



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 2/02/2015

Proposal No: A168  
Date Published:

Proposal Title: **EFFICIENCIES - RETURN SPENDING ON CONSULTANTS & CONTRACTORS TO SUSTAINABLE LEVELS**

Cluster: General Government Sector

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		-300,000	-300,000	-300,000	-900,000
Depreciation					0
Less: Offsets					0
Revenue					0
<b>Net Operating Result:</b>	<b>0</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>900,000</b>

Capital Expenditure					0
Capital Offsets					0
<b>Net Capital Expenditure:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Net Lending/Borrowing:</b>	<b>0</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>900,000</b>
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<b>Net Financial Liabilities:</b>	<b>0</b>	<b>-300,000</b>	<b>-600,000</b>	<b>-900,000</b>
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	<b>0</b>	<b>-300,000</b>	<b>-600,000</b>	<b>-900,000</b>
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## Notes and costing assumptions

Proposed Policy - capped reduction in spending on contractors and consultants of \$300 million per year, pro-rated across agencies. The policy includes prioritising projects and undertaking projects in-house. Executive Government would retain discretion to re-allocate the savings across portfolios.

A \$300 million saving on contractors and consultants represents 47% of the \$638 million expense included in the 2014 Report on State Finances.

The \$300 million annual saving on contractors and consultants costs assumes no additional staff are employed to do the work in-house. That is, this costing assumes projects will be prioritised and undertaken in-house by agencies with available labour capacity.