



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A040

Date Referred: 17/10/2018

Date Published: 18/03/2019

Proposal Title: Scrap the Birth Tax

Cluster: Justice

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	230	50	50	330
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	(5,227)	(5,456)	(5,688)	(16,372)
Net Operating Balance:	-	(5,457)	(5,506)	(5,738)	(16,702)

Capital Expenditure	-	100	-	-	100
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	100	-	-	100

Net Lending/(Borrowing):	-	(5,557)	(5,506)	(5,738)	(16,802)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(5,557)	(5,506)	(5,738)	(16,802)
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Notes and costing assumptions

It is assumed that this policy will apply to all births from 1 July, 2019.

Birth registration is free in NSW. However, it costs \$58 for a standard birth certificate (including postage). Alternately, a commemorative certificate package can be ordered which includes a standard certificate for a total cost of \$84 (including postage). This costing assumes changes only to the standard birth certificate, with no changes to the commemorative package.

Certificate Fees are regulated, and historically have increased annually by Sydney CPI, rounded up to the nearest dollar. For future years the CPI fee increase has been included in the revenue loss estimates.

In 2017-18 the Registry received \$5 million from the sale of standard birth certificates with new birth registrations. Some 88% of people who registered a new birth applied for a certificate at the same time. This rate of applications for birth certificates is assumed as the baseline against which the policy change has been costed.

In the 2017/18 financial year, there were 106,099 birth registrations in NSW. This year is a statistical anomaly due to the implementation of the Online Birth Registration system in April 2018. Approximately 7,000 to 8,000 more birth registrations occurred than births, due to an increase in late registrations from previous years.

Notes and costing assumptions continued:

This "catch-up" impact - late registrations of births which happened before April 2018 but were not registered at the time - is expected to continue to 2018-19 before the number of registrations reverts to historical trends.

Previous annual birth registrations are below along with forecasts until 2023:

FY	Registered Births
2014/15	98,064
2015/16	98,335
2016/17	90,181
2017/18	106,099
2018/19	106,000
2019/20	99,000
2020/21	100,000
2021/22	101,000
2022/23	101,000

Employee related costs of \$13,741 are included to process the payment of certificate applications which accompany hard copy birth registration forms. This cost to process hard copy birth certificate applications with new registrations would increase to \$18,550 per annum if birth certificates are free with every new birth registration. Employee related expenses have been calculated to rise by 2.5% each year from 2019-20.

An increase in calls to the Service NSW Contact Centre is expected. The Registry currently pays Service NSW \$9 per phone call made to the Contact Centre. The Registry receives on average around 1,100 calls per business day. An initial increase by up to 100 calls per day is expected with additional enquiries about the free birth certificates in the first year. The volume of calls is estimated to drop to 20 additional calls a day for each year after.

Changes to the Registry's online birth registration system, core database, and paper forms to allow for a free birth certificate with each new registration is estimated to be \$100,000. This estimate is based on the cost of previous system changes.