



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 14/11/2018

Proposal No: A119
Date Published: 18/03/2019

Proposal Title: Reform developer planning proposals

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)	-	971	-	-	971
Depreciation	-	-	-	-	-
Less: Offsets	-	-	1,734	1,777	3,510
Revenue	-	-	-	-	-
Net Operating Balance:	-	(971)	1,734	1,777	2,540

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

Net Lending/(Borrowing):	-	(971)	1,734	1,777	2,540
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Total State Sector Impacts

Net Lending/(Borrowing):	-	(971)	1,734	1,777	2,540
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Notes and costing assumptions

The policy proposes to end planning proposals by developers under the Gateway process for spot rezoning of land. This proposal will not affect planning proposals led by councils, or planning proposals related to State or Regionally Significant Developments. The estimated budget savings from implementing this policy is \$2.5 million over the period 2018-19 to 2021-22. The costing assumes the relevant amendments to the *Environmental Planning and Assessment Act 1979* and associated regulations/policies are implemented by the end of 2019-20.

Based on advice from the Department of Planning and Environment (DPE), the costing assumes that 11 full-time equivalent (FTE) staff cannot be re-assigned internally and will be surplus to requirements following the implementation of legislative and policy changes at the end of 2019-20. The estimated redundancy expenses is approximately \$1.0 million in 2019-20. This is a high-level estimate and is based on:

- DPE's estimate that the average annual cost is \$150,000 per FTE (2018-19 dollars) and 2.5% indexation. This comprises an average salary of approximately \$123,000 per FTE, plus on costs totalling 22% for superannuation and payroll tax etc.
- Redundancy costs of 70% of the salary component. This is a high-level estimate based on the median staff tenure of all NSW public servants (9 years), as published in the Public Service Commission's 2017 Workforce Report, divided by the maximum number of years allowed for calculating redundancy payments (13 years).

For 2020-21 and onwards, the costing assumes the savings associated with the 11 FTEs permanently endures in the budget (totalling \$1.7 million, plus indexation of 2.5% thereafter).