



# Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party  
Date Referred: 7/03/2015

Proposal No: A311  
Date Published:

Proposal Title: **CUTTING WASTE - PRUDENT MANAGEMENT OF LEGAL EXPENSES**

Cluster:

## General Government Sector Impacts

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	4 Year Total \$'000
Expenses (ex. depreciation)		(15,515)	(16,144)	(16,464)	(48,123)
Depreciation					-
Less: Offsets					-
Revenue					-
<b>Net Operating Result:</b>	-	<b>15,515</b>	<b>16,144</b>	<b>16,464</b>	<b>48,123</b>

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

<b>Net Lending/(Borrowing):</b>	-	<b>15,515</b>	<b>16,144</b>	<b>16,464</b>	<b>48,123</b>
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<b>Net Financial Liabilities:</b>	-	<b>(15,515)</b>	<b>(31,658)</b>	<b>(48,123)</b>	
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## Total State Sector Impacts

<b>Net Financial Liabilities:</b>	-	<b>(15,515)</b>	<b>(31,658)</b>	<b>(48,123)</b>	
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## Notes and costing assumptions

The policy proposes to reduce expenses on external legal contracts by 10 per cent from 2015-16 onwards. Each agency would have its budget allocation reduced by a fixed amount proportionate to its expected legal expenses. Discretion may be applied to reallocate the impact of the savings across agencies in order to deliver upon specific priorities. It would be the agency's responsibility to manage its operations within the revised resourcing.

The savings are based on average legal expenditure reported to NSW Procurement by General Government agencies over the last three years, escalated by forecast general government expenditure growth. The savings exclude legal expenses paid to the Crown Solicitor's Office. If these were included, there would be an additional saving of \$1.8-1.9 million per year.