



## **Joint PSI Australian Affiliate Media Release**

Australian affiliates of the global union federation, Public Services International (PSI), have welcomed a timely global report which outlines why the privatisation of public assets and services is fundamentally flawed.

The report *'Why Public-Private Partnerships (PPPs) don't work'* by Public Services International Research Unit (PSIRU) assesses the experience of PPPs in countries both rich and poor.

According to the report, there is a contradiction between the euphoria surrounding so-called PPPs and the poor performance these instruments have offered in the past 30 years.

Many governments are still turning to PPPs in the hope that the private sector will finance public infrastructure and public services. However, experience with PPPs shows that privatisation is a fundamentally flawed mechanism.

"We must remember that private sector corporations need to maximise profits if they are to survive. This is incompatible with ensuring universal access to quality public services, especially for those unable to pay these profits," said Rosa Pavanelli, General Secretary of PSI.

Historically, countries including New Zealand, Australia, Canada and the USA all began using PPPs as a way to balance government budgets by concealing borrowing, to shrink the size of governments and to reward corporate supporters.

### **New South Wales faces a raft of privatisation under a re-elected Baird Government**

Public sector unions including the Australian Services Union (ASU), Electrical Trades Union (ETU), NSW Nurses & Midwives' Association (NSWNMA) and Public Service Association of NSW (PSA of NSW) have welcomed the new report, which supports their growing concerns about the increased privatisation occurring in NSW.

Greg Mclean OAM, Assistant National Secretary, Public Services for the ASU said his organisation (including the USU and ASU in NSW) welcomed Professor Hall's independent report.

"We at the ASU have seen first-hand the devastation done to communities when you take jobs away with privatisation, like Jeff Kennett did in Victoria, and the many years of rebuilding needed after he lost government," said Mr Mclean.

"We are seeing the same in NSW through the Liberal and Nationals as they push privatisation of essential services and the forced mergers of communities in Local Government."

"Members of the ASU are very proud of the public services they provide, from water and electricity services, public transport, local government and more. They and their communities know jobs and services will go with less money invested back in the communities if essential public services are privatised, as Professor Hall points out.

"Once public services are privatised, they are gone. Just on this one occasion 'Vote NO' to those that support privatising what you own, for you and your children's future," Mr Mclean said.



Steve Butler, Secretary of the ETU said: “The people of NSW are sick and tired of their elected representatives choosing the easy option to sell off profitable public assets and essential government services.”

“The ETU have stood up to represent the overwhelming majority of people in our community who believe that essential services like electricity should be owned by the people and run by the government to benefit all residents.”

“Selling public assets and privatising government services, be they electricity, water, hospitals, disability services or the amalgamation of local councils, is nothing more than a short sighted money grab that will damage the NSW budget by removing long term and stable income streams that help to fund other public services.”

“Privatisation is economically, socially and morally wrong” he said.

Assistant General Secretary of the NSWNMA, Judith Kiejda, said it was disappointing to see a return of the failed PPP model being forced into the delivery of healthcare in NSW.

“It’s clear the NSW Liberal-National Coalition has an ideological commitment to involve the private sector in the delivery of healthcare,” Ms Kiejda said.

“In the space of one term in office, the Liberal-Nationals have begun privatising sub-acute and mental health rehabilitation services and new palliative care services. Disability services will cease to be government-run by 2018.”

“A PPP contract has been signed for the new Northern Beaches hospital for a minimum of 20 years with private operator, Healthscope. All services will be delivered by the private corporation. The government will subsidise Healthscope to the tune of \$600 million to build the hospital and then pay them for services provided to public patients.

“The Liberal-National Government’s current health agenda of privatising public hospitals and services could result in a public health system in NSW where patients pay more and corporate shareholders make profits on taxpayer-funded services,” said Ms Kiejda.

Anne Gardiner, General Secretary of PSA of NSW said: “It’s not just the privatisation of the electricity network that people in NSW should be concerned about. This Government is currently outsourcing more and more essential public services like disability care, public housing and even human resources and finance functions.”

### **There are alternatives**

The PSIRU report proposes a public alternative to this system, in which national and local governments can continue to develop infrastructure by using public finance for investment, and public sector organisations to deliver the service. This gives the public sector a number of advantages.

The public sector gains greater flexibility, control, and comparative efficiency – because of reduced transaction costs and contract uncertainty, as well as economies of scale – and the efficiency gains of more democratic accountability.

“Public services are massive pools of potential corporate profit, and PPPs serve to access them. The ‘clients’ are captive, the services are often monopoly,” said David Boys, Deputy General Secretary of PSI.

A copy of the report *‘Why Public-Private Partnerships don’t work’* can be found online [here](#).

**Media contacts:**

Greg Mclean OAM, ASU National Head of Public Services – 0419 796 801

Judith Kiejda, NSWNMA Assistant General Secretary - 0414 674 119

Anne Gardiner, General Secretary, Public Service Association NSW - 02 9220 0982

Steve Butler, Secretary Electrical Trades Union, 0414 877 679