



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
 Date Referred: 11/03/2015

Proposal No: A331  
 Date Published: 23/03/2015

Proposal Title: **MORE EFFICIENT GOVERNMENT - REDUCED TRAVEL**

Cluster: Treasury

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		(21,866)	(22,413)	(22,973)	(67,252)
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>21,866</b>	<b>22,413</b>	<b>22,973</b>	<b>67,252</b>

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

<b>Net Lending/(Borrowing)</b>	-	<b>21,866</b>	<b>22,413</b>	<b>22,973</b>	<b>67,252</b>
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<b>Net Financial Liabilities:</b>	-	<b>(21,866)</b>	<b>(44,279)</b>	<b>(67,252)</b>	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(21,866)</b>	<b>(44,279)</b>	<b>(67,252)</b>	
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## Notes and costing assumptions

From 2015-16 the policy proposes to reduce government expenditure on travel by 10 per cent per year over the forward estimates.

A total saving of \$67 million over the forward estimates has been calculated based on a reduction of projected expenses for travel.

### Key assumptions

Travel expenditure for NSW Government agencies was \$210 million in 2013-14 and is estimated at \$213 million in 2014-15. Travel expenditure over the forward estimates has been escalated at 2.5 per cent per year to calculate savings.

The costing assumes there is no increase in other expenditures such as video-conferencing, relocation of staff etc that would need to occur to allow agencies to perform at their same functionality, whilst reducing travel by 10 per cent.

In practice, such a policy may result in either or both of a reduction in agency production or the need to incur higher costs in other areas to enable production to be maintained at the same levels.

The policy assumes the Government will be able to reallocate the impact of the saving between agencies and portfolios to address identified inefficiencies and maintain priorities.