



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 12/03/2019

Proposal No: Y090
Date Published:

Proposal Title: Renewable Energy Boost

Cluster: Planning and Environment

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	12,500	12,500	2,500	27,500
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	(12,500)	(12,500)	(2,500)	(27,500)

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

Net Lending/(Borrowing):	-	(12,500)	(12,500)	(2,500)	(27,500)
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(12,500)	(12,500)	(2,500)	(27,500)
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Notes and costing assumptions

The policy proposes to:

- Co-fund new large scale, on-demand clean energy projects with the private sector, through the Emerging Energy Program. Funding for this program will be increased by \$20 million, from \$55 million to \$75 million, over the period 2019-20 to 2020-21.
- Set up a new \$10 million fund over the period 2019-20 to 2022-23, to pilot initiatives to recycle and re-use materials in solar panels and battery systems.
- Regulatory changes to make it easier for people in apartments to install solar panels, batteries and other sustainable infrastructure.

The policy specifies that administration costs for this policy is to be absorbed by the Department of Planning and Environment.

The PBO estimates that the total cost of the policy is \$27.5 million over the forward estimates (see table below). When the pilot program is finished in 2022-23, the PBO estimates the total cost is \$30 million. The PBO considers it feasible for the Department to absorb the costs for the regulatory change component of the policy, and the administration costs. The PBO notes that:

- administration of energy funds and regulatory reviews is part of the Department's core functions
- the Cluster's budgeted recurrent expenditure for 2018-19 is \$3.8 billion, which indicates scope to prioritise resources to meet the administration and regulatory review costs.

(\$ million)	2018-19	2019-20	2020-21	2021-22	2022-23	Total by 2021-22	Total by 2022-23
Emerging Energy Program	-	10.0	10.0	-	-	20.0	20.0
Recycle and re-use pilot	-	2.5	2.5	2.5	2.5	7.5	10.0
Total	-	12.5	12.5	2.5	2.5	27.5	30.0