


Request for Costing an Election Commitment

Name of election commitment:	<i>Reform Government Procurement for better safety and conditions</i>					
Person and party requesting costing:	Meredith Hunter, ACT Greens Parliamentary Leader					
Date of public release of election commitment, including source:	9 August 2012 http://act.greens.org.au/sites/greens.org.au/files/Safe_and_Healthy_Workplaces.pdf (page 4, under the heading "Construction site inspections")					
Summary of election commitment:	The ACT Greens will provide \$500,000 for an additional WorkCover officer to proactively inspect government construction sites.					
Intention of election commitment:	This proactive, physical inspection is necessary to ensure the Government's contracting process is sound. This will help ensure that those tendering for public infrastructure projects are aware that the obligations they commit to will be thoroughly checked and enforced by the Government. In turn this should reduce the likelihood of accidents and ensure workers' conditions and entitlements are protected.					
Signature of person requesting costing:						
Date of request for costing:	24/9/12					
What are the key assumptions that have been made in the election commitment?						
<p>Note: that where the request to cost an election commitment differs from the public announcement, the costing will be on the basis of information provided in the costing request.</p> <p>Note: it will be up to the professional judgment of the Director-General as to whether these assumptions are adopted in the costing of the election commitment.</p>						
Where relevant, is the funding for the policy to be demand driven or a capped amount?						
The funding for this policy commitment is dollar limited.						
Will third parties, for instance the Commonwealth or other State/Territories, have a role in funding or delivering the election commitment?						
No.						
Will funding/the cost require indexation?						
Staffing costs are indexed (see below). Program Costs are not indexed.						
What are the estimated revenue and operating costs each year (if available) and what are the capital requirements for this election commitment and estimated costs each year (if available)?						
	2012-13	2013-14	2014-15	2015-16	2016-17	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue ^(a)						

Expenses – Staff Costs ^(a)		-105	-108	-112	-115	-440
Expenses – Program Costs ^(a)		-15	-15	-15	-15	-60
Capital						

(a) A negative number indicates a decrease in revenue or an increase in expenses.

What is the likely take up?

N/A

Any other assumptions?

The salary cost for the WorkCover Officer is based on the Justice and Community Safety Directorate Enterprise Agreement 2011-13, which states that a WorkCover Officer 6 is paid \$70,913 per annum from 1 July 2012. Additional costs have been added to this base costing based on the ACT Government Standard Costing Parameters 2012. These are:

- Superannuation of 9% (page 4);
- Workers compensation of 6% (page 8);
- Accrued benefits of 4% (page 4);
- Administrative On-Costs of \$17,027 (indexed by CPI of 2.5% from 2013-14);
- General cost escalator for the WorkCover Officer 6 of 3% per annum (page 6).

It is assumed that the staff member can be supervised by existing staff within WorkSafe ACT and accordingly no additional supervisory staffing costs have been included.

An additional \$15,000 annually is proposed for any incidentals that may be required to administer the initiative. For example additional training that may be required as well as safety and other technical equipment.

Costings within this initiative are based on information contained in the 2012-13 Budget Papers and current publicly available information.

Administration of the election commitment

How will the election commitment be administered?

The commitment will be administered by WorkSafe ACT.

Who will administer the election commitment?

The commitment will be administered by WorkSafe ACT in conjunction with Procurement Solutions. The two will be required to work together to ensure that government contracts are properly checked and obligations enforced.

Has an allowance been made for expenses necessary to support the implementation of this election commitment?

– If no, will the government agency be expected to absorb expenses associated with this election commitment?

Yes, see above.

– If yes, please specify the key assumptions.

What is the intended implementation date of the election commitment?

From the commencement of the 2013-14 financial year.

Are there transitional arrangements associated with election commitment implementation?

No

Are there any other assumptions that need to be considered?

No

When is the election commitment expected to be fully operational?

Please provide further details i.e. start and end dates, the level of commitment during each period etc?

From the 2013-14 financial year.

Will the election commitment cease and if so when?

N/A

