



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A195

Date Referred: 13/12/2018

Date Published: 18/03/2019

Proposal Title: Abolish section 94 charges for non-government schools

Cluster: Planning and Environment

## General Government Sector Impacts

|                               | 2018-19<br>\$'000 | 2019-20<br>\$'000 | 2020-21<br>\$'000 | 2021-22<br>\$'000 | 4 year Total<br>\$'000 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|------------------------|
| Expenses (ex. depreciation)   | -                 | -                 | -                 | -                 | -                      |
| Depreciation                  | -                 | -                 | -                 | -                 | -                      |
| Less: Offsets                 | -                 | -                 | -                 | -                 | -                      |
| Revenue                       | -                 | -                 | -                 | -                 | -                      |
| <b>Net Operating Balance:</b> | -                 | -                 | -                 | -                 | -                      |

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

|                                 |   |   |   |   |   |
|---------------------------------|---|---|---|---|---|
| <b>Net Lending/(Borrowing):</b> | - | - | - | - | - |
|---------------------------------|---|---|---|---|---|

## Total State Sector Impacts

|                                 |   |   |   |   |   |
|---------------------------------|---|---|---|---|---|
| <b>Net Lending/(Borrowing):</b> | - | - | - | - | - |
|---------------------------------|---|---|---|---|---|

## Notes and costing assumptions

The policy proposes to abolish "section 94" local infrastructure charges for non-government schools, from 1 July 2019. These charges are levied by local councils under Part 7 Subdivision 3 of the *Environmental Planning and Assessment Act 1979* (EPA Act) to meet the cost of providing local infrastructure arising from development. For example, a local council may levy a local infrastructure charge to recoup the costs of providing a new local road to service a new housing estate or business park (or in this case a non-government school), because of the additional traffic generated by these developments.

As these charges are collected and spent by local councils rather than by the NSW Government, the cost of this policy is nil over the period 2018-19 to 2021-22.

The costing assumes that:

- A Ministerial Direction is given under the EPA Act, which will exempt non-government schools from local infrastructure charges from 1 July 2019.
- The councils will review their local infrastructure charges and ensure that the costs and charges apportioned to non-government schools are removed accordingly.
- The councils will absorb the costs or find alternative sources of funding to offset the foregone proceeds from local infrastructure charges.