



Parliamentary Budget Office - Policy Costing

Referred By: Australian Labor Party (NSW Branch)
Referred Date: 21-Mar-11

Proposal No: C108
Released Date: 24-Mar-11

Proposal Title: Provide free dispute resolution services within NSW Fair Trading for residential tenancy and strata disputes as a first option to resolve conflict
Lead Agency: Department of Services, Technology and Administration

General Government Sector Impacts

Table with 5 columns: 2010-11, 2011-12, 2012-13, 2013-14, 4 Year Total. Rows include Expenses (ex. depreciation), Depreciation, Less: Agency Offsets, Agency Revenue, and Net Operating Balance.

Table with 6 columns: 2010-11, 2011-12, 2012-13, 2013-14, Other Years, Total Cost. Rows include Capital Expenditure, Capital Offsets, and Net Capital Expenditure.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Worth.

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Total State Sector Impacts

Table with 4 columns: 2010-11, 2011-12, 2012-13, 2013-14. Row: Net Financial Liabilities.

Costing assumptions used:

Based on the information from the Department of Services, Technology and Administration and NSW Treasury, the Parliamentary Budget Office has assumed that 31 mediators and 2 administration officers are required to provide free dispute resolution services.
The Parliamentary Budget Office has estimated the following costs:
1. \$2.64 million for employee related expenses including on-costs.
2. 31 laptops at \$1,000 each = \$31,000
3. 16 leased cars at \$10,000 each including on costs = \$160,000. The Parliamentary Budget Office assumes that about 16 mediators will be travelling at any given time. The NSW State Fleet has verbally advised that an average lease cost for a medium to large car is \$10,000 per annum including on-costs.
4. Fit out for additional 33 staff at \$1,200 = \$39,600.
Total recurrent expenses = \$2.8 million. Only the employee related expense is escalated by 2.5 per cent per annum.
Total capital expenses = \$70,600 with depreciation of laptops over four year and 10 year for office fit out.
The Department of Services, Technology and Administration and NSW Treasury also advised that there will be forgone revenue estimated at \$72,000 per year. Currently, a fee of \$72 is charged for mediation services.
The Parliamentary Budget Office has assumed that free dispute resolution services will commence from 2011-12.

Handwritten signature of A.C. Harris

A.C Harris
Acting Parliamentary Budget Officer