



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 11/02/2015

Proposal No: A226  
Date Published: 23/03/2015

Proposal Title: **REFORM THE NSW ENVIRONMENTAL PROTECTION AUTHORITY (EPA) - GOVERNANCE**

Cluster: Planning and Environment

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		78	80	82	241
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>(78)</b>	<b>(80)</b>	<b>(82)</b>	<b>(241)</b>

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

<b>Net Lending/(Borrowing):</b>	-	<b>(78)</b>	<b>(80)</b>	<b>(82)</b>	<b>(241)</b>
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<b>Net Financial Liabilities:</b>	-	<b>78</b>	<b>159</b>	<b>241</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>78</b>	<b>159</b>	<b>241</b>
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## Notes and costing assumptions

The policy proposes to reform the NSW Environmental Protection Authority (EPA) by splitting the positions of Chairperson of the Board and Chief Executive Officer (CEO) to ensure proper corporate governance. The CEO may continue to be a Board member.

Based on the Public Service Commission remuneration framework for NSW Government Boards and Committees, the annual remuneration for the EPA Chair (Group E, Level E4) is \$74,000 for 2015/16, plus 2.5% escalation for forward estimates. On-cost estimates includes payroll tax and workers compensation equating \$4,700 (6.5%).

The PBO notes that the Chair of the EPA's appointment ends on 1 April 2017, thus the proposal to split the roles of Chairperson and CEO, and appoint a new Chairperson will require legislative changes. Based on the 2013/14 EPA Annual Report, the annual remuneration for a CEO is \$444,000 for 2015/16, plus 2.5% escalation for forward estimates. On-cost estimates includes payroll tax and workers compensation equating \$29,000 (6.5%). The costs assumes the CEO continues to be paid the same level of remuneration after the implementation of the policy.

The policy also proposes that: 1) all decisions relating to the operating of the EPA are to be made by or under the authority of the Board of the EPA and 2) the Board of the EPA is to enter into performance agreements with the CEO. These are assumed to have no financial impact.

The policy is to be administered by the EPA and implemented on 1 July 2015.