



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party

Proposal No: A215

Date Referred: 7/01/2019

Date Published: 18/03/2019

Proposal Title: Cutting waste: reduce spending on consultants

Cluster: Whole of Government

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	(24,511)	(24,206)	(26,356)	(75,073)
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	-	-	-	-
Net Operating Balance:	-	24,511	24,206	26,356	75,073

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

Net Lending/(Borrowing):	-	24,511	24,206	26,356	75,073
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Total State Sector Impacts

Net Lending/(Borrowing):	-	24,511	24,206	26,356	75,073
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Notes and costing assumptions

This policy proposes to reduce expenditure on all consultants in the NSW General Government Sector by 20%, from 1 July 2019. The costing estimates a saving of \$75.1 million over the forward estimates.

Consultancy expenses represent the costs of a person or organisation engaged on a temporary basis to provide recommendations, high-level specialist advice or professional advice to assist management in decision making. Recurrent consultant expenses excludes consultancy costs associated with the delivery of capital projects as these are capitalised in the project costs.

Notes and costing assumptions continue on the following page.

Notes and costing assumptions continued:

Data for the costing was based on the 2018-19 Half-Yearly Review and provided by NSW Treasury. A breakdown of the savings by cluster is presented below.

	2019-20	2020-21	2021-22	Total
Cluster	\$'000	\$'000	\$'000	\$'000
Legislature	-	-	-	-
Education	- 816	- 834	- 145	- 1,795
Family and Community Services	- 389	- 403	- 422	- 1,214
Finance, Services and Innovation	- 4,073	- 4,119	- 4,203	- 12,395
Health	- 3,887	- 4,058	- 4,223	- 12,168
Industry	- 3,327	- 3,395	- 3,375	- 10,097
Justice	- 1,360	- 1,385	- 1,126	- 3,871
Planning and Environment	- 3,482	- 3,528	- 3,698	- 10,708
Premier and Cabinet	- 4,088	- 3,719	- 3,776	- 11,583
Transport and Infrastructure	- 2,702	- 2,539	- 5,111	- 10,352
Treasury	- 387	- 226	- 277	- 890
Total	- 24,511	- 24,206	- 26,356	- 75,073

The policy assumes no additional expenditure by government as a result of the reduction in consultancy expense.