



## 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:	Trail bulk purchase/reverse auction of electricity
Date of request:	12 March 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	See <u>Attachment 1</u> .
What is the purpose or intention of the policy?	Improve competition and reduce electricity costs for state and local government in NSW.
Has the policy been publicly released yet?	

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

<sup>1</sup> Amounts should be expressed in nominal dollars. GGS - General Government Sector.

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

<sup>3</sup> Negative for a saving that reduces expenditure

<sup>4</sup> Negative for a reduction in capital expenditure.

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

<b>Key assumptions made in the policy</b>	
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>	N/a.
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.	Administrative costs associated with implementing the scheme should be delivered within existing agency resources. The trial may deliver savings.

<b>Administration of policy</b>	
Intended date of implementation:	1 July 2015.
Intended duration of policy:	Over the forward estimates.
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?	„

<b>If the policy is mainly an expenditure<sup>6</sup> commitment</b>	
Demand driven or a capped amount:	Nil.
Eligibility criteria or thresholds:	N/a.

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

## Attachment 1

A NSW Labor Government will call for tenders by renewable energy companies based in NSW to provide a long-term (20 year) bulk electricity contract for a NSW government department/agency, to be chosen.

This will be a trial of the so-called 'reverse auction' initiatives successfully employed in the Australian Capital Territory and soon to be pursued by the Queensland Labor Government.

A NSW Labor Government will invite a local council (or a group of councils) to join a second project to bundle their entire electricity use into a bulk purchase tender process of the same kind.

By entering into a contract for electricity supply direct from a generator, this will cut out any retailer cost for the customer(s) which is typically twenty percent of point-of-use charges.