

PENANG SANGAM HIGH SCHOOL

P.O.BOX 44, RAKIRAKI

LESSON NOTES WEEK 14

Year/Level: 12

Subject: Office Technology

Strand : 3	ORGANISATION SECTOR
Sub Strand : 3.1	OFFICE ADMINISTRATION
Content Learning Outcome	At the end of this chapter, students should be able to <ul style="list-style-type: none">• differentiate public sector from private sector• explain the three areas of production• discuss the five different business ownership

Public and private sectors of business

There are two sectors of industry.

- In the public sector, business is operated by three levels of government: Commonwealth, state and local.
- Each of these levels of government provides essential services for the public, funded from taxes, revenue and grants.
- Many of these services provided to the public are slowly being privatised, such as the provision of electricity, gas and fuel.
- In the **private** sector of industry, business is operated by private individuals.
- Businesses in the private sector might be large organisations employing hundreds of staff, small companies employing two or three staff, or individuals working alone.
- Businesses are financed with personal funds or by shareholders.

Business is split over **three** main **areas of production**:

1. **Primary industry.** The extraction of raw materials, such as minerals, fuels, agriculture, forestry and fishing.
2. **Secondary industry.** The manufacture of products from the raw materials.
3. **Tertiary industry.** The provision of services to the public, such as medical clinics, accounting and law firms, educational institutions and the distribution and sale of manufactured goods (this is the largest classification of industry).

PUBLIC SECTOR	PRIVATE SECTOR
Owners: the electorate (voters) Parliament Prime Minister Cabinet Ministers for Government departments Head of department Divisional directors	Owners: shareholders of the company <u>Company</u> Chair of the board Directors Managing director Company departments General manager Executive managers of sections
Aims: Welfare of the community	Aims: Profit
Accountability to: Taxpayers	Accountability to: Shareholders, board of directors, government
Promotion: Based on merit or, when two people have same qualifications, on seniority	Promotion: Based on demonstrated ability
Administration by: Minister and department heads	Administration by: One or two individuals (small <u>organisations</u>) Board of directors Administration department (large <u>organisation</u>)
Security of employment: Based on performance	Security of employment: Depends on profits

Activity

1. Differentiate between public sector and private sector.

2. Explain the three main areas of production.

3. What is the aim of a

i) private sector?

ii) public sector?
