

Exploitative consultants bleed NSW of billions

Stewart Little



When Goldman Sachs employee Greg Smith blew the whistle on the firm's culture a few years back, he revealed the most prized type of client was known as a "muppet" – a gullible giant with deep pockets who could be easily milked over a long period of time.

If recent Audit Office figures are any indication, one of the biggest muppets in the Asia-Pacific is surely the NSW government. As revealed by *The Sydney Morning Herald*, the Audit Office of NSW has found state government agencies used outside consultants on 82 per cent of major capital projects. And once these consultants get invited to the party, they have found it easy to keep whacking extra lollies out of the pinata.

Auditors found NSW agencies have been convinced to overspend their allocation for consultants by an insane \$250 million. Across every conceivable area of government, the world's global consulting giants have managed to effectively tap free-flowing veins. The Department of Premier and Cabinet will, this financial year, spend \$10.8 million on consultants, up from \$3.5 million in the previous year.

The reason these global consultancies are multibillion-dollar entities is they are excellent at their core competency: getting their tentacles into a client and finding ways to suck more cash out of them. And in Gladys Berejiklian's team, they have found the perfect pigeons: huge, gullible, and cashed up to the gills with money they never had to earn.

There is a natural defence against the siren song of private consultants: corporate knowledge.

NSW is blessed with thousands of clever, dedicated, hard-working public servants who have operated in their sectors for a long time. These men and women are well qualified to spot consultant snake oil when they see it. But for years now they have been under constant siege – attacked and openly disrespected by government ministers.

Last budget, Treasurer Dominic Perrottet announced that for the next three years his annualised cuts to government departments would increase from 1.5 per cent to 2 per cent.

Surely the people of NSW are entitled, at the very least, to a parliamentary inquiry that can expose how billions in NSW taxes have flowed directly onto the bottom lines of consultancies headquartered in New York and London.

Stewart Little is general secretary of the Public Service Association.