

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF
GOVERNMENT SCHOOLS
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**THE VERDICT ON CONTRACTING OUT
IS DAMNING**

When it was contracted out, hotel quarantine in Victoria was an unmitigated disaster. Not only is it impossible to find who was directly responsible for the expenditure of public money on this disastrous program. The chain reaction on public health, the economy and the actual loss of life has been catastrophic.

In the absence of proper quarantine stations — which were flogged off by neo liberal governments long since — hotel quarantine is now operated by a single designated government agency with a clear chain of political accountability to a single responsible minister. Those involved must not work in other jobs. There is no contracting out.

According to Kristen Rundle, a Law Professor at Melbourne University, the final Quarantine Inquiry Report has far-reaching consequences. Her criticisms of the practice of ‘contracting out’ essential services by public servants whose administrations have been re-structured, underfunded, and even gutted since the 1980s is both insightful and damning.

It should be read and applied to what has happened and is happening to the contracting out of essential public education services to the private religious sector in this country since the 1960s.

[Kristen Rundle writes as follows:](#)

Justice Coate’s answer to the question that has remained front and centre since the breakdown of Victoria’s first hotel quarantine system is that the so-called ‘decision’ to contract out the frontline of enforcement to private security guards was ‘an orphan’, with no one person or department able to be identified as having made it.

If this conclusion is met with displeasure, disbelief or ‘shock’, the problem does not lie with Coate or those who have assisted her. The problem lies with how, in this instance and innumerable others, this was business as usual. There is little that Australian governments today do not contract out, in whole or in part.

Once this fact is grasped, it should come as no surprise that those assembled to design Victoria's hotel quarantine system started from the assumption that contracted security service providers would be central to the operation.

Still, it remains important to take seriously the surprise with which this insight into the workings of contemporary government has been met. It tells us something important about the distance between public expectations and how governments actually do the work that we have entrusted them to do.

The inquiry has equally taught us that the ubiquity of contracting out should not be confused with the extent to which its features and implications are understood by its practitioners. Coate's report reveals, in painful detail, that the mechanics of this particular exercise in outsourcing were often as opaque to government insiders as they were to the rest of us.

Worse still, she has found that the relationship between contracting-out and our most fundamental principle of political accountability – ministerial responsibility – was in this instance dysfunctional by design.

Despite the fact that it implicated millions of dollars of public money and stood to have serious consequences for public health and safety, no minister was involved in the 'decision' to use private security contractors or its ongoing oversight. Coate rightly observes that this was "at odds with any normal application of the principles of the Westminster system of responsible government".

Where do we go from here? Is it time to adapt our accountability expectations downwards to meet the features of contracting out? Or is it time to revisit the central place this practice presently occupies within the workings of modern government so as to better meet those expectations?

The first of these options is entirely unacceptable. After all, our expectations of political accountability and the mechanisms through which those expectations are carried have been sustained for far longer than contracting out has been a feature of governmental life.

But if the second and, I would argue, necessary path is to be taken, there is work that needs to be done. We need a framework of principle for determining when contracting out is appropriate and when it is not.

We might begin to develop that framework of principle by asking such questions as the following. What is the government function to be performed?

To what extent can it be broken down into specified tasks? What gaps or contingencies might be encountered? What is the character of the workforce that will be assigned to the task? What lines of vision will be required? What is the rationale for engaging private contractors rather than public personnel?

There equally needs to be more attention to the move that lies at the heart of contracting out, namely, the translation of government functions into 'services' capable of being delivered by the private sector. This potentially transformative move has been significantly under-analysed by proponents and critics of contracting out alike.

Conceptualising a government function as a 'service' does much more than just facilitate the potential involvement of private sector providers in its 'delivery'. It effectively embeds, as its starting point, the idea that private sector providers and public officers are equivalent in their suitability to perform to the relevant 'task'.

The matters before the inquiry illustrate this point well. Hotel quarantine was understood as requiring 'security services'. These 'security services' could be delivered by public sector (relevantly, the police, one of Coate's findings being that involvement of the ADF was never really considered) or private sector providers. The choice to be made between the two, to the extent that it was ever entertained, appears to have come down to some or other understanding of what would be the most efficient use of police resources in the circumstances.

This is how the burden of a high-stakes government function was shifted to people with no specialised skills in either of its dual aspects, detention or infection control. Its logic left little room for noticing that what is efficient is not necessarily the same as what is appropriate. The key lesson of Victoria's first hotel quarantine experiment is of course that the latter went to the heart of things.

This is precisely why the final report of Victoria's hotel quarantine inquiry needs to be received as signalling an opportunity. Coate's detailed findings stand as an invitation to all Australian governments to reassess their relationship to contracting out. Because if they don't, it's very likely we'll be here again.

In Education we have been systematically undermining the basic principles of democratic government since State Aid was given to private schools and the old denominational system was resuscitated in 1964.

DOGS make no apology for reproducing this article in full, since so much of the criticisms of the high profile Quarantine disaster apply to what has happened and is happening to Australian contracting out of education services to the private, religious sector. It could even be argued that the long term effects of privatisation of educational services are longer term and more disastrous than the recent pandemic disaster.

Lessons from History

The sad thing is, that it has all happened before, particularly in the education as well as the health sector. The early colonial governments, with their eighteenth century European precedents, contracted out the education of the colony's children to the churches with a denominational system. By 1844 they began to realise their mistake. They were certainly informed of it, quite clearly, by a Select Committee on Education in 1844 . They said:

The present state of Education in this Colony, your Committee consider extremely deficient...(half the children were receiving no education at all)

The first great objection to the denominational system is its expense; the number of schools in a given locality ought to depend on the number of children, requiring instruction which that locality contains....It appears to your Committee impossible not to see, that the very essence of a denominational system, is to leave the majority uneducated, in order thoroughly to imbue the minority with peculiar tenets. It is a system always tending to excess or defect, the natural result of which is, that wherever one school is founded, two or three others will arise, not because they are wanted, but because it is feared that proselytes will be made....It places the State in the awkward dilemma, of either supplying money whose expenditure it is not permitted to regulate, or of interfering between the Clergy and their superiors, to the manifest derangement of the whole ecclesiastical polity....

Your Committee ...recommend that one uniform system shall be established for the whole of the colony, and that an adherence to that system should be made the indispensable condition under which public aid will be granted.

Our forebears discovered that the only way to ensure any semblance of equality of opportunity for the education of a nation's children was with a public system responsible for every cent of public money to a representative Minister.

The verdict has long ago been made on the disaster of ‘contracting out’ essential public services paid for with public money.

When will we ever learn?

Reference: THE AGE Tuesday December 22 2020

<https://www.theage.com.au/national/hotel-quarantine-inquiry-final-report-has-far-reaching-implications-20201221-p56p8v.html>

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