



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A118

Date Referred: 14/11/2018

Date Published: 18/03/2019

Proposal Title: IPART certifier fee caps

Cluster: Premier and Cabinet

## General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	715	-	-	715
Depreciation	-	-	-	-	-
Less: Offsets	-	715	-	-	715
Revenue	-	-	-	-	-
<b>Net Operating Balance:</b>	-	-	-	-	-

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
<b>Net Capital Expenditure:</b>	-	-	-	-	-

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
---------------------------------	---	---	---	---	---

## Total State Sector Impacts

<b>Net Lending/(Borrowing):</b>	-	-	-	-	-
---------------------------------	---	---	---	---	---

## Notes and costing assumptions

This policy is about commissioning the Independent Pricing and Regulatory Tribunal (IPART) to report on and set a schedule of maximum fees for private certification services.

The total cost is estimated to be nil, as the policy specified that the cost of commissioning IPART (\$0.7 million) is to be absorbed within the General Government Sector.

### IPART's role and costs

IPART estimates the review would take 9 months to complete and will cost \$0.7 million in 2019-20. The costing assumes that IPART is requested to undertake a review to recommend a schedule of maximum fees under section 9 of the IPART Act i.e. a service arrangement with another government agency to investigate and provide advice on maximum fees.

This arrangement generally requires approval from the Premier and the Portfolio Minister, whose agency is directly affected by the review.

**Notes and costing assumptions continued:**

**Absorbing the costs**

The policy specifies that "IPART is to absorb administrative requirements within additional resourcing". Both Treasury and IPART advised that IPART is unable to absorb the costs. IPART has no discretionary budget - it has budget funding to fulfil its statutory functions, and funding from other agencies if requested under Section 9 of the IPART Act. When new work is assigned to IPART the agency responsible for commissioning that work finds the funds. To give effect to the policy specification that administrative requirements will be absorbed, the PBO has therefore had to assume that costs will be met by the Department of Planning and Environment, whose policy area (building certification) is to be reviewed by IPART.