



The Secretary
Parliamentary Joint Committee for Public Accounts and Audit
Parliament House
Canberra ACT 2600

**Inquiry into the effects of the ongoing efficiency dividend
on smaller public sector agencies**

Established in 1988 in Sydney, the Walter Burley Griffin Society Incorporated commemorates the lives and works of Walter Burley Griffin and Marion Mahony Griffin and promotes the ideals, vision and community life they fostered in Australia. It aims to promote a better understanding of the lives and works of the Griffins, promoting especially the preservation and conservation of landscape designs, urban plans, buildings and other works designed by or having an association with the Griffins. The Society has several hundred members from various parts of Australia and the USA. A Canberra Chapter of the Society was formed in 2004.

2. The Society appreciates very much the opportunity provided by the Parliamentary Joint Committee on Public Accounts and Audit to examine the impact of the ongoing efficiency dividend on smaller public sector agencies. Given the potent relationship between Griffin's Plan of Canberra, the role of the National Capital and the development of Canberra, the Society has an abiding interest in the national institutions and their precincts: in particular, the National Capital Authority, National Gallery, National Archives, High Court, National

Library, Old Parliament House, the War Memorial, National Museum, National Film and Sound Archive and National Portrait Gallery.

3. The Society has been an active participant in the public processes of debate and inquiry over the past year or so regarding the performance of national institutions and various studies and plans for their future development. Many issues have been raised recently with respect to the responsibility, capacity, resourcing, standards and significance of these institutions in the broader picture of the National Capital's symbolic and economic functions. The 2007 and 2008 inquiries by the Joint Standing Committee on the National Capital and External Territories, into the Griffin Legacy Amendments to the National Capital Plan and The Role of the National Capital Authority, respectively, have been especially revealing and pertinent to the subject of this submission.

4. It is important to appreciate the special characteristics of these national institutions:

- ❖ relatively small organisational size
- ❖ critical mass of specialized skills
- ❖ long term strategic programs
- ❖ maintenance of public awareness
- ❖ educational and symbolic functions
- ❖ role in domestic and international tourism and representation of national identity
- ❖ productive leverage obtained through volunteer workforces.

5. The heavy damage that can be done to such cultural institutions through relentless application of the efficiency dividend savings measure is graphically illustrated by the decline in capacity, performance and programs of the National Capital Authority, National Museum of Australia, National Library and National Gallery, in particular. The damage has been evident over the past year, quite apart from other forms of budgetary cuts.

6. One adverse consequence is the loss of experienced staff and corporate knowledge. Another is the reduction and even closing down of library, research and public access facilities (as in the case of the NCA). More widely, the application and consequences of such measures seems also to have reinforced anti-Canberra sentiments in the general Australian public.

7. The NCA also warrants special consideration in view of its unique coordinating responsibilities. As the Commonwealth authority responsible for planning and managing the assets of the National Capital it is required to coordinate among both Commonwealth and Territory authorities.

8. The Public Service efficiency dividend is clearly flawed as a “one-size-fits-all”, blunt policy instrument. It is time that it was assessed for its impacts in order to design more differential applications on the basis of specific costs and benefits (including damage costs). Governments cannot be absolved from policy responsibilities by across-the-board devolution to public sector agencies and the indifference to consequential effects.

9. The Finance Minister, the Hon. Lindsay Tanner was reported in *The Canberra Times* of 29 June 2008 as saying, with regard to the impact of the mandatory efficiency dividends on Canberra’s national cultural icons, that it was “an issue for individual departments.” He said the dividends were being used to finance election promises.

10. It is impossible to reconcile the Minister’s attitude with his Government’s and his own purported commitment to the National Capital and its role in expressing Australian identity and achievement. In Lindsay Tanner’s book *Open Australia* (Pluto Press, 1999) Chapter One is entitled *The Battle for National Identity*. The theme of the chapter is Australia’s transition towards a more mature, multicultural, high achieving society. Australia is reshaping its national identity and seeking a vibrant national self-image.

11. The national cultural institutions in Canberra play a critical role in recording and exemplifying Lindsay Tanner’s vision. The effects of the efficiency dividend need to be carefully evaluated to avoid the manifest damage already being done to these institutions.

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