

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT

SCHOOLS

PRESS RELEASE 768

Privatisation and the failure of neoliberalism:

In Education as well as Electricity, Communications, Banks, Ports etc.

There is growing opposition to the prevailing neo-liberal ideology which puts markets and companies before society and the public interest. The key feature of neo-liberalism has been privatisation of what were once public facilities.

Although the ‘economic narrative’ of Conservative neo-liberals like Peter Costello is 23 successive years of economic growth, there is a widespread realisation that the benefits have been for a privileged few, at the expense of the many.

John Menadue, in his article *Privatisation is a clear Example of the failure of neoliberalism* at <https://johnmenadue.com/john-menadue-privatisation-is-a-clear-example-of-the-failure-of-neoliberalism/#comment-59092> lists an impressive number of ‘privatisation failures’ and ‘messes’ in recent Australian experience. (See at the end of this article). However, he notes the failure of the vocational education schemes, but leaves out the privatisation by stealth of public education.

DOGS responded to his article as follows:

Thank you for this article.

The ‘privatisation’ not covered in your article – perhaps because it is more subtle – is the privatisation of primary and secondary education. This has been going on since the return of public subsidisation of the sector in the 1960s after a break of almost a century. What is perhaps of most interest is the simple fact that the public system is still alive and well and fighting.

Some leaders of the public system, spooked by the ‘sectarian’ label, compromised and sold out as early as 1973 but many, like Ray Nilsen of the DOGS did not.

Privatisation was at its most obvious in Kennett’s Victoria where public schools were closed and sold to developers or private schools. The fight back at Richmond secondary college was inspirational. Thanks to Kennett a new generation of parents was politicised. Ray Nilsen is gone to a better country, but Steve Jolley is still involved in politics.

We need to remember and recognise our heroes and heroines and keep up the fight.

Jean Ely

It should also be noted that in recent years seven hospitals in NSW and SA were privatised but then reverted to public ownership because of poor services and high costs.

It is time that the unaccountable, inefficient private schools that duplicate public facilities were placed into public hands, and public funding of the remainder withdrawn.

Excerpt from : JOHN MENADUE. Privatisation is a clear example of the failure of neoliberalism.

Posted on [24 October 2018](https://johnmenadue.com/john-menadue-privatisation-is-a-clear-example-of-the-failure-of-neoliberalism/#comment-59092) at <https://johnmenadue.com/john-menadue-privatisation-is-a-clear-example-of-the-failure-of-neoliberalism/#comment-59092>

There is a litany of privatisation abuse and failure in Australia.

- The network arm of Telstra should never have been sold by John Howard. If the network arm had been kept in public hands, we would now be well on the way – or have completed – a successful fibre rollout of NBN instead of the mess that Tony Abbott and Malcolm Turnbull have bequeathed to us. If the network business of Telstra had been retained in public hands, it would have rolled out fibre broadband as part of its core business like NZ.
- The Hawke and Keating governments sold off the Commonwealth Bank. We are not better off with the privatised CBA leading the race to the bottom in record profits, greedy executive salaries and unethical behaviour? We need to consider again a new ‘peoples bank’ like CBA was before privatisation.
- Medicare has operating costs one third of those of private health insurance. But the government is using \$12 billion of taxpayers’ money each year to prop up the inefficient and confusing mess called PHI. Our health system is being privatized by stealth through an enormous corporate subsidy to PHI. Medicare was established by the Whitlam Government because of the shambles that private health insurance had become in 1974. It is the same story again today.
- Governments facilitated unscrupulous private providers to compete with TAFE with disastrous results. Rod Sims the Chair of the Australian Competition and Consumer Commission said that the mess of the VET-fee scheme with vocational training carried out by the private sector would take two years and counting to clean up.
- He has also warned us that privatising the NDIS services could be a repeat of the VET-fee mess.
- We sold off natural monopolies like our airports. We should not be surprised that these new private monopolies exploit consumers with excessive charges.
- Seven hospitals in NSW and SA were privatised, but then reverted to public ownership because of poor services and high costs.
- The NSW government sold Port Botany and Port Kembla to the same buyer, making competition between the two ports impossible. The result was increased rental charges of up to 400%.
- The efficient Newcastle container port has been privatised, with a cap placed on its container business in order to protect Port Botany. That is real crony capitalism.
- To top it off, the NSW government sold off the Land Titles Office which underpins the whole property system in NSW. It was no surprise when we learned that the new owner attempted to increase some land title fees by 1900%
- Other privatisations are attempted through the back door. The federal government says that it will not privatise the ABC despite its federal council proposing just that. Instead the government is cutting funds to the ABC at the behest of Rupert Murdoch

and the Institute of Public Affairs that he and Gina Rinehart fund. Further the ABC is subject to continual harassment and intimidation by ministers.

- In similar fashion the NSW government says that it will not sell National Parks but starves them of funds to force commercialisation to benefit its political mates.
- A major privatisation mess has of course been in electricity generation and distribution. As Tim Colebatch has reported in Inside Story, electricity prices have soared 187% since 2000. He commented ‘the privatisation and deregulation of gas and electricity has failed consumers’

Conservatives tell us that selling off public assets enables government to build new infrastructure. The fact is that as any economist will tell you, the sale of income producing assets like the Land and Titles Office in NSW does not introduce any additional capacity for public investment in non-commercial capital projects.

Whilst conservative and neoliberal ideologues refuse to face the facts, the public clearly understands that privatisation of public utilities that are natural monopolies is foolish.

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