

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Environment portfolio

Question No: 112
Hearing: Supplementary Budget Estimates
Outcome: Outcome 1
Programme: Environment Assessment and Compliance Division
Topic: HANDOVER OF COMMONWEALTH ENVIRONMENTAL APPROVAL POWERS
Hansard Page: N/A
Question Date: 29 October 2014
Question Type: Written

Senator Waters asked:

Please provide your underlying calculations for the claim that businesses will save \$417 million from reduced delays.

Answer:

Time delays for 52 projects, where the Commonwealth approval came after a state or territory approval, were calculated by analysing real project data from Departmental databases. Total delay (measured in calendar days) was calculated for projects that satisfied the criteria in the document *Regulatory cost savings under the One-Stop Shop for environmental approvals*, which was prepared to explain the method for calculating estimated cost savings for business from the One-Stop Shop.

The total delay for each project was calculated by analysing approval timeframes into the following three components:

- expected timeframe for an Australian Government decision (Part A);
- extensions to an Australian Government decision where applicable (Part B); and
- non-statutory delays to Australian Government decisions where applicable (Part C).

The cost of delay was calculated using the total delay and estimated net present value for each project to determine the expected change in that project's net present value under the One-Stop Shop. The change in present value is based on a discount rate of 8%. The estimated delay savings for each of the 52 projects were then added together to give the total cost savings estimate from reduced delays for the One-Stop Shop.