) net operating result <sup>1</sup>					
Impact on GGS capital expenditure <sup>2</sup>					
Impact on GGS net lending/borrowing					

**Note:** Has the policy been costed by a third party?  
If yes, can you provide a copy of this costing and its assumptions?

<sup>1</sup> Negative for a saving that reduces expenditure

<sup>2</sup> Negative for a reduction in capital expenditure.

<b>Key assumptions made in the policy</b>	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>Components of the policy with potential administrative impacts are outlined in <u>Attachment 1</u>.</p> <p>Allocate \$2.5 million (including \$1.5 million capital) in each of 2019-20 and 2020-21, and \$1 million of annual recurrent funding thereafter to support the implementation of this scheme.</p> <p>The capital funding would support system development for the register and the licencing scheme.</p> <p>Any remaining recurrent or costs to be absorbed within the Treasury and Justice clusters.</p> <p>The scale and timing of the delivery of the various components of the proposal are flexible to available resources.</p> <p>Funding would be adjusted against movements in the consumer price index (Sydney).</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	..
Are there significant costs or savings <b>outside</b> the forward estimates period which should be considered in costing this policy? <sup>3</sup>	..

<b>Administration of policy</b>	
Intended date of implementation:	1 July 2019
Intended duration of policy <sup>4</sup> :	Ongoing.

<sup>3</sup> Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

<sup>4</sup> Where a policy is intended to be ongoing, please indicate "ongoing" in the space to the right

Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Justice, Treasury.
Are there any specific administrative arrangements for the policy that need to be taken into account (e.g. agreements between different levels of government)?	Changes to legislation would be required.
Are there transitional arrangements associated with policy implementation?	No.

<b>If the policy is mainly an expenditure<sup>5</sup> commitment</b>	
Demand driven or a capped amount:	Capped.
Eligibility criteria or thresholds:	N/a.

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<sup>5</sup> Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

## **Attachment 1**

The wage theft policy would include:

- Having workplace inspectors undertake proactive wage audits in industries where young persons predominantly work and recover any unpaid wages and other employment benefits, and permit registered industrial organisations to also do so;
- Placing businesses found to have breached the law on a public "name and shame" register, and make them ineligible to participate in future contracts with the NSW Government;
- Support the work of Federal agencies, such as the Fair Work Ombudsman and the ATO by having NSW workplace inspectors proactively undertake wage audits to ensure compliance with the requirement to pay NSW workers' compensation insurance, and to not only recover unpaid premiums but also any unpaid wages and superannuation as well.
- Establish a scheme to license labour hire companies in NSW and ensure they provide safe, fair and reasonable work conditions to workers and place them within the jurisdiction of the Industrial Relations Commission. Reinforce existing laws that make head contractors liable for all wage issues on the sites they control.