



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 6/02/2015

Proposal No: A197
Date Published:

Proposal Title: **MORE EFFICIENT GOVERNMENT: REDUCE SENIOR MINISTER NUMBERS FROM EIGHT TO SEVEN**

Cluster: Premier and Cabinet

General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)					0
Depreciation					0
Less: Offsets	11	46	47	48	153
Revenue					
Net Operating Result:	11	46	47	48	153

Capital Expenditure					0
Capital Offsets					0
Net Capital Expenditure:	0	0	0	0	0

Net Lending/Borrowing:	11	46	47	48	153
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Net Financial Liabilities:	-11	-57	-104	-153
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Total State Sector Impacts

Net Financial Liabilities:	-11	-57	-104	-153
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Notes and costing assumptions

From April 2015, the policy proposes to reduce the number of senior Ministers from eight to seven. The total savings over four years is estimated at \$153,000. The 2014-15 figures are for 3 months only from 1 April 2015 to 30 June 2015.

Notes and assumptions

The costing information has been sourced from the Department of Premier and Cabinet (DPC). The cost reduction has been calculated based on the additional total remuneration package received by a senior Minister as compared with a non-senior Minister. This also includes salary on-costs at an assumed rate of 20 per cent.

Ministerial remuneration figures are at 1 July 2014 and have been taken from the Parliament House website. Salary savings have been escalated at 2.5 per cent per year.

The costing request required the total number of Ministers under the policy to remain the same to avoid double counting with a separate costing request (Ref A 138) that reduced the number of Ministers from 22 to 17. The costing request also required ministerial staff numbers to remain the same to avoid double counting with a separate costing request that reduced ministerial staff numbers by 25 (Ref A 198). The costing has been prepared on this basis.

It is therefore assumed DPC will provide the same level of support services and there is no saving from support costs. DPC support services provided to Ministers include licence fees for software and communication devices, such as mobile phones, laptops and I-pads.

Costing assumptions continued:

The reduction of senior Ministers from eight to seven would not result in any cost savings for office accommodation at Martin Place. There would however be a small reduction in accommodation costs at Parliament House, due to the size of the office for “senior” vs “non-senior” Ministers, and this has been factored into the calculation.