



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Coalition
Date Referred: 11/03/2015

Proposal No: C049
Date Published: 23/03/2015

Proposal Title: **CASH MANAGEMENT PRACTICES**

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)		(18,000)	(18,000)	(18,000)	(54,000)
Depreciation					-
Less: Offsets					-
Revenue		44,500	44,500	44,500	133,500
Net Operating Result:	-	62,500	62,500	62,500	187,500

Capital Expenditure					-
Capital Offsets					-
Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing)	-	62,500	62,500	62,500	187,500
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Net Financial Liabilities:	-	(62,500)	(125,000)	(187,500)
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Total State Sector Impacts

Net Financial Liabilities:	-	(62,500)	(125,000)	(187,500)
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Notes and costing assumptions

This policy proposes to make cash management practices in NSW public sectors more efficient. The specific changes proposed are:

- transferring current Treasury Corporation (TCorp) Hourglass Deposits held by General Government agencies into the Treasury Banking System to allow funds to be invested in higher yielding term deposits. Treasury expects that an average increase in yield of 0.3 per cent could be achieved ;
- adopting a more diversified approach to investing surplus funds which recognises that greater risk (including in relation to capital) could increase investment returns;
- taking advantage of a more diversified range of investments, to increase investment revenue while maintaining the existing conservative risk management objective.