

Ref: D No. 072/2017

14 July 2017

Inquiry Secretary
Productivity Commission
Inquiry into Human Services
GPO Box 1428
Canberra City ACT
2601, Australia

Dear Inquiry Secretary,

The Australian Council of Trade Unions (ACTU) welcomes the opportunity to make a submission on the draft final report released by the Productivity Commission as part of its public inquiry into the increased application of competition, contestability and informed user choice to human services.

While the draft report released by the Commission contains a number of assertions about the need for reform of the human services sectors being discussed, as well detailed recommendations about how that reform should be accomplished, the ACTU is of the opinion of that it contains no material that has not already been covered in previous ACTU submissions to this inquiry.

The ACTU has already provided a number of submissions to this inquiry, in which we have argued that:

- Long experience in Australia has shown that privatisation doesn't work. The electricity network, public transport, Vocational Education and Training, early childhood education and care and attempts to privatise public hospitals in the past have shown that for-profit providers have delivered worse outcomes for our communities. Selling these sectors to private companies has also cost thousands of workers their jobs or worsened their pay and conditions. Service users receive lower quality services and are seen as opportunities for profit rather than people.
- Government stewardship of privatised sectors, proposed by the Commission as a panacea to all problems created by privatisation, has proven time and time again to be ineffective. To rely on government stewardship to protect workers and service users from the pernicious effects of privatisation is unrealistic and not grounded in previous experience.
- The sectors selected for reform by the Commission are utterly unsuited to the type of reform the Commission is being required by government to recommend and that the reforms being considered by the Commission will be actively damaging to the sectors' goals of providing quality services to the Australian Community.

The ACTU considers that the Commission has failed to show that it would be in the interests of workers, service users or the community to privatise any of the sectors it has selected for reform and that the evidence-based arguments made by the ACTU, unions and other groups have been largely ignored or dismissed by the Commission. This inquiry was designed by government to ensure that only one conclusion could be reached: that

the private, for-profit, sector should become more involved in human service provision.

In light of this, the ACTU commends to the Commission our previous submissions to this inquiry on these matters, but will make no specific comment relating to the draft final report. We also commend to the inquiry the submissions provided by both the CPSU and ASU as part of this final round of consultations.

Yours sincerely

Ged Kearney

President