



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition  
Date Referred: 10/03/2015

Proposal No: C039  
Date Published: 23/03/2015

Proposal Title: **IMPLEMENTATION OF 10 WHOLE OF GOVERNMENT PROCUREMENT SAVINGS INITIATIVES**

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)		10,380	7,160	7,680	25,220
Depreciation					-
Less: Offsets		72,920	115,780	123,320	312,020
Revenue					-
<b>Net Operating Result:</b>	-	<b>62,540</b>	<b>108,620</b>	<b>115,640</b>	<b>286,800</b>

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

<b>Net Lending/(Borrowing)</b>	-	<b>62,540</b>	<b>108,620</b>	<b>115,640</b>	<b>286,800</b>
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<b>Net Financial Liabilities:</b>	-	<b>(62,540)</b>	<b>(171,160)</b>	<b>(286,800)</b>	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(62,540)</b>	<b>(171,160)</b>	<b>(286,800)</b>	
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## Notes and costing assumptions

The policy proposes to implement efficiency savings through 10 whole of government procurement initiatives .

The mechanism for achieving the policy will be to take the savings up front by a reduction in agency budgets, as per the offsets profile above, to be followed by a process to implement the new approaches to procurement.

The net efficiency savings under the policy are estimated to be a \$286.8 million from 2015-16 to 2017-18.

### Key assumptions

The procurement initiatives are estimated to require an investment of \$32.9 million over four years to 2018-19 to achieve the required savings, which have been included as an expense in the forward estimates figures above (\$25.2 million to 2017-18).

Efficiency savings have been identified in consultation between cluster Chief Financial Officers , the Office of Finance and Services, and external consultants.