



THE NATIONAL COMMISSION OF AUDIT

WHAT IS THE NATIONAL COMMISSION OF AUDIT?

In early April the new Coalition Federal Government announced a National Commission of Audit. Amongst its tasks is to:

- C Examine the finances of the Commonwealth
- C Establish a methodology for developing and implementing financial performance targets for Commonwealth departments and agencies
- C Identify duplication, overlap and cost shifting between the Commonwealth and the state/territory governments in service delivery.

WHO IS ON THE COMMISSION?

There are four Commissioners and an Executive Officer. They are:

- C Professor Bob Officer as chair . He is from the University of Melbourne, is an influential member of the right wing think-tank, the Institute of Public Affairs (IPA), and was also Chair of the Victorian Commission of Audit.
- C Maurice Newman. Chair of the Bain and Company Group
- C John Fraser. Executive Chair and Chief Executive, SBC Australia Funds Management Ltd.

C Elizabeth Alexander. Partner, Price Waterhouse.

C The Executive Officer is Geoff Carmody. He is Director of the right- wing Access Economics, which has strong links to the Liberal Party. Carmody was closely involved in the preparation of *Fightback*.

Such a group could certainly not be described as independent!

PREVIOUS COMMISSIONS OF AUDIT

NSW, ACT, Victoria, SA, and WA have all had Commissions of Audit following the election of Liberal or Coalition governments.

Their reports were remarkably similar, suggesting severe economic problems which could only be remedied by economic rationalist solutions.

David Hayward from Swinburne University has suggested these Commissions are part of a clear political tactic involving five steps:

1. Enter an election using a set of “false” policies, which are vague and generally inoffensive.
2. Once the election is over manufacture a crisis atmosphere around government finances.
3. Give the impression that these financial problems are so pressing that the Government’s election commitments cannot be met.

4. Establish a Commission of people who are sympathetic to the Government's real agenda.
5. Embark on a savage cost cutting program that will enable the "manufactured financial problem" to be resolved prior to the next election, and use this "financial success story" as the basis for the next election campaign.

Clearly, the Howard government is following this model.

The State Commissions have developed a pattern of responses which have been extremely negative of, and damaging to schools and other educational settings along with the public sector in general.

The AEU has expressed its deep concern at the inadequacy, misinformation and misinterpretation of fact in relation to education that has characterised the statements of these Commissions. They have appeared as ideologically biased, and have generally interpreted information to fit a pre-determined and ideologically driven case for downsizing of the public sector.

In the area of schools, they have shown a predilection for information which purports to show little or no improvement in performance despite increased resources, and which uses the specious argument of provider capture against teachers and their unions to suggest that systems have evolved to serve the needs of teachers rather than students.

MANUFACTURING THE CRISIS

Consistent with the strategy noted by Hayward above, the incoming Coalition government "discovered" an \$8 bn deficit in the Federal budget, which it said would necessitate cuts of that order in public sector finances. It immediately broke its election promises and began downsizing the public service.

John Quiggin, Professor of Economics at James Cook University, analysed the figures and concluded that "the most likely explanation of these surprising forecasts is that the parameters have been juggled to make the projected deficit as big as possible".

He continued, "a more accurate estimate of the 1996/97 deficit, using the lower growth estimates, is around \$3 bn or 0.6% of GDP. This, and projected deficits in later years, are amongst the lowest of OECD countries, and do not involve an unsustainable level of public sector debt.

REFERENCES

- Hayward, David, 1993, The Kennet Cuts : how Necessary are They?, *Journal of Australian Political Economy*, No. 32.
- Quiggin, John, 1996, The Black Hole; Myth or Reality? In *Public Finance Choices; Alternatives to the Coalition Attack on the Public Sector*, Sydney, PSRC.

Authorised by S. Burrow, Federal President, AEU, 120 Clarendon Street, Southbank, 3006

Copyright©Australian Education Union, 1996