



Australian Government
**Department of Employment
and Workplace Relations**

Your Ref OBPR22-02873

Deputy Secretary, Workplace Relations Group
Martin Hehir

Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
1 National Circuit
BARTON ACT 2600
Email: helpdesk-OIA@pmc.gov.au

Dear Mr Lange

Certification as Impact Analysis Equivalent – Minimum standards and increased access to dispute resolution for independent contractors

Following the engagement between the Department of Employment and Workplace Relations and the Office of Impact Analysis, I am writing in relation to the Australian Government's proposal regarding minimum standards and increased access to dispute resolution for independent contractors. I certify that the independent reviews listed below (together, the Reviews) reflect processes and contain analysis equivalent to an Impact Analysis:

- The Victorian Government's report of its Inquiry into the Victorian On-Demand Workforce (2020)
- The Productivity Commission's report of the 5-year Productivity Inquiry *Volume 7: A more productive labour market* (2022)
- The Senate Select Committee on Job Security's *First interim report: on-demand platform work in Australia* (2021)
- The Senate Rural and Regional Affairs and Transport References Committee inquiry into the importance of a viable, safe sustainable and efficient road transport industry's report *Without Trucks Australia Stops: the development of a viable, safe, sustainable and efficient road transport industry* (2021); and
- The Select Committee on the impact of technological and other change on the future of work and workers in New South Wales's *First report – The gig economy* (2022).

I certify that these Reviews adequately address Impact Analysis question 1, and partially address Impact Analysis question 2, and are submitted to the Office of Impact Analysis for the purposes of a final policy decision. The supplementary analysis at [Annexure A](#) addresses Impact Analysis question 2 to the extent to which the Reviews do not and responds to the remaining five Impact Analysis

questions. A summary of the Reviews and their alignment with Impact Analysis questions 1 and 2 is also set out in the supplementary analysis.

Recommendations made by each of the Reviews reflect the Government’s intention to implement:

- its election commitment to allow the Fair Work Commission to set minimum standards for employee-like workers
- an outcome of the Jobs and Skills Summit to allow the Fair Work Commission to set minimum standards for road transport workers; and
- an outcome of the Jobs and Skills Summit to amend legislation to allow workers to challenge unfair contracts.

To the extent that the regulatory burden to business or individuals can be quantified based on available data, that burden is set out using the Government’s *Regulatory Burden Measurement* framework. The methodology used to estimate these costs is set out in the supplementary analysis at [Annexure A](#).

Implementing this proposal will increase compliance costs for impacted parties. In addition to this regulatory burden, the department estimates that there will be an annual wage cost to affected businesses of \$407.7 million (reflecting those able to be accurately estimated and attributable to an estimated increase in wage costs) is equivalent to 0.04 per cent of the total wages and salaries paid across Australia in the year to March 2023 (according to the Australian Bureau of Statistics).¹ This cost reflects an estimated increase in wages payable to the employee-like digital platform workers and road transport workers estimated to be captured by the proposal, if entitled to minimum standards.

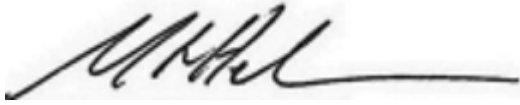
Regulatory burden estimate table				
Average annual regulatory costs (from business as usual)				
Change in costs	Business ²	Community organisations	Individuals	Total change in costs
Total, by sector	\$235.58 per business, or up to \$6,125.00 per business + \$258.80 per worker, or up to \$10,080.70 per business.	Nil	Nil	\$235.58 per business, or up to \$6,125.00 per business + \$258.80 per worker, or up to \$10,080.70 per business.

¹ ABS, *Australian National Accounts: National Income, Expenditure and Product*, March 2023

² This figure is the estimated direct increase in compliance costs to businesses as a result of the proposal. Due to data constraints, this is expressed as a per business and per worker cost within the limits of parameters set out in the supplementary analysis. More information on the detailed methodology of this estimate can be found in the Annexures. This table does not separately identify estimated costs to ‘Community organisations’, as the department has not identified any distinguishable impact on those organisations that could be disaggregated from the estimated impact to business.

The supplementary analysis provided at Annexure A is submitted to the Office of Impact Analysis for the purposes of assessing its relevance to fulfil Impact Analysis requirements for a final policy decision.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Hehir', with a long horizontal flourish extending to the right.

Martin Hehir
Deputy Secretary, Workplace Relations
Department of Employment and Workplace Relations
23 August 2023