

# Impact Analysis Statement

## Summary IAS

### Details

<b>Lead department</b>	Department of State Development and Infrastructure
<b>Name of the proposal</b>	Amendments to the <i>Work Health and Safety Regulation 2011</i> (WHS Regulation) to require person conducting a business or undertaking to manage the risk of sexual harassment at work
<b>Submission type</b>	Summary IAS
<b>Title of related legislative or regulatory instrument</b>	Work Health and Safety (Sexual Harassment) Amendment Regulation 2024
<b>Date of issue</b>	16 August 2024

#### What is the nature, size and scope of the problem? What are the objectives of government action?

##### What is the nature, size and scope of the problem?

Sexual harassment is unwelcome conduct of a sexual nature which makes a person feel offended, humiliated, or intimidated, where that reaction is reasonable in the circumstances. It can take various forms, including unwelcome physical contact, suggestive comments or jokes, sexually offensive pictures and communication, or online interactions such as social media posts.

The Australian Human Rights Commission's 2020 report *Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces* (*Respect@Work Report*) found that sexual harassment pervades every industry, location, and level of Australian workplaces, with particular risk for workers who are women, lesbian, gay, bisexual, trans, intersex, queer, Aboriginal or Torres Strait Islander, migrants or living with a disability.<sup>1</sup> More recently, the Australian Human Rights Commission's 2022 National Survey *Time for respect: Fifth national survey on sexual harassment in Australian workplaces* (the National Survey) found that 77% of Australians aged 15 or older have experienced sexual harassment at some point in their lives (89% of women and 64% of men), that 1 in 5 people had been sexually harassed at work in the 12 months preceding the survey, and that 1 in 3 people had been sexually harassed at work in the 5 years preceding the survey.<sup>2</sup> In 2022, the Queensland Human Rights Commission's (QHRC) report *Building Belonging – Review of Queensland's Anti-Discrimination Act 1991* also found that over 80% of sexual harassment complaints made to the QHRC in 2020-21 involved the workplace.

It is well established that experiencing sexual harassment at work can cause psychological and physical harm including:

- decreased job satisfaction, reduced commitment to work, and lower productivity;
- emotional and cognitive impacts including loss of confidence and self-esteem, tearfulness and mood swings;
- physical injuries such as headaches, indigestion, tiredness and loss of appetite;
- other illnesses such as cardiovascular disease, musculoskeletal disorders, immune deficiency, and stress-induced gastrointestinal disorders; and
- depression, anxiety, post-traumatic stress disorder, self-harm or suicidal thoughts.

Sexual harassment can also detrimentally impact others at the workplace who witness or who are exposed to the behaviour.

<sup>1</sup> [Respect@Work: Sexual Harassment National Inquiry Report \(2020\) | Australian Human Rights Commission](#)

<sup>2</sup> [Time for respect: Fifth national survey on sexual harassment in Australian workplaces | Australian Human Rights Commission](#)

Economic modelling conducted by Deloitte Access Economics estimated that in 2018, workplace sexual harassment cost \$2.6 billion in lost productivity and \$0.9 billion in other financial costs.<sup>3</sup> Each case of harassment represented approximately four working days of lost output. Employers bore 70% of the financial costs, government 23% and individuals 7% of these costs, with lost wellbeing for victims being an additional \$250 million, or nearly \$5,000 per victim on average. These losses in productivity were linked to increased employee turnover, increased absenteeism, and increased business costs from the management of complaints.

Flow-on costs from sexual harassment at work were also modelled to illustrate the impacts on the broader community by way of increased usage of general practitioners and counselling/psychological services (estimated at a cost of \$48 million), costs incurred from injuries sustained through workplace sexual assault (estimated at \$15.4 million), as well as deadweight losses to businesses more broadly (estimated at \$423.5 million). Deloitte's modelling also recognised that sexual harassment imposes additional costs that were unable to be captured, including the longer-term impacts on income, career progression and workforce participation for those affected.

In Queensland, specific data for sexual harassment claims has only been recorded since a new injury mechanism code was introduced on 1 July 2023. Before this time, sexual harassment was grouped into an injury mechanism called 'Other harassment' that included sexual and racial harassment. Based on the new code, in 2023/24 (to May 2024):

- 197 claims were lodged for sexual harassment;
- 127 claims were accepted for sexual harassment; and
- \$ 3,777,387 in statutory claim payments were made for sexual harassment claims.

While specific data in relation to sexual harassment in Queensland is in its infancy, correlation and conclusions can be drawn from data related to psychosocial hazards, namely, that the average duration of a time lost to a psychosocial claim is approximately 180 business days, or over 8 months, with an average return to work rate of 73.7%.

The *Respect@Work Report* found that the right of workers to be free from sexual harassment is a human right, a workplace right and a safety right, with all three regulatory schemes having an important and mutually reinforcing role to play.<sup>3</sup> The *Respect@Work Report* also found that the current regulatory oversight for this issue is complex, confusing and difficult to navigate for complainants and employers.<sup>4</sup> Key issues identified in relation to the regulatory framework more broadly included:

- confusion about the purpose, role and potential outcome provided by each regulatory scheme;
- the heavy burden placed on individuals to make a formal complaint; and
- the need for employers to be encouraged and supported to take proactive and preventive measures to address sexual harassment.

The *Respect@Work Report* determined that work health and safety laws are an appropriate framework to address sexual harassment but have been underutilised, and that the existing protections in other legislation such as the *Anti-Discrimination Act 1991* and the *Sex Discrimination Act 1984* are inadequate. It also noted that while sexual harassment has been unlawful in Australian workplaces since 1984, it remains prevalent.<sup>5</sup>

#### What are the objectives of government action?

Experiencing sexual harassment at work has a devastating and profound impact on individuals, undermines workplace productivity and imposes a significant economic cost on society.<sup>6</sup> While various legislative jurisdictions, including work health and safety, currently have scope and application to address sexual harassment at work, sexual harassment remains prevalent in workplaces.

<sup>3</sup> [The economic costs of sexual harassment in the workplace | Deloitte Australia | Economics](#)

<sup>4</sup> Australian Human Rights Commission, *Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces*, 2020, p442.

<sup>5</sup> [Sexual Harassment - Diversity Council Australia \(dca.org.au\)](#)

<sup>6</sup> Australian Human Rights Commission, *Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces*, 2020.

In response to findings of numerous studies and reports, Government action is needed to:

- prevent sexual harassment at work;
- ensure the risk of sexual harassment is proactively managed in workplaces;
- ensure sexual harassment is recognised as workplace issue that employers must address; and
- meet community expectations regarding the prevention of sexual harassment at work.

It is anticipated that improving the prevention of sexual harassment will also have a positive impact on the management of psychosocial risks in workplaces generally, including through the minimisation of the cumulative impact of psychosocial hazards.

### **What options were considered?**

#### Option 1: Maintain the status quo

Maintaining the status quo would mean that managing the risk of sexual harassment at work would continue to be regulated under the general psychosocial risk requirements in the WHS Regulation. These provisions require a person conducting a business or undertaking (PCBU) to manage psychosocial risks, including risks from workplace interactions and behaviours.

While this framework broadly captures sexual harassment and would require the risk of sexual harassment to be managed generally among the management of other psychosocial risks, it does not explicitly require a PCBU to proactively manage the risk of sexual harassment. It is also silent on any specific measures that must be undertaken by PCBUs to fulfill their duty as it relates to sexual harassment.

The current framework would also be limited in achieving the objectives of Government action as it does not address the problem of the continued prevalence of sexual harassment or meet community expectations, in terms of improving the prevention of sexual harassment at work. This is particularly important given that research indicates that prevention strategies are critical in addressing and reducing the occurrence of sexual harassment at work.

Therefore, it is considered that maintaining the status quo will not address the ongoing prevalence of sexual harassment at work or lead to improved management of the risk of sexual harassment at work.

#### Option 2: Develop a Code of Practice for workplace sexual harassment

The development of a code of practice for sexual harassment at work would enable further guidance to be provided on the application of existing psychosocial risk duties and explicitly apply them to sexual harassment.

While Option 2 would provide more guidance to employers on how to fulfil their existing obligations in relation to sexual harassment, any information provided in a code of practice is limited to the scope of the existing regulatory framework. Therefore, while a code of practice could provide information on what sexual harassment is, how to identify it, and what control measures could be used to manage the risk, it cannot explicitly require the development of a prevention plan for sexual harassment. This also means that failure to comply with the requirement to develop a prevention plan cannot be effectively enforced. This is problematic given research indicates that prevention strategies are an integral part of reducing the prevalence of workplace sexual harassment.

The development of a code of practice also lacks support from key advocates. Initial consultation during policy development indicated that any further Government action to improve the prevention of sexual harassment at work needed to be supported by robust regulatory reform that is enforceable and makes clear that sexual harassment is a workplace issue that must be managed by PCBUs.

Therefore, it is considered that the development of a code of practice, without accompanying legislative reforms, is unlikely to significantly improve outcomes in relation to sexual harassment at work.

**Option 3: Amend the *Work Health and Safety Regulation 2011* to introduce specific requirements to manage the risk of sexual harassment at work (preferred option)**

The development of specific regulations to address the risk of sexual harassment at work builds on the existing psychosocial risk framework and enables specific requirements for PCBUs to be prescribed. This approach provides a clear, legally enforceable, framework that elevates the profile of sexual harassment as workplace issue and sets clear requirements for proactive risk management by PCBUs.

It is widely accepted that managing and reducing work health and safety risks assists with preventing incidents before they happen, which in turn protects workers' safety and productivity.<sup>7</sup> One way to manage and reduce risks is to use proactive strategies designed to prevent harm and injury in the workplace. Amending the WHS Regulation so that PCBUs are required to take a proactive approach to managing the risk of sexual harassment, for example, through the development of a sexual harassment prevention plan, will encourage an improved culture of risk management over time. As part of the Amendment Regulation, PCBUs would need to prepare a plan to manage the risk of sexual harassment at work, with a maximum penalty for non-compliance of 60 penalty units. The prevention plan must be in writing, state each identified risk, identify the control measures to manage each identified risk and identify relevant matters that were considered in determining the control measures. PCBUs must also include details about the consultation undertaken as part of this process.

The prevention plan must also:

- set out the PCBU's procedure for dealing with reports of sexual harassment at the workplace, including how a person may make a report of sexual harassment and how a report will be investigated.
- state that a complainant may be represented by a representative and how a complainant and other parties will be informed of the results of the investigation.
- be set out and expressed in a way that is readily accessible and understandable to workers.

Failure to implement the prevention plan could result in a maximum penalty of 60 penalty units.

The PCBU must take reasonable steps to ensure workers are made aware of the prevention plan and know how to access it; and that the plan is reviewed as soon as practicable after a report is made. If a health and safety committee for the workplace or a worker's health and safety representative requests a review of the plan, the PCBU must review the plan as soon as practicable after the request is made or otherwise, every 3 years. There is a maximum penalty of 60 penalty units attached for failure to comply with this provision.

As the Amendment Regulation requires duty holders to take proactive steps to manage the risk of sexual harassment, enforcement action may be taken against PCBUs who do not comply. Introducing explicit sexual harassment regulations also shifts the responsibility for managing sexual harassment away from individual workers (e.g., having to report sexual harassment before action to prevent it is taken by a PCBU), to instead requiring PCBUs to take proactive steps towards building safer workplaces. It is also consistent with the findings of the *Respect@Work Report* which concluded that WHS laws provide an appropriate framework to address sexual harassment at work.

Enforcing compliance with the Amendment Regulation will be undertaken through proactive and reactive compliance activity by the Department of State Development and Infrastructure (the Department). This may include responding to triaged complaints and proactive campaigns to ensure PCBUs have prepared and implemented a prevention plan. Guidance material will also be prepared in consultation with employer and worker representatives to ensure it provides practical advice on compliance, including for small business, and will be made publicly available to support compliance with the Amendment Regulation. This can be published on the Department's website and disseminated through various communication channels such as social media and eSafe articles.

Overall, it is considered that Option 3 will be the most effective in achieving behavioural change and the Government's objectives for action. It also meets community expectation to actively address and prevent sexual harassment at work.

<sup>7</sup>[Managing risks | WorkSafe.qld.gov.au](https://www.worksafe.qld.gov.au)

## What are the impacts?

### Option 1: Maintain the status quo, nil legislative change

- *Economic impacts for employers*

Maintaining the status quo is unlikely to reduce the prevalence of sexual harassment in Queensland workplaces. As a result, affected PCBUs may experience increased employee turnover which can increase expenses for training and recruitment. Absenteeism may also increase, as well as any other associated administrative costs that arise from management of reports of sexual harassment. This rise in costs and reduction in productivity is likely to occur in conjunction with increased psychological injuries from sexual harassment and increased WorkCover claims which are currently averaging almost \$30,000 per claim.

- *Social and financial impacts for workers and their families*

Research indicates that sexual harassment at work is an ongoing issue and one for which there are inadequate protections for workers. By maintaining the status quo, it will be difficult for the Department to regulate in this space as PCBUs would not be required to take preventative steps to minimise the risk of sexual harassment occurring. Further, there are considerable social and financial costs associated with this option for affected workers and their families, including healthcare costs borne by the worker for any immediate psychological and physical injuries, as well as sustained emotional, physical, and psychological impacts, including increased risk for psychological disorders and the possibility of being unable to retain permanent employment in future.

- *Compliance costs*

This option would result in the lowest compliance costs for business and industry because it maintains the status quo and involves no new legislative or regulatory burden.

- *Broader economic and social impacts*

As highlighted previously, sexual harassment in the workplace costs the Australian economy billions of dollars in lost productivity and other associated expenses. Retaining the status quo is likely to cause this cost to increase and will not meet increased community expectations about effectively addressing sexual harassment at work.

- *Overall effectiveness of addressing the problem and objectives*

Option 1 would have limited, if any, overall effectiveness in addressing the ongoing prevalence of sexual harassment at work. As highlighted in the *Respect@Work Report*, a key driver in addressing the risk of sexual harassment at work is primary prevention and while the existing framework can be promoted it is unlikely to achieve lasting behavioural change. This is due to the lack of a proactive duty to manage the risk of sexual harassment, the lack of an enforceable requirement to document prevention strategies and the lack of a requirement to explicitly review control measure if an occurrence of sexual harassment is reported.

### Option 2: Develop a Code of Practice for workplace sexual harassment

- *Economic impacts for employers*

Economic impacts for employers from the development of a code of practice, in relation to compliance, would be expected to be minimal, as the code would only provide guidance on how to comply with existing obligations under the regulations as they relate to sexual harassment. Guidance is useful as an educational tool; however it is likely to only benefit PCBUs who are proactively seeking to manage these types of risks. There will likely be a considerable cohort of employers who may be unlikely to see the utility of prevention strategies for managing a workplace risk that they have not previously considered.

Additionally, similar to option 1, a lack of specific obligations beyond the existing regulatory requirements may result in continued prevalence of sexual harassment at work which can lead to losses in productivity from increased employee turnover, increased absenteeism, and increased business costs from the management of complaints.

- *Social and financial impacts for workers and their families*

A specific code of practice for sexual harassment would increase the profile of this issue and may result in some employers taking a more proactive approach to sexual harassment. However, it may not lead to sustained behavioural change and the potential for workers to experience psychological harm from sexual harassment may remain similar, or close to, current levels. Further, the Department will not have explicit compliance options for a PCBU's failure to implement a sexual harassment prevention plan or to implement proactive steps to reduce sexual harassment. PCBUs who are proactive and progressive in their work health and safety duties may be interested in implementing best practice as highlighted by a code of practice, but other employers may be unlikely to engage.

- *Compliance costs*

There may be a perception from businesses that developing a code of practice will increase compliance costs. However, as a code of practice can only provide guidance on how to comply with existing obligations, any compliance costs would not be considered "new" but rather the result of current non-compliance.

- *Broader economic and social impacts*

A code of practice for sexual harassment may reduce sexual harassment in the workplace. However, unless sustained behavioural change is achieved in workplaces, it is not anticipated that this option, on its own, would lead to long term economic and social improvements in relation to the impacts of sexual harassment. Rather, it is expected that impacts similar to those currently experience would be sustained or only marginally improved.

- *Overall effectiveness of addressing the problem and objectives*

While option 2 would assist duty holders to understand their existing obligations and provide clearer information on how to manage the risk of sexual harassment, it would not effectively address the problem and objectives as it would not include specific, enforceable, obligations to develop a prevention plan and would not require active review of control measures when sexual harassment is reported.

**Option 3: Amend the *Work Health and Safety Regulation 2011* to introduce new requirements to manage the risk of sexual harassment at work (preferred option)**

- *Economic impacts for employers*

There would be a cost and regulatory burden associated with amending the WHS Regulation to include sexual harassment. This includes upfront and ongoing costs for employers in relation to the establishment and periodic review of the sexual harassment prevention plan. This expense will be followed by a series of ongoing benefits in the form of improvements to wellbeing and avoided costs. There will also be one-off costs associated with identifying sexual harassment hazards and determining and implementing the appropriate controls, including training of employees. There may also be additional ongoing costs associated with the identification of new hazards or the update of necessary controls following the review process, but these are expected to be minimal.

It is estimated that it will take approximately 3 hours for a small business to prepare the initial prevention plan. This estimate is based on similar analysis and public consultation undertaken in Victoria for a proposed psychosocial risk prevention plan.<sup>8</sup> The Victoria plan is a broader prevention plan concept covering multiple psychosocial risks. On this basis, 10 percent of the total cost estimate in the Victorian analysis has been used to inform the cost of a sexual harassment specific plan. Similarly applying this approach, medium businesses are estimated to take 4.5 hours, and large business 6, hours to prepare the plan. This includes hours of employer and manager effort in preparing the plan, and consultation with workers. Further information is provided on page 10.

It is important to note that the need for a full review of the prevention plan will only be necessary if it is triggered due to a report of sexual harassment being made, or at the request of a health and safety representative, or if it has been three years since the last review and new risks are identified.

<sup>8</sup> Occupational Health and Safety (Psychological Health) Amendments Regulations 2022 - [Regulatory Impact Statements 2022 | vic.gov.au \(www.vic.gov.au\)](#)

- *Social and financial impacts for workers and their families*

Option 3 is expected to create a positive social and financial impact for workers and their families. The creation of a dedicated regulation to address workplace sexual harassment will address the current regulatory gap, by shifting the onus from workers (to prove sexual harassment occurred) to PCBUs (to provide safe systems of work and take positive steps to reduce harm caused by sexual harassment). The development of a regulation would also provide clarity and certainty for duty holders so that workers are better protected, and worker wellbeing is promoted and valued.

- *Compliance costs*

There will be compliance costs for PCBUs associated with the development of a sexual harassment prevention plan and the express requirement to review control measures if an instance of sexual harassment is reported. All other associated compliance costs would fall within existing costs of complying with the current framework.

The preparation of a sexual harassment prevention plan is not anticipated to be onerous and is also expected to contribute to productivity benefits. Guidance material and templates will also be provided to assist employers in the development of a prevention plans. Direct costs associated with the preparation of a sexual harassment prevention plan is provided within the table on page 9.

- *Cost to Government*

There will be costs to Government associated with administering and regulating the proposed regulation. This is expected to be minimal noting sexual harassment is a pre-existing hazard that is required managed by businesses and regulated by the Government. These costs will include triaging, and responding to, complaints, proactive and reactive compliance activity, business support and advice, inspectorate upskilling and preparation of guidance material and awareness and engagement activities to support businesses compliance. These costs will be met within existing resources and budgets and have been prioritised as part of the Department's strategic planning.

In relation to awareness and engagement activities, the costs associated with this will be met within the existing strategic communications budget. These activities are not proposed to be large-scale and will not require approval from the Government Advertising and Communication Committee.

- *Broader economic and social impacts*

Option 3 would deliver positive net benefits to the Queensland economy and society through reduced rates of sexual harassment at work and improved worker wellbeing. This includes an expected decrease in instances of sexual harassment leading to a lower risk of psychological harm, less employee turnover, decreased absenteeism, and lower costs to business from the management of complaints.

- *Overall effectiveness of addressing the problem and objectives*

Option 3 is the most effective way to deliver positive net benefits to the Queensland economy and broader society. It is likely to reduce rates of sexual harassment at work and improve worker wellbeing. Adopting this approach would also address increased community expectations about the urgent need to address sexual harassment in the workplace.

To evaluate the effectiveness of the amendments over time, the Department will continue to monitor trends in data based on inspectorate compliance activity notifications received and claims lodged with WorkCover Queensland for psychosocial injuries. The Department expects that while the number of reports for sexual harassment may increase upon workers and community members gaining an awareness of this workplace issue, this is expected to reduce over time. The first 12 months after commencement of the Amendment Regulation will be treated by the Department as an opportunity to benchmark data which can then be evaluated over time to identify trends that emerge and to ensure the Regulations are operating as intended.

## Who was consulted?

Significant consultation has occurred throughout the policy and legislative development processes for the Amendment Regulation. This includes engagement with relevant parties at various stages including initial problem identification discussions, option development, cross jurisdictional analysis including how proposed options would interact with interrelated legislative schemes, development of the proposed regulatory approach, and consultation on draft regulations to ensure they achieve the intended policy outcome.

Organisations and parties involved in the consultation process include:

- Office of Work Health and Safety Prosecutor;
- Queensland Industrial Relations Commission;
- Work Health and Safety (WHS) Board, including members from the National Retail Association; Ventora Group; Australian Sugar Milling Council; Master Builders Queensland; Ramsey Health Care; the Queensland Teachers' Union; the Construction, Forestry and Maritime Employees Union; the Australian Workers' Union; the Australian Institute of Occupational Hygienists; and Griffith University;
- Industry Sector Standing Committees including employer and worker representatives from the construction, health and community services, manufacturing, retail and wholesale, rural and transport and storage industries;
- Public Sector Commissioner;
- Special Commissioner, Equity and Diversity
- Queensland Human Rights Commission;
- Local Government Association of Queensland;
- Government agencies including the Department of Justice and Attorney-General; Queensland Health; the Department of Education; Queensland Police Service; Queensland Fire Department; Resources Safety and Health Queensland; and the Queensland Reconstruction Authority;
- Worker representative groups;
- Business and industry groups;
- The legal profession; and
- The women's sector, including Women's Law Association of Queensland; Basic Rights Queensland; the National Council of Women of Queensland; and the National Association of Women in Construction.

Most organisations and representatives consulted either indicated strong support for the Amendment Regulation, including the prevention plan, or had no concerns or comment.

Representatives from the women's sector welcomed the Amendment Regulation as an important step towards creating safer workplaces and hoped the reforms will trigger a shift in Queensland towards a more proactive approach to sexual harassment and sex or gender-based harassment. The effect of shifting the burden for challenging workplace sexual harassment and sex or gender-based harassment from individuals to a shared responsibility with PCBUs was also welcomed with the Amendment Regulation viewed as a positive step forward. The proposed new prevention plan also received positive feedback including support that PCBUs must identify the risks and implement controls for each risk. Components of the Amendment Regulation that speak to links between male-dominated workforces and prevalence of harassment were also commended.

Four employer representative groups indicated general support for the need to address sexual harassment and sex or gender-based harassment and ensure workplaces are safe, however, their view is that existing requirements are adequate. It was also noted that additional regulation is likely to add confusion and an unnecessary administrative burden and cost. Guidance material will be provided to support the Amendment Regulation and will address these issues.



### What is the recommended option and why?

The recommended option is Option 3, to amend the WHS Regulation to introduce specific requirements for PCBUs to manage the risk of sexual harassment at work. This option clearly identifies sexual harassment as a workplace hazard and explains what is required of duty holders in managing the risks of this health and safety issue. Specific regulations are expected to deliver the greatest psychosocial and economic benefits to the Queensland community and will meet community expectations that sexual harassment is proactively prevented in Queensland workplaces. This option has broad stakeholder support and is also consistent with the findings of the *Respect@Work Report*.

Option 3 introduces a specific requirement for PCBUs to manage the risk of sexual harassment. This is also complemented by an obligation to develop a sexual harassment prevention plan, informed by a risk assessment, and an obligation to review control measures for sexual harassment if a report of sexual harassment is made.

The Amendment Regulation would complement sexual harassment protections in other legislation, while also being clearly defined as work health and safety hazard that requires specific steps to reduce the likelihood of its occurrence.

The benefits of regulation to reduce the likelihood of workplace sexual harassment are substantial. Although there would be costs to employers in undertaking the activities necessary to prevent sexual harassment in their workplaces, these costs are likely to be directly offset by improvements in employee productivity. Sexual harassment costs the Australian economy billions of dollars in lost productivity and other losses. In addressing this issue through regulation, the rate of workplace sexual harassment is likely to reduce. This would in turn reduce losses experienced by employers related to productivity and staff turnover and would likely reduce the frequency and severity of workers compensation claims for this type of harm. In turn, this is expected to decrease the detrimental physical and psychosocial impacts experienced by workers who are affected by sexual harassment, including costs associated with ongoing health expenses and a reduced capacity to work.

Adopting the option of regulation amendment sends a strong message to employers and elevates the importance of managing sexual harassment risks at work. Regulations have been utilised for managing many other complex workplace risks, and including sexual harassment among these illustrates that prevention of sexual harassment in the workplace is equally important as safeguarding physical health.

## Impact assessment

	First full year*	First 10 years**
<b>Direct costs – Compliance costs</b>	<p>To draft an initial sexual harassment prevention plan for a small business: 3 hours @ \$39.50 per hour (median hourly earnings, August 2023. Source: ABS <a href="https://www.abs.gov.au/employee-earnings-august-2023">Employee earnings, August 2023   Australian Bureau of Statistics (abs.gov.au)</a>)</p> <p>There are 497,002 businesses Queensland, however of these, 299,843 are non-employing.</p> <p>There are 197,159 businesses in Queensland with &lt;1 employee and 135,390 businesses in Queensland with 1-4 employees.</p> <p>A total cost estimate for the number of impacted organisations is based on businesses with more than 5 employees (61,769), as follows: = \$39.50 x 3 hours <b>= \$118.50 per employer for the first year</b></p> <p>61,769 businesses x \$118.50 <b>= \$7,319,626.50 in the first year.</b></p> <p>Note: For medium business, this is expected to take 4.5 hours in the first year, at an approximate cost per medium business of \$177.75.**</p> <p>For large businesses, this is expected to take 6 hours in the first year, at an approximate cost per large business of \$237.00.**</p> <p>*Source: Australian Small Business and Family Enterprise Ombudsman, <a href="https://www.asbfed.com.au/location-of-australia-s-small-businesses-by-state-and-territory">Location of Australia's small businesses by state and territory   ASBFEO</a></p> <p>**Source: Occupational Health and Safety (Psychological Health) Regulations Amendment 2022 <a href="https://www.worksafe.vic.gov.au/regulatory-impact-statement">Regulatory Impact Statement, WorkSafe Victoria, January 2022.</a></p>	<p>It is anticipated that an annual administrative review of the plan will take 1 hour to complete. This assumes the prevention plan is working and no new risks have emerged, meaning that no changes to the plan are required. = 1 hour @ \$39.50 per hour</p> <p>In this situation, it will cost PCBUs <b>\$395.00 over ten years</b> to comply with the prevention plan requirements.</p> <p>In the event of an update of the plan being necessary – either due to review provisions being triggered due to:</p> <ul style="list-style-type: none"> <li>• a report of sexual harassment being made; or</li> <li>• a health and safety representative requesting a review; or</li> <li>• or 3 years passing since the last formal review (and new risks emerging)</li> </ul> <p>It is anticipated that the review process would take 3 hours to complete. 3 hours @ \$39.50 per hour <b>= \$118.50 for each triggered review.</b></p> <p>Note: the figures used have been based on median hourly earnings from August 2023, and that this is likely to increase. **Source: Australian Small Business and Family Enterprise Ombudsman, <a href="https://www.asbfed.com.au/location-of-australia-s-small-businesses-by-state-and-territory">Location of Australia's small businesses by state and territory   ASBFEO</a></p>

<b>Direct costs – Government costs</b>	Nil. Expected to be fully absorbed within existing funding allocations.	Nil. Expected to be fully absorbed within existing funding allocations.
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**Signed**



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 Graham Fraine  
 Director-General  
 Department of State Development and Infrastructure  
 Date: 16 / 08 / 2024



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 Grace Grace MP  
 Minister for State Development and Infrastructure  
 Minister for Industrial Relations and  
 Minister for Racing  
 Date: 19 / 08 /2024