



Deputy Secretary
Sandra Parker

Ms Tanja Cvijanovic
Executive Director
Office of Best Practice Regulation
Department of the Prime Minister and Cabinet
BARTON ACT 2600

Dear Ms Cvijanovic

Certification of independent reviews to support the implementation of the Government's election commitment to protect vulnerable workers

The Government made a commitment prior to the 2016 election to protect vulnerable workers. This follows a number of high-profile cases of worker exploitation, particularly with respect to the underpayment of workers by franchisees. The election commitment included proposed amendments to the Fair Work Act 2009 aimed at protecting workers from exploitation by unscrupulous employers and improving compliance with Australia's workplace laws. The proposed amendments were informed by substantial evidence from a range of sources.

I write to certify that the following publications were informed by a process and analysis equivalent to a Regulation Impact Statement (RIS) as set out in the Australian Government Guide to Regulation:

- *Report of the Fair Work Ombudsman's Inquiry into 7-Eleven*, April 2016.
- Senate Standing Committee on Education and Employment's report *A National Disgrace: The Exploitation of Temporary Work Visa Holders*, March 2016.
- *Report on the Fair Work Ombudsman's Inquiry into the labour procurement arrangements of the Baiada Group in New South Wales*, June 2015.
- *Productivity Commission Inquiry Report: Workplace Relations Framework*, No. 76, November 2015.

Regulatory Burden Estimate

Implementation of the proposed changes to the Fair Work Act 2009 will provide an overall net benefit to individual workers. New provisions to hold franchisors and holding companies responsible for contraventions of the Fair Work Act 2009 are the only elements to influence the regulatory burden. The table below outlines these regulatory costs, which were agreed to by the Office of Best Practice Regulation on 15 February 2017 (OBPR ID: 21137). The regulatory costs will be offset by red tape savings from the abolition of the Road Safety Remuneration System (OBPR ID: 20669).

Average annual regulatory costs (from business as usual)				
Change in costs	Business (\$million)	Community organisations (\$million)	Individuals (\$million)	Total change in costs (\$million)
Total, by sector	\$1.60	\$0.00	\$0.00	\$1.60
Cost offset (\$ million)	Business	Community organisations	Individuals	Total, by source
Agency	\$1.60	\$0	\$0	\$1.60
Are all new costs offset? <input checked="" type="checkbox"/> Yes, costs are offset <input type="checkbox"/> No, costs are not offset <input type="checkbox"/> Deregulatory—no offsets required				
Total (Change in costs – Cost offset) (\$million) = 0				

I am satisfied that the inquiries listed above, with the approved regulatory costings, meet the Government's best practice regulation requirements.

Should the OBPR have any queries in relation to this matter please contact Ms Jody Anderson, Branch Manager, Framework Policy Branch, Workplace Relations Policy Group, on (02) 6121 5470 or Jody.Anderson@employment.gov.au.

Yours sincerely



Sandra Parker

21 February 2017