



## Notes and costing assumptions continued:

The proposed cut in consultancy expenditure represents around a 20 per cent reduction in spending against the actual spend figures across 2020-21, sourced from agency annual reports.

Significant recurrent consultancy expenditure is concentrated in a small number of agencies as shown in the following table:

### Significant Consultancy Expenditure by Agency

Agency	2019-20 \$mill	2020-21 \$mill
Department of Education	9.1	4.5
Department of Planning, Industry and Environment	8.5	10.8
Independent Liquor and Gaming Authority	12.1	10.1
Infrastructure NSW	17.5	43.6
Ministry of Health	31.1	19.7
State Insurance Regulatory Authority	9.3	9.3
Treasury	40.3	18.7
Transport for NSW	27.3	12.1
Other	33.4	34.9
<b>Total</b>	<b>189.9</b>	<b>162.1</b>

A reduction in consultancy expenditure could affect the timing and delivery of key projects in these agencies.

#### Background

Consultancy expenses represent the costs of engaging an individual or organisation on a temporary basis to provide high-level specialist advice.

Estimates of total expenditure on consultants across the general government sector are not readily available. Estimates from the Report [2021-22 NSW Report on State Finances | NSW Treasury](#) put the total cost of consultants in 2020-21 at \$131 million and in 2020-21 at \$147 million. Research by the PBO based on agency annual reports shows total spending on consultants in 2020-21 of \$190 million and \$162 million in 2019-20 – See attached table in the appendix.

#### Risks

Savings on consultants may result in delay in delivery of key government priorities and projects. To avoid this, agencies may need to employ additional in-house staff, reducing the level of savings that can be achieved.