



### Savings from Advertising, Travel and Legal Expenses

Party: Australian Labor Party

#### Summary of proposal:

The proposal would direct Commonwealth agencies to reduce expenditure on travel, internal legal services, and advertising engaged by the Australian Public Service (APS) and reduce agency departmental budgets, in aggregate, by \$142.5 million in each year over the forward estimates period. The Department of Finance would administer the implementation of this proposal, including determining the impact on resourcing for individual APS agencies.

This policy would have effect from 1 July 2022.

### Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by \$572 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in departmental expenditure.

The proposal would have an impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate PDI tables) over the period to 2032-33 is provided at Attachment A.

The Parliamentary Budget Office (PBO) has not made any assessment as to whether the specified changes in funding would affect the delivery or performance of APS agencies' program and service delivery.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	<b>Total to 2025-26</b>
Fiscal balance	143.0	143.0	143.0	143.0	<b>572.0</b>
Underlying cash balance	143.0	143.0	143.0	143.0	<b>572.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

### Key assumptions

The PBO has made the following assumptions in costing this proposal.

- The implementation of the proposal by the Department of Finance would deliver the specified level of savings.
- In aggregate, APS agencies would be able to accommodate the specified reduction in departmental resourcing.
- The proposed decrease in expenditure could be achieved within the proposed timeframes.

- Consistent with the PBO’s general election guidance, in the absence of a public statement specifying that this policy is terminating, the PBO has assumed that this policy is ongoing.

## Methodology

Financial implications over the forward estimates period were calculated based on the specified reduction in departmental resourcing across the APS. The financial implications from 2026-27 were grown in line with the overall increases in Australian Government expenditure.

Financial implications were rounded consistent with the PBO’s rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

The Department of Finance provided indexation parameters as at the 2022-23 Budget.

The Treasury provided estimates on the level of Australian Government expenditure as at the 2022-23 Budget.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Savings from Advertising, Travel and Legal Expenses – financial implications

**Table A1: Savings from Advertising, Travel and Legal Expenses – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<b>Departmental</b>													
<i>Savings from Advertising, Travel and Legal Expenses</i>	143.0	143.0	143.0	143.0	149.0	158.0	166.0	175.0	185.0	195.0	205.0	572.0	1,805.0
<b>Total – expenses</b>	<b>143.0</b>	<b>143.0</b>	<b>143.0</b>	<b>143.0</b>	<b>149.0</b>	<b>158.0</b>	<b>166.0</b>	<b>175.0</b>	<b>185.0</b>	<b>195.0</b>	<b>205.0</b>	<b>572.0</b>	<b>1,805.0</b>
<b>Total (excluding PDI)</b>	<b>143.0</b>	<b>143.0</b>	<b>143.0</b>	<b>143.0</b>	<b>149.0</b>	<b>158.0</b>	<b>166.0</b>	<b>175.0</b>	<b>185.0</b>	<b>195.0</b>	<b>205.0</b>	<b>572.0</b>	<b>1,805.0</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

**Table A2: Savings from Advertising, Travel and Legal Expenses – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Fiscal balance</b>	1.6	4.9	8.2	11.6	15.4	19.7	24.7	30.5	37.2	44.8	54.5	26.3	253.1
<b>Underlying cash balance</b>	1.4	4.5	7.8	11.2	14.9	19.2	24.1	29.8	36.4	43.9	53.3	24.9	246.5

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)