

# Foreword

The past 40 years have seen theories of privatisation and marketisation dominate government decision-making. The public narrative has been to portray everyone as a winner. Private service providers would be welcomed into the market to give universal coverage and diversity of choice to consumers. Consumers would steer the market towards quality by choosing the best service providers, which in turn would profit and prosper and outperform their competitors. The theory was simple and captured the imagination of both the right and the left sides of Australian politics.

Hopes—possibly blind hopes—were unrealistically raised for better social services for everyone. We failed collectively to anticipate the dire consequences of discounting the values of care and compassion for fellow humans. Tragic stories have emerged of markets in which atrocious harms have been incentivised rather than the anticipated quality services. The past decade has seen a rollout of Australian government royal commissions that have brought to light market failures of this kind: Institutional Responses to Child Sexual Abuse (2013–17), Detention and Protection of Children in the Northern Territory (2016–17), Aged Care Quality and Safety (2018–21) and Violence, Abuse, Neglect and Exploitation of People with Disability (2019–). There have also been many government inquiries critical of the delivery of a range of social services in both the government and the private spheres.

This collection traces the historical ascendancy of the marketisation of social services in Australia. The book does not rail against marketisation but calls for a more open-minded and dispassionate analysis of the conditions under which markets will offer benefits and the conditions under which governments are best equipped to meet the needs of people. It does this through meticulously documented historical case studies of policy developments within seven domains important in the everyday lives of Australians: child care, housing, employment programs, superannuation,

aged care, disability services and refugee settlement services. All have encountered serious obstacles to delivering the equitable, diversified, high-quality and efficient services that are in the public interest.

The collection strikingly demonstrates how the various pathways governments chose to marketise social services were peppered with potholes. Private providers looked for profitable ventures. Care-giving without adequate profit margins was not an attractive investment. It was up to government to help create the profit margin. And, as for quality, what did that mean anyhow? To free marketeers, regulation of quality was anathema. Quality was to be created—and so it was through advertising, public relations and communication departments that grew to prominence in private providers and government departments alike. Citizens had to wade through spin and hype and complex tables of government statistics to find the truth. But truth often revealed itself belatedly with disappointment, a sense of abandonment and sometimes tragedy.

This is not to suggest that successive governments did not recognise market failures and did not try to contain or correct them. Chapters detail the ‘patches’ that were applied to address emerging problems. The right and left sides of politics tweaked their policies in different ways to address problems. Parties of the right designed policy to benefit providers while parties of the left sought to empower consumers. The more important point is that, decade after decade, market thinking has increasingly become entrenched in government policy and in the public’s imagination. At the same time, as the case studies in this book reveal, policies were being revised at a frenetic pace. Policies were not working as expected.

This book reminds us that we need to better understand the place of markets alongside the provision of government services in particular social service contexts. The balance we have struck over the past 40 years has not worked as well as expected. Furthermore, getting the balance right is not a job of policy design ‘by template’ or by generalist public servants or consultants. Rather, balancing private and public provision with consumer needs requires the guidance of experienced and sector-wise people, with the public interest foremost in their minds, who can pre-empt problems and develop contingency plans in readiness for when obstacles arise. Implicit in the discussions in the following chapters is

a picture of too many policymakers and stakeholders who are ideologically trapped and bereft of a deep understanding of the needs and lives of the people for whom social services exist.

With each chapter of this book, we see the growth of not only markets and the private provision of social services, but also the power of private interests. Across different domains of marketisation, consumer power was no match for corporate power; the regulatory state was incapacitated as deregulation ideology was spun and enacted; and evidence of market failures was supplanted with determined ignorance, misinformation and communications of denial of undue harm. Trapped by free-market ideology, successive governments proved incapable of standing up to opportunistic rent-seeking and of supporting professionally committed staff who continued to perform their duties responsibly and diligently in the face of poorly designed policies.

As private providers increasingly dominate service delivery markets, governments become increasingly dependent on them. Their place at the decision-making table is guaranteed; they are too big to be ignored. This power is wielded to ensure that market-failure ‘patches’ developed by government do not break out of the ideological bubble within which policy has been designed and, therefore, do not intrude on private sector profitability. Quality standards and their enforcement continue as a point of contention among social service providers, as do contract transparency and performance accountability. The chapters also provide glimpses of governments privileging some private providers over others, encouraging consolidation, risking domination and losing perspective on how the mission of governments to serve their people is different from the mission of corporations to make a profit. Arguably most alarming of all is the cumulation of stories in these chapters of taxpayers’ money being funnelled into a system where expenditure on quality service delivery is reduced by expenditure directed to achieving greater influence over policy development as well as competitive advantage in the court of public opinion.

The twenty-first century has illuminated the complexities of us living with one another in an interconnected world. Extreme climatic events, pandemics and militarisation globally have unsettled populations and exposed governments that are better on rhetoric than on orchestrating actions to keep their citizens safe. These stories—both of success and of failure—are yet to be told. This book challenges us to think more

critically about how our world works and should work. We are invited to see greyness, to be wary of singular theoretical visions of the future and to accept that ideology is about values and always needs to be tempered by data, rigorous analysis and contestation. Our insights will be richer and our understanding more profound through reflecting on the case studies of social service provision presented in this book. Lessons learnt can collectively elevate the public interest to a higher level of consideration and serve future generations more humanely, equitably, effectively and efficiently.

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December 2021

This text is taken from *Designing Social Service Markets: Risk, Regulation and Rent-Seeking*, edited by Gabrielle Meagher, Adam Stebbing and Diana Perche, published 2022, The Australian National University, Canberra, Australia.