

"You need to run it as a public service because that is what it is" ^[1]

A string of scandals and cost-blowouts in social services look a lot like symptoms of a deeper problem

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Excerpts

The warning signs have been everywhere: the shameful treatment of people in aged care, the drive to maximise profits and minimise services across social programs, the burgeoning cost of childcare, the many instances of fraud in private education, the NDIS and elsewhere — and all of it at the expense of taxpayers.

In retrospect, what were we thinking? Did we really believe private companies would put serving the public above profit? That companies wouldn't take advantage of light-touch regulation? That their insistence on commercial confidentiality wasn't designed to protect their operations from scrutiny?

Mark Considine, a professor of political science at Melbourne University with decades of experience in examining social programs, thinks so. His recent book *The Careless State* brings together what we tend to see as separate problems — problems that add up to an indictment of the privatisation and deregulation of Australian social policy — and provides some pointers to how we could do better.

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Childcare itself has also performed poorly. Government subsidies for the rapidly expanding sector often feed almost directly into higher fees and bigger profits. A 2021 study found that an Australian couple on average wages spent 16 per cent of their income on childcare, compared with 3 per cent in South Korea, 4 per cent in Sweden and 5 per cent in Iceland.

"In effect childcare providers lift fees according to what the consumers will bear, with politicians then pressured to reduce some of the cost this generates for families," Considine writes. He adds that childcare has also become a real estate business, with a bias towards the suburbs with the best prospects for capital gains.

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A culture of improvement and innovation must come from within. Vulnerable people in particular should have access to specialists who advocate for their needs. The black boxes within which providers guard their business models have to be replaced with more transparency. Governments need to take responsibility for services as well as setting the standards.

Is that enough? "I don't have the view that nationalising these services is necessary," says Considine. "In most of these social services, where the government has been working with community organisations, it works well. There are some private organisations in childcare and aged care and parts of the NDIS who are credible.

"I don't have a problem with a mixed economy. I have a problem with running a social service as if it is a market. You need to run it as a public service because that is what it is."

Region: Australia and New Zealand ^[3]

Tags: auspice ^[4]

child care subsidies ^[5]

public funding ^[6]

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