



PRIME MINISTER

FOR MEDIA

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REVIEW OF THE FUNCTIONS OF GOVERNMENT
AND OF PUBLIC SERVICE STAFFING LEVELS

It has been the Government's continuing aim since 1975 to maintain strict control over the size of the public sector and of the Public Service.

The Government remains committed to the principle that growth in the private sector, not expansion of the public sector, is the right course if permanent reductions in unemployment and increases in prosperity and wealth for the community as a whole are to be achieved.

The imposition of limits on the staffing of Public Service departments and authorities has been an important weapon in restraining the growth of Government. Since we came to office effective staff ceilings have been imposed and the number of Commonwealth employees in areas subject to staff ceilings has been reduced by over 10,000.

At the same time, where there are areas of genuine need we have increased staffing to provide the necessary services. Thus some 65 new regional offices for the Department of Social Security have been opened in the last five years, and staffing in that Department has increased by 3,000.

Similarly, the Commonwealth Employment Service, since the Norgard Report was accepted by the Government, has considerably expanded the services it provides to those seeking work - for example, the Special Youth Employment Training Program and the School to Work Transition Program. Staffing has increased by about 1,000 in the past five years.

There are also areas of Government activity which are commercial by nature, or akin to commercial - for example, the Postal and Telecommunications Commissions, and the Government Defence factories. The Postal and Telecommunications Commissions have experienced large increases in demand in recent years. They have for the most part kept pace with this growth by increased efficiency. But their business is expanding so strongly that in 1979-80 staffing levels in Australia Post and Telecom increased by nearly 1,500 - and that upward trend is continuing.

Also, because of our increased defence effort, employment in the Government Defence factories is currently rising and this trend is expected to continue. Again, this reflects a necessary demand which must be met either by increased production in Australia or overseas.

Thus our record of an overall, net reduction of more than 10,000 in total public service staffing has been achieved even after making necessary increases in some areas so that appropriate services can be provided to the public. Those who analyse changes in Commonwealth staffing levels need to bear that in mind.

The Government's achievement in reducing the total of staffing; even while increasing staffing in some areas to meet commercial demands and to provide better services, also needs to be compared with the record of the previous Government where the number of Commonwealth Government employees increased by 52,000 from June 1972 to June 1975.

Associated with the announcement on Sunday of a reduced Ministry and fewer departments, the Government's policy of strict controls on staffing levels in Commonwealth employment will continue.

The Government is reviewing the provisional staff ceilings set for departments for 30 June 1981; that review will also identify the staff savings to be achieved through the departmental rationalisation.

The Government will maintain strict restraint on administrative costs in 1980-81. Departments and authorities will again be required to live within the Budget allocation provided to them.

Controlling the size of the public sector is not just a matter of restraining growth in staff numbers and administrative costs. It is also, and most importantly, a matter of re-examining the functions of government. This is particularly timely at the beginning of a new term of office.

The Government has accordingly established a Committee of Senior Ministers to review the functions of all Commonwealth departments and other associated agencies.

The review will recommend to the Government which functions might be reduced, eliminated, or altered so as to achieve a more efficient and economical administration of continuing Commonwealth responsibilities. The review will also examine areas where Commonwealth activities overlap the States or unnecessarily intrude on the private sector.

The review is a useful further step in the Government's continuing commitment to restrain the size of the public sector, and Commonwealth outlays in particular, as part of the Government's overall economic strategy, which was endorsed at the recent Federal elections. There is also a need to avoid intrusion into areas of activity capable of being performed efficiently by the private sector.

At the same time, the Commonwealth will be ensuring that the less well-off in the community are protected, that activities are concentrated on areas of greatest need, and that the quality is maintained of those services which are properly provided by the Commonwealth.

The Committee, which is to be chaired by the Minister for Industry and Commerce, Phillip Lynch, also includes the Minister for Primary Industry, Peter Nixon, the Treasurer, John Howard, the Minister for Finance, Dame Margaret Guilfoyle, and the Minister for Employment and Youth Affairs, Ian Viner.