



Public Services International  
Internationale des Services Publics  
Internacional de Servicios Públicos  
Internationale der Öffentlichen Dienste  
Internationell Facklig Organisation för Offentliga Tjänster  
國際公務勞連

## The People's Inquiry into Privatisation in Australia Terms of Reference

Public Services International (PSI) Australia has asked the panel chaired by David Hetherington to consult and report on the issue of privatisation in Australia.

'Privatisation' is the transfer, in whole or part, of public assets and/or service provision from the government to an entity outside the government. Privatisation includes the outsourcing of service delivery, sale of public assets, 'user choice', voucher systems, public-private partnerships, commissioning, social impact investment, and mutualisation.

PSI Australia notes that extensive Australian<sup>1</sup> and international<sup>2</sup> literature on the effects of privatisation have shown that privatisation in reality has failed to improve the efficiency and quality of government entities and services. As such, PSI Australia has initiated a public inquiry to build a comprehensive national picture of privatisation and its impacts, and to report on alternatives to privatisation.

The inquiry panel has been asked to consider:

- (a) The cases of privatisation in Australia
- (b) The drivers/causes of privatisation in Australia
- (c) The impact of privatisation on:
  - a. the quality and efficacy of public service delivery
  - b. service delivery to vulnerable populations in the community
  - c. public service capacity and capability
  - d. ministerial accountability
  - e. transparency (including, but not limited to: 'commercial in confidence' provisions in contracts, supply chain details, company ownership and governance structures, employment practices, tax practices)
  - f. the wages and conditions of 'privatised' workers
  - g. costs to government, compared with publicly-owned services
  - h. costs to the service-user, compared with publicly-owned services
  - i. regional and remote communities
  - j. not-for-profit organisations
  - k. relevant international human rights and labour standards
- (d) Alternatives models of service delivery to privatisation (including evidence from other jurisdictions)
- (e) What should be the role of government in service delivery

The inquiry will provide recommendations to address any negative effects that it identifies as being associated with privatisation; provide recommendations on best-practice models of service delivery; recommendations for the role of government in service delivery; and recommendations for how to ensure democracy and accountability in service delivery, including through legislative processes.

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<sup>1</sup> See, for example, Beth Cook, Victor Quirk, and William Mitchell, "The Impact on Community Services of Staff and Service Reductions, Privatisation and Outsourcing of Public Services in Australian States" (Centre for Full Employment and Equity, 2012); Dexter Whitfield, "Alternative to Private Finance of the Welfare State: A Global Analysis of Social Impact Bond, Pay-for-Success and Development Impact Bond Project" (Australian Workplace Innovation and Social Research Centre, The University of Adelaide, 2015)

<sup>2</sup> See, for example, Friedrich Schneider, "Privatisation in OECD Countries: Theoretical Reasons and Results Obtained," (University of Linz, Austria, 2003) [www.econ.jku.at/members/Schneider/files/publications/PrivatizationOECDcorr.pdf](http://www.econ.jku.at/members/Schneider/files/publications/PrivatizationOECDcorr.pdf); Trades Union Congress and the New Economics Foundation, "Outsourcing Public Services", (Trades Union Congress, London, 2015); David Hall, "Why Public-Private Partnerships Don't Work: the many advantages of the public alternative", (University of Greenwich, UK, 2015).