

## 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
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#### NDIS

First stage assistance	0.2
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#### Housing and community amenities

Abolish entire program involving housing (\$3b) Urban and regional (\$0.7b); Env. Protection (\$5.2 b)	9.0
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#### 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
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#### 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, EBusiness, 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

## Attachment

### Surplus Staffing Levels

ASL

#### 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

**TOTAL** 1108 **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
<b>TOTAL</b>	<b>349</b>

#### 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
<b>TOTAL</b>	<b>6661</b>

#### Climate Change and Energy Efficiency

**Abolish** 1009

#### Education Employment and Workplace

Abolish	
Austr. Curriculum Assessment Authority	97
Aust. 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
<b>TOTAL</b>	<b>1798</b>

### 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
<b>TOTAL</b>	<b>1210</b>

### 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
<b>TOTAL</b>	<b>800</b>

### 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
<b>TOTAL</b>	<b>810</b>

### 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
<b>TOTAL</b>	<b>504</b>

#### 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
<b>Total</b>	<b>4936</b>

### Regional Australia, Local Government and the Arts

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

### 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
<b>TOTAL</b>	<b>311</b>

### 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
<b>TOTAL</b>	<b>2149</b>

### 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
<b>TOTAL</b>	<b>867</b>
<b>TOTAL IDENTIFIED</b>	<b>23518</b>