



# REPORT FINDS EXPANSION IN PUBLIC SERVICE

ACCI Chief Executive Peter Hendy on ABC Radio's AM Program - Public Service Expansion - 1 December 2006

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**Reporter: Brendan Trembath**

TONY EASTLEY: Reducing the size of the public service has been an aim of many conservative governments including John Howard's. But under the Prime Minister's leadership the Australian Public Service has expanded.

A new report says the ranks swelled almost ten per cent last financial year. Business groups and conservative commentators are disappointed.

Brendan Trembath reports.

BRENDAN TREMBATH: Public servants in Canberra have counted themselves and recorded one of the biggest increases in their ranks for years. A report called State of the Service puts the total number of employees at 146,434, an increase of 9.6 per cent.

The gain concerns business leaders including Peter Hendy, the Chief Executive of the Australian Chamber of Commerce and Industry.

PETER HENDY: We've been disappointed in the government in recent years about its inability to curb the size of the Federal Government. We all know that when the government first came in ten years ago, that they went through the public service and they cut back.

They did a very good job, they cut back from where the Keating government had been. In fact they cut something like two percentage points of GDP off the sides of the federal Government. That was very good, it's good economic policy.

Unfortunately, since that, over the last ten years they've put that all back on.

BRENDAN TREMBATH: One of the reasons cited though, is national security, for example governments around the world have had to spend more on security guards and different employees involved in detecting terrorism.

PETER HENDY: Well, that is true, and we wouldn't actually object to the fact that they've put more staff on in relation to security and defence issues. That's actually a reasonable policy. But if you're going to do that, you should look at other areas where you should cut back.

BRENDAN TREMBATH: But the Workplace Relations Minister Kevin Andrews has an explanation. The Federal Government has explained the increase by pointing out that almost 5,000 Medicare Australia workers are now counted under the Public Service Act.

Canberra's fortunes have often depended on the size of the public service. When a newly elected Prime Minister John Howard slashed government jobs in the mid-1990s, Canberra home prices took a battering.

Free market proponents like John Roskam, the Executive Director of the Institute of Public Affairs, say the cuts should

have continued.

JOHN ROSKAM: We would always say that government should be as small as possible, but it does demonstrate that even the Howard Government with its philosophical principles finds it difficult to resist the pressures for growing increases in the public service and growing increases in the provision of government services.

TONY EASTLEY: John Roskam from the Institute of Public Affairs speaking there to Brendan Trembath.