



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A117

Date Referred: 14/11/2018

Date Published: 18/03/2019

Proposal Title: Randomise certifier selection

Cluster: Planning and Environment

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-2022 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	400	154	158	712
Depreciation	-	-	15	15	30
Less: Offsets	-	400	169	173	742
Revenue	-	-	-	-	-
Net Operating Balance:	-	-	-	-	-

Capital Expenditure	-	150	-	-	150
Capital Offsets	-	150	-	-	150
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	-	-	-	-
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Total State Sector Impacts

Net Lending/(Borrowing):	-	-	-	-	-
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Notes and costing assumptions

This policy is to amend the *Environmental Planning and Assessment Act 1979 No. 203* (the Act) to require applicants of development applications be assigned a certifier from the central register on a random basis, instead of having the option to nominate their own accredited certifier. Part 4 of the Act currently allows applicants to make this nomination. The central register of certifiers is located on the NSW Building Professional Board's (NSW BPB) website.

The policy would commence on 1 July 2019 and be ongoing. It is expected to cost \$0.9 million over the forward estimates. As per the costing request, this costing assumes that all costs will be met from within existing resources.

Key assumptions

- The cost of implementing this policy would be shared across the Department of Planning and Environment (DPE) and the NSW BPB. DPE advised that a legislative change would be required to enact this policy, and have indicated that consultation and IT costs would be incurred to achieve the change.
- DPE has advised that consultation costs would be required to support the legislative change, while set-up costs would be incurred to establish a function to oversee the assignment of certifiers on a 'cab-rank' system i.e. random basis.

Notes and costing assumptions continued:

- The PBO has estimated that the NSW BPB and DPE will incur IT costs of around \$150,000 in 2019-20 to upgrade the existing register to meet the new requirements.
- The PBO further assumes a maximum useful life of 10 years in accordance with NSW Treasury policy. Therefore, a depreciation expense of \$15,000 has been included in the costing from 2020-21 onwards.
- Indexation rates of 2.5 per cent per annum have been applied in accordance with the NSW Public Sector Wages Policy.