



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

| Details of request | |
|--------------------|------------------------------------------------------------------|
| Party: | Australian Labor Party (NSW Branch) |
| Name of Policy: | More efficient government – prudent management of legal expenses |
| Date of request: | 7 March 2015 |

| Description of policy | |
|------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Summary of policy (please attach copies of relevant policy documents): | Reduce NSW Government spending on external legal contracts by 10 per cent. |
| What is the purpose or intention of the policy? | Deliver savings through more efficient spending on legal contracts. |
| Has the policy been publicly released yet? | |

| Your estimated costing of the policy ¹ | | | | | | |
|----------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|----------------------|------------------------------------|
| | 2014/15 \$'000 | 2015/16 \$'000 | 2016/17 \$'000 | 2017/18 \$'000 | 4 Yr Total \$'000 | Other years ² \$'000 |
| Impact on General Government Sector (GGS) net operating result ³ | | | | | | |
| Impact on GGS capital expenditure ⁴ | | | | | | |
| If different from above, impact on total State Sector net financial liabilities ⁵ | | | | | | |

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

| Key assumptions made in the policy | |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Does the policy relate to a previous announcement? If yes, which announcement? | No. |
| What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i> | <p>NSW Labor believes there is scope for more economical management of spending on legal contracts in the general government sector.</p> <p>The policy being costed is to reduce expenses on external legal contracts by ten per cent. Each agency would have its budget allocation reduced by a fixed amount proportionate to its expected legal expenses. It would be the agency's responsibility to manage its operations within the revised resourcing.</p> <p>The executive would maintain discretion to reallocate the impact of the saving across agencies in order to deliver on government priorities.</p> |
| Is there a range for the costing or any sensitivity analysis that you have undertaken? | No. |
| Are there associated savings, offsets or expenses? If yes, please provide details. | .. |

| Administration of policy | |
|-------------------------------------------------------------------------------------------------------|----------------------|
| Intended date of implementation: | 1 July 2015. |
| Intended duration of policy: | Ongoing. |
| Who will administer the policy (e.g. Government entity, non-government organisation, etc.)? | Whole of government. |
| Are there any specific administrative arrangements for the policy that need to be taken into account? | No. |
| Are there transitional arrangements associated with policy implementation? | .. |

| If the policy is mainly an expenditure⁶ commitment | |
|----------------------------------------------------------------------|---------|
| Demand driven or a capped amount: | Capped. |
| Eligibility criteria or thresholds: | N/a. |

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.