Programs Identified with Negative Benefits

As a result of interventionist policies built up over many years, many functions undertaken by the federal public service provide negative value-added services. These entail costs to businesses and individuals in responding to them, diversion of resources to accommodate their requirements and the effect of them in displacing commercial activities where such activities perform useful tasks.

Savings are available from eliminating or drastically pruning such activities. The savings identified below comprise those from the program expenditures themselves, net of public servant costs and the numbers and costs of the public servants employed. They amount to an annual $22.5 billion in program costs plus $2.4 billion in staffing costs.

Except where duplication with state spending is concerned and where funds are spent on social research, the savings identified exclude the major Health, Education and Welfare programs which account for some 60 per cent of government spending. Nor do they include "off budget" expenditures like the grants being made by the Clean Energy Finance Corporation.

Commonwealth Programs

$b 2013/4

Foreign affairs and economic
- All foreign aid excl. emergency 5.1
- Internat Ag R&D. 0.1
- Internat orgs (40% cut) 0.1

General research
- Cut by 40% 1.6

NDIS
- First stage assistance 0.2

Housing and community amenities
- Abolish entire program involving housing ($3b)
- Urban and regional ($0.7b); Env. Protection ($5.2 b) 9.0

Recreation and culture
- Privatise ABC, SBS 1.2
- Broadcasting and digital abort NBN 0.2

Fuel and energy
- CCS and ethanol 0.4
- ARENA 0.3

Agriculture, forestry and fishing
- Abolish all programs (Cost excludes admin savings) 2.0

Natural resources development
- Water programs 0.6
- Other 0.2
Industry development and investment
Industry subsidies 0.7

Other economic affairs
Reduce spending on IR related activities excl personnel 0.2
Trade development EMDG, Innovation Industry (excl personnel) 0.6
TOTAL 22.5

The Commonwealth Bureaucracy
Public sector resources are normally far less productive than those of the private sector for a number of reasons. These include an absence of profit driven discipline on their growth, difficulties in terminating unnecessary staff, costs entailed in raising revenues for their remuneration.

Some 23,500 public servant positions have been identified as being in these classes. They cover 14 portfolio areas. The positions classified as surplus to need include the following:

Agriculture Fisheries and Forestry
Abolish the R&D corporations covering sugar, fishing, wine etc and three divisions covering sustainable development, climate change and trade and market access, which are either counterproductive or duplicate other bureaucracies.

Attorney-Generals
Abolish Australian Commission for Law enforcement Integrity, the Human Rights Commission the law reform commission and one of the divisions (“Social Inclusion”). These bodies have a track record of excessive and counterproductive meddling

Broadband, Communications and Digital
Privatise the ABC and SBS which should be able to finance themselves alongside other media businesses. Abolish the unnecessary universal service management and the NBN

Climate Change and Energy Efficiency
Abolish

Education Employment and Workplace
Abolish the Curriculum Assessment Authority, the Institute for Teaching and Leadership, Fair Work Australia, Safe Work Australia. All of these add nothing and in the case of the “Fair Work” agencies clearly contribute to lower productivity.

Families Housing Community Affairs and Indigenous
The Aboriginal Land Councils are a clear “make work activity that distracts some of the better minds from productive work. The Institute of Family Studies is one of the many failed agencies and the Equal Opportunities for Women in the Workplace if it ever had a function is now redundant. Housing policy is little to do with the Commonwealth and gambling and parts of indigenous program support should be downsized.

Foreign Affairs and Trade
This agency is heavily overstaffed given Australia’s role in the world and should be severely pruned. The initial candidates are Austrade, which should be made commercial and left to
whither if it proves unsuccessful and branches in the department covering non-proliferation and tobacco plain packaging should go.

**Health and Ageing**

THE activities covered by the Institute of Health and Welfare are covered in universities and elsewhere. There is no need for Australian radiation protection and nuclear protection and Health Workforce Australia is a joke. The Food Standards authority has overgrown its modest usefulness while the hospitals pricing agency is unnecessary.

**Infrastructure and Transport**

For the most part this agency duplicates responsibilities at the state level. Where it does it should at least be severely pruned leaving it largely with the international, air and interstate responsibilities.

**Industry, Innovation, Science, Research and Tertiary Education**

This large department contains considerable fat and cost imposing activities. Its Institute of Aboriginal Studies duplicates many such study functions and should be abolished. Similarly, so too should its Australian Skills Quality function, Tertiary Education Quality Standards and eight of the mainline departmental divisions (AUindustry, Innovation, EBBusiness, Enterprise Connect cannot as bureaucracies possibly add value; while international education quality and other higher education functions are best assessed by the providers of these services themselves).

**Regional Australia, Local Government and the Arts**

With responsibilities for film energy and environment, sport and the National Capital Authority, this department has considerable scope to be trimmed.

**Department of Resources, Energy and Tourism**

This relatively small department largely attempts to duplicate state agencies which have the responsibility for on-shore mining and has tried to create a niche in the interface with the environment. Over half the department proper should be abolished plus some proportion of its Geoscience agency.

**Sustainability, Environment Water**

An agency that has been created to support fashionable notions that without a body ensuring that the law is doubly protected severe damage will follow. Mainly the department needlessly duplicates state agencies and in doing so adds needless costs. Its activities include the Murray Darling authority and the National Water Commission, both of which should be abolished.

**Treasury**

Unfortunately the Department has been excessively politicised and has suffered both in the advice it has been giving (climate change, MRRT, budget policy). It will need to be restructured but several aspects of the portfolio should go anyway. These include most of the ACCC, and the NCC. Among the functions that need to be abolished are the divisions covering older Australians and the competition and consumer division. Massive savings should be made in the international finance and Investment and trade divisions and while there is no need for many overseas posts given modern communications those in Jakarta, Paris, Manila, New Delhi and Tokyo serve no purpose.
The Attachment provides some quantification of savings across portfolios.

The average cost of the bureaucrats identified as surplus including on-costs is around $100,000 per annum. Hence an annual saving of $2.35 billion
Agriculture Fisheries and Forestry
Abolish the following
Cotton R&D corp 12
Fisheries R&D 11
Grains R&D 53
Grape and wine R&D 10
Rural industries R&D 28
Sugar R&D 8
Wheat Exports Australia 5
Wine Australia halve 20
Three of the 16 Divisions abolished (Sustainable Development, Climate Change, Trade and Mkt Access). Two others (ABARE, Govt.) reduced by 20%. Net 25% Staff reduction 1108
TOTAL 1255

Attorney-Generals
Abolish
Aust. Comm. For Law Enforcement Integrity 29
Austr. Human Rights Comm 127
ALRC 14
Office of Aust. Information Comm 79
Abolish one of 15 divisions (Social Inclusion) and Associated Support 100
TOTAL 349

Broadband, Communications and Digital
Privatise ABC and SBS 6491
Abolish telecoms universal service management 10
Abolish 6 out of 26 line branches (4 out of 5 in NBN, merge d into one Consumer and Regional, abolish Media inquiry) 160
TOTAL 6661

Climate Change and Energy Efficiency
Abolish 1009

Education Employment and Workplace
Abolish
Austr. Curriculum Assessment Authority 97
Austr. Inst. For Teaching and Leadership 50
Fair Work Australia 343
Fair Work Ombudsman 753
Fair Work industry inspectorate 155
Safe Work Australia 110
Departmental resources 10% 290
TOTAL 1798

Families Housing Community Affairs and Indigenous
Reduce Aboriginal land councils by half 550
Abolish Inst. of Family Studies 70
Abolish equal opp for women in workplace 30
Out of operational 21 divisions abolish NDIS, part of Families, part of housing policy, part of gambling part of indigenous programs 4 in all 560
TOTAL 1210

Foreign Affairs and Trade
Austrade Phase out Yr 2 saving 500
With Dept two branches abolished (non-proliferation and tobacco plain packaging) plus general savings 300
TOTAL 800

Health and Ageing
Abolish
Aust Inst Health and Welfare 308
Aust Radiation Protection and Nuclear 148
Food Standards ANZ (half) 60
Health Workforce Aust. 135
Independent Hospitals Pricing Policy 59
Departmental pro rata 100
TOTAL 810

Human Services

Immigration and Citizenship

Infrastructure and Transport
Australian Transport Safety Bureau (Halve) 61
National Transport Commission (halve) 23
Abolish three out of 7 operational divisions (Infrastructure coordination, Policy and Research and Major Cities) 420
TOTAL 504

Industry, Innovation, Science, Research and Tertiary Ed
Abolish
Aust Inst Aboriginal Studies 124
Australian Research Council (halve) 104
Australian skills Quality 208
CSIRO (halve) 2780
Tertiary Ed quality standards 90
Eight of the 17 operational divisions should be abolished
(Ausindustry, Innovation, EBusiness, Industry policy,
Enterprise Connect Fully; and parts of International education, tertiary quality and higher Education 1630
Total 4936

### Regional Australia, Local Government and the Arts

- Abolish Austr. Business Arts Foundation 25
- Abolish Australia Council 122
- Abolish Austr. TV Film and Radio School 146
- Abolish Australian Sports Commission (halve) 360
- Abolish National Capital Authority 56
- Abolish Screen Australia 110
- Department pro rata staff reduction 40
TOTAL 859

### Department of Resources, Energy and Tourism

- Abolish Australia Solar Institute 8
- Abolish Energy and Environment Division and Part of Resources Division and some part of Tourism over half of dept 240
- Abolish about 10% of Geoscience 63
TOTAL 311

### Sustainability, Environment Water

- Abolish MDBA (leaving 15 staff) 290
- Abolish National Water Commission 44
- Abolish climate change functions in BoM 15
- Dept staf.. Largely state duplication
- Exc Antarctica. Reduce by 80% 1800
TOTAL 2149

### Treasury

- Abolish ACCC (Exc energy reg) 700
- NCC 11
- Divisions: Ec. Potential of older Australians; Comp and Consumer Policy Halve: Ind, Env, Defence; G20; Internat.
- Finance and Dev pol; For Inv and Trade; O/S posts Jak, Man, N, Del, Paris, Tokyo Equive of 4.5 of 27 operational divs 17% 156
TOTAL 867
TOTAL IDENTIFIED 23518