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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (b 2013/4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign affairs and economic</td>
<td></td>
</tr>
<tr>
<td>All foreign aid excl. emergency</td>
<td>5.1</td>
</tr>
<tr>
<td>Internat Ag R&amp;D</td>
<td>0.1</td>
</tr>
<tr>
<td>Internat orgs (40% cut)</td>
<td>0.1</td>
</tr>
<tr>
<td>General research</td>
<td></td>
</tr>
<tr>
<td>Cut by 40%</td>
<td>1.6</td>
</tr>
<tr>
<td>NDIS</td>
<td></td>
</tr>
<tr>
<td>First stage assistance</td>
<td>0.2</td>
</tr>
<tr>
<td>Housing and community amenities</td>
<td></td>
</tr>
<tr>
<td>Abolish entire program involving housing ($3b)</td>
<td>9.0</td>
</tr>
<tr>
<td>Urban and regional ($0.7b); Env. Protection ($5.2 b)</td>
<td></td>
</tr>
<tr>
<td>Recreation and culture</td>
<td></td>
</tr>
<tr>
<td>Privatise ABC, SBS</td>
<td>1.2</td>
</tr>
<tr>
<td>Broadcasting and digital abort NBN</td>
<td>0.2</td>
</tr>
<tr>
<td>Fuel and energy</td>
<td></td>
</tr>
<tr>
<td>CCS and ethanol</td>
<td>0.4</td>
</tr>
<tr>
<td>ARENA</td>
<td>0.3</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td></td>
</tr>
<tr>
<td>Abolish all programs (Cost excludes admin savings)</td>
<td>2.0</td>
</tr>
<tr>
<td>Natural resources development</td>
<td></td>
</tr>
<tr>
<td>Water programs</td>
<td>0.6</td>
</tr>
<tr>
<td>Other</td>
<td>0.2</td>
</tr>
</tbody>
</table>
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 (AUsindustry, 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.
**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 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
- 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
**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
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
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 Eqrive of 4.5 of 27 operational divs 17% 156
TOTAL 867
TOTAL IDENTIFIED 23518