

# AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release 723

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## The Peoples Inquiry into Privatisation report

Our politicians chattering under the man-made hill in Canberra are lost in the mists of history. Many voters have left representatives of the new plutocracy far behind, as they spout meaningless concepts of globalisation, privatisation and failed neo-liberal ideology.

No wonder the political landscape is so fragile, beset with talk of ongoing leadership “spills.” Supporters of public education are well aware of the groundswell from below, as parents and public school students as well as TAFE ‘customers’ are on the receiving end of the government’s failed ‘privatisation’ agenda.

It is time politicians caught up with

### **The report of the Peoples Inquiry into Privatisation launched on Monday**

[Click here](#) to download your full copy of the report. Or go for the shorter summary version by [clicking here](#). And their own Australian history.

As the Report notes:

*During the ( nineteenth century ..our addition and ).. the first nine decades of the 20th century, the Australian people used their collective wealth to create a fabric of publicly-owned infrastructure and services that built our nation. The resulting banks, schools, technical training institutions, universities, hospitals, transport networks, power generators and social services of many kinds were expressions of the very democratic idea that the surplus of our economy should be invested to serve everyone and be answerable to everyone. They may have been far from perfect, but they were extremely popular. After all, they worked. Then, from the mid to late 1980s onwards our leaders from all parties began to pull this fabric apart. Some industries are already largely gone from public control, like the electricity industry. Many are in the throes of privatisation, like aged care, child care, hospitals, child protection, disability services, prisons and vocational training. Others are on the chopping block, like a science, land*

*titles, public trustees, roads, ports, air-services, sports and recreation. And yet others are being lined up by hungry contractors and ideologues, like policing and defence. This privatisation was done for many reasons. Some of those reasons, like the desire for greater efficiency, are understandable, if not accurate. Others, like ideological fashion, are not. Mainly, though, it was done to improve the look of state and federal government balance sheets – something we can now see has largely failed. Indeed, in many areas of service provision, privatisation has produced far inferior services at far greater cost. One example among many highlights what has gone wrong: vocational education. Where publicly-provided TAFE colleges provided millions of Australians with skills and upward mobility at an affordable cost while meeting the expanding needs of employers, today's privatised vocational training system is shrouded in scandal, often leaving students with mountains of debt for poorly taught courses for which few jobs exist. Worse, it has become a hunting ground for dishonest businesspeople preying on the weak to gather up poorly-administered public subsidies. From a great public institution that promoted upward mobility to a privatised producer of misery in just one generation. Similar problems that have undermined the once-great TAFE system infect other privatised services to varying degrees. The Australian people know this, and they want it stopped. This report explains why.*

The Report sets out a set of principles and consequent recommendations.

**The principles are listed below,**

1. Citizens have a right to well-resourced and capable governments delivering quality public services paid for through a just tax system.
  - All citizens should have access to these services irrespective of ability to pay
  - Particularly around privatisation decisions, democracy requires transparency, openness, participation and accountability between government and its citizens
- 2 Quality, rather than cost, is the best measure to judge who has the capacity to deliver services
3. Privatisation should not be presented as providing greater choice to citizens when it removes the choice to continue using existing government services, as has occurred in some provisions of disability services

4. Privatisation should not be seen as a means of making savings by lowering the quality of services provided or by reducing the wages and employment conditions of workers
5. Whether government-funded services are provided in the public or private sphere, the community must be able to hold governments accountable for those services
6. All privatised services should be completely transparent to the public. Citizens have the right to know where and how public funds are being spent and the detail of services provided

**The recommendations are:**

- 1 We call for a moratorium on privatisation until greater regulatory mechanisms and proper policy frameworks are implemented around the delivery of public services.
- 2 Prior to any new privatisation, governments should:
  - provide details of all the proposed benefits, sources of savings and evaluation of costs
  - assess the benefit to the public, including a comparison of service provision and access to prove why delivery of services cannot be maintained by the government
  - define minimum qualifications for new employees prior to privatising
  - prohibit any company that has evaded taxes or broken the law from taking over public services.
- 3 Where there is a privatised service, governments must take back the regulatory space and set the rules. An independent regulatory body should oversee privatised assets and services to ensure accountability.
- 4 Governments must continue to employ sufficient, qualified staff to evaluate the quality and competence of service providers, and to provide a continued role in strategic advice. Departments of government should not be tendering policy decisions out to consulting or accountancy firms.
- 5 There must be NO commercial-in-confidence provisions when taking public money.
- 6 If a service is to be privatised, governments must set a fixed tender price that ensure cost is removed from the decision process and tenderers are competing on the basis of quality only. This prevents it being a race to the bottom.

7 Where privatisation occurs, the new provider must, as a minimum, maintain the same employment conditions and standards as the government service it replaced in regards to:

- wages and conditions of employment
- health and safety
- equal opportunity employment
- codes of ethics and other codes of practice.

8 Governments should take back control of failed privatisations rather than give contracts to new private providers.

9 All privatised services that receive government funding to provide a public service should report annually to ensure services and infrastructure that use public money are open, transparent and delivered to the highest quality. Such reports must contain:

- a log of all complaints
- a comprehensive and detailed, up-to-date cost of services, detailing government funds received and where the money has been spent
- measurable key performance indicators (KPIs)
- feedback from service users on quality
- changes to workloads and employment conditions over the short and long term
- evidence that minimum staffing numbers and standards, including conditions for staff, are met and that accredited qualifications are recognised.

10 Australia should rebuild public assets and public sector capability in new areas. These could include:

- clean energy
- new energy generation, storage and distribution solutions
- a publicly owned and run transactions bank • government-based shared equity funding for low income earners, in areas such as affordable housing and solar power
- digital government
- infrastructure and assets (such as the East Coast Very Fast Train line).

10 Governments must legislate to ensure funding for services is not linked to the ability of the provider to comment on government policy or dependent on its capacity to grow the organisation.

11. There is an urgent need to restore confidence in the provision of specific failed privatisations:

- TAFE – there is a strong case for re-building the public sector role by resourcing TAFE and removing public funding from private vocational colleges. This should involve stronger regulation of private providers and re-investment in public institutions.
- Disability services – governments must immediately act to ensure the retention of existing or the creation or recreation of government facilities and staffing for those with complex needs.

**DOGS note however, those involved with the public sector unions and others who prepared this report, are prepared to bite the bullet on the privatisation TAFE educational scandal but not yet on the public subsidisation of private religious schools.**

**Nevertheless, this report is a step in the right direction.**

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