



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: A198
Date Published:

Proposal Title: **REDUCE MINISTERIAL STAFFING ALLOCATIONS**

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		-13	-13	-13	-39
Less: Offsets	1,126	4,667	4,748	4,900	15,441
Revenue					0
Net Operating Result:	1,126	4,680	4,761	4,913	15,480

Capital Expenditure					0
Capital Offsets		54			54
Net Capital Expenditure:	0	-54	0	0	-54

Net Lending/Borrowing:	1,126	4,721	4,748	4,900	15,495
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Net Financial Liabilities:	-1,126	-5,847	-10,594	-15,495
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Total State Sector Impacts

Net Financial Liabilities:	-1,126	-5,847	-10,594	-15,495
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Notes and costing assumptions

The policy seeks to reduce the number of staff working to Ministers by 24.9, and on average reduce the grading levels for those staff who remain employed. The total savings over the four years is estimated at \$15.5 million.

The 2014-15 cost saving figure is 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) and employee related figures include salary (based on 2014-15 rates) and assumed salary on-costs of 20 per cent. Salary cost savings have been escalated by 2.5 per cent per year.

Ministerial staff are graded between MS1 (lowest) to MS6 (highest) bands. The cost saving calculations assume the staff are employed at the midpoint pay scale within any particular band.

Ministers' staff (employed under the *Members of Parliament Staff Act 2013*) are entitled to severance payment when their employment is terminated. This is the case at each election; hence any severance payment will relate to that circumstance rather than a decision to reduce the number of staff. As a result, severance payments have not been taken into account in the above calculations.

Departmental Liaison Officers (DLOs), who are seconded to positions within Ministerial offices, with costs met by the agencies, have not been included in the costing calculations. As at 30 June 2014 there were 56 DLOs in Ministerial offices.

Costing assumptions continued:

The savings reflected in this costing do not include any reductions in accommodation costs as the Ministers' offices at Martin Place have been designed to accommodate a set number of staff. Therefore, even with a reduction in staff numbers as proposed, the cost of occupancy and services (e.g., cleaning, water, electricity etc.) will remain the same.

The cost of providing Ministers' staff with the basic 'tools of the trade' such as mobile phones, iPads and software licenses have been reduced, providing minor capital and expense savings over the period.

It is assumed the business needs of Ministers' offices will remain the same and therefore the cost of certain controllable items, such as travel, will not change as a consequence of this policy.

Support services provided by DPC to Ministerial staff are also assumed to remain unchanged.