



PRIME MINISTER

FOR MEDIA

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ELECTORATE TALK

Over the past week Federal Cabinet has been considering the recommendations of the Ministerial committee that has been reviewing the functions of the Commonwealth Government. I shall be announcing the Government's decision on the committee's recommendations to the Parliament in the coming week.

Since the Government came to office in 1975, we have established, maintained and strengthened a range of review procedures and mechanisms designed to make sure that expenditure is restrained in each sector of Government. But from time to time the Government must take a long, hard look at the totality of its activities, and measure its achievements against its goals and its underlying philosophy; it must renew its commitment to its philosophy and take steps to ensure that that philosophy is put into practice by its policies and its actions. The review of Commonwealth functions was designed to serve precisely this purpose.

In 1975, the Government committed itself to a programme of reform designed to restore prosperity to Australia. Essential to that programme was the view that prosperity would be promoted best by more limited Government: that massive Government spending and huge budget deficits were a source of inflation, uncertainty, and unemployment; that high taxation took income from the hands of individuals who know best what they need and put it into the hands of bureaucrats; and that Government intervention and regulation was often a source of inefficiency, destroying incentive or misdirecting them. Also essential to our programme was the view that good government does not mean highly centralised Government; that highly centralised Government gives undue influence to a privileged few, removes responsibility from those who should exercise it and impose uniformity where people want diversity.

Our approach has been guided by our fundamental philosophy that it is individuals and their needs that count, and that the greatest possible decentralisation of decision-making gives people maximum influence over their own destiny. Our policies sometimes have been misunderstood, or deliberately misinterpreted, but the results now speak for themselves.

The review of Commonwealth functions has been undertaken to continue the process of reform of Government and to ensure that the hard won gains of the last five years are not lost.

While the review has been concerned to further increase economy and efficiency in Government by eliminating waste, duplication and unnecessary cost, it has not been simply a cost-cutting exercise. The name, the razor gang, given to the review committee by the media, implied an entirely inappropriate emphasis, the review's objective was to promote prosperity, not austerity. The central purpose of the review was in fact to continue the process of restoring an appropriate balance between the role of the public sector and that of the private sector and an appropriate balance within the public sector between the Commonwealth and the states.

Accordingly, the activities of all Commonwealth Government Departments and their authorities have been extensively examined to determine whether functions currently performed by the Commonwealth can be taken over by, or sold to, private enterprise; where the burden of regulations imposed on private activity by the Commonwealth can be reduced or eliminated; whether functions and responsibilities undertaken or shared by the Commonwealth can be more appropriately and efficiently handled by the states, and which Commonwealth functions might be reduced, performed more efficiently or eliminated.

The importance we attach to this review was clearly indicated by the fact that the review committee was composed of senior Ministers and by the fact that the Committee was chaired by the Deputy Leader of the Parliamentary Liberal Party, the Minister for Industry and Commerce, Sir Phillip Lynch. I believe that the Cabinet decisions resulting from that committee's deliberations which I shall announce this coming week will be seen as confirmation of the Government's commitment to strong, effective but limited government. But more than this, they will be seen to be a milestone on the road to an Australian economy, and an Australian people, which fully exploits its true potential.